

# SUSTAINABILITY STATEMENT

## ESRS 2 GENERAL DISCLOSURES

<b>Basis for preparation</b>	48
DR BP-1 – General basis for preparation of sustainability statements	48
DR BP-2 – Disclosures in relation to specific circumstances	48
<b>Governance</b>	50
DR GOV-1 – The role of the administrative, management and supervisory bodies	50
DR GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	53
DR GOV-3 – Integration of sustainability-related performance incentive schemes	54
DR GOV-4 – Statement on due diligence	55
DR GOV-5 – Risk management and internal controls over non-financial	55
<b>Strategy</b>	55
DR SBM-1 – Strategy, business model and value chain	55
DR SBM-2 – Interests and views of stakeholders	68
DR SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and the business model	73
<b>Impact, risk and opportunity management</b>	74
DR IRO-1 – Description of the processes to identify and assess material impacts	74
DR IRO-2 – Disclosure Requirements included in the ESRS and covered by the company's sustainability statements	77

## ENVIRONMENTAL INFORMATION

<b>Taxonomy Disclosures</b>	80
<b>ESRS E1: Climate change</b>	83
DR E1-1 – Transition plan for climate change mitigation	83
DR E1-2 – Policies related to climate change mitigation and adaptation	83
DR E1-3 – Actions and resources in relation to climate change policies	83
DR E1-4 – Targets related to climate change mitigation and adaptation	84
DR E1-5 – Energy consumption and mix	85
<b>ESRS E2: Pollution</b>	86
DR E2-1 – Strategy regarding pollution	86
DR E2-2 – Actions and resources related to pollution	86
DR E2-3 – Targets related to pollution	86
DR E2-5 – Substances of concern and substances of very high concern	87
<b>ESRS E5: Resource use and circular economy</b>	88
DR E5-1 – Policies related to resource use and circular economy	88
DR E5-2 – Actions and resources related to resource use and circular economy	88
DR E5-3 – Targets related to resource use and circular economy	89
DR E5-4 – Resource inflows	91
DR E5-5 – Resource outflows	91

## SOCIAL INFORMATION

<b>ESRS S1: Own workforce</b>	94
DR S1-1 – Policies related to the own workforce	98
DR S1-2 – Processes for engaging with the own workforce and workers' representatives about impacts	101
DR S1-3 – Processes to remediate negative impacts and channels for its own workforce to raise	101
DR S1-4 – Taking action on material impacts on the own workforce, and approaches to managing material risks and pursuing material opportunities related to the own workforce, and the effectiveness of those actions	102
DR S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	104
DR S1-6 – Characteristics of the undertaking's employees	105
DR S1-7 – Characteristics of non-employees in the undertaking's own workforce	106
DR S1-8 – Collective bargaining coverage and social dialogue	106
DR S1-9 – Diversity metrics	106
DR S1-10 – Adequate wages	107
DR S1-11 – Social protection	108
DR S1-12 – Persons with disabilities	109
DR S1-13 – Training and skills development metrics	109
DR S1-14 – Health and safety metrics	109
DR S1-15 – Work-life balance metrics	110
DR S1-16 – Remuneration metrics (pay gap and total remuneration)	110
DR S1-17 – Incidents, complaints and severe human rights impacts	110

<b>ESRS S2: Workers in the value chain</b>	110
DR S2-1 – Policies related to value chain workers	112
DR S2-2 – Processes for engaging with value chain workers about impacts	113
DR S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns	113
DR S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	114
DR S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	114

## GOVERNANCE INFORMATION

<b>ESRS G1: Business Conduct</b>	116
DR G1-1 – Business conduct policies and corporate culture	116
DR G1-2 – Management of relationships with suppliers	118
DR G1-3 – Prevention and detection of corruption and bribery	118
DR G1-4 – Incidents of corruption or bribery	119
DR G1-6 – Payment practices	120

# SUSTAINABILITY STATEMENT

## 1. ERSR 2 GENERAL DISCLOSURES

### 1.1. Basis for preparation

#### 1.1.1. DR BP-1 – General basis for preparation of sustainability statements

This non-financial statement was prepared in accordance with § 267a of the Austrian Commercial Code (UGB) as part of the management report of the consolidated financial statements, in compliance with the requirements of the Austrian Sustainability and Diversity Improvement Act (NaDiVeG). The non-financial statement was drafted on the basis of the European Sustainability Reporting Standards (ESRS) in preparation for the reporting obligations under the CSRD. A reference to the ESRS reporting framework does not imply that either full methodological or substantive alignment of the qualitative and quantitative disclosures included in the consolidated non-financial statement is intended. The data points presented serve as guidance. Any reference to "ESRS" within the report text shall be understood as "with reference to" the ESRS framework.

**(ESRS 2-BP-1.5a):** The Sustainability Statement of FACC AG for the calendar year 2025 was prepared on a consolidated basis. Where reference is made in the remainder of this report to the "non-financial statement," this shall always be understood in a consolidated context.

**(ESRS 2-BP-1.5b i+ii):** The scope of consolidation of the non-financial statement corresponds to that of the consolidated financial statements. None of the subsidiaries of FACC AG (hereinafter "FACC") is therefore excluded or exempt from the consolidated non-financial statement.

**(ESRS 2-BP-1.5c):** Scope of the assessment of impacts, risks and opportunities (IROs):

Within the scope of the due diligence processes and the double materiality analysis (DMA), FACC analyzed specific activities along the value chain to identify material impacts, risks and opportunities. This analysis focused on the following:

#### 1. Upstream activities:

- Procurement of raw materials (ESRS E5, S2): The analysis of key suppliers and of raw materials procurement was identified as significant, particularly with regard to resource flows and compliance with environmental standards. These

activities were closely examined through comprehensive supplier audits and the assessment of certifications such as ISO 14001 to ensure that all suppliers are in compliance with social and environmental standards.

- Environmental and social impacts (ESRS E1, E2, S2): Compliance with environmental standards, including the reduction of emissions (ESRS E1) and the prevention of pollution (ESRS E2), as well as ensuring fair working practices at suppliers (ESRS S2) are central aspects of the due diligence processes.

#### 2. Downstream activities:

- Assessing the distribution, use and disposal of products was considered to be essential to understanding the environmental impacts throughout the life cycle of the products. These activities are significant as they influence the ecological footprint of the products and contribute to improving recyclability. The efficient use of resources (ESRS E5) also plays a role in this context.
- Social responsibility towards its own workforce (ESRS S1): FACC ensures that the working conditions of its own workforce meet social standards and are continuously improved. The well-being of employees is an important issue, which is described in more detail under the disclosure requirements of ESRS-S 1 (among other things).

#### 3. Immaterial activities:

- ESRS E3, E4, S3, S4: Activities related to water and marine resources, biodiversity and ecosystems, affected communities and consumers were classified as immaterial as they do not have a significant impact on FACC's strategic sustainability targets.

Please refer to ESRS 2 IRO-1 and subject-specific IRO-1 disclosures for identifying and assessing materiality.

**(ESRS 2-BP-1.5d):** FACC has decided not to withhold certain information concerning intellectual property, know-how and the results of innovation in accordance with ESRS 1 section 7.7.

#### 1.1.2. DR BP-2 – Disclosures in relation to specific circumstances

**(ESRS 2-BP-2.9a-b):** In defining the time horizons, FACC has decided to adopt the definitions from ESRS 1 (Section 6.4). This means:

- a) Regarding the short-term time horizon: the period that the company has used as the reporting period in its financial statements,
- b) For the medium-term time horizon: the period from the end of the short-term reporting period as per point a) up to five years,
- c) For the long-term time horizon: the period of more than five years.

**(ESRS 2-BP-2.10 a–c):** Below is an overview of all metrics used by FACC, including their respective data sources. For certain metrics, estimated value-chain data derived from indirect sources (such as industry averages or average emission factors) were applied where primary data were not available.

#### a) Metrics Used

FACC measures and reports greenhouse gas emissions in accordance with the Greenhouse Gas Protocol Corporate Standard. The disclosure includes the following metrics, categorized by emission scope:

##### Scope 1 – Direct GHG emissions

- Mobile combustion (e.g., fuel consumption of company vehicles)
- Stationary combustion (e.g., natural gas, heating oil)
- Fugitive emissions (e.g., refrigerant losses)

##### Scope 2 – Indirect energy-related GHG emissions

- Purchased electricity
- Other purchased energy (e.g., district heating, where applicable)

Emissions are reported in tonnes of CO<sub>2</sub>-equivalent (tCO<sub>2</sub>e).

In addition, FACC documents the corresponding activity data (e.g., kWh, liter, kg), in line with ESRS requirements for metric transparency and completeness.

#### b) Data Sources and Calculation Methodology

GHG emissions are calculated primarily on the basis of site-specific consumption data covering all consolidated entities within the reporting boundary. Primary data sources include:

- Energy invoices from utility providers
- Fuel card and fuel purchase statements
- Internal metering and consumption records at site level
- Technical logs documenting refrigerant quantities
- Sustainability reporting submissions from each subsidiary as part of the group-wide reporting process

The conversion to CO<sub>2</sub>-equivalents is conducted using recognized and authoritative emission factors, including those issued by:

- National environmental authorities
- DEFRA/UK Government GHG Conversion Factors
- International energy and emission databases
- Country-specific electricity mix factors

The methodology is consistently applied in alignment with the GHG Protocol, and Scope 2 emissions are reported in accordance with the location-based method unless otherwise required by regulation.

Where relevant, FACC applies ESRS principles on accuracy, completeness, and consistency throughout the calculation process.

#### c) Use of Estimates and Indirect Data Sources

Where primary data for specific emission sources or segments of the value chain are unavailable, FACC applies recognized estimation methods in line with ESRS requirements for estimates and approximations. Indirect data sources used include:

- Industry average values
- Average emission factors

All estimates are based on prudent and conservative assumptions to minimize the risk of underestimating emissions.

The applied methodologies undergo regular review and refinement, and are updated as improved data sources become available, ensuring progressive enhancement of data quality and alignment with ESRS expectations for continuous improvement.

**(ESRS 2-BP-2.11):** Estimates were made in the preparation of the non-financial report for the following two topics, with the specific ESRS detailing the calculation methodology:

- Substances of Very High Concern (SVHC) (E2-5): SVHCs were reported from the perspective of the total material weight rather than on the basis of pure substances. The reported weights therefore represent the sum of the total weight of the materials and not the sum of the pure substances, which are estimated to account for only about 10-15% of the material. More specific calculation methodologies for this will be available in fiscal year 2026.

**(ESRS 2-BP-2.13 a-c):** There are no reportable changes compared to the previous financial year.

**(ESRS 2-BP-2.14 a-c):** There are no reportable changes compared to the previous financial year.

**(ESRS 2-BP-2.15):** FACC integrates additional information from other legal requirements and recognized standards into the non-financial statement. In addition to the information prescribed by the ESRS, the report also includes:

1. EU Taxonomy (EU Regulation 2020/852): A dedicated chapter in the report is devoted to the EU Taxonomy, which outlines the alignment of FACC's business activities with the criteria of the EU Taxonomy.

2. GHG Protocol: FACC uses the Greenhouse Gas (GHG) Protocol for reporting greenhouse gas emissions. This methodology is applied to capture and report emissions in Scope 1 and Scope 2, providing a comprehensive representation of the company's climate impacts (see ESRS E1-6).

3. ILO Human Rights Standards: These are embedded in FACC's Code of Conduct (CoC) and Supplier Code of Conduct (SCoC) and are referenced in ESRS S-1 and S-2. In this report, the term "ILO human rights standards" consistently refers to the definitions provided under S2.SBM-3.10.

By incorporating these additional standards, FACC ensures that the non-financial statement is comprehensive and aligned with relevant regulatory requirements. The application of these standards is precisely referenced in the respective chapters of the report.

## 1.2. Governance

### 1.2.1. DR GOV-1 – The role of the administrative, management and supervisory bodies

(ESRS 2-GOV-1.21) (ESRS 2-GOV-1.21a) (ESRS 2-GOV-1.21b) (ESRS 2-GOV-1.21c) (ESRS 2-GOV-1.21d) (ESRS 2-GOV-1.21e):

(ESRS 2-GOV-1.21b): Organization and mode of operation of the Management Board

According to its Articles of Association, the Management Board of FACC consists of a minimum of two and a maximum of four people. In the reference year 2025, there were four members. Management Board members are appointed by the Supervisory Board.

The Management Board conducts the business of FACC in accordance with the law, the Articles of Association, and the applicable Rules of Procedure. The allocation of responsibilities among the individual members of the Management Board is defined in the Rules of Procedure. The Rules of Procedure also govern the cooperation within the Management Board. Furthermore, the Management Board has committed itself to full compliance with the rules of the Austrian Code of Corporate Governance (ÖCGK).

#### CEO: Robert Machtlinger (1967)

Chairman of the Management Board

First appointed: 2014

End of the current term of office: 06/2030

Purviews: Sales & Business Development, Production, Marketing, Corporate Communications, Research & Development, Quality, Real Estate, Environment, Health & Occupational Safety.

Supervisory board mandates in other companies: Flughafen Linz GesmbH

#### CFO: Florian Heindl (1982)

Member of the Management Board

First appointed: 2024

End of the current term of office: 04/2029

Purviews: Finance & Accounting, Controlling & Budgeting, Tax, Treasury & Insurance, Human Resources, IT, Legal, Export Control & Compliance, Investor Relations, Investments, Subsidiaries, Sustainability.

Supervisory board mandates in other companies: none

#### CSO: Tongyu Xu (1968)

Member of the Management Board

First appointed: 2024

End of the current term of office: 04/2028

Purviews: Strategy, Procurement, Logistics, Internal Audit, Internal Control System & Corporate Compliance, China Business Relations, Risk Management, M&A.

Supervisory board mandates in other companies: none

Members of the Management Board who left the company in the 2025 financial year:

#### Andreas Ockel (1966)

First appointment: 2017

End of term of office: 06/25

#### Supervisory Board

Chengkuan Wang (1968)

Chairman

First appointed: 2024

End of the current term of office:

Annual General Meeting resolving on the 2028 financial year

Supervisory board mandates in other companies: none

Bin Wang (1972)

Deputy Chairwoman

First appointment: 2025

End of current term of office:

Annual General Meeting resolving on the financial year 2029

Supervisory board mandates in other companies: none

Xu Yang (1982)

First appointment: 2025

End of current term of office:

Annual General Meeting resolving on the financial year 2029

Supervisory board mandates in other companies: none

Weixi Gong (1962)

First appointment: 2014

End of current term of office:

Annual General Meeting resolving on the financial year 2026

Supervisory board mandates in other companies: none

Jiajia Dai (1978)

Delegation: 2023

End of current term of office:

Annual General Meeting resolving on the financial year 2027

Supervisory board mandates in other companies: none

Ian Chang (1954)

First appointment: 2022

End of current term of office:

Annual General Meeting resolving on the financial year 2026

Supervisory board mandates in other companies: none

Junqi Sheng (1972)

First appointment: 2017

End of current term of office:

Annual General Meeting resolving on the financial year 2026

Supervisory board mandates in other companies: none

Tom Williams (1952)

First appointment: 2020

End of current term of office:

Annual General Meeting resolving on the financial year 2026

Supervisory board mandates in other companies:

Co-Chairman of the Board of Directors of Montana Aerospace AG

Members of the Supervisory Board delegated by the Works Council

Jürgen Fischer (1981)

First delegated: 2021

Barbara Huber (1965)

First delegated: 2014

Erwin Hofinger (1965)

First delegated: 2024

Karin Klee (1981)

First delegated: 2018

Members of the Supervisory Board who resigned in the 2025 financial year:

Jian Wang left the Supervisory Board in the 2025 financial year.

Independence of the members of the Supervisory Board

The Supervisory Board has adopted the guidelines for independence as set out in Appendix 1 of the Austrian Code of Corporate Governance (ÖCGK). Accordingly, all members of the Supervisory Board (100%) have declared that they are independent of the company and its Management Board (C-Rule 53 of ÖCGK).

Diversity:

When electing members of the Supervisory Board, the Annual General Meeting must pay due attention to the requirements with respect to professional and personal qualifications as well as the balanced composition of expert know-how and also diversity (Gender diversity). Due regard must also be paid to diversity aspects. Newly elected Supervisory Board members are obliged to obtain adequate information on the organization and activities of the company and on the tasks and responsibilities of supervisory board members. Women have been represented on the Supervisory Board of FACC since the company was first listed on the Vienna Stock Exchange. At the end of the 2025 financial year, the proportion of female members of the Supervisory Board was 33 percent (four out of twelve).

At FACC, 16 women are currently represented on the Supervisory Board, Management Board and in other top management positions.

No women (0%) are on the Management Board. As in the past, the proportion of female executives at the lower management levels is still low. In order to counteract this situation, FACC continues to present itself at job fairs and specifically addresses high-potential female candidates. In addition, FACC is committed to promoting girls in technical training programs. The company also endeavors to recruit more women for new and replacement management positions.

Employee representation:

FACC attaches great importance to the representation of its employees and other members of the workforce within the company. This is ensured by a works council (for both blue-collar and white-collar staff) at the Austrian locations. It represents the interests of FACC's staff and serves as a link between the workforce and management. The works council is integrated into decision-making processes and plays an important role in negotiating working conditions and agreements.

In addition to the works council, all members of staff, particularly at locations outside of Austria without a works council, can contact the HR department at any time. FACC promotes an open dialog between its staff and management through regular meetings, feedback rounds and employee surveys. In addition, employees have additional communication channels at their disposal (such as the whistleblower hotline) to contribute their opinions and suggestions and actively participate in shaping the working environment.

External staff working for FACC on projects or temporary assignments are also included in the communication and decision-making processes to ensure that their views and needs are taken into due account.

**(ESRS 2-GOV-1.22c) (ESRS 2-GOV-1.22d):** FACC's Management Board, in particular the CFO (Chief Financial Officer), plays a key role in fundamental governance processes.

In principle, the CFO is responsible for ensuring that sustainability management is properly designed. However, as this cross-cutting issue affects many specialist areas (the core team), the entire Management Board is involved in this topic. In addition, each Vice President (VP) bears responsibility for the sustainability issues within their purview.

Responsibility for the management of material risks and impacts is delegated to the Senior Manager CSR and Export Control, who works in the LCIPS (Legal, Compliance, IP and Sustainability) department under the leadership of the General Counsel (head of the LCIPS department). The Senior Manager CSR and Export Control is also responsible for monitoring activities relating to CSR compliance and non-financial risk management and reports to the General Counsel, who in turn reports directly to the CFO on CSR matters.

Together with the core team consisting of department heads from Procurement, Sales, Health and Safety, HR, Facility Management and Risk Management, IROs are jointly assessed (based on pooled expertise, among other things) and the DMA developed. The General Counsel monitors this process and sends quarterly Steering Committee invitations to the CFO and the Senior Manager CSR and Export Control to regularly discuss progress and challenges.

Alignment of non-financial strategic goals and opportunities at FACC:

Preparation by the core team: The core team and the Senior Manager CSR and Export Control, as well as other relevant department heads, collect and analyze data on current sustainability trends, regulatory requirements and internal performance indicators. This information is then used to elaborate sound proposals for strategic goals and opportunities.

Development of proposals: Based on the analysis, the core team develops concrete proposals for non-financial strategic goals. These proposals include specific measures, time schedules and expected results that are in line with FACC's long-term sustainability targets.

Coordination and consultation: The elaborated proposals are coordinated with relevant internal stakeholders following a bottom-up approach. This includes consultations with various

departments to ensure that the proposals are realistic and feasible and have the support of the entire organization.

Presentation to the whole Management Board: The agreed proposals are presented to the whole Management Board in a formal meeting. The General Counsel and the Senior Manager CSR and Export Control explain the strategic objectives and opportunities, the proposed measures and the anticipated effects.

Decision making: The whole Management Board discusses the proposals, takes the feedback into account, and reaches a decision on the adoption and implementation of the strategic goals. This ensures that the decisions are in line with the overarching corporate goals and the sustainability strategy.

Implementation and monitoring: Following approval by the Management Board, the strategic goals are integrated into the operational plans. The core team monitors implementation and reports regularly to the Management Board on the progress and results achieved.

By creating a DMA for the first time, the company has been obliged to deal more intensively with the identified impacts, risks and opportunities (IROs). The aim is to define clearer processes and responsibilities over the next one to three years, including the establishment of reporting lines to administrative management and supervisory bodies.

The Management Board submits the non-financial statement to the Supervisory Board.

With the exception of the aforementioned processes, no other specific controls or procedures are applied to the management of impacts, risks and opportunities. The company is in the process of developing these frameworks and plans to integrate them with other internal functions in the future.

**(ESRS 2-GOV-1.23) (ESRS 2-GOV-1.23a-b):** FACC ensures the availability and development of the requisite skills and expertise to monitor sustainability issues through the following approaches:

Staff selection: Highly trained and experienced personnel are assigned responsibility for this task.

Further training opportunities: FACC offers its managers and employees access to training courses and workshops to broaden their knowledge of sustainability topics. These offers are flexible and tailored to current needs.

Involvement of external expertise: Where required, FACC engages external consultants to address specific sustainability issues. This allows the company to stay abreast of the latest developments and benefit from external specialist knowledge.

Feedback and adaptation: Informal feedback and regular discussions ensure that the executive bodies develop the necessary skills to effectively monitor the sustainability targets.

Expertise of the administrative, management and supervisory bodies with regard to aspects of the corporate policy:

The FACC executive bodies boast a wide range of competencies in the area of sustainability, which they can draw on directly or supplement with external resources.

Internal expertise: Several members of the executive bodies, including the Senior Manager CSR and Export Control, possess in-depth knowledge of sustainability issues. This expertise is constantly expanded through regular training and participation in relevant conferences and workshops.

External resources: FACC engages external consultants and experts to address specific sustainability issues. These external partners contribute additional expertise and support the company in the implementation of best practices.

With international experience in business and aviation, the professional and diverse management and supervisory boards help to ensure that FACC operates on a solid foundation when it comes to sustainability.

The skills and experience of FACC's Management and Supervisory Boards qualify these bodies to review and approve the proposed guidelines for the management of significant impacts, risks and opportunities.

For FACC, the available skills and expertise of its executive bodies are crucial for the effective management of the identified material impacts, risks and opportunities (IROs). Expertise in the area of sustainability enables the executive bodies to comprehend the complex interrelationships between FACC's business activities and their environmental and social consequences. This is crucial for making informed decisions that meet both corporate objectives and sustainability requirements.

The capabilities available to the company help to identify potential risks at an early stage and develop suitable risk mitigation measures. This includes compliance with regulatory requirements as well as proactive adaptation to changing market conditions. At the same time, the expertise of the executive bodies supports FACC in identifying and exploiting opportunities in the area of sustainability, such as the development of new, eco-friendly products or the optimization of processes to increase resource efficiency.

In addition, the executive bodies make use of their competencies to continuously review and adjust FACC's strategic orientation with regard to sustainability. This ensures that the company not only addresses current challenges, but also pursues long-term sustainability targets. Through this targeted use of skills and expertise, FACC is able to effectively manage its key IROs and successfully implement its sustainability strategy.

**(G1-GOV 1.5) (G1-GOV 1.5a):** Supervisory Board

The Supervisory Board's actions are based on the laws and regulations applicable to companies listed in Austria, such as the Austrian Stock Corporation Act and the Austrian Stock Exchange Act. Furthermore, the Supervisory Board is committed to complying

with the rules of the Austrian Code of Corporate Governance. With regard to the company's internal regulations, the Articles of Association and Rules of Procedure are of primary importance. As a matter of principle, compliance at FACC is ultimately monitored by the Supervisory Board.

Management Board

At FACC, the Vice Presidents (E2) bear administrative responsibility for the various departments.

For information on the qualifications of the Vice Presidents and the specific areas of responsibility of the Management Board, Vice Presidents and the Supervisory Board, please refer to the notes on ESRS 2-GOV-1.23 and ESRS 2-GOV-1.23 a-b.

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

**(ESRS 2-GOV-2.26) (ESRS 2-GOV-2.26a):** The Senior Manager CSR and Export Control prepares detailed reports that are submitted to the Steering Committee, including the Management Board, each quarter. These reports include current developments as well as the IROs and significant changes identified as material by the Risk Management department within the next two financial years, in order to ensure that the Management Board is regularly kept up to date.

- In the 2024 financial year, the double materiality analysis (DMA) and the evaluation of ESG impacts, risks and opportunities were conducted for the first time, and the Management Board was informed of the findings through special meetings and presentations. These meetings were held as soon as significant results were available to ensure that the Management Board was comprehensively informed about the latest findings and the necessary measures. In 2025, there were no changes in the DMA or in the identified IROs.
- The implementation of due diligence practices in the CSR area is also monitored and reported on by the Senior Manager CSR and Export Control. In the 2024 financial year, the results of the due diligence analyses were communicated to the Management Board through targeted reporting to ensure that the practices are applied consistently.
- Within the next one to two years, FACC aims to establish a written process to evaluate the effectiveness of policies, actions, metrics and targets (P, A, M and T) to address material IROs. These reports should include an assessment of whether the measures are producing the desired results.

Current reporting is performed on a quarterly basis during the Steering Committee meetings in order to ensure that the implementation of the company's sustainability targets is continuously monitored and improved.

**(ESRS 2-GOV-2.26b):** Given that FACC analyzed significant impacts, risks and opportunities (IROs) for the first time in 2024 and these have not yet been taken fully into account, the administrative management and supervisory bodies have not yet begun to successively integrate these findings into the corporate strategy, decisions on major transactions and the risk management process.

The first analysis of IROs provided the executive bodies with initial insights into potential challenges and opportunities, which will serve as a basis for future strategic planning and decision-making. Although the IROs are not yet fully integrated, they will in future be taken into account in the monitoring of the corporate strategy to ensure that the company's strategic goals are progressively aligned with its long-term sustainability targets.

The executive bodies will begin to assess potential trade-offs between short-term gains and long-term impacts. It is planned, for large transactions, that the IROs will be progressively included in the assessment of financial, environmental and social impacts, which will help the executive bodies to make informed decisions that promote the long-term stability and sustainability of the company. Non-financial IROs will be gradually integrated into the existing risk management process in the coming years to ensure that potential risks are identified at an early stage and suitable risk mitigation measures are developed.

**(ESRS 2-GOV-2.26c):** In the reporting period, the administrative, management and supervisory bodies dealt with a number of significant impacts, risks and opportunities (IROs). Some of the most important topics are outlined below:

Environmental impacts

- CO<sub>2</sub> emissions and measures to reduce these
- resource efficiency and circular economy

Social and labor-related risks

- working conditions and job security
- compliance with human rights and ethical standards
- fostering diversity and inclusion

Financial opportunities and risks

- Financial stability and liquidity

**1.2.3. DR GOV-3 – Integration of sustainability-related performance incentive schemes**

**(ESRS 2-GOV-3.29 a-e):** Compensation Components

Total compensation consists of fixed and variable components. While fixed compensation is granted regardless of company performance, variable compensation is tied to the fulfillment of specific, transparent performance criteria. Specific incentive systems and compensation policies directly linked to sustainability topics are:

Fixed, performance-independent compensation components: The fixed compensation components include base salary, pension commitments, severance commitments, benefits in kind, and fringe benefits.

Variable compensation components based on the fulfillment of financial and non-financial performance criteria, with non-financial performance criteria set annually by the Supervisory Board.

Board members are entitled to variable compensation. This depends on the economic development of FACC and the achievement of individually agreed goals. The performance criteria are aligned with the company's sustainable growth strategy, ensuring performance-based compensation and promoting a responsible management culture. Fairness is ensured through payment in the following year and based on verified and disclosed criteria. The performance criteria ensure a balance between financial and efficiency indicators, thereby reflecting the company's sustainable growth strategy.

A prerequisite for the payment of variable compensation components is the distribution of a dividend. The maximum achievable bonus for all board members is limited to 70 percent of a dividend payment for the affected fiscal year. Variable compensation is capped at 100 percent of the respective gross base salary. In addition to quantitative criteria, there are also qualitative criteria that are determined according to the area of responsibility of the respective board member. As mentioned, FACC does not yet have specific incentive systems and compensation policies directly linked to sustainability topics at the reporting date.

However, FACC is actively examining the possibility of developing and implementing such incentive systems characterized by transparency, fairness, and equality, ensuring that sustainability-related performance is recognized and rewarded. Currently, no specific performance indicators or targets related to sustainability are used for evaluation. Consequently, sustainability indicators are not considered as performance measures or benchmarks in compensation policies, and variable compensation does not depend on sustainability goals or impacts. In considerations for introducing such systems, discussions are held on which specific sustainability goals, such as the reduction of greenhouse gas emissions, could be considered as criteria for evaluation. It is also discussed what proportion sustainability-related performance criteria could make up of variable compensation. These potential systems are being developed to align the company's strategy with sustainability goals. The conditions for such incentive systems and their annual evaluation would be conducted by the HR department, with all changes requiring approval from the Supervisory Board.

**(E1-GOV-3.13):** At the reporting date, FACC considered specific short- and long-term goals for reducing CO<sub>2</sub> emissions, but climate-related considerations have not yet been incorporated into the compensation of members of the administrative management and supervisory bodies. At FACC, there are no specific financial incentives or bonuses tied to the achievement of these CO<sub>2</sub> reduction goals, and no percentage of compensation was linked to climate-related considerations in the current reporting period. FACC defines climate-related considerations as measures to reduce carbon emissions, improve energy efficiency, manage climate risks, and obtain environmental certifications such as ISO 14001. While no financial incentives existed at the reporting date, FACC is actively examining the possibility of integrating such considerations into

future compensation structures to better support the company's climate goals and promote sustainable practices.

**1.2.4. DR GOV-4 – Statement on due diligence**

**(ESRS 2-GOV-4.30; 32):** To gain a better understanding of FACC's due diligence processes, please refer to the following disclosure requirements (DRs) and due diligence processes (DPs) below:

Table: Treatment of Due Diligence in the non-financial statement

Core Elements of Due Diligence	Paragraphs in the Sustainability Statement
a) Embedding due diligence in governance, strategy and business model	ESRS 2-GOV 2 26. a), b); ESRS 2-GOV 3 29., a), b), c), d), e)
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2-SBM 2 45. a) i.-v., S1 12., S2 9., S3 7., S4 8., ESRS 2-IRO 1, 53. b) iii., ESRS E1-2 24., ESRS E2-1 14., ESRS E5-1 14., ESRS S1-1 19., ESRS S2-1 16., ESRS S1-2 27. b)
c) Identifying and assessing adverse impacts	ESRS 2-IRO 1 53. a), e), E1 20. a), b) ii., c) i., 21., E2 11. a)
d) Taking actions to address those adverse impacts	ESRS E1-3 28., ESRS E2-2 18., ESRS E5-2 19., ESRS S1-4, ESRS S2-4
e) Tracking the effectiveness of these efforts and communicating	ESRS E1-4, ESRS S1-5

**1.2.5. DR GOV-5 – Risk management and internal controls over non-financial statement**

**(ESRS 2-GOV-5.36a-e)** As of the reporting date, no specific key risks had been identified nor had any mitigation strategies been developed.

However, FACC is currently building an integrated risk management system in which both non-financial risks and enterprise risks are mapped within the same framework. The formalized process for identifying, assessing and prioritizing risks in this area is still being refined.

Accordingly, no specific key risks have yet been identified, and no mitigation strategies have been developed.

FACC is working on developing and implementing a comprehensive risk management and internal control system to ensure the accuracy, completeness and reliability of its non-financial statement. These planned systems will be supported by systematic data collection, regular employee training and the use of modern IT solutions.

In the future, internal control mechanisms and regular reviews will be integrated to ensure that all sustainability data are recorded and reported correctly and in compliance with applicable requirements.

**1.3. Strategy**

**1.3.1. DR SBM-1 – Strategy, business model and value chain**

**(ESRS 2-SBM-1.40a-b) (ESRS 2-SBM-1.40a i):** Revenue from contracts with customers is generated from the production of aircraft components, and from engineering services and other services in connection with the production of aircraft components. In the reporting year, no reportable changes occurred. A revenue breakdown according to type, segment and geographical region is provided below:

	2024	2025	2024	2025	2024	2025	2024	2025
	Aero-structures EUR'000	Aero-structures EUR'000	Engines & Nacelles EUR'000	Engines & Nacelles EUR'000	Cabin Interiors EUR'000	Cabin Interiors EUR'000	Total EUR'000	Total EUR'000
Product sales	315,737	327,705	133,675	156,359	354,292	422,938	803,704	907,002
Development services and other services	34,369	17,396	23,952	23,858	22,497	36,150	80,819	77,403
	<b>350,106</b>	<b>345,100</b>	<b>157,627</b>	<b>180,217</b>	<b>376,789</b>	<b>459,088</b>	<b>884,523</b>	<b>984,405</b>

(ESRS 2-SBM-1.40a ii): Significant markets for the 2025 financial year

	2024 EUR'000	2025 EUR'000
Germany	323,298	354,938
Canada	145,931	139,899
USA	138,850	149,717
Great Britain	102,215	116,795
China	50,175	79,031
Brazil	48,013	65,898
Other countries	76,042	78,127
	884,523	984,405

(ESRS 2-SBM-1.40a iii): Number of employees according to location (headcounts) as of December 31, 2025

	2024	2025
Total	4,039	4,050
Austria	3,247	3,218
Croatia	425	473
Canada	80	76
USA	69	67
India	125	137
China	22	22
Slovakia	71	57

(ESRS 2-SBM-1.40e-g):

#### Sustainability targets of FACC:

##### 1. Geographic impacts

FACC's internal SMART targets focus on improving in-house processes and structures at its Austrian locations and on compliance with legal regulations. These measures may have an indirect positive impact on environmental standards in the main regions of Europe, North America and Asia by serving as a benchmark for sustainable practices (thermoset vs. thermoplastic, carbon-neutral production by 2040, etc.). At present, the targets do not yet apply group-wide, but only at the Austrian locations. However, there are plans to expand them in the future.

##### 2. Key product groups and services

FACC focuses on the development and production of lightweight components for the civil aviation industry. Its sustainability targets relate, in particular, to the implementation of energy-efficient production processes and the increased use of recyclable materials, such as thermoplastics and bio-based materials, in order to reduce the company's environmental impact.

##### 3. Customer groups

FACC mainly serves aircraft manufacturers and, in some cases, airlines (especially in the Maintenance, Repair and Overhaul sector). These customers benefit from a more sustainable product range characterized by innovative and more eco-friendly solutions, even if the sustainability targets are not directly aimed at specific customer groups. Lighter products, however, reduce fuel consumption for all customers.

##### 4. Geographical areas

At present, FACC's sustainability targets apply primarily to its Austrian site, taking into account local legal and regulatory requirements. With a view to ensuring a uniform sustainability strategy, FACC plans to gradually extend these targets to all locations in Europe, North America and Asia. Over the next few years, the targets will also be gradually adjusted over and above legal and regulatory requirements.

##### 5. Relationships with stakeholders

FACC promotes transparent and sustainable cooperation with its stakeholders, including customers, suppliers and local communities. This is supported by regular internal audits, active communication, and the publication of non-financial statements. These measures strengthen the trust of stakeholders and involve them in FACC's sustainability efforts (see also SBM-2).

##### 6. Evaluating the current status

FACC tracks the progress made towards its sustainability targets through internal benchmarks and regular assessments. This means that progress towards the targets is continuously monitored in order to identify improvement measures and ensure that the defined targets are met (see ESRS E1-4 and E5-3).

##### 7. Evaluation of currently material products and services

Lightweight components for civil aviation: This product group accounts for more than 90 percent of FACC's revenue and is thus of key importance. The sustainability targets in this area focus on implementing energy-efficient production processes and increasing the use of recyclable materials in order to reduce the company's environmental impact.

##### 8. Challenges related to sustainability

A key challenge is to effectively integrate these sustainability goals into the entire value chain. This requires continuous efforts to ensure that all employees and departments understand and implement these goals. Business strategy challenges arise, among other things, from requirements to reduce CO<sub>2</sub> emissions by developing lighter and more efficient aircraft components. Energy efficiency is a key aspect that both reduces environmental impact and saves costs. Integrating the circular economy into the value chain promotes the use of recyclable materials and reduces waste. Strict regulatory requirements require continuous adjustments and investments in compliance.

##### 9. Assessment of key markets

European market: This market is of particular significance as it is subject to strict regulatory requirements that FACC must fulfill; a high percentage of FACC's revenue is generated in this market. The focus here is on complying with emission values. The company also considers to have a competitive advantage in this area by offering its customers the opportunity to switch from thermoset to thermoplastic. From this point of view, FACC regards the American and Asian markets as merely secondary or tertiary.

##### 10. Critical solutions or projects

- Training programs: initiating staff training programs to raise awareness of sustainability issues
- Research and development: FACC focuses on investments in the research and development of sustainable materials and production processes to be able to offer more eco-friendly products in the long term.
- Expansion of LCA projects: Extending life cycle analyses (LCA) to other projects at FACC is a further important project.

(ESRS 2-SBM-1.42 a-c): Description of FACC's business model and value chain:

## KEY ACTIVITIES

### Stage 1: Upstream

### Stage 2: Own Activity



Resource extraction



Production of plants and precursors



Transport & Logistics



Research, technology, engineering



Production



Surface treatment



Test Centre  
(qualification and certification)



Aftermarket:  
Repair, Refurbish, Replace

### Stage 3: Downstream



Transport & Logistics



In Service



Reprocessing,  
recycling, disposal

# VALUE CHAIN

The FACC value chain consists of three stages and their key activities, which affect the following three departments.

## 3 DIVISIONS:

- **Aerostructures** (Control surfaces, fairings, wing elements)
- **Engines & Nacelles** (Panels, housings, secondary structures, access doors)
- **Cabin Interiors** (Passenger, cargo and cockpit linings, including all sub-components)

You will find a more detailed explanation on the following pages. ▶

# AEROSTRUCTURES

(CONTROL SURFACES, FAIRINGS, WING ELEMENTS)

## Stage 1: Upstream



### Resource extraction

Fibre-reinforced composites: Carbon fibers are obtained from polyacrylonitrile (PAN) or pitch. Metal alloys: light alloys such as aluminium are obtained from bauxite. Titanium is extracted from the minerals rutile and ilmenite



### Production of plants and precursors

Fibre-reinforced composites: resins (made by polymerizing chemical monomers) and carbon fibres are then combined using prepreg, laminated and cured. Metal alloys: Bauxite is broken down into aluminium and oxygen using the Bayer process and fused-salt electrolysis. Rutile and ilmenite are processed into titanium at high temperatures. The raw materials are then alloyed with materials such as copper, magnesium or vanadium and cast or forged into the required proportions and shapes.



### Transport & Logistics

Lorries, ships, cargo planes and freight trains are used to transport the resources to suitable production sites.

## Stage 2: Own Activity



### Research, technology, engineering

Research into thermoplastic fibre composites, as these can be reheated and thus recycled.



### Production

Manufacturing of intermediate and end products for global export with a 35% recycling rate, especially strontium chromate and octylphenol with regard to REACH.



### Surface treatment

Sanding and application of alternative resins.



### Test Centre (qualification and certification)

Tests in our own test centres to check components and parts and to certify them according to the standards or to qualify them for further use.



### Aftermarket: Repair, Refurbish, Replace

Injection moulding, pressing process to reuse parts.

## Stage 3: Downstream



### Reprocessing, recycling, disposal

Disassembly, inspection, reconditioning, recycling, disposal.



### In Service

Maintenance and servicing, monitoring and diagnostics, safety management, spare parts management.



### Transport & Logistics

Export quota of 100%, packaging material that is either used entirely without plastic (metal containers or wooden boxes) or CO<sub>2</sub>-neutral (Green Logistics, air cushion film). Global delivery.

# ENGINES & NACELLES

(PANELS, HOUSINGS, SECONDARY STRUCTURES, DOORS)

## Stage 1: Upstream



### Resource extraction

Fibre-reinforced composites: Carbon fibres are obtained from polyacrylonitrile (PAN) or pitch. Metal alloys: light alloys such as aluminium are obtained from bauxite. Titanium is extracted from the minerals rutile and ilmenite.



### Production of plants and precursors

Fibre-reinforced composites: resins (made by polymerising chemical monomers) - resins and carbon fibres are then combined using prepreg, laminated and cured. Metal alloys: bauxite is broken down into aluminium and oxygen using the Bayer process and fused-salt electrolysis. Rutile and ilmenite are processed into titanium at high temperatures. The raw materials are then alloyed with materials such as copper, magnesium or vanadium and cast or forged into the required proportions and shapes.



### Transport & Logistics

Lorries, ships, cargo planes and freight trains are used to transport the resources to suitable production sites.

## Stage 2: Own Activity



### Research, technology, engineering

Research into thermoplastic fibre composites, as these can be reheated and thus recycled.



### Production

Production of intermediate and end products for global export with a 35% recycling rate, especially strontium chromate and octylphenol with regard to REACH.



### Repair

Full-service provider of component repair especially engine area.



### Test Centre (qualification and certification)

Tests in our own test centres to check components and parts and to certify them according to the standards or to qualify them for further use.



### Aftermarket: Repair, Refurbish, Replace

## Stage 3: Downstream



### Reprocessing, recycling, disposal

Disassembly, inspection, reconditioning, recycling, disposal.



### In Service

Maintenance and servicing, monitoring and diagnostics, safety management, spare parts management.



### Transport & Logistics

Export quota of 100%, packaging material that is either used entirely without plastic (metal containers or wooden boxes) or CO<sub>2</sub>-neutral (Green Logistics, air cushion film). Global delivery.

# CABIN INTERIORS

(PASSENGER, CARGO AND COCKPIT LININGS  
INCL. ALL SUB-COMPONENTS)

## Stage 1: Upstream



### Resource extraction

Sugar cane is fermented for resin systems, textiles and leather are made from biological sources such as wool or silk, or from synthetic materials. Plastics and composites are derived from petrochemical raw materials and other materials, sound insulation materials can be made from mineral resources (glass wool), synthetic resources (foam) or natural materials (hemp).



### Production of plants and precursors

Pre-production of individual components in moulds, which can then be taken over by the company itself.



### Transport & Logistics

Lorries, ships, cargo planes and freight trains are used to transport the resources to suitable production sites.

## Stage 2: Own Activity



### Research, technology, engineering

Focus on renewable raw materials, bio-based prepregs and the reduction of complex work processes, use of thermoplastic materials in the cabin.



### Production

Cross-linking by autoclave or pressing with 35% recycled material, with regard to REACH, especially strontium chromate and octylphenol.



### Surface treatment

Grinding and alternative resins to make processes easier and redundant.



### Aftermarket: Repair

Service network for maintenance and repair as well as retrofits, general overhaul of components for the interior. If required: on-site maintenance.

## Stage 3: Downstream



### Reprocessing, recycling, disposal

Disassembly, inspection, reconditioning, recycling, disposal.



### In Service

Maintenance and servicing, spare parts management.



### Transport & Logistics

Export quota of 100%, packaging material that is either used entirely without plastic (metal containers or wooden boxes) or CO<sub>2</sub>-neutral (Green Logistics, air cushion film). Global delivery.

FACC sources a variety of premium materials and technologies that have been specially developed for the production of lightweight components for civil aviation. Some of the most important include the following:

- Composites: These materials are critical to the lightweight construction of aircraft components and are procured from specialized suppliers that meet strict quality and sustainability standards.
- Metals: High-quality metals (such as titanium, but also aluminum) required for the structural integrity of the components are also provided by selected suppliers.
- Procurement at FACC is characterized by strict selection and evaluation procedures, which include regular audits and certifications of suppliers to foster continuous improvement and innovation.

FACC's outputs (parts manufactured in-house) include innovative aircraft components that provide specific benefits for various stakeholders:

- Employees: FACC offers its staff an innovative working environment with a focus on sustainable practices and continuous training opportunities. This strengthens employee loyalty and creates a dedicated workforce.
- Customers (aircraft manufacturers): FACC components improve the fuel efficiency and overall performance of aircraft. Lightweight components for wings, tail units and fuselages have been the company's core competence for more than 30 years. FACC manufactures various types of wing components that make an important contribution to both the structural robustness and aerodynamics of the respective aircraft. The portfolio ranges from simple sandwich panels and fuel-saving wingtips to first applications for technologically sophisticated primary structures (wing box prototypes).
- Investors: FACC aims to offer attractive returns through its sustainable growth strategy and competitive strength. Investors benefit from the company's strong market position and continuous innovation.
- Local communities: FACC contributes to the economic development of the regions in which it operates by creating jobs and stimulating technological advances. This strengthens the local economy, providing training and development opportunities.

Main features of the value creation chain:

- Upstream: FACC works with a select group of raw material suppliers providing materials such as composites and metals. These suppliers are strategic partners bound by long-term contracts and regular quality controls. One example is FACC's cooperation with leading manufacturers of carbon fiber composites (e.g. Toray Industries, Inc. and Hexcel Corporation).
- Downstream: FACC's main customers (Airbus, Embraer, Boeing, etc.) are leading aircraft manufacturers who install the company's components in their aircraft. In close cooperation with these customers, FACC develops tailor-made solutions that fulfill their specific requirements.
- Position within the value chain: FACC occupies a central role in the value chain by acting as a link between raw material suppliers and aircraft manufacturers. Due to its expertise in the development and production of aircraft components, FACC makes a significant contribution to the innovative strength and efficiency of the entire value chain.

# THE FACC STAKEHOLDER DIALOG

## 1.3.2. DR SBM-2 – Interests and views of stakeholders (ESRS 2-SBM-2.45a) (ESRS 2-SBM-2.45a i):

FACC attaches great importance to open, transparent, proactive and regular dialog with its stakeholders. As this dialog is guided by the communication and information needs of the respective stakeholders, it does not follow a fixed schedule. In order to reach as many interested parties as possible and gain valuable feedback, communication takes place via various channels and platforms, depending on the respective target groups and topics.

Stakeholders	Topics	Forms of contact
Aviation authorities	<ul style="list-style-type: none"> <li>– Flight safety</li> <li>– Aircraft noise reduction</li> <li>– Good governance</li> <li>– Training and development of employees</li> </ul>	<ul style="list-style-type: none"> <li>– Direct communication regarding the approval as a manufacturer of aircraft components (POA / DOA / MOA) as well as the approval of FACC's management</li> <li>– Direct communication regarding specific issues such as flight permits (e.g. Ehang)</li> <li>– Audits</li> <li>– Meetings</li> </ul>
Other authorities (e.g. district authorities, embassies)	<ul style="list-style-type: none"> <li>– Good governance</li> <li>– Stable and fair jobs</li> </ul>	<ul style="list-style-type: none"> <li>– Residence permits and visa applications</li> <li>– Meetings</li> <li>– Audits</li> </ul>
Works council		<ul style="list-style-type: none"> <li>– Regular and direct coordination</li> </ul>
Customers	<ul style="list-style-type: none"> <li>– Occupational health and safety</li> <li>– Flight safety</li> <li>– Aircraft fuel efficiency</li> </ul>	<ul style="list-style-type: none"> <li>– Contracts for all work packages</li> <li>– Regular meetings onsite at customers or FACC's premises</li> <li>– Visiting aviation fairs</li> <li>– Phone calls</li> <li>– FACC service portal</li> </ul>
Investors	<ul style="list-style-type: none"> <li>– Aircraft fuel efficiency</li> <li>– Training and development of employees</li> <li>– Good governance</li> </ul>	<ul style="list-style-type: none"> <li>– Annual General Meeting</li> <li>– conferences and roadshows</li> <li>– investor talks</li> <li>– trade fairs</li> <li>– financial communication</li> </ul>
Research and education institutes	<ul style="list-style-type: none"> <li>– Occupational health and safety</li> <li>– Training and development of employees</li> </ul>	<ul style="list-style-type: none"> <li>– Joint research projects</li> <li>– Supervision of graduate and doctoral students</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>– Flight safety</li> <li>– Stable and fair jobs</li> <li>– Social impacts along the supply chain</li> </ul>	<ul style="list-style-type: none"> <li>– Supplier conferences</li> <li>– Aviation fairs</li> <li>– Regular meetings at suppliers' and FACC's premises to ensure contract performance</li> <li>– FACC service portal</li> <li>– WKO (Austrian Federal Economic Chamber) events</li> <li>– Supplier audits</li> </ul>
Logistics partners and freight forwarders	<ul style="list-style-type: none"> <li>– Flight safety</li> <li>– Stable and fair jobs</li> <li>– Social impacts along the supply chain</li> </ul>	<ul style="list-style-type: none"> <li>– Direct communication via Marketing and Customs department</li> </ul>

Stakeholders	Topics	Forms of contact
(Potential) Employees	<ul style="list-style-type: none"> <li>– Stable and fair jobs</li> <li>– Occupational health and safety</li> <li>– Training and development of employees</li> </ul>	<ul style="list-style-type: none"> <li>– Emails</li> <li>– Executives</li> <li>– Works meetings</li> <li>– Management days</li> <li>– Employee app</li> <li>– Corporate magazine</li> <li>– Bulletin board</li> <li>– Advertising space (posters, lock screens, screens in production)</li> <li>– Social media</li> <li>– Summer party</li> <li>– Christmas party</li> <li>– Flight Club</li> <li>– Parties for people celebrating jubilees</li> <li>– FACC Leonardo</li> <li>– CEO breakfast</li> </ul>
Municipalities	<ul style="list-style-type: none"> <li>– Waste and water consumption</li> </ul>	<ul style="list-style-type: none"> <li>– Emails</li> <li>– Meeting</li> <li>– Phone calls</li> </ul>
Approving bodies / testing institutes	<ul style="list-style-type: none"> <li>– Special tests</li> </ul>	<ul style="list-style-type: none"> <li>– Commissioning, e.g. by CoLT</li> </ul>
Service providers	<ul style="list-style-type: none"> <li>– Repair / maintenance activities at customers on behalf of FACC</li> <li>– Catering service for employees</li> </ul>	<ul style="list-style-type: none"> <li>– Contracts</li> <li>– Meetings</li> </ul>
Insurances	<ul style="list-style-type: none"> <li>– Risk analyses</li> <li>– Compliance</li> <li>– Occupational safety</li> </ul>	<ul style="list-style-type: none"> <li>– Contracts</li> <li>– Emails</li> <li>– Phone calls</li> </ul>
Banks		<ul style="list-style-type: none"> <li>– Contracts</li> <li>– Emails</li> <li>– Phone calls</li> </ul>
Media		<ul style="list-style-type: none"> <li>– Contracts</li> <li>– Emails</li> <li>– Phone calls</li> </ul>
NGOs and interest groups		<ul style="list-style-type: none"> <li>– Cooperation and dialogue with non-governmental organizations</li> <li>– Participation in networks and conferences in person, via email, or by telephone</li> </ul>

Key stakeholders of FACC:

Employees

- Views and interests: Employees value a safe and supportive working environment that offers opportunities for professional development and training. They seek fair working conditions, fair remuneration and an open corporate culture.
- FACC's engagement: FACC fosters a committed workforce through training programs, fair working practices and measures to increase employee satisfaction.

Customers (aircraft manufacturers and airlines)

- Views and interests: Customers expect high-quality, innovative and eco-friendly products that help improve fuel efficiency and reduce operating costs. They seek customized solutions that meet their specific requirements.
- FACC's engagement: FACC works closely with its customers to develop innovative aircraft components that meet the highest standards and offer sustainable benefits.

Suppliers

- Views and interests: Suppliers are interested in long-term partnerships and fair terms of business. They expect clear communication channels and support in complying with quality and sustainability standards.
- FACC's engagement: FACC fosters close relationships with its suppliers through regular audits, training, and support in the implementation of sustainability initiatives.

Investors

- Views and interests: Investors are looking for stable returns and a sustainable growth strategy. They are interested in the company's financial performance and its commitment to innovation and sustainability.
- FACC's engagement: Thanks to its strong market position and continuous innovation, FACC is able to offer attractive investment opportunities, and regularly informs investors about the company's performance.

Communities

- Views and interests: Communities expect FACC to contribute to the local economic development, create jobs and accept social responsibility. They attach importance to the support of local initiatives and the minimization of negative environmental impacts.

- FACC's engagement: FACC is committed to the communities in which it operates by creating jobs, encouraging technological advances and supporting local projects.

**(ESRS 2-SBM-2.45a, i-iv):** FACC actively engages with various stakeholder groups such as employees, customers, suppliers, investors, regulatory authorities, communities, and NGOs. This engagement ensures that the interests and views of stakeholders are taken into account in the company's decisions, and promotes transparency, trust and cooperation.

FACC's stakeholder engagement serves a variety of purposes and focuses on several key aspects:

Promoting transparency and trust

The aim is to strengthen trust between the company and its stakeholders through regular and open communication. Transparency ensures that all stakeholders have access to relevant information.

Improving the corporate strategy

By obtaining feedback and suggestions from stakeholders, FACC is able to continuously improve its business practices and strategic focus and adapt them to their needs and expectations.

Increasing customer satisfaction

Engaging with customers serves to increase their satisfaction by fulfilling, and gaining a better understanding of, their requirements and expectations.

Promoting an ethical and sustainable supply chain

In collaboration with its suppliers, FACC strives to support social and environmental standards along the supply chain and ensure that ethical business practices are adhered to.

Ensuring compliance and minimizing risks

An ongoing dialogue with regulatory authorities helps to comply with legal requirements and minimize risks by keeping FACC up to date on regulatory developments.

Supporting communities

By engaging with communities and NGOs, FACC aims to reinforce its social responsibility and make positive contributions to social and environmental developments.

Promoting innovation and employee satisfaction

By actively involving its employees, FACC aims to increase their satisfaction and motivation while encouraging innovative ideas and suggestions for improvement.

**(ESRS 2-SBM-2.45a v):** FACC incorporates the results of its stakeholder engagement through a structured process that includes the following steps:

- Systematic analysis: The results of its stakeholder engagement are systematically recorded and analyzed through surveys, interviews and workshops, and through intensive cooperation and exchange with relevant stakeholders, on a daily basis. This enables FACC to gain a comprehensive understanding of the expectations and concerns of its stakeholders.
- Integration into strategic planning: The recorded results are integrated into FACC's strategic planning. In this way, the identified topics and stakeholder priorities are included in the corporate strategy and taken into account when defining targets and measures.
- Implementation of specific measures: Based on the analysis, specific improvement measures are developed and implemented. These measures are designed to address the needs and expectations of stakeholders and improve the company's performance in relevant areas.
- Transparent communication: The results are disclosed in FACC's annual non-financial report.

With this process, FACC ensures that the results of its stakeholder engagement are used effectively to strengthen the corporate strategy and improve stakeholder relations.

**(ESRS 2-SBM-2.45b) (ESRS 2-SBM-2.45c) (ESRS 2-SBM-2.45c i-iii):** Extended disclosure on the link between feedback and actions

By analyzing the following stakeholders and topics, FACC aims to better understand the interests and viewpoints related to its strategy and business model:

Employees

Feedback: Employees expressed a desire for better further training opportunities and a stronger focus on job security.

Measures

- Opening of the FACC Training Center with in-house training programs focusing on technical and social skills.
- Improvement of occupational safety policies and implementation of regular external audits for ISO 45001 at FACC.

Customers

Feedback: Customers emphasized the importance of technological innovations and consistent product quality.

Measures

- Investments in R&D for new materials and manufacturing technologies (such as thermoplastics).
- Regular external audits on our EN/AS 9110 and EN/AS 9100, etc.

Suppliers

Feedback: Suppliers stressed the need for transparent communication and timely payments.

Measures

- Supplier portal for the improved traceability of payments and communication processes.
- Introduction of long-term contracts with selected suppliers to foster stable partnerships.

Investors

Feedback: Investors demand greater transparency with regard to the sustainability strategy and the financial impacts of long-term investments.

Measures

- FACC's annual non-financial statement, which provides a detailed account of progress made towards ESG (Environmental, Social, Governance) targets.
- Development of a long-term growth plan that integrates sustainability as a core element.

Communities

Feedback: Communities emphasize the importance of local support and eco-friendly production practices.

Measures

- Initiating local projects that promote educational initiatives or charitable programs (FACC scholarship).
- Reducing the carbon footprint by investing in renewable energies and energy-efficient production processes.

**(ESRS 2-SBM-2.45c) (ESRS 2-SBM-2.45c i):** FACC has made strategic adjustments to take due account of the interests and views of its stakeholders.

Employees: Introduction of an improved further training program and initiatives to promote job security.

Customers: Further investments in research and development to increase product quality and innovative capacity.

Suppliers: Implementation of a supplier management system that fosters fair business terms and sustainable practices.

Investors: Strengthening non-financial reporting and transparency measures.

Communities: Strengthening social and environmental initiatives to better support the local community.

**(ESRS 2-SBM-2.45c ii):** Planned steps and time frame:

Short term (Financial year 2026): Introduction and implementation of new further training programs for FACC employees; strengthening research and development activities to be able to address customer requirements with regard to the circular economy.

Medium term (3-5 years): Expanding the scope of social and environmental initiatives to international locations; improving supplier management systems.

Long term: Continuous adaptation of strategies based on ongoing stakeholder feedback and regulatory changes.

**(ESRS 2-SBM-2.45c iii):** Impact on the relationship with stakeholders:

Positive influence: The planned and implemented steps are expected to further strengthen the trust and satisfaction of stakeholders and lead to closer ties between FACC and its stakeholders.

Stakeholder feedback: Regular dialog with stakeholders will be maintained in order to review the effectiveness of the measures and make adjustments where necessary.

**(ESRS 2-SBM-2.45d):** At FACC, the Supervisory Board, Management Board and top management are regularly informed (at least once a year) about the views and interests of affected stakeholders with regard to the company's impacts on sustainability.

This is achieved through:

- Stakeholder surveys and feedback rounds: The views of FACC's stakeholders on the company's sustainability-related activities are collected through an ongoing exchange of information. These feedback loops include employees, suppliers, customers and communities etc. at the company's sites and are compiled at regular intervals by the CSR department.
- Reporting to the committees: The results of the stakeholder surveys along with other findings on stakeholder interests are presented to top management once a year, and to the CFO via the CSR Steering Committee.
- Dialogue with experts and external consulting: If necessary, external experts are consulted to analyze specific stakeholder concerns in the area of sustainability.

**(S1-SBM 2.12):** FACC views its workforce as a key stakeholder and acknowledges that integrating their interests and rights is essential for the company's long-term success and sustainability. FACC has implemented several measures to ensure that the voices of its employees are heard and their interests taken into due consideration:

Regular employee surveys and feedback meetings

Comprehensive surveys are conducted at FACC to identify the opinions, needs and concerns of employees (employee appraisals, etc.). These include questions on working conditions, health and safety aspects, equal opportunities and the general working environment.

Integrating the results into strategy development

The results of the employee appraisals are systematically evaluated and directly incorporated into FACC's strategic planning processes. Strict health and safety guidelines were thus created on the basis of this feedback and supported by training programs. As a result, FACC has held ISO 45001 certification at its Austrian sites for a number of years.

Measures to improve employee well-being and satisfaction:

In response to the feedback from its workforce, FACC has introduced measures such as flexible working time models, health promotion programs and initiatives for a better work-life balance.

Respect for human rights:

Respect for the human rights of its employees is firmly anchored in FACC's corporate culture. The company is committed to fully protecting human rights by offering transparent and fair working conditions as well as protective measures against discrimination and harassment (for further details, please refer to the FACC Code of Conduct).

Direct involvement in decision-making processes:

The concerns of employees are always given due consideration in important decision-making processes. For example, employee representatives (such as the works council) are involved in the development and implementation of measures affecting the workforce.

**(S2-SBM 2.9):** FACC has extensively analyzed and evaluated the interests, views and rights of employees within its value chain (value chain workers) to ensure that its strategy and business model adequately address these aspects.

FACC not only defines its own corporate values (e.g. by means of the Code of Conduct), but also communicates these values to the supply chain (via the Supplier Code of Conduct). Regular visits to suppliers as well as desktop audits and surveys are designed to ensure that these values are upheld.

Integration into the strategy and business model:

FACC has implemented several initiatives directly resulting from the outcomes of these engagements:

- Respect for human rights: Strict compliance with, and monitoring of, standards in accordance with international labor law regulations (e.g. ILO conventions).
- Code of Conduct: Introduction of a comprehensive set of rules of conduct obliging all partners in the value chain to comply with social and human rights standards.
- Audit processes: Regular audits to ensure compliance with these standards as well as immediate action in the event of deviations.
- Introduction and adaptation of FACC's C.O.M.P.E.T.E. supplier evaluation model.

FACC's C.O.M.P.E.T.E. system comprises methods and tools for the continuous monitoring and evaluation of supplier performance indicators and also includes the validation of sustainable practices at suppliers (environmental, social and economic practices).

### 1.3.3. DR SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and the business model

**(ESRS 2-SBM-3.48a-h):** Based on the double materiality assessment (DMA), FACC has identified material impacts, risks and opportunities (IROs) in the areas of climate change, pollution, resource use and circular economy, own workforce, workers in the value chain, as well as governance. For better clarity, these IROs are presented in aggregated thematic groups. The detailed and topic-specific disclosures on the individual IROs, including concrete measures, indicators and targets, are provided in the corresponding thematic ESRS standards (E1, E2, E5, S1, S2 and G1). All IROs analysed in the DMA and reported within the topic-specific disclosures have short-, medium- and long-term effects on the company.

In the environmental domain, regulatory requirements relating to climate protection, energy efficiency, emissions, waste and chemicals management have both current and future effects on production processes, investment decisions and operating costs. At the same time, opportunities arise from efficiency gains, material savings and technological innovation. In the short term, compliance with regulatory requirements and associated operational effects are the primary focus, while medium-term benefits may include efficiency improvements and cost structure stabilisation. In the long term, investments in environmentally friendly technologies and resource-efficient processes support the safeguarding of competitiveness. The material environmental IROs result primarily from FACC's own business activities, especially energy- and material-intensive production, and partially from the upstream value chain. Environmental aspects are being gradually integrated into operational steering processes, investment decisions and site development. The development of structured concepts—such as a climate strategy, a transition plan and circular economy approaches—is planned and will complement the strategic orientation in the medium term.

In the social domain, safe working conditions, the availability of qualified employees and responsible supply chains influence product quality, delivery capability and FACC's reputation. Key risks exist particularly in connection with workforce availability and potential breaches of social standards in the supply chain. These issues affect operational performance in the short to medium term and have long-term strategic relevance with regard to stable supply chains, employer attractiveness and reputation. The social IROs relate both to FACC's own workforce and to workers along the value chain. They are embedded in the HR strategy and supplier management and are addressed through policies, audits, training and continuous improvement processes. The specific implementation details are outlined in the thematic standards ESRS S1 and ESRS S2.

A functioning system of corporate governance is an essential prerequisite for regulatory compliance, stable customer relationships and long-term programme contracts in the aerospace industry. Governance-related IROs primarily affect compliance assurance in the short term and are of central importance for the company's strategic and financial stability in the medium to long term. Governance structures, compliance systems and risk management processes form the framework for managing all identified IROs and are an integral part of the corporate strategy. Detailed disclosures are provided in thematic standard ESRS G1.

As of the reporting date, the identified material risks and opportunities do not lead to immediate, clearly quantifiable adjustments to assets or liabilities recognised in the financial statements. Nevertheless, medium- and long-term financial effects are expected, in particular due to investments in energy efficiency, environmental and compliance measures, as well as expenditures for securing skilled labour and stabilising the supply chain. These effects may influence FACC's cost structure, investment decisions and long-term profitability. Further quantification will take place as strategic development progresses and integration into corporate planning advances.

Planned investments primarily relate to production infrastructure, efficiency measures and organisational development, and are implemented within the existing financing framework. The resilience of the business model is supported by compliance systems and the enterprise risk management framework. The qualitative assessment considers short-, medium- and long-term time horizons; a specific resilience analysis from a CSR perspective is currently being developed. No new material IROs were identified compared with the previous year. The existing IROs were confirmed and further specified. The identified material IROs are fully covered by the relevant thematic ESRS standards; additional entity-specific disclosures are currently not required.

#### 1.4. Impact, risk and opportunity management

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

**(ESRS 2-IRO-1.53a-h):** All items proposed by the ESRS were assessed through individual analyses at the lowest level of granularity (IROs). For most environmental issues, differentiated assessments were carried out along the value chain: own operations / upstream / downstream activities. Where such data is available and sufficiently accurate, a quantitative assessment was systematically preferred to a qualitative assessment. The assessment was documented.

Impact materiality (actual or potential impacts on people and the environment):

The company assessed the actual or potential impacts of its activities on the environment and people - e.g. employees, end users and local communities. The assessment was done taking into account the severity (scope, reach, remediability - for negative impacts) and the likelihood of such impacts using predefined assessment grids. The materiality threshold was set taking into account the associated "severity vs. likelihood" combinations that were considered relevant to reflect materiality and support issue prioritization. For issues concerning potential impacts on people, a high severity rating outweighed a low probability rating.

All company activities and locations were considered in this analysis, with a focus on the manufacture of aircraft components. The entire value chain (as known and estimable to FACC) was considered, again focusing on impacts related to the production of aircraft components, as this generates over 90% of the Group's revenue. This analysis was also based on an understanding of the company's own operations, supply chain or other business relationships, as the existence and severity of potential or actual adverse impacts are influenced by various factors, such as: the nature of the industry, products/services, operations and their associated inherent risks; the country and the operational context, taking into account, for example, publicly available statistics and indices or the existence of related environmental or social legislation or relevant voluntary standards and associated thresholds or other relevant scientific information sources (e.g. planetary boundaries, "environmental pressure atlas"...). Valuation Values have been supported by quantified data wherever possible, using a variety of information sources. This includes internal information such as:

- Life cycle analysis, information from thematic experts, related internal performance indicators (past or ongoing impacts)
- Results of third-party due diligence, internal control reports or information collected during visits to supplier sites (see C.O.M.P.E.T.E. system, which is discussed in more detail in later chapters)
- Elements from findings and alerts from, for example, desktop supplier sustainability maturity assessments, on-site assessments (including social assessments) or from the complaint mechanism (see also C.O.M.P.E.T.E. system)
- Inputs received through stakeholder engagement (see SBM-2)
- as well as external information such as thematic and sectoral benchmarks or public reports and regulatory thresholds

The assessment of impact materiality was also supported by engagement with stakeholders, in line with the overall approach to stakeholder engagement presented in the dedicated disclosure requirement. This includes direct consultation with internal and external experts, information gathered from stakeholders through ongoing stakeholder engagement, and input from affected stakeholders or their relevant representatives (e.g., employees through surveys, social dialogue content, customer feedback...). The consideration of regulatory thresholds or thematic standards or reference frameworks was also seen as a representation of the interests of NGOs.

Impacts on the company or financial materiality:

The potential impacts of sustainability issues on the company's financial performance were assessed by establishing a monetary threshold. This threshold serves as a benchmark to determine the financial relevance of the identified sustainability issues. Additionally, equivalent qualitative impact types were considered to obtain a comprehensive picture of the potential financial impacts. This assessment was conducted in close collaboration with the risk manager to ensure that both financial and non-financial risks and opportunities are adequately considered. The monetary threshold was set to reflect the potential financial impacts on revenue, operating costs, and other relevant financial metrics of the company.

The examination of the company's business and operational model dependencies with each subtopic, supported by exchanges with thematic experts, aided the aforementioned screening. The double materiality assessment was formally presented to and approved by the executive committee and the board of directors.

The double materiality assessment is intended to support the prioritization of work by internal control in the future by providing clear criteria and thresholds for assessing financial and non-financial risks and opportunities. This assessment helps internal control identify the key areas that need to be monitored and managed to achieve the company's strategic goals. By focusing on the material topics, internal control can then efficiently allocate its resources and ensure that the greatest risks and opportunities are adequately addressed. This leads to targeted monitoring and adjustment of internal processes to ensure the long-term sustainability and competitiveness of the company. We are still at the beginning of this process.

Sustainability risks and opportunities are currently not yet integrated into the ERM system and processes, including their identification, assessment, and management. In the future, they are intended to become part of the company's risk profile.

Impacts are covered by the company's due diligence processes (e.g., C.O.M.P.E.T.E., audits, risk mapping of suppliers, etc.), as may be presented in the relevant disclosure requirements. Particularly for the topics ESRS E1-E5, such due diligence processes still need to be established. In 2024, FACC conducted its double materiality assessment for the first time. In the future, the methodology will be refined to further align it with CSRD requirements. As recommended in the non-binding implementation guidelines for materiality assessment, the company intends to confirm or review (and update) its material topics annually, taking into account whether significant changes have occurred in the organizational and operational structure of the company, whether external factors have arisen during the reporting year, and/or whether significant new information has been received, as the company progresses in its understanding of topics and their impacts, risks, and opportunities. Depending on the significance of these events and developments, the company would either review the existing DMA or conduct a full DMA to ensure that the material sustainability topics are reported appropriately. The review process for the 2025 financial year did not reveal any need for adjustments. The review will be conducted again for the 2026 financial year.

Description of the connections between impacts and dependencies with risks and opportunities:

FACC systematically identifies the significant impacts of its business activities and the associated dependencies by conducting a Double Materiality Analysis (DMA). This analysis helps assess the potential risks and opportunities by considering the likelihood and severity of impacts.

Although the insights from the DMA are currently not fully integrated into strategic planning, they serve as a valuable foundation for future strategic decisions. FACC is working to gradually incorporate these insights into its strategic planning to proactively respond to challenges and seize opportunities. Continuous monitor-

ing of the identified impacts and dependencies will enable the company to adjust its strategy as needed and achieve its sustainability goals.

**(ESRS 2-IRO-1.53c.i):** FACC systematically considers the interrelationships between identified impacts and dependencies, as well as the resulting risks and opportunities, within the double materiality assessment. Negative or positive impacts, as well as operational and structural dependencies, are assessed with regard to potential financial or strategic risks and opportunities.

Environmental aspects such as energy and resource use or the handling of hazardous substances are linked to regulatory, cost-related, and reputational risks, while opportunities arising from efficiency improvements, innovation, or enhanced standards are identified.

Social impacts related to working conditions, safety, and qualification are evaluated in terms of risks to performance capability, delivery reliability, and reputation, as well as opportunities for securing skilled labor and establishing stable supply chains.

Dependencies on supply chains, regulatory compliance, and governance structures are also taken into account in order to consistently identify risks (e.g., supply disruptions, compliance violations) and opportunities (e.g., resilient business relationships).

**(E1-IRO-1.20) (E1-IRO-1.20a):** Climate change impacts and GHG emissions

FACC has not yet conducted a climate risk analysis; however, it is planned to be included in the 2026 report.

**(E2-IRO-1.11):** Pollution

FACC structured process for identifying material impacts, risks, and opportunities has determined that environmental pollution is currently immaterial, except for Substances of Concern (SoC) or Substances of Very High Concern (SVHC). This assessment is based on the Double Materiality Analysis (DMA) and the involvement of relevant stakeholders.

**(E2-IRO-1.11a):** Screening and identification of actual and potential pollution-related impacts, risks and opportunities

FACC is able to conduct a detailed screening to identify potential pollution issues through the help of an integrated environmental management system, specifically the ISO 14001 Environmental Management System (EMS). Key performance indicators such as waste generation, and pollutant chemicals are systematically tracked, especially the ones associated with the use of REACH-relevant substances.

On the other hand, in order to make sure the involvement and engagement of FACC with stakeholders (including employees, suppliers, authorities, and customers) during the pollution issues identification, audits, feedback meetings and assessments are carried out annually (e.g. ECCOS22 audits, customer audits or assessment portals such as EcoVadis / CDP) to ensure the accuracy of data, compliance with environmental standards.

## Methods and tools

The screening follows a systematic process for recording and classifying all substances used in operations. Each substance is thoroughly examined for its potential environmental impact, with a particular focus on its classification as a substance of concern or a substance of very high concern under REACH. The process follows a clearly structured methodology consisting of three phases: Data Collection, compliance assurance, and Results. Utilizing the Environmental, Health and Safety (EHS) tool, along with specialized chemical databases tailored to REACH regulations, FACC conducts a detailed analysis of the environmental impact of substances throughout its entire supply chain.

## Data collection

FACC conducts an annual desktop assessment of its supply chain to evaluate the environmental practices and compliance of its suppliers. The CRIF (Centrale Rischi Finanziari) assessment includes checking suppliers' compliance with sustainability in terms of water and carbon footprint calculations, good practices with waste management and ensuring that all the necessary certifications such as ISO 14001 for environmental management are up to date. At the end, the results are evaluated and shared with suppliers to identify potential improvements in relation to relevant environmental pollution in their value chain. The aim is to ensure the compliance with the minimum standards.

In terms of customer data, while specific procedures for collecting customer-related environmental data are not official public documented yet, FACC integrates quarterly customer feedback and environmental performance considerations into the topic of environmental pollution in our supply chain.

(E2-IRO-1.11b): To finish with the data collection, FACC has not yet conducted any consultations with affected communities to identify and assess potential pollution-related impacts. In the future, however, we plan to conduct such consultations in order to better understand potential environmental impacts with affected communities and to take appropriate measures based on this.

## Compliance assurance

- FACC ensures compliance with the REACH Regulation (EC 1907/2006) through a structured and analytical approach. This is achieved by implementing supplier audits and assessments, where compliance with REACH requirements, including documentation checks for restricted substances, is verified. Additionally, monitoring mechanisms are in place to track that suppliers provide Safety Data Sheets (SDS) and other

necessary documentation for chemicals used. These measures ensure that suppliers and customers within the supply chain meet legal obligations and mitigate the risk of non-compliance and potential legal penalties.

- FACC systematically documents and categorizes all substances and chemicals used in its operations based on their potential environmental impact, ensuring compliance with REACH regulations. This process involves data collection through specialized chemical databases and EHS tools designed for REACH compliance. These tools enable the analytical assessment of environmental risks across the supply chain, ensuring that substances of concern are identified and managed effectively.
- Furthermore, FACC's integrated Environmental Management System (EMS) supports the proactive identification of restricted chemicals, allowing the company to mitigate environmental risks at an early stage. By combining data-driven evaluations with regulatory compliance measures, FACC ensures a structured and effective methodology for reducing its environmental impact.

## Results of the screening

In its own operations, the use and potential release of these substances pose environmental and regulatory risks, which are managed through continuous monitoring and classification. Within the own operations and the supply chain, the presence and handling of such substances contribute to negative environmental risks, requiring closer and constant cooperation with suppliers to ensure compliance and eliminate non-approved materials.

## Identified material impacts, risks and opportunities through Double Materiality Analysis

The identification of sites impacted by pollution, including those handling Substances of Concern (SoC) or Substances of Very High Concern (SVHC), is based on the DMA analysis and internal consultations, which took into account factors such as production volumes, workforce size, and the scale of operations. Sites like Austria and Croatia with significant production activities or those handling or storing hazardous substances have been flagged as material to pollution. Facilities in Canada and the USA were determined to pose a lower impact on pollution due to limited chemical usage and their more narrowly focused operations. In contrast, locations in China, India, and Slovakia, where no production takes place, have been categorized as immaterial. The table below outlines the list of sites where pollution is considered a material issue.

Facility	Activity	Materiality	Justification
Austria	Headquarters and primary production facilities; innovation and R&D center.	Only SVHC / SoC	Due to the high production volume and the associated environmental impact potential, these sites are subject to stringent performance monitoring.
Croatia	Component manufacturing and assembly operations.	Limited SVHC / SoC - immaterial	Due to the smaller scale in comparison to the Austrian facility, the usage is minimal.
Canada	Engineering support and materials supply chain activities.	Limited SVHC / SoC - immaterial	With a smaller workforce and limited chemical handling, this site exhibits a lower environmental risk profile.
USA	Customer support, component delivery and after-sales services.	Limited SVHC / SoC - immaterial	Operations in the USA are largely service-oriented, involving minimal chemical use—primarily confined to minor repairs.
China	Partnership	Immaterial	No production and very few employees in the offices
India	Engineering design support and supplier partnerships.	Immaterial	No production and very few employees in the offices
Slovakia	Logistics and distribution center.	Immaterial	No production and very few employees in the offices

## Own Operations:

- Production and manufacturing: The use and potential release of substances of concern during manufacturing processes, leading to environmental contamination and health risks.
- Waste management and disposal: Improper disposal or inefficient waste management of substances of high concern during manufacturing processes can result in pollution.

## Value Chain:

R&D and material development: The handling and release of potentially harmful substances during material development, particularly in new product innovation and testing, contributing to pollution and environmental risks.

**(E5-IRO 1.11): (E5-IRO 1.11a):** The undertaking shall describe the process to identify material impacts, risks and opportunities related to resource use and circular economy

FACC has not conducted a dedicated LEAP analysis but has instead assessed resource use and circular economy aspects as part of the Due Diligence Materiality Assessment (DMA). This evaluation considered potential and actual impacts, risks, and opportunities within FACC's own operations and across its upstream and downstream value chain.

**(E5-IRO 1.11b):** Additionally, FACC has not conducted consultations, in particular with affected communities.

## 1.4.2. DR IRO-2 – Disclosure Requirements included in the ESRS and covered by the company's sustainability statements

**(ESRS 2-IRO-2.54–59):** FACC's sustainability statement was prepared based on the results of the double materiality assessment in accordance with ESRS 1, Chapter 3, and was aligned using an ESRS datapoint list analysis. The company reports those ESRS Disclosure Requirements that relate to impacts, risks and opportunities identified as material. Topics assessed as non-material as part of the materiality assessment are therefore not reported or only briefly explained.

FACC provides a complete overview of the applied Disclosure Requirements, including the respective references within the sustainability report. This overview also includes Disclosure Requirements from other EU legal acts as listed in Annex B of the ESRS. For topics assessed as non-material, this is explicitly indicated in the overview ("Not material").

The topic area "Climate Change" (ESRS E1) was assessed as material within the materiality assessment. Accordingly, selected Disclosure Requirements related to climate protection, energy consumption and emissions are reported aligned with ESRS E1. A detailed climate risk assessment has not yet been conducted but is planned for 2026. Reporting will be further developed based on the results of this assessment.

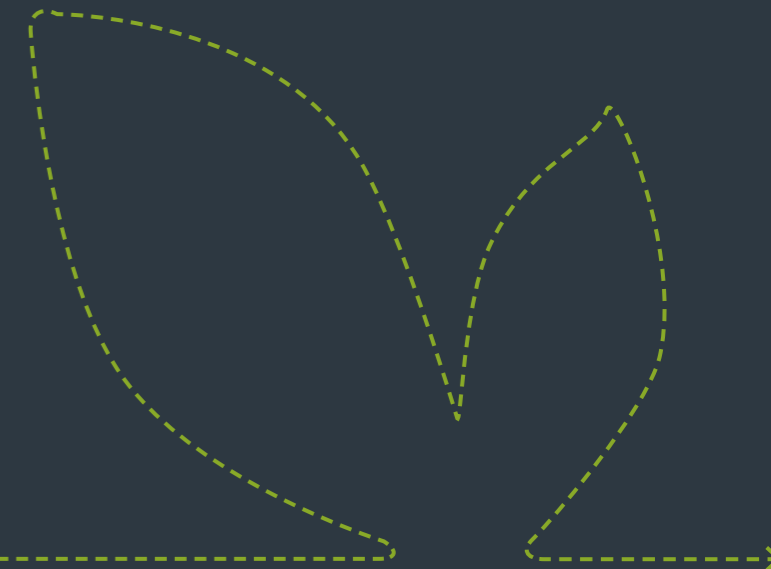
The topics Water and Marine Resources (ESRS E3), Biodiversity and Ecosystems (ESRS E4), Affected Communities (ESRS S3), and Consumers and End-users (ESRS S4) were assessed as non-material. This assessment is based on the nature of FACC's business activities, the industrial context, as well as the results of the double materiality assessment. For these reasons, the corresponding Disclosure Requirements are not reported.

The determination of material information was carried out in accordance with the criteria set out in ESRS 1, Section 3.2. For impacts, severity and likelihood of occurrence were particularly considered; for financial risks and opportunities, potential effects on the company's financial position, performance and cash flows, as well as its strategic position, were taken into account. Defined thresholds and assessment grids were used to support prioritization and ensure a consistent selection of topics.

Content Index – Overview of the Disclosure Requirements

ESRS	Disclosure Requirements aligned with ESRS E1	Reported	Material (yes/no)	Reference
ESRS2	BP-1 Basis for Preparation	Yes	Yes	ESRS 2, Chap. 1.1.
ESRS2	BP-2 Specific Circumstances	Yes	Yes	ESRS 2, Chap. 1.1.2.
ESRS2	GOV-1 Role of Governance Bodies	Yes	Yes	ESRS 2, Chap. 1.2.1.
ESRS2	GOV-2 Sustainability Information	Yes	Yes	ESRS 2, Chap. 1.2.2.
ESRS2	GOV-3 Incentive Schemes	Yes	Yes	ESRS 2, Chap. 1.2.3.
ESRS2	GOV-4 Due Diligence Statement	Yes	Yes	ESRS 2, Chap. 1.2.4.
ESRS2	GOV-5 Risk Management & Internal Control System	Yes	Yes	ESRS 2, Chap. 1.2.5.
ESRS3	SBM-1 Business Model & Value Chain	Yes	Yes	ESRS 2, Chap. 1.3.1.
ESRS2	SBM-2 Stakeholders	Yes	Yes	ESRS 2, Chap. 1.3.2.
ESRS2	SBM-3 Strategy & Sustainability	Yes	Yes	ESRS 2, Chap. 1.3.
ESRS2	IRO-1 Identification & Assessment of IROs	Yes	Yes	ESRS 2, Chap. 1.4.1.
ESRS2	IRO-2 Management of IROs	Yes	Yes	ESRS 2, Chap. 1.4.1.
ESRS E1	Climate Change	Partially	Yes	Chap. 2.2.
ESRS E2	Pollution	Yes	Yes	Chap. 2.3.
ESRS E3	Water & Marine Resources	Not material	No	ESRS 2 – 4.1
ESRS E4	Biodiversity & Ecosystems	Not material	No	ESRS 2 – 4.1
ESRS E5	Resource Use & Circular Economy	Yes	Yes	Chap. 2.4.
ESRS S1	Own Workforce	Yes	Yes	Chap. 3.1.
ESRS S2	Workers in the Value Chain	Yes	Yes	Chap. 3.2.
ESRS S3	Affected Communities	Not material	No	ESRS 2 – 4.1
ESRS S4	Consumers & End Users	Not material	No	ESRS 2 – 4.1
ESRS G1	Business Conduct & Governance	Yes	Yes	Chap. 4.
EU Legal Data Points (Appendix B ESRS 2 §56)				
EU Legal Source	Data Point	Status	Yes	Reference
CSRD / NaDiVeG	Non-Financial Statement	Yes	Yes	Complete Sustainability Report
EU Taxonomy	Revenue, CapEx, OpEx	Yes	Yes	Chap. 2.1.
Supply Chain Due Diligence	Social Minimum Safeguards	Yes	Yes	ESRS S2
Water / Biodiversity	-	Not material	No	ESRS 2 – 4.1

# ENVIRONMENTAL INFORMATION



## 2. ENVIRONMENTAL INFORMATION

### 2.1. Taxonomy Disclosures

Disclosures according to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)

The EU Taxonomy Regulation is a key component of the European Commission's action plan to redirect capital flows towards a more sustainable economy. It represents an important step towards achieving climate neutrality by 2050 in line with the EU climate objectives and provides a classification system for environmentally sustainable economic activities.

In the following section, we present the proportion of our Group revenue, capital expenditure (CapEx), and operating expenditure (OpEx) for the 2025 reporting period with regard to FACC's taxonomy eligibility and taxonomy alignment.

Changes resulting from Delegated Regulation (EU) 2026/73

As part of the Omnibus Simplification Package for sustainability reporting, a new delegated act was published in January 2026, which notably simplifies reporting under the EU Taxonomy. It introduced, among other things, substantial relief measures such as the implementation of materiality thresholds for companies and is already applicable to financial years ending on 31 December 2025. FACC makes use of these simplifications and reports in this chapter in accordance with the new disclosure requirements. Accordingly, a portion of CapEx falling below the materiality threshold was not assessed for eligibility and alignment. Further details are described in the section below. In addition, the new taxonomy reporting templates are applied for the first time this year.

Taxonomy eligibility

With the publication of Environmental Objectives 3–6 and the extension of activities under Environmental Objectives 1–2 (climate change mitigation and climate change adaptation) in 2023, FACC's business model has largely been covered under Activity CCM 3.21.

CCM 3.21 – Manufacture of aircraft under the environmental objective of climate change mitigation includes, according to its description, the manufacture, repair, maintenance, overhaul, retrofitting, design, repurposing and upgrading of aircraft, as well as aircraft components and equipment.

FACC's business model includes, among other activities, the development and production of key components such as control surfaces, engine nacelles, and cabin interiors for commercial aircraft and business jets and therefore falls under this activity. Accordingly, 96.05 percent (2024: 97.3%) of FACC's revenue can be reported as taxonomy-eligible.

In addition to its core activity, FACC made minor investments in cross-cutting activities in 2025. To ensure transparency of the business model in the reporting templates, these investments were classified as immaterial, as they do not constitute material economic activities. In the 2025 reporting year, 7.91 percent of CapEx was therefore classified as immaterial, and the reporting template includes only the capital expenditure incurred and reve-

nue generated from the core activity CCM 3.21. The activities classified as immaterial relate to the transport sector as well as construction and real estate.

Taxonomy alignment

For the 2025 financial year, FACC is not able to report any taxonomy-aligned shares, as no complete climate risk analysis in accordance with Annex A has yet been conducted. Annex A sets out the technical screening criteria for CCM 3.21 under the "do no significant harm" (DNSH) principle with regard to the environmental objective of climate change adaptation.

Without compliance with these criteria, taxonomy alignment cannot be achieved. Consequently, no aligned revenue, aligned CapEx, or aligned OpEx can currently be reported.

Key Performance Indicators

Double counting across multiple environmental objectives was avoided, as the taxonomy-eligible activity CCM 3.21 is exclusively assigned to the environmental objective of climate change mitigation.

Revenue

The revenue denominator in accordance with the EU Taxonomy corresponds to revenue as reported in the consolidated statement of profit and loss (please see Note 8 of the Consolidated Financial Statements) and amounts to a total of EUR thousand 984,405 (2024: EUR thousand 884,523).

Of this amount, 96.05 percent (2024: 97.3%) is attributable to the core activity CCM 3.21 – Manufacture of aircraft. FACC currently does not generate any other taxonomy-eligible revenue. The remaining 3.95 percent is therefore reported as non-taxonomy-eligible revenue. For the reasons stated above, no taxonomy-aligned revenue is currently reported.

CapEx

Capital expenditure in accordance with the EU Taxonomy includes additions to property, plant and equipment and intangible assets during the 2025 financial year before depreciation and revaluations. These correspond to the additions disclosed in Notes 20 and 21 of the consolidated financial statements in the amount of EUR thousand 24,031 (2024: EUR thousand 34,242).

Of this amount, 79.17 percent (2024: 76.2%) is classified as taxonomy-eligible. The vast majority relates to Activity CCM 3.21 – Manufacture of aircraft. Due to FACC's business model, only a small proportion relates to economic activities other than CCM 3.21 and was therefore classified as immaterial.

No taxonomy-aligned CapEx can currently be reported.

OpEx

Operating expenditure under the EU Taxonomy at FACC includes direct, non-capitalised costs relating to research and development, building renovation measures, short-term leases, maintenance, and repair.

According to this definition, only 1.67 percent of total operating expenses under the consolidated financial statements qualifies for inclusion in the OpEx denominator under the EU Taxonomy. For this reason, the OpEx KPI is considered not material to FACC's business model and will no longer be reported as of the 2025 financial year.

Accordingly, the taxonomy-eligible and taxonomy-aligned share of OpEx is reported as 0.0 percent for 2025. The OpEx denominator amounted to EUR thousand 15,929 in the 2025 financial year. The prior-year figure (EUR thousand 22,218) was adjusted in line with the refined definition of the OpEx denominator.

Changes compared to the previous year

Due to the publication of Delegated Regulation (EU) 2026/73, the new taxonomy reporting templates are applied this year, and the materiality threshold has been used.

In this context, the materiality of the OpEx KPI was reassessed this year and classified as not material. In accordance with Section 1.1.3.1 of Delegated Regulation (EU) 2021/2178, only the denominator is therefore reported, and it is assumed that the entire OpEx is not taxonomy-eligible.

In addition, the definition of the OpEx denominator was refined, resulting in a reduction compared to the previous year. No further methodological changes were made.

Proportion of turnover, CapEx, OpEx from products or services associated with taxonomy-eligible or taxonomy-aligned economic activities - disclosure covering year (M)(summary KPIs)

Financial year (N)	KPI (1)	Breakdown by environmental objective of Taxonomy aligned						Proportion of Taxonomy aligned activities (15)	Not assessed activities considered non-material (14)	Proportion of Taxonomy aligned activities in previous financial year (N-1) (15)	Proportion of Taxonomy aligned activities in previous financial year (N-1) (15)				
		Climate Change Mitigation (6)	Climate Change Adaptation (7)	Water (8)	Circular Economy (9)	Pollution (10)	Biodiversity (11)					Proportion of enabling activities (12)	Proportion of transition activities (13)		
Turnover	Total (2)	584,405,21	36,65%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
CapEx	Total (2)	24,031,21	75,17%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
OpEx	Total (2)	15,329,23	0%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%

Since the OEC indicator is not material for FACC, the entire share of OEC is classified as non-eligible. The approach is in line with IAS 10/2020:3-5/6.

Proportion of turnover from products or services associated with taxonomy-eligible or taxonomy-aligned economic activities - disclosure covering year (N)(activity breakdown)

Financial year (N)	Economic Activities (1)	Environmental objective of Taxonomy aligned activities						Proportion of Taxonomy aligned activities in previous financial year (N-1) (15)					
		Climate Change Mitigation (6)	Climate Change Adaptation (7)	Water (8)	Circular Economy (9)	Pollution (10)	Biodiversity (11)						
Turnover	Total (2)	584,405,21	36,65%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
CapEx	Total (2)	24,031,21	75,17%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
OpEx	Total (2)	15,329,23	0%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%

Proportion of CapEx from products or services associated with taxonomy-eligible or taxonomy-aligned economic activities - disclosure covering year (M)(activity breakdown)

Financial year (N)	Economic Activities (1)	Environmental objective of Taxonomy aligned activities						Proportion of Taxonomy aligned activities in previous financial year (N-1) (15)					
		Climate Change Mitigation (6)	Climate Change Adaptation (7)	Water (8)	Circular Economy (9)	Pollution (10)	Biodiversity (11)						
Turnover	Total (2)	24,031,21	75,17%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
CapEx	Total (2)	24,031,21	75,17%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
OpEx	Total (2)	15,329,23	0%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%

2.2. ESRS E1: Climate change

2.2.1. DR E1-1 – Transition plan for climate change mitigation

(E1-1.17): As of the reporting date, FACC did not yet have a transition plan in place within the meaning of ESRS E1-1.17. The collection of Scope 1 and Scope 2 emissions was carried out for the first time in the 2025 financial year based on an ESRS-compliant methodology.

Against this background, FACC will develop a structured decarbonization transition plan over the next one to two financial years. This plan will be based on a consistent and reliable emissions data foundation, as well as on targets derived from that data. Once finalized, the transition plan will be disclosed in accordance with ESRS requirements.

The phased timeline is necessary to ensure that the transition planning is methodologically consistent, realistic, and suitable for management purposes, based on emissions data that has been collected in compliance with ESRS for the first time. The development of a transition plan requires stable base years, robust target pathways, and an assessment of technical and economic feasibility, all of which can only be validly determined once the new data foundation is available.

2.2.2. DR E1-2 – Policies related to climate change mitigation and adaptation

Impact, risk and opportunity management (IROs)

Negative Impacts

Climate Change Mitigation

FACC operations: Greenhouse gas (GHG) emissions from production, and internal transportation due to the use of fossil fuels.

Value chain: GHG emissions generated in the extraction of raw materials, transportation, and processing of composite materials, as well as logistics-related emissions.

Opportunities

Energy

FACC operations: Cost savings through improved energy efficiency, renewable energy use.

(E1-2.24): Policies

FACC is fundamentally committed to supporting sustainability objectives and is working on further developing a structured approach to addressing climate-related risks and opportunities, improving energy efficiency, and promoting renewable energy. The initial ESRS-compliant collection of Scope 1 and Scope 2 emissions in the 2025 financial year constitutes a key foundation in this regard.

Against this background, FACC plans to develop and implement a company-wide, consistent climate strategy within the next two financial years. This strategy will be based on a robust data foundation and will be integrated into existing management and investment processes.

The phased timeline is necessary to ensure that the climate strategy is built on a stable, ESRS-compliant emissions data basis, as well as on aligned targets and measures. An earlier implementation would lack sufficient relevance for management control, investment decisions, and long-term effectiveness due to the change in methodology and the absence of reliable time series data.

2.2.3. DR E1-3 – Actions and resources in relation to climate change policies

(E1-3.28): Decarbonization lever - Evaluation of solutions for a sustainable energy supply

The action described below is intended to support FACC in achieving its goal of operating production in Austria based entirely on renewable energy for Scope 1 and Scope 2 emissions by 2040.

To achieve this target, a central challenge must be addressed: the consumption of natural gas and natural-gas-based heat, which currently accounts for 75 percent of FACC Austria's total Scope 1 and market-based Scope 2 GHG emissions. In 2024, FACC began exploring alternative solutions and initiated the first phase of a project aimed at establishing a sustainable energy supply. This project examines the development of a new industrial area within the Sustainable Industrial Park (SIP) in Reichersberg, with the objective of creating an efficient and environmentally friendly energy system by leveraging regional synergies. It involves strategic collaboration with local partners to utilize existing resources and infrastructure, maximize the efficiency of the energy system, and create a more sustainable energy network.

A further key focus of this initiative is integrating the existing infrastructure of the St. Martin Geothermal Energy Plant (GTS), which already supplies district heating to parts of St. Martin im Innkreis, Ort im Innkreis and the neighboring FACC Operations GmbH.

Energy data from project partners was collected and analyzed in order to assess requirements and identify opportunities for optimization. Various technologies and energy carriers supporting efficient and renewable energy supply were evaluated in the course of a region-specific SWOT analysis.

In addition, four future energy supply scenarios were developed: a benchmark scenario reflecting the current situation, a business-as-usual scenario, a cooperation scenario emphasizing collaboration among project partners, and an industrial-urban symbiosis scenario exploring broader regional cooperation.

The analyses and scenario evaluations provided the project partners WIPA Reichersberg, Geothermie St. Martin, and FACC with valuable insights into the energy potential and challenges facing them. Significant synergies can be achieved through the use of renewable energy sources such as PV systems, heat pumps, and waste heat integration. However, key challenges remain, particularly that of managing peak loads for the GTS network, which could be addressed through heat pumps and an additional heating plant.

FACC's high-temperature energy needs could be met with green electricity, green gas, or high-temperature heat pumps. Therefore, while the joint biomass utilization scenario presents a promising option for peak load coverage and backup supply, it necessitates a thorough assessment of load profile adaptations and careful consideration of its emission implications to ensure alignment with sustainability goals.

To advance these efforts, a dedicated project team oversees the tracking of the carbon-neutral production initiatives, with a project management team actively committed to ensuring their effectiveness. Furthermore, a detailed techno-economic feasibility study will be evaluated within the next three years to refine load profile analyses, explore synergies, and assess available waste heat sources and opportunities for regional cooperation. These steps are crucial for boosting energy efficiency and ensuring a sustainable, cost-effective energy supply.

#### Scope of key actions

The transition involves shifting process heat to one or more potential combinations: biomass, PV systems, heat pumps and waste heat integration.

The focus will be on regions with high operational impact, particularly those areas served by the St. Martin Geothermal Energy Plant (GTS) and neighboring regions such as St. Martin i.I. and Ort i.I., where FACC Operations GmbH is located. In the coming years, the possibilities for implementing similar sustainable energy solutions at FACC's other international facilities will also be evaluated.

The initial research phase began in 2024, and the techno-economic feasibility study is expected to be evaluated within the next three years. The finalization of the project will require additional input for further definition.

#### OpEx and CapEx - Decarbonization lever

The action plan for the Sustainable Industrial Park (SIP) in Reichersberg outlines future investments in renewable energy technologies, with varying capital expenditures (CapEx) and operating costs (OpEx). As these cost factors are still under evaluation, no definitive statements can be made at this stage; however, they will be considered in future CSRD reports.

Preliminary assessments indicate that technologies such as geothermal and biomass require significant initial investments but present lower operating costs, making them viable long-term solutions. Similarly, solar thermal systems involve high CapEx but benefit from low OpEx over time.

Future investments in heat pumps, electric boilers, hydrogen, and biomethane will require careful evaluation of both upfront and ongoing costs. While hydrogen and biomethane currently have high operating expenses due to their procurement, advances in technology and market developments may lead to cost reductions over time.

#### 2.2.4. DR E1-4 – Targets related to climate change mitigation and adaptation

**(E1-4.32):** Disclosure of GHG emission reduction targets

FACC has set a clear greenhouse gas (GHG) emissions reduction target in order to manage material climate-related impacts, risks, and opportunities, aiming to become 100% reliant on renewable energy in its production facilities in Austria by 2040. This means that the Group intends to switch from the fossil heating used in these facilities to renewable sources. In the case of electricity, FACC already sources 100% green electricity in Austria.

To mitigate climate change, FACC focuses on reducing GHG emissions from its own operations, including production, by managing key actions focused on sustainable energy supply solutions (reference to E1-3).

Relationship of the target to policy objectives: FACC has not yet adopted a policy (see E1-2). Consequently, the relationship has not yet been made.

FACC reliant on a production focus on renewable energy across our Scope 1 and Scope 2 by 2040, through a series of key actions that prioritize emission reductions without relying entirely on offsets. Specifically, our renewable energy target addresses emissions related to energy consumption, including electricity and heating. This target currently applies to all FACC locations in Austria, with plans to expand our other facilities within the next 1-2 years.<sup>1</sup>

<sup>1</sup> It does not count in fuels consumed in our vehicle fleet and fugitive emissions.

Defined Target Level: Primary metric is achieving a production that is fully reliant on renewable energy by 2040.

Scope of target: FACC calculates its Scope 1 and Scope 2 GHG emissions in accordance with the GHG Protocol, utilizing market- and location-based emissions.

The primary metric will likely remain the achievement of production operations in Austria that are fully powered by renewable energy by 2040.

The greenhouse gas inventory will include all entities over which FACC exercises financial control, i.e., entities that are fully consolidated in accordance with IFRS group accounting principles. For these entities, greenhouse gas emissions will be accounted for at 100%.

As in the past, target setting will follow a bottom-up approach. This means that the CSR department will develop initial considerations for specific targets and share them with the Facility Manager in order to prepare concrete target proposals for submission to the Executive Board. Upon approval by the Executive Board, the targets will then be presented to the Supervisory Board for final endorsement.

Baseline value and base year: FACC has established 2015 as the base year for measuring progress toward its target, ensuring that the baseline value of 27,305 tons of CO<sub>2</sub> emissions is a representative absolute measure.

#### Performance in Relation to Defined Targets

##### Energy Monitoring:

FACC monitors energy consumption on a monthly basis across all Austrian production facilities in order to identify inefficiencies and

areas for improvement. For other production sites, energy consumption is recorded annually. KPI monitoring enables the implementation of immediate corrective actions and ensures that energy use is optimized in line with greenhouse gas reduction targets.

##### Reviews:

Progress toward the target of reducing greenhouse gas emissions from production is assessed on an annual basis. These reviews analyze energy consumption and CO<sub>2</sub>e emissions, with a particular focus on key measures such as the implementation of new heating and electricity technologies. In addition, progress is tracked through energy-saving and emission-reduction KPIs as part of management reviews and during the preparation of the annual non-financial report.

##### Performance Analysis:

FACC's progress toward achieving production powered by renewable energy is measured by comparing the annual MWh consumed from renewable sources with the MWh consumed from non-renewable sources.

#### 2.2.5. DR E1-5 – Energy consumption and mix

##### Scope

The analysis of total energy consumption across all FACC sites shows that approximately 90% of the Group's energy consumption is attributable to Austria, while 7% relates to Croatia. The remaining share is distributed across other locations and contributes only marginally to total energy consumption and the overall greenhouse gas inventory.

Nevertheless, in order to meet reporting and materiality requirements and to ensure full transparency, all facilities were fully included in the final results.

Energy consumption data was obtained directly from energy suppliers and managed either through internal systems or based on annual utility statements, thereby ensuring a high level of accuracy.

The reported data covers the entire Group. No additional external validation by third parties has been performed.

#### Energy consumption (MWh)

	2025
Total energy consumption	104,622.2
Total energy consumption from non-renewable sources (fossil sources)	48,546.18
Share of non-renewable sources (fossil sources) in total energy consumption	46%
Fuel consumed from coal and coal products	0
Fuel consumed from crude oil and petroleum products	1,930.4
Fuel consumed from natural gas	37,312.7
Other fossil sources	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	9,303.1
Total energy consumption from nuclear sources	10.7
Share of consumption from nuclear sources in total energy consumption	0%
Total energy consumption from renewable sources	56,065.3
Share of renewable sources in total energy consumption	54%
Fuel consumption from renewable sources	74.4
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	54,300.2
Consumption of self-generated non-fuel renewable energy	1,690.7

All electricity consumption for which no specific product mix or supplier mix could be identified was classified and reported as fossil-based energy.

For "Kantine Fischer," no data for the 2025 financial year was available as of the reporting date. Therefore, the consumption data from January to December 2024 was used as a basis. A 3% increase was subsequently assumed.

Net revenue	Unit	2025
Net revenue from activities in sectors with a high climate impact is used to calculate energy intensity.	Mio. EUR	984.4
Total energy consumption from activities in high climate impact sectors	MWh	104,622.2
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors	MWh/MEUR	106.3
Net revenue (others)	Mio. EUR	-
Revenue (Financial Statements)	Mio. EUR	984.4

The net revenues used for the calculation of GHG intensity are derived from the Group income statement.

**(E1-5.AR 36): Energy Intensity**

FACC has followed the prescribed methodology for disclosing energy intensity (total energy consumption per net revenue) in sectors with high climate impact, in accordance with the requirements set out in the ESRS. This process involves calculating energy intensity by dividing the total energy consumption from activities in sectors with high climate impact (measured in MWh) by the net revenue from those activities (measured in monetary units, i.e., euros). The net revenues used, and the results of these calculations are listed at the end of the two tables above. No significant assumptions were necessary, as the data is sourced directly from our integrated SAP system.

**(E1-5.42):** Specific high climate impact sectors used to determine energy intensity in accordance with paragraph 40

The classification of high climate impact sectors used to determine energy intensity follows the NACE categories C30.3.0 – Manufacture of aircraft and spacecraft and related machinery, and C33.1.6 – Repair and maintenance of aircraft and spacecraft, as outlined in Sections A to H and Section L of the NACE classification, and as defined in Commission Delegated Regulation (EU) 2022/1288. Consequently, FACC's total revenue, as reported in the consolidated financial statements, is considered equivalent to the net revenue from activities in high climate impact sectors.

**2.2.6. Gross Scope 1, Scope 2 and Total Greenhouse Gas Emissions (Scope 1 and Scope 2)**

Greenhouse gases – Greenhouse gas emissions (tCO<sub>2</sub>e)

	2025
Direct gross GHG emissions (Scope 1)	8,186.0
Indirect gross GHG emissions (Scope 2)	-
Location-based indirect GHG emissions (Scope 2)	8,013.0
Market-based indirect GHG emissions (Scope 2)	2,103.0
Total location-based GHG emissions	16,198.9
Total market-based GHG emissions	10,289.2
Total location-based GHG emissions per net revenue [t CO <sub>2</sub> e / MEUR]	16.5
Total market-based GHG emissions per net revenue [t CO <sub>2</sub> e / MEUR]	10.5

Biogenic – Not within the Scope 1 CO<sub>2</sub> emissions boundary (tCO<sub>2</sub>e): 35  
Biogenic – Not within the Scope 2 CO<sub>2</sub> emissions boundary (tCO<sub>2</sub>e): 435

Scope 3 values are excluded from the table above. These were not yet included in the calculation for the 2025 financial year.

**2.3. ESRS E2: Pollution**

**2.3.1. DR E2-1 – Strategy regarding pollution**

Our approach to determining our material impacts, risks and opportunities is described in General Disclosures. Concerns about air, water and soil pollution are limited due to the nature of FACC's operations, which are focused on aerospace manufacturing. The company operates in controlled production environments, such as

cleanrooms and specialized facilities that minimize the direct release of pollutants. Furthermore, FACC enforces strict waste management practices, ensuring responsible disposal of both hazardous and non-hazardous waste. The company also adheres to chemical management protocols, effectively preventing harmful substances from contaminating the environment.

**Impact, risk, and opportunity management**

At FACC, managing the impact of hazardous substances is crucial both to operations and within the supply chain. The use and potential release of such substances during manufacturing can pose environmental and health risks, requiring strict compliance with regulations to avoid legal consequences and ensure employee safety. Similarly, substances within the supply chain can contribute to environmental risks, including pollution. FACC must closely monitor its supply chain to mitigate these risks and create opportunities for improved sustainability and regulatory compliance.

**Negative impacts:**

- FACC operations: the use and potential release of substances of concern during manufacturing processes.
- Value chain: the presence and handling of such substances within the supply chain, contributing to environmental risks.

**Policies**

FACC has not yet established a formal policy explicitly addressing pollution prevention and the management of substances of (particularly high) concern. This is primarily due to the fact that the materiality assessment was conducted in accordance with ESRS requirements for the first time in this reporting year. As a result, FACC's policies are still in the process of aligning sustainability initiatives with operational priorities and evolving regulatory frameworks. Nevertheless, the company acknowledges the significance of mitigating pollution risks, particularly those associated with hazardous materials used in its operations and remains committed to integrating these considerations into its sustainability strategy.

Over the next two to three years, FACC will carry out a thorough analysis to determine whether a dedicated environmental concept is required or whether this topic should be integrated into FACC's existing environmental frameworks. If necessary, this analysis will define clear targets for minimizing the use of substances of very high concern and ensuring full compliance with environmental regulations. The goal is to align with relevant third-party standards and integrate these measures into FACC's operations and supply chain.

**2.3.2. DR E2-2 – Actions and resources related to pollution**

**(E2-2.18) (ESRS 2.62):** Description of pollution-related action plans and resources. FACC will implement key actions in the next two to three years.

**2.3.3. DR E2-3 – Targets related to pollution**

**(E2-3.20) (ESRS 2.81):** FACC has not yet established specific pollution-related targets but recognizes the importance of addressing pollution, especially substances of concern and substances of

particularly high concern as part of its broader sustainability strategy. The company is currently assessing its environmental impact and developing a comprehensive approach to pollution management. Over the next two to three years, FACC plans to define measurable targets that will align with regulatory requirements and industry best practices. This process involves evaluating emissions data, identifying key areas for improvement, and integrating pollution reduction initiatives into existing sustainability goals.

**2.3.4. DR E2-5 – Substances of concern and substances of very high concern**

**Scope**

FACC systematically monitors the production, use, distribution, and procurement of substances of very high concern (SVHC) at its facilities in Austria, where high production volumes and potential environmental impacts require close oversight. Currently, such products are used only at the production sites in Austria, Croatia, and Canada.

The definition of SOC and SVHC used by FACC this year is still derived from Articles 13 and 14 of the REACH Regulation, and not from the ESRS. Accordingly, FACC identifies SVHCs, but not SOCs as defined under the ESRS disclosure requirements. As a result, SOCs will not be reported this year. The reason is the underlying ESRS definition of SOC.

**Methodology and Assumptions**

This process includes a detailed analysis of all relevant categories, each of which is examined thoroughly. Relevant assumptions were made to ensure that all substances used or generated in FACC's business activities are captured, including those contained in raw materials, semi-finished products, and final products.

**Total Quantity of SVHC Used or Generated in Production or Procurement**

To calculate the total quantity of substances of very high concern (SVHC), purchasing data from SAP for the year 2025 were used. These data reflect the amount of materials procured. In accordance with the REACH Regulation, materials classified as SVHC are typically selected and managed in the EHS tool. Therefore, the material numbers were accurately identified and subsequently filtered based on their classification from the list of purchased goods.

SVHCs were reported from the perspective of the total material and not on the basis of pure substances. The reported weights therefore represent the sum of the total weight of the materials and not the sum of the pure substances, which are estimated to

account for only around 10–15% of the material. Precise calculation methodologies for this will be possible in the 2026 financial year.

The total weight of the procured materials containing these substances was calculated by multiplying the purchased quantity by the respective density, resulting in a total amount in kilograms, which was then converted into tonnes. This calculation was carried out without assumptions to ensure data accuracy.

**Leaving the Facilities as Emissions**

The emission calculations are based on the assumption that approximately 75–90% of the material remains in the component, while the remaining 10–25% does not reach the customer, is disposed of as waste, and therefore contributes to emissions.

Assessments and estimates were carried out by reviewing existing product group classifications, considering process flows, and creating estimates based on these data.

A key component of the calculation was estimating how much of each material remains in the final product and how much is lost during processing. Some emissions—such as paint overspray—had to be estimated due to the absence of data. These assumptions for each material type are listed in the table below. The data has not yet been verified by a third party.

**Leaving the Facilities as Products**

For products leaving the facilities, no assumptions were made. Instead, SAP outbound data were used. These data were filtered to determine how many products contain substances classified as SVHC. The total quantity of these substances leaving the plant as products is directly based on the amount of processed materials, so no estimations are required.

A "product" within the meaning of the data point is defined as a material that enters goods receipt and is shipped to customers in the same container. A "part of a product" refers to substances included in FACC components (e.g., sealants, pigments, fillers, paints, adhesives, etc.).

**Leaving the Facilities as Part of Products**

This category is similar to the calculation of "leaving the facilities as emissions." Approximately 10–25% of the material remains as waste at the company and contributes to emissions. The remaining 75–90% of the weight is incorporated into the products and leaves the facilities as part of the final product. The calculation is based on estimates and the tonnage of substances leaving the company as part of products, as shown in the following table.

**Leaving the Facilities as Services**

FACC does not offer services involving SVHC; therefore, this category is not applicable.

Material	Processes Material Consumption	% of Material re-remaining in final product	% Net material used does not leave facilities/waste
PREPREG	Roll start/end, edge trimming, nesting waste, selvage, milling allowances (e.g., cutouts)	75-80%	20-25%
ADH-FILM	Roll start/end, edge trimming, nesting waste, selvage, milling allowances (e.g., cutouts); no required orientation, thus reduced waste	85-90%	10-15%
PAINT	Buffer material when mixing, adjusting spray equipment, spray mist, additional material for sanding between layers, rework, expired material batches, filler materials (e.g., Pin Hole Filler)	80-85%	15-20%
SEALANT	Cartridge sizes, adjusting hand tools, excess material during sealing, squeeze-out when joining parts, expired material batches	85-90%	10-15%
ADHESIVES	Buffer material when mixing, excess material during lamination, repairs, squeeze-out during bonding, expired batches	85%	15%
POTTING	Buffer materials, excess for filling cores, material from repairs and expired batches	80%	20%
GEKOM & ROHMAT	Used as production aids (except in rare cases, they do not remain in the final product)	N/A	N/A

The data collection and reporting process were further supported by cross-departmental collaboration. FACC worked closely with various departments, including environmental, Logistics, Purchasing, Production, Health & Safety, and Design.

#### Final reporting and verification

Once all the data was gathered, the findings were consolidated into the final table below. Throughout its production processes, FACC ensures that nearly all SVHC are collected, monitored, and managed as waste in strict compliance with both internal quality and safety standards (FQS). These standards, accessible to our workforce via the corporate network, outline precise handling, storage, and disposal measures to minimize environmental and human health risks while ensuring full regulatory compliance. While the internal methodology provides a structured approach, the data has not yet been verified by a third party.

Table: Substances of (very high) concern

	2025 (t)
Total quantity of substances of very high concern generated or used in production or procured	27.4
Total quantity of substances of very high concern leaving the facility as emissions, as products, or as part of products or services	27.4
Leaving the facilities as emissions	5.2
Leaving the facilities as products	1.2
Leaving the facilities as part of products	21.0
Leaving the facilities as services	0.0

## 2.4. ESRS E5: Resource use and circular economy

The future of mobility heavily depends on innovative technologies and materials. FACC is pushing beyond previous limits by developing and utilizing new materials, driving forward more sustainable, cost-effective, and efficient production technologies for fiber-reinforced components.

To enable the integration of aircraft parts into a circular economy, FACC is conducting intensive research on novel processing and

manufacturing techniques. While FACC's products are designed for long-term use, the goal is to recycle them or their components at the end of their lifecycle. In recent years, the company has increasingly focused on developing and implementing circular economy principles to promote sustainability in aviation.

### 2.4.1. DR E5-1 – Policies related to resource use and circular economy

#### Impacts, risks and opportunities (IROs)

FACC has identified the following impacts, risks and opportunities (IROs) within the ESRS E5 standard to manage resource inflows, outflows, and waste management within the company.

#### Negative Impacts

- Resource Inflows - Value Chain: The supply chain also experiences significant raw material demand, contributing to resource depletion across the production lifecycle.
- Resource Inflows - Own Operations: FACC's manufacturing processes require substantial raw material consumption, leading to high resource utilization.

#### Risks

- Waste Management - Own Operations: The generation of hazardous waste can lead to increased disposal costs and regulatory compliance expenses.

#### (E5-1.14): Policies

(ESRS 2.62): FACC has not yet developed specific, standalone circular-economy concepts addressing the material impacts, risks, and opportunities identified in the double materiality assessment. FACC will actively work on developing a more structured and comprehensive circular-economy approach, which is planned to be formalized within the next one to two years.

### 2.4.2. DR E5-2 – Actions and resources related to resource use and circular economy

#### (E5-2.19 a-b): Description of the key actions

#### Key action 1 - Transition to thermoplastics

The transition to thermoplastics enables a 2% product recycling rate until the next products generation. In this key action, efforts in the evaluation of thermoplastics efficiency such as closed-loop recycling, the advancement of lightweight materials, and the exploration of new technologies play a crucial role in this process. This initiative also addresses the two negative impacts identified in the materiality assessment. Specifically, FACC aims to mitigate high resource utilization in the value chain and own operations by reducing raw material consumption in its manufacturing processes.<sup>2</sup>

<sup>2</sup> Closed-loop processes in thermoplastics involve recycling and reusing production scrap or end-of-life components to reduce waste and reliance on virgin materials.

#### Key action 2 - Product separability and embedding circularity

FACC is advancing the development of modular products to enhance end-of-life reuse. By implementing design-for-recycling, this key action also contributes to the 2% recycling target for thermoplastics, as the focus on recyclable thermoplastics and modular designs will increase the overall separability of the components.

This key action addresses a risk identified in the materiality assessment by reducing hazardous waste generation through im-

Key actions	Time horizons	Value chain scope	Geographical scope	Affected stakeholders groups	Progress
Transition to thermoplastics	Next-products generation <sup>3</sup>	Own operations: FACC Group	Austria, Croatia	Own workforce	FACC is still in the research phase, evaluating the viability and efficiency of thermoplastics. As a result, the necessary technologies and modular product designs remain still integral to the research process.
		Upstream	Global	Suppliers	
		Downstream	Global customer markets	Customers	
Product separability and embedding circularity	Next-products generation <sup>3</sup>	Own operations: FACC Group	Global	Own workforce	
		Downstream	Global customer markets	Customers, Waste management partners	
Training on circularity awareness	2027 - ongoing	Own operations: FACC Group	Global	Own workforce	FACC is still finalizing the e-learning platform for employee training to be completed by 2026.

<sup>3</sup> FACC is still unable to define a specific year for the launch of the next-products generation, as the development of thermoplastics and their integration into aircraft design is still under research.

### 2.4.3. DR E5-3 – Targets related to resource use and circular economy

FACC's goal is to establish lightweight thermoplastic composites as a sustainable business standard, move them from pre-development to serial production for next-products generation, and achieve a 2% recycling rate through closed-loop processes that support circular economy principles.

By reducing raw material consumption in the value chain and own operations, this target helps minimize resource inflows (negative impact). Additionally, achieving a 2% recycling rate through closed-loop processes supports circular economy principles, helping to minimize hazardous waste generation and associated disposal costs and regulatory risks.<sup>4</sup>

<sup>4</sup> Closed-loop processes in thermoplastics involve recycling and reusing production scrap or end-of-life components to reduce waste and reliance on virgin materials.

proved product separability. By enhancing end-of-life reuse and optimizing component design, FACC minimizes material waste, lowers disposal costs, and mitigates regulatory compliance expenses related to hazardous waste management.

#### Key action 3 - Training on circularity awareness

This action is a key action based on a voluntary basis since FACC is dedicated to advancing employee awareness and training to meet its sustainability objectives. The completion of the e-learning platform for employee training by 2026 will be pivotal to reduce the risk of not educating staff correctly on the significance of recycling best practices and upcoming regulations, ensuring they are well-prepared for future requirements. Ultimately, trainings should be starting latest in 2027 and be ongoing since the platform should be reachable for the own workforce.

All three of the above-mentioned measures do not require any significant CapEx or OpEx.

The table below outlines the scope of key actions, including their coverage in terms of activities, upstream and downstream value chain impact, geographic reach, the stakeholder groups affected and the progress of the actions.

(E5-3.23) Relationship of the goal to the policy: FACC has not yet adopted a policy (see (E5-1.14)), for that reason, the relationship has not been made yet.

#### Defined target level

- Transfer thermoplastic composites to serial production to the next-products generation.
- Achieving a recycling rate of 2 percent through closed-loop processes.<sup>5</sup>

<sup>5</sup> A quantification in absolute terms is currently not possible in this case, as the development of thermoplastics and their integration into aircraft manufacturing are still in the research and development phase.

Scope of target: The scope of FACC's target mainly focuses on its own activities, aiming to achieve a 2% recycling rate through closed-loop processes within its production operations. This target

applies to FACC's manufacturing facilities and is integrated into its broader waste management and resource efficiency strategies. While the primary focus is on internal processes, upstream suppliers and downstream customers are also considered where applicable, particularly in material selection and end-of-life recycling initiatives. Geographically, the target encompasses all FACC production sites, ensuring a standardized approach to circular economy principles. By using lightweight, recyclable materials, FACC seeks to lower production costs, reduce transportation emissions due to decreased material weight, and meet growing customer demand for eco-friendly solutions.

Baseline value: 0%, Base year: 2024, Target period: next product generation.

Period and milestones: FACC aims to transfer thermoplastic composites from pre-development to serial production as part of the next-product generation.<sup>3</sup> Within this long-term target, the company also targets achieving a 2% recycling rate through closed-loop processes, supporting circular economy principles.

Description of methodologies and significant assumptions used to define target: To establish a clear basis for the 2% recycling target, FACC expects a scrap rate of approximately 5% once thermoplastic processes are fully implemented. However, not all waste can be recycled due to limitations such as lightning protection, paints, or impurities on components, which reduce the share of recyclable material. Additionally, not all polymers are suitable for recycling. The assumed recycling potential is based on current technological capabilities, material availability, and processing feasibility, which can contribute to achieving the feasible 2% target under the following conditions: First, securing the initial thermoplastic contract at FACC is essential to establish a consistent raw material flow. Second, material qualification for a press or injection molding material with recycled content is necessary, as this is not yet industry standard. Third, introducing recycled-based components into aircraft cabins requires ensuring that the material properties meet performance standards. Lastly, the business case must be viable, as processing recycled material incurs costs and is not financially neutral.

Scientific evidence

- C.O.M.P.A.S.S. Project: In collaboration with industry partners, FACC is researching the re-manufacturing of thermoplastic materials to produce high-quality second-life components. This project aims to enhance the sustainability of aerospace components by extending their lifecycle.
- STEP Project: The Stamp-Forming Engagement Project (STEP) aims to optimize product design and improve the quality of thermoplastic composite (TPC) components through advanced simulation and manufacturing processes. By introducing a computer-aided approach to predict surface deviations, as well as an innovative co-consolidation stamp-forming process, the project enables the efficient production of components with variable thickness in a single manufacturing step. These innovations promote sustainability in aerospace by supporting the use of recyclable TPC materials, reducing component weight, energy consumption, and material waste, thereby contributing to the decarbonization of aircraft.

- The C.O.M.P.A.S.S. Project and STEP Initiative focus on exploring the potential of thermoplastic composites in aerospace manufacturing. While these projects aim to enhance sustainability and efficiency, they are not based on established scientific evidence but rather on a potential-driven approach. Their outcomes depend on ongoing research and industry collaboration, making them promising but not yet scientifically validated solutions.

Stakeholder involvement: For the target setting, only FACC's own workforce has been involved in the process. The internal R&D team played an important key role with its expertise.

Changes in targets and methodologies: No changes in targets have occurred. Methodologies are reviewed for accuracy and alignment with evolving scientific and regulatory standards.

Performance against targets

- Monitoring: We will track the volume of thermoplastic composite products produced and the recycling rates achieved, using integrated environmental management systems to collect and analyze data.
- Review: Annual reviews assess progress against sustainability targets, with adjustments made based on performance trends and operational developments.
- Performance Analysis: While specific performance data is not detailed yet because the project is still in the research phase, the commitment to research and development is evidenced by FACC participation in projects like C.O.M.P.A.S.S. and STEP.

**(E5-3.24/a):** The target specifically addresses the enhancement of circular product design, focusing on the integration of lightweight thermoplastic composites as a sustainable standard in FACC's production process. Due to their inherent recyclability and potential for reprocessing, thermoplastic composites are a key material for enabling closed-loop manufacturing systems. Transitioning these materials from the pre-development phase into serial production for next-products generation represents a significant step toward implementing circular economy principles. By introducing closed material cycles that achieve a recycling rate of 2 %, FACC reduces waste, reuses valuable materials, and decreases its dependency on primary resources. This aligns with FACC's environmental policy objective to minimize environmental impact by limiting the consumption of natural resources and reducing industrial waste.

**(E5-3.25):** Target relates to the hierarchy layer "recycle".

**(E5-3.26):** In setting its environmental targets, the company does not currently rely on ecological thresholds or science-based target-setting approaches, such as the guidelines of the Science-Based Targets Initiative for Nature (SBTN). A potential future alignment with science-based target-setting approaches will be considered as part of the ongoing development of the sustainability management system.

**(E5-3.27):** All of the mentioned targets related to resource use, waste and circular economy are set on voluntary basis.

2.4.4. DR E5-4 – Resource inflows

**2.4.5. The data on resource inflows were not yet available at the time of reporting and therefore could not be calculated. They will be collected in the next reporting cycle. The methodology and underlying assumptions will be transparently documented to ensure complete and consistent reporting in accordance with E5-4.DR E5-5 - Resource outflows**

Product durability and reparability

One of the main focuses at FACC is producing lightweight components that enhance buy-to-fly ratios while ensuring durability and reparability. Most of its components are designed to last over 20 years, aligning with the typical service life of an aircraft. The after-sales activities include replacing spare parts and providing global maintenance, repair, and overhaul (MRO) services to support the longevity of its products. However, at present, there is no established rating system available to assess the reparability of the products, and recycling of these products is currently not possible due to material composition.

Recyclable content in products and packaging

Currently, FACC does not incorporate recycled content into its products. The percentage of recyclable content in its products and their packaging is therefore 0%. However, continuously its being explore future possibilities for integrating sustainable materials where feasible without compromising performance and safety standard.

Products pro segments and sales overview

In terms of products and materials sold, FACC focused on three key segments that significantly contribute to overall business performance. Data is presented based on the total number of series shipsets sold, as these represent the most impactful products in terms of production and market presence.

Each shipset comprises multiple components and materials, with complexity varying by segment. To provide a clearer and more accurate representation of sales data, reporting is structured around shipsets rather than individual parts or materials.

The breakdown of the three key segments is as follows:

Segment	Amount serie shipsets sold in 2025
Aerostructures	8,426 pieces
Engines & Nacelles	2,308 pieces
Cabin Interiors	3,053 pieces

Circular design and resource optimization

In recent years, FACC has been actively contributing to sustainable aviation through research aimed at reducing emissions in the next generation of aerospace products. As part of this commitment, FACC participated in the Wing of Tomorrow program—an ambitious research initiative focused on developing advanced wing technologies. Within this project, FACC supported delivering data to conduct lifecycle assessments and better understand the environmental impact of using lighter composite materials and a folding wingtip, which enhances aerodynamic efficiency and reduces fuel consumption.

In addition, FACC continuously optimizes materials from research and development (R&D) through to operational deployment and integrates circular economy principles into its production processes. A key focus is the ongoing optimization of the aileron—a movable flight control surface located on the wings that is responsible for controlling an aircraft's roll motion. Assessing the environmental impacts of different materials, such as thermosets and thermoplastics, through life cycle analyses helps to identify significant optimization potential. Furthermore, cabin interior products—such as overhead stowage compartments and cabin sidewalls—remain a critical segment for the development of alternative and more sustainable solutions.

Overall total weight of materials used

The total overall weight of materials used during the reporting period was not accurately determined as part of resource usage. As a result, the required calculation could not be conducted.

Waste

**(E5-5.35):** With regard to the nature of FACC's business, resource outflows primarily consist of composite materials, metals, packaging materials, and chemical waste such as solvents or paints. For this reason, FACC closely monitored its total waste generation in 2025, focusing on both hazardous and non-hazardous waste streams. FACC continues to strive to optimize its waste management system, placing a strong emphasis on increasing recycling and recovery processes to reduce the proportion of waste destined for disposal.

**(E5-5.37): Waste data**

Waste	2025 (t)
Total hazardous waste	450.0
Hazardous waste diverted from disposal	392.1
Hazardous waste diverted from disposal due to preparation for reuse	0.0
Hazardous waste diverted from disposal due to recycling	1.3
Hazardous waste diverted from disposal due to other recovery operations	390.8
Hazardous waste directed to disposal by waste treatment type	57.9
Hazardous waste directed to disposal by incineration (thermal disposal)	0.0
Hazardous waste directed to disposal by landfilling	57.9
Hazardous waste directed to disposal by other disposal operations	0.0
Total Non-hazardous waste	3,164.9
Non-hazardous waste diverted from disposal	2,508.5
Non-hazardous waste diverted from disposal due to preparation for reuse	0.0
Non-hazardous waste diverted from disposal due to recycling	1,092.9
Non-hazardous waste diverted from disposal due to other recovery operations	1,415.5
Non-hazardous waste directed to disposal by waste treatment type	656.5
Non-hazardous waste directed to disposal by incineration	0.0
Non-hazardous waste directed to disposal by landfilling	656.5
Non-hazardous waste directed to disposal by other disposal operations	0.0
Total Waste generated	3,614.9
Total Non-recycled waste	2,520.7
Percentage of non-recycled waste	69.73
Total recycled waste	1,094.2
Percentage of recycled waste	30.27

**(E5-5.40): Data Basis According to Legal Requirements**

The collection of waste data at FACC AG is based on the Austrian Waste Management Act (§ 17 AWG), which requires waste producers, collectors, and processors to maintain continuous annual records of the type, quantity, origin, and destination of waste.

Data collection therefore relies primarily on verifiable documentation from external waste management companies, including:

- invoices
- consignment notes
- delivery notes

This approach ensures high data quality and full traceability. FACC generally uses only documented and verifiable quantities;

estimates are applied only where no measured primary data are available. Compliance with industry-specific standards is ensured within the framework of the applicable legal obligations.

For the Canadian site, hazardous waste was estimated proportionally based on the relationship between Canadian revenue and Austrian operational performance due to the absence of complete primary data.

**Scope Waste – Estimation Methodology**

For two international sites, no site-specific measured waste data were available for the 2025 reporting year. In accordance with ESRS E5 and the principle of best possible estimation, a benchmark-based extrapolation approach was applied.

The reference site was the office of the Slovak subsidiary (Bratislava), for which verified waste data for 2025 were available:

- 768 kg of non-hazardous residual/municipal waste

A specific waste-generation factor per employee was derived from this dataset.

**Extrapolation Logic**

Waste quantities for the affected locations were projected using the number of employees at each site. For 2025, this approach was applied only to India and China. This ensures a consistent, understandable, and reproducible estimation based on internal comparative data.

**Included Waste Types**

The estimate includes only non-hazardous waste types under ESRS E5:

- Mixed municipal waste / residual waste
- Packaging waste (e.g., cardboard, wooden pallets, plastics)
- Bulky waste
- Mixed construction and demolition waste
- Non-recycled or landfilled waste
- Office and general residual waste

Hazardous waste and special local waste streams are not included in this extrapolation model (except for the proportional estimate for Canada). No external third-party validation has been performed.



### 3. SOCIAL INFORMATION

#### 3.1. ESRS S1: Own workforce

DR related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with the strategy and business model

**(S1-SBM-3.10):** FACC integrates social sustainability targets into its strategic planning by implementing initiatives aimed at promoting diversity, inclusion and fair working conditions. This includes professional training and development programs (such as the "Expert Career") aimed at continuously improving employees' skills and expanding their career opportunities.

The company attaches great importance to creating a safe and healthy working environment, supported by the implementation of health and safety guidelines based on international standards such as ISO 45001. Measures include regular training and safety drills.

In addition, FACC promotes an open corporate culture that encourages staff to give feedback and actively participate in shaping the working environment. This is supported by regular employee surveys and feedback loops to ensure that the needs and expectations of the workforce are taken into account. The same applies to our employee representatives (works council).

**(S1-SBM 3.13a) (S1-SBM 3.13b):** FACC identifies and assesses its material impacts, risks and opportunities with regard to its workforce in accordance with the guidelines set out in ESRS 2 IRO-1. The following aspects of FACC's strategic business model have a significant impact on its employees while contributing to the adaptation of the corporate strategy and business models.

i. Origin and connection to the strategy and business models:

Own company (short-, medium- and long-term): Job security and quality at the FACC locations

FACC places great importance on stable, safe, and high-quality workplaces. This strategy ensures greater efficiency and employee motivation. Safety standards and continuous improvement programs are intended to ensure that every working environment remains free from accidents and injuries. The annual ISO 45001 certification, conducted externally at the Austrian sites (excluding the Vienna office), further underscores FACC's commitment.

Own company (short-, medium- and long-term): Working conditions promoting greater flexibility and a better work-life balance:

The strategy FACC is pursuing to promote flexible working models allows employees to achieve a better work-life balance. This includes (where feasible) options to work from home, flexible working hours and part-time models. These measures improve job satisfaction and long-term employee retention.

Own company (short-, medium- and long-term): Reconciling family and career

FACC offers its employees programs and support services to achieve a better work-life balance. These include more flexible working hours, special working time arrangements for parents, and company childcare. These initiatives aim to increase the company's attractiveness as a family-friendly employer, thereby retaining talented staff in the long term.

ii. Informing and contributing to the adaptation of the strategy and business model:

Own company (short-, medium- and long-term): Increasing employee satisfaction through inclusion and diversity

The promotion of a DIE culture (Diversity, Inclusion & Equality) is an essential component of FACC's corporate strategy. Initiatives such as mentoring programs, the International Café (a language exchange program for employees) and the FACC women's network Wings for Women contribute to creating an inclusive working environment. These measures are continuously evaluated and adapted in order to maximize their effectiveness.

Own company (short-, medium- and long-term): Making workplaces more attractive through equal opportunities, training and inclusion

Through targeted training programs and initiatives to promote equal opportunities and inclusion, FACC supports the skills development and career opportunities of its employees. These measures improve FACC's competitiveness and help to attract and retain top talents.

Own company (short-, medium- and long-term): Equal treatment of men and women in the salary structure

A transparent pay structure based on equal treatment is a cornerstone of FACC's company policy. Regular reviews of salary structures ensure that gender-specific income differences are eliminated. These efforts contribute to the creation of a fair and motivating working environment.

FACC analyzes and reports on the relationship between material opportunities and risks arising from the impacts and dependencies of its own staff and their relationship to the company's strategy and business models.

Risks and opportunities arising from impacts and dependencies:

Risks (own company; short-, medium- and long-term):

- Cost increases due to higher-than-expected salary increases under collective bargaining agreements: Collectively agreed salary increases may lead to substantial cost increases, which could jeopardize the company's financial stability. FACC continuously analyzes and forecasts such risks to proactively develop cost control measures. This has been a major issue over the past two to three years, particularly in Central Europe.

Opportunities (own company; long-term):

- Lower staff turnover through flexible working hours and a healthy work-life balance. Flexible working models and measures to improve the work-life balance reduce the fluctuation rate and generate substantial cost savings when recruiting and training new staff.
- Lower staff turnover through fair remuneration. A fair and competitive remuneration structure strengthens employee loyalty and reduces staff turnover, thereby lowering recruitment costs in the long term.
- Lower staff turnover through training and development opportunities. FACC promotes the professional development of its employees by investing in training and further education programs, thereby increasing their satisfaction and loyalty and reducing staff turnover.
- Lower staff turnover through access to fair healthcare. Additional health benefits that go beyond legal requirements promote the well-being of employees and contribute to a reduction in staff turnover rates.
- Lower staff turnover through measures to combat violence and harassment in the workplace. Preventive measures and targeted support programs create a safe working environment that strengthens employee loyalty and reduces staff turnover.
- Lower staff turnover through a diverse management and workforce. A diverse workforce and management team fosters a more inclusive culture, which increases employee satisfaction and loyalty and reduces staff turnover costs.

Conclusion

FACC considers the impact on its workforce to be an important component of its strategic and operational planning. Through various methods and processes (such as workplace evaluations, employee surveys, audits, etc.), FACC aims to ensure that positive impacts—such as job security, work-life balance, and inclusion—are maximized while risks are minimized. At the same time, FACC efficiently leverages the opportunities arising from these measures to achieve sustainable success and strengthen its competitiveness.

**(S1-SBM 3.14):** All people in the company's own workforce who could be materially affected by the company are included in the scope of disclosure in accordance with ESRS 2.

**(S1-SBM 3.14a):** Types of employees and non-employees in the company's own workforce who could be significantly affected by the company's business activities include (but are not limited to):

- General employees
- Executive management: Full Executive Board etc.
- Engineering & technical staff: engineers, technicians, etc.
- Health, Safety and Environment (HSE): HSE managers, environmental scientists, etc.
- Project management: project managers, project coordinators, etc.
- Finance & accounting: financial analysts, accountants, etc.
- Human resources: HR managers, recruiters, etc.
- Information technology: IT specialists
- Supply chain and procurement: procurement and supply chain manager
- Sales & marketing: sales and marketing staff
- Legal & compliance: legal experts, compliance managers

Non-employee workers:

- Contractors
- Consultants: management and technical consultants, etc.
- Freelancers
- Vendors & suppliers: equipment providers, etc.
- Joint venture bodies: government inspectors, industry regulators, etc.
- Academia & research institutions: academic and research institutions
- Labor unions
- Insurance companies
- Investors & analysts: institutional investors, equity analysts, etc.
- Community & stakeholders: NGOs, local community representatives, etc.

These groups include both salaried employees and self-employed people as well as persons who are dispatched by third parties and are primarily involved in contract work.

**(S1-SBM 3.14b):** No material negative impacts were identified in the course of the DMA (Due Diligence Management Approach). This assessment is based on the results of the DMA, which is conducted on a regular basis to analyze potential risks and impacts on the workforce. As part of the DMA, extensive discussions were held with department heads and assessments were carried out, showing that FACC's existing measures and strategies are proving effective in minimizing negative effects on the workforce.

The DMA includes a systematic collection of data and feedback from employees as well as a review of working conditions and company practices. These processes have confirmed that FACC has not identified any material negative impacts on its workforce, which is attributable to the proactive measures mentioned and the continuous improvement of the working environment.

**(S1-SBM 3.14c):** Description of activities that produce significant positive effects:

1. Working conditions within the company providing employees with health security:

- Activities: Implementation of comprehensive health and safety programs, regular training and safety checks.
- Affected groups: Health, Safety and Environment (HSE), Engineering & Technical Staff, Contractors.

2. Working conditions within the company that lead to increased employee involvement and thus to greater job security:

- Activities: Introduction of employee participation programs and regular feedback sessions.
- Affected groups: Project Management, Human Resources, Executive Management.

3. Working conditions within the company that provide employees with greater flexibility:

- Introduction of flexible working time models and opportunities to work from home.
- Affected groups: Information Technology, Finance & Accounting, Sales & Marketing.

4. Working conditions within the company that make it easier for employees to reconcile their family and career:

- Activities: Providing childcare and flexible working hours.
- Groups affected: Human Resources, Executive Management, Engineering & Technical Staff.

5. Working conditions within the company that increase employee satisfaction:

- Activities: introduction of employee recognition programs and improving the working environment.

- Groups affected: all employee groups, in particular Sales & Marketing, Supply Chain and Procurement.

6. Working conditions within the company that improve health or safety at the workplace:

- Activities: regular health checks and safety inspections.
- Groups affected: health, Safety and Environment (HSE), Engineering & Technical Staff, Contractors.

7. Increasing the attractiveness of the workplace through equal opportunities, diversity, training and inclusion within the company:

- Activities: training courses on diversity and inclusion, promoting equal opportunities.
- Groups affected: Human Resources, Legal & Compliance, Executive Management.

8. Safeguarding the privacy of employees within the company by ensuring compliance with the GDPR:

- Activities: Implementation of data protection guidelines and regular training on the GDPR.
- Groups affected: Information Technology, Legal & Compliance, Human Resources.

**(S1-SBM 3.14d) (S1-SBM 3.16):** Examples of material risks:

Cost increases due to higher-than-expected collectively agreed salary increases

Collectively agreed salary increases that are higher than expected can significantly increase operating costs and affect the financial stability of the company. This risk affects, in particular, all employees in tariff-bound positions. To mitigate this risk, the company continuously monitors collective bargaining negotiations and plans appropriate budget reserves.

Specific examples of the proactive measures that FACC has developed to manage the risks of collectively agreed salary increases:

- Efficiency improvement programs: FACC has implemented programs to increase its operational efficiency in order to reduce costs and offset the effects of salary increases. These include process optimization in production and the use of automation technologies.

- Flexible working time models: By introducing flexible working time models, FACC is able to better respond to fluctuations in production and manage personnel costs more efficiently.

- Negotiations with suppliers: FACC conducts regular negotiations with its suppliers in order to obtain better conditions and thus partially offset the increase in personnel costs.

- Investments in further training: Through targeted investments in further education and training, FACC increases the productivity of its employees, which contributes to cutting costs in the long term.

Connection to the implemented DMA (Due Diligence Management Approach)

FACC integrates these measures into its Due Diligence Management Approach by continuously analyzing and evaluating risks arising from collectively agreed salary increases. The DMA comprises regular risk analyses to assess the financial impact of salary increases. The aforementioned measures are developed and implemented on the basis of these analyses in order to safeguard FACC's financial stability. The connection to the DMA is reflected in the systematic recording and assessment of risks and the proactive development of risk mitigation strategies.

Examples of material opportunities

Lower staff turnover (lower recruiting costs) by allowing for flexible working hours and a healthy work-life balance and promoting diversity:

The introduction of flexible working hours and the promotion of a healthy work-life balance and diversity can increase employee satisfaction and loyalty, particularly among parents and caregivers. This leads to lower staff turnover rates and reduces the cost of recruiting and training new employees. FACC therefore implements flexible working time models and actively promotes a diverse and inclusive corporate culture.

Lower staff turnover (decreasing recruiting costs) through appropriate and fair remuneration:

The introduction of flexible working hours and the promotion of a healthy work-life balance and diversity can increase employee satisfaction and loyalty, particularly among parents and caregivers. This leads to lower staff turnover rates and reduces the cost of recruiting and training new employees. FACC therefore implements flexible working time models and actively promotes a diverse and inclusive corporate culture.

Lower staff turnover (decreasing recruiting costs) through further education and training opportunities:

Investing in further education and training increases the skills and satisfaction of employees, which leads to lower staff turnover, particularly among younger employees and those in technical positions. FACC offers extensive training and further education opportunities to promote the professional development of its employees and strengthen their loyalty to the company.

Lower staff turnover (decreasing recruiting costs) by providing access to adequate health care (beyond legal requirements):

Additional healthcare benefits improve the health and well-being of the workforce, which strengthens loyalty to the company and reduces staff turnover, especially among employees in physically demanding roles. In order to promote the health of its workforce, FACC offers healthcare programs and benefits over and above legal requirements.

**(S1-SBM 3.14e):** FACC is committed to contributing to limiting global warming to a maximum of 1.5 degrees Celsius by reducing its greenhouse gas emissions in line with the requirements of the Paris Climate Agreement. However, no concrete transition plans exist at this stage.

Material risks

The switch to renewable energies and the introduction of new technologies could necessitate a restructuring of production processes, potentially leading to job losses in some areas. This particularly affects Engineering & Technical Staff, Contractors and Project Management.

Material opportunities

At the same time, these measures offer opportunities for creating new jobs and retraining the existing workforce. Introducing new technologies and switching to renewable energy sources can lead to greater job security and new career opportunities. This applies in particular to the areas of Information Technology, Human Resources and Engineering & Technical Staff.

In order to take advantage of these opportunities and minimize the associated risks, FACC is planning extensive retraining and further training programs for the employees concerned. This is intended to ensure that the workforce acquires the necessary skills and know-how to be successful in a low-carbon economy.

By implementing these measures, FACC is pursuing a holistic decarbonization strategy that focuses both on direct emissions from its own operations and on emissions along the entire value chain, thus meeting the company's long-term targets and the requirements of the Paris Climate Agreement.

**(S1-SBM 3.14f) (S1-SBM 3.14g):** Detection of high-risk sites through identification:

1. Geographical risk factors (regional or country level):

- Regions with increased risk: Southeast Asia, Sub-Saharan Africa, Middle East

2. Sector-specific risk factors:

- production sites
- construction and infrastructure development
- supply chain operating sites

FACC also has a subsidiary in Southeast Asia. In this region, the weak enforcement of labor laws poses a higher risk of forced labor and child labor. However, this subsidiary consists solely of office facilities and not production sites. FACC closely monitors this subsidiary as well to ensure that all ethical standards are upheld and that it remains free from forced and child labor.

FACC also operates sites in Southeast Asia. This region is exposed to a greater risk of forced labor and child labor due to the poor enforcement of labor laws. However, all FACC sites in these regions are merely office facilities and not production plants. FACC monitors these sites very closely to ensure that all facilities meet the highest ethical standards and do not engage in forced labor or child labor.

In addition, FACC has implemented measures to minimize the risk of forced labor and child labor in its supply chain operating sites. These include regular audits and inspections and, where necessary, cooperation with local authorities and non-governmental organizations to ensure compliance with labor laws.

With these measures, FACC ensures that all subsidiaries worldwide meet the highest ethical standards and do not engage in forced or compulsory labor.

**(S1-SBM 3.15):** Identification of risk groups:

- Gender: Women may face a higher risk of discrimination or harassment in certain work environments.
- Age: Older employees may be exposed to a higher risk of injury in physically demanding activities.
- Disability: Employees with disabilities (according to the Austrian Disability Employment Act – BEinstG – and comparable applicable legislation at other locations) may be exposed to a higher risk of accidents or discrimination in certain work environments or when performing specific tasks.
- LGBTQ+: LGBTQ+ staff may be exposed to a higher risk of discrimination or harassment.
- Ethnicity: Employees from ethnic minorities may be at higher risk of discrimination or harassment.

Methodology for identifying risks:

Employee surveys and feedback: FACC performs regular surveys and feedback sessions to collect the experiences and concerns of its employees.

Data analysis: FACC regularly analyzes employee data to identify patterns and trends that could be indicative of increased risks.

Incident reporting systems: FACC has incident reporting systems in place to identify risks and problems at an early stage.

Risk mitigation measures:

Guidelines and governance: FACC has implemented guidelines on diversity and inclusion as well as anti-discrimination and anti-harassment policies.

Training and awareness-raising programs: FACC has established programs on leadership development and raising awareness of diversity and inclusion issues.

Support systems and resources: FACC offers mentoring and sponsoring programs to support vulnerable groups.

Complaint mechanisms and reporting systems: FACC has introduced mechanisms for the protection of whistleblowers and systems for submitting complaints.

Monitoring and continuous improvement:

Regular assessments: FACC conducts regular workplace audits and collects employee feedback to assess the effectiveness of its measures.

Reporting and transparency: FACC makes its progress and challenges transparent by publishing annual reports and involving its stakeholders.

### 3.1.1. DR S1-1 – Policies related to the own workforce

**(S1-1.19):**

**Policy 1 – Code of Conduct (CoC)**

**Policy 2 – Data Protection Policy**

**Policy 3 – Health and Safety Policy**

Alongside the topics of corruption and bribery as well as human rights issues (e.g. fair working conditions), the Code of Conduct covers the following areas: general conduct, health and safety, company property, conflicts of interest, ban on cartels, insider information, export control, environmental protection and quality policy. The company also expects its customers and suppliers to adhere to certain values and principles of conduct. This is essential as FACC wishes to work with partners who share the same values and follow the same principles.

Relevant impacts, risks and opportunities (IROs):

- Increasing the attractiveness of the workplace by reducing violence and harassment.
- Increasing the attractiveness of the workplace through a non-discriminatory salary structure within the company.
- Lower staff turnover (decreasing recruiting costs) through measures to prevent violence and harassment in the workplace.

The Data Protection Policy serves to strengthen the trust of stakeholders by making the company's data processing practices transparent and ensuring that personal data is handled responsibly and in compliance with the law.

Relevant impacts, risks and opportunities (IROs):

- Ensuring that the privacy of employees is protected within the company through compliance with the GDPR.

In accordance with ISO 45001, the Health and Safety Policy deals with creating a safe and healthy working environment by following a systematic approach to managing occupational health and safety.

Relevant IROs:

- Creating working conditions within the company that improve health and safety in the workplace.

Scope of the policies:

The FACC Code of Conduct applies to all members of staff of FACC.

The Data Protection Policy, on the other hand, applies to all FACC employees at locations within the European Union.

The Health and Safety Policy also applies to all employees at the Austrian sites.

Only the Code of Conduct is publicly accessible via the FACC homepage or intranet. All other aforementioned policies are only available to FACC employees, who can access them at any time via SAP or the company's intranet.

Responsibilities at FACC:

The General Counsel is responsible for the implementation and enforcement of the Code of Conduct and the Data Protection Policy. They report directly to the Chief Financial Officer (CFO) of FACC. The Health and Safety Manager, on the other hand, is responsible for the Health and Safety Policy. Until the end of June 2025, he reports directly to the Management Board member responsible for Operations (COO). From June onward, the reporting line shifts directly to the Chief Executive Officer (CEO).

The Health and Safety Policy is reviewed regularly as part of the external ISO 45001 audit.

Possibilities to access the policies:

The Code of Conduct is available on the FACC company website. FACC also disseminates the policy via internal channels to ensure that all employees are informed of, and comprehend, its content. The Health and Safety Policy is accessible on the FACC intranet and is communicated via training courses to also ensure that all employees are informed of, and comprehend, its content.

**(S1-1.20) (S1-1.20a):** Respect for human rights, including labor rights

FACC is committed to respecting the human and labor rights of all employees, as enshrined in the conventions of the International Labor Organization (ILO). FACC has a zero-tolerance policy against discrimination based on race, skin color, gender, age, religious beliefs, sexual orientation, national origin, disabilities or other protected characteristics. Moreover, FACC is committed to fair remuneration, equality and diversity with numerous initiatives in these areas.

FACC was thus awarded the state seal of approval for family-friendly employers in recognition of its wide range of measures to reconcile work and family life.

At FACC, flexible working time models and all-day childcare offers have been making a significant contribution to improving the reconcilability of work and family life for many years. The founding of the FACC Wings for Women network two years ago marked another important milestone when it comes to supporting women throughout their careers, thereby also creating more equal opportunities.

More than 300 working time models:

More than 300 different working time models in the company underscore the flexibility that FACC offers its employees when it comes to organizing their working hours. The focus is on creating an environment that is particularly responsive to the needs of families. This includes a focus on job sharing - also for management positions. This enables mothers or fathers working part-time to continue their careers without interruption. In addition to flexitime and working from home, parents are offered the opportunity to coordinate their working hours. This option is also available to production staff by working opposite shifts.

FACC as one of the most attractive employer brands in Austria

Measures to promote diversity and family-friendliness are key when competing for the best employees - also in light of the ongoing shortage of skilled workers. FACC's successful positioning as a family-friendly employer is also reflected in a large-scale study conducted by the personnel service provider Randstad, which ranked FACC among the six best employers in Austria. First place also went to Upper Austria. Receiving the Leading Employer Award 2024 further underscores FACC's standing as one of Austria's TOP employers.

**(S1-1.20b):** Engaging with the own workforce

FACC embraces open and transparent communication with its workforce and cultivates an environment based on mutual respect and cooperation. To this end, FACC maintains open communication channels through regular meetings and feedback mechanisms in order to understand and address the concerns of its workforce. In addition, FACC supports employee representation (works council) and promotes an inclusive corporate culture. Preventing discrimination against individual employees, e.g. through unequal treatment in terms of recruitment, remuneration, promotion opportunities or training and further education, increases the attractiveness of the workplace and is therefore of key importance to FACC. Consequently, FACC is strongly committed to equal opportunities, inclusion and actively practiced diversity.

**(S1-1.20c):** FACC is committed to addressing human rights impacts arising from its operations, providing effective remedies and ensuring that affected individuals receive appropriate support.

FACC has established robust complaint mechanisms (whistleblower system, which are available to all employees, to ensure that complaints and concerns are dealt with promptly and fairly. Furthermore, FACC fosters an open communication culture, encouraging every employee to seek direct communication with their

superior. The FACC employee representatives can also be contacted at any time. Any reports (anonymous or not) will be handled and investigated by the responsible employees in Compliance.

**(S1-1.21) (S1-1.22):** Alignment of policies with internationally recognized instruments

FACC's human rights and labor rights policies are aligned with the conventions of the International Labor Organization (ILO) and the ISO 45001 standard. The International Labor Organization conventions form the basis for FACC's commitment to fair working conditions and respect for labor rights. The ISO 45001 certification supports FACC in ensuring a safe and healthy working environment at its Austrian sites (with the Vienna office excluded from the certification scope in Austria). FACC integrates these standards into its internal policies (such as the Code of Conduct, work instructions, etc.) through a structured review process that ensures all new versions of the policies comply with international labor and safety standards and are aligned with the UN Guiding Principles on Business and Human Rights. Moreover, FACC provides training and awareness-raising measures and operates comprehensive monitoring and reporting systems to continuously monitor and improve compliance with these standards. These initiatives strengthen FACC's commitment to the safety, health and rights of its workforce. In addition, FACC provides mandatory training within the company to increase knowledge and awareness of these issues. The corporate policies explicitly address human trafficking, forced labor and child labor. FACC strictly rejects all forms of forced and child labor and undertakes to ensure that no human trafficking practices occur along its supply chain. These commitments are anchored in the company's codes of conduct and supplier guidelines. In addition, FACC performs regular audits and training to ensure compliance with these standards.

**(S1-1.23):** In accordance with FACC's Health and Safety Policy and the ISO 45001 standard, accidents and near-accidents as well as their causes are analyzed in detail. FACC is committed to continuously improving work routines and safety through extensive theoretical and practical training. FACC has thus invested in a new training center in order to continuously improve the onboarding of new staff and to better accommodate the international composition of its workforce. In addition, new safety videos have been introduced throughout the Group, in which employees are taught the correct application of skin protection and proper conduct inside the company's plants. The videos are displayed on screens on the shop floor and are available in several languages to ensure that they can be understood by all employees. Occupational safety and accident prevention instruments established at FACC include processes such as a group-wide reporting platform for near-accidents and unsafe conditions, a structured process for dealing with occupational accidents and taking appropriate measures, safety walks attended by staff up to the Management Board, and regular zero-accident gate meetings at which managers and specialists in prevention define measures and proactively monitor their implementation.

**(S1-1.24a):** FACC does not tolerate any form of discrimination, which is also firmly anchored in the Code of Conduct. In terms of content, the Code of Conduct includes, among other things, the promotion of equal opportunities, the prevention of harassment, non-retaliation, and initiatives related to diversity and inclusion. FACC's objective is to create a work environment that is free from

discrimination and harassment and provides equal opportunities for all.

**(S1-1.24b):** The FACC Code of Conduct specifically addresses various grounds of discrimination such as racial and ethnic origin, skin color, gender, sexual orientation, gender identity, disability, age, religion, political opinions, national origin or social background. These policies ensure that all employees receive fair and equitable treatment in accordance with local laws and international standards. No further measures going beyond the legal requirements are currently being taken.

**(S1-1.24c):** As of the reporting date, FACC had no specific policy commitments relating to inclusion or affirmative action for particularly vulnerable groups within the workforce.

**(S1-1.24d):** Disclose whether and how these policies are implemented through specific procedures to prevent, mitigate and act upon discrimination, and to advance diversity and inclusion in general:

As of the reporting date, FACC had no specific procedures in place to implement such policies, as there are currently no specific policy commitments.

In developing the Health and Safety Policy, the Data Protection Policy and the Code of Conduct, FACC took into account the interests of its key stakeholders:

Health and Safety Policy

**Internal stakeholders:** The needs and safety requirements of employees were assessed through regular consultations with occupational physicians. This ensures that the working environment is safe and conducive to good health. Feedback from employees is, of course, included in this process and considered very important.

**External stakeholders:** FACC also considered the expectations of regulatory authorities and customer requirements to ensure that the policy meets the highest standards.

Data Protection Policy

**Employees and customers:** The policy was developed with due regard to privacy and the protection of personal data.

**Regulatory authorities:** Compliance with legal requirements and the protection of data integrity were the prime focus when developing the policy.

Code of Conduct (CoC)

**Employees:** The Code of Conduct was developed by incorporating feedback from employees, represented by the Works Council, to ensure that the policies are practicable and comprehensible.

**Business partners:** The expectations and requirements of customers and suppliers were incorporated to ensure that the Code of Conduct is also applicable when working with external partners.

**(ESRS 2.62):** For all IROs not mentioned in S1-1.19, FACC does not yet have any policies in place.

FACC is continuously reviewing and adapting its strategies and processes. In the course of the first DMA, FACC became aware of the lack of written processes. The corresponding policies are to be developed in the short to medium term. In the 2025 financial year, no final, reportable content was available yet.

### 3.1.2. DR S1-2 – Processes for engaging with the own workforce and workers' representatives about impacts

**(S1-2.27) (S1-2.27a-e):** FACC involves its staff both directly via the workforce, and indirectly via employee representatives (works council), who report on their views in the course of the DMA, but also in other (partly external) audits. Information, requests, suggestions and complaints are also communicated directly to HR in some cases. Here as well, the information obtained is reported as part of the DMA process, as well as through other — in some cases external — audits and management reviews. There are currently no employees (outside the works council) specifically assigned to this task.

The effects of the transformation process aimed at reducing CO<sub>2</sub> emissions are currently too small to have an actual impact on the workforce, or to necessitate the implementation of measures.

Employee involvement takes place at various levels, including through regular surveys and feedback meetings (employee appraisals), employee forums and committees, as well as events (e.g. FACC Wings for Women, works meetings), but also through training and reporting systems. These activities take place annually, quarterly, or as required. Employee appraisals, for instance, take place once a year, while Wings for Women events are held quarterly.

Responsibilities at FACC

The head of the Human Resources department (Vice President HR), who reports directly to the Chief Executive Officer (CEO), is responsible for monitoring this involvement and ensuring that the results are utilized.

Policies

As a global framework agreement with employee representatives, the FACC Code of Conduct, in addition to its initiatives and platforms, enables the company to gain insights into the viewpoints of its own workforce through:

- **Regular consultations:** The Code of Conduct is regularly evaluated and adapted if necessary. This requires meetings and consultations with employee representatives (the works council), during which the concerns and viewpoints of the workforce can be discussed directly. These meetings provide a platform for open exchange and help to identify current issues and challenges.
- **Whistleblower system:** The whistleblower system is an integral component of the Code of Conduct and enables employees to anonymously report violations of human rights, or other concerns. This helps to ensure that FACC obtains a comprehensive picture of the challenges and needs of the workforce.

- With these measures, the Code of Conduct ensures that FACC is able to gain continuous insights into the viewpoints of its workforce and incorporate these into its corporate strategy and decisions.

FACC assesses the effectiveness of its employee involvement by analyzing employee feedback obtained from surveys, meetings, committees, audits and personal conversations. The company develops measures as required, based on this feedback, and pursues a continuous improvement process to ensure that the involvement is effective.

**(S1-2.28):** FACC identifies "at-risk" groups, such as women or migrants, and implements tailored inclusion initiatives. These include cooperation with employee representatives, training and awareness-raising programs as well as special events to ensure that the viewpoints of these groups are adequately taken into account.

**(S1-2.AR-25):**

a) FACC is committed to supporting vulnerable or marginalized individuals by adopting specific approaches and paying particular attention to potential obstacles.

b) The company takes into account potential barriers such as language and cultural differences and gender balances, as well as divides within a community or group.

c) FACC strives to provide the workforce with comprehensible and accessible information by offering and using suitable communication channels in both German and English.

d) In the event of conflicts of interest arising within the workforce, efforts are made to resolve them through transparent processes and dialogue, a possible shift within the chain of responsibility, and through changes in responsibilities. In 2025, there was an incident that was handled as described above.

e) FACC ensures that the human rights of the company's workers are respected, including their rights to privacy and freedom of expression, by complying with the Code of Conduct (CoC) as well as the applicable legal requirements at the respective locations.

### 3.1.3. DR S1-3 – Processes to remediate negative impacts and channels for its own workforce to raise concerns

**(S1-3.32) (S1-3.32a):** FACC has implemented processes to identify, report, evaluate and remedy negative impacts on its workforce.

These processes include:

- **Identification and reporting:** Employees are encouraged to report issues through various channels, including direct supervisors, Human Resource, or anonymously via the FACC hotline.
- **Assessment and investigation:** Reported issues are assessed and investigated by a trained team to determine the causes and scope of the negative impacts.

- Resolution and remediation: Following an investigation, appropriate measures are taken to resolve the issues and remediate the negative impacts.
- Follow-up and feedback: The effectiveness of the remedial measures is monitored through follow-up and feedback from employees to ensure that similar problems do not occur again.
- Evaluating effectiveness: FACC evaluates the effectiveness of the remedial measures deployed by monitoring employee feedback, tracking implementation deadlines, and assessing whether similar issues occur again.

**(S1-3.32b):** FACC offers several channels through which employees can raise their concerns and have them addressed:

Direct communication: Employees can discuss their concerns directly with their supervisors, department heads or designated HR representatives.

Anonymous reporting: An anonymous hotline (whistleblower hotline) is available for employees to report concerns without disclosing their identity.

Open-door policy: Managers, HR representatives and the works council can be approached any time to discuss concerns and problems.

**(S1-3.32c):** FACC has established a formal mechanism for handling grievances:

Designated Persons: Trained HR and legal staff oversee the grievance process and ensure that all grievances are handled consistently and fairly.

Defined procedures: The FACC Whistleblower Policy sets out clear procedures for submitting, investigating and resolving grievances.

Documentation and tracking: All grievances are documented and their progress tracked, from submission to their resolution, to ensure transparency and accountability.

**(S1-3.32d):** FACC supports the availability of these channels through:

Training and awareness: Providing training for employees and managers on the use of grievance channels and raising awareness of the importance of open communication.

Accessibility of the channels: Ensuring that all FACC employees have easy access to the grievance channels, regardless of their position or location.

Awareness-raising campaigns: Employees are made aware of these opportunities through posters displayed in the buildings, desktop notifications on work devices, or in the Employee Space App.

**(S1-3.32e):** FACC uses the following methods to track and monitor any issues raised:

Tracking mechanisms: Use of tracking systems to monitor the progress of grievances, from submission to resolution, and ensure transparency and accountability.

Feedback loops: Employee feedback (for example, from the employee survey conducted in 2025) is collected to assess the effectiveness of the grievance channels and to drive continuous improvements.

**(S1-3.33):** FACC assesses whether its own workforce is informed about, and trusts in, the structures and processes for raising concerns through the following means:

Employee surveys and feedback mechanisms: regular surveys and feedback sessions to assess employee awareness and trust.

Training and awareness programs: training and awareness-raising programs on the available channels and how to use them.

Using and analyzing the channels: monitoring the use of grievance channels and analyzing the grievances received.

The FACC Code of Conduct explicitly encourages reporting via the FACC Whistleblower Hotline. The company regards reports as an opportunity for further development and assures its staff that reports will not be followed by retaliation.

### 3.1.4. DR S1-4 – Taking action on material impacts on the own workforce, and approaches to managing material risks and pursuing material opportunities related to the own workforce, and the effectiveness of those actions

**(S1-4.37):** Work and Family certification: FACC successfully completed the certification phase for “Work and Family” at the end of the 2024 financial year and the beginning of the 2025 financial year. The “Work and Family” certification in Austria may indicate that measures to improve the compatibility of professional and private life have been implemented. A certification of this kind can help support aspects such as employee satisfaction and retention, increase employer attractiveness, and strengthen the company's reputation. In addition, it can provide impetus for tailored solutions to improve work-life balance.

Wings for Women: The program to empower women within the company offers mentoring and career development opportunities to promote gender equality.

International Café: An initiative to promote intercultural cooperation and exchange between international and local members of staff.

Working time models: Introduction of flexible working time models to cater to the different needs of employees and improve their work-life balance.

Onboarding journey since January 2025: Introduction of a novel onboarding process in which new employees receive important information via the Space App and can provide feedback through opinion surveys at the end of the process.

## Measures

Implementation throughout the company: All measures apply to all employees and locations of FACC in Austria, with a particular focus on promoting diversity and inclusion as well as a healthy work-life balance.

Focus on diversity and inclusion: Special programs such as Wings for Women and the International Café aim to strengthen diversity within the company and promote an inclusive corporate culture.

Time horizons for implementing the most important measures

Work and Family certification: The certification process was completed in January 2025; the action plan will subsequently be implemented at FACC.

Wings for Women and International Café: These programs have been continuously running, with regular evaluations of improvement potential.

Working time models: Flexible working hours have been introduced and are continuously adapted.

Onboarding journey: Started in January 2025 with continuous updates based on feedback from the opinion surveys conducted.

**(S1-4-38a-d):** Health and safety: implementation of strict safety protocols and regular training to safeguard the health and safety of its staff.

Flexibility and work-life balance: Introduction of flexible working time models and supporting the reconciliation of work and family life to increase employee satisfaction.

Health and safety measures: Immediate action is taken in case of incidents, including medical support and adjustments to the workplace to minimize future risks.

All aforementioned measures: Career development and training: Providing further training and development opportunities to increase job attractiveness.

Diversity and inclusion: promoting equal opportunities and a non-discriminatory salary structure.

Protecting privacy: compliance with the GDPR to ensure the protection of employee data.

Regular monitoring: conducting regular safety inspections (e.g. daily safety walkthroughs and continuous evaluation of workplaces by occupational physicians) and audits.

Employee feedback: use of surveys and feedback mechanisms to assess employee satisfaction and well-being.

Independent audits: performing independent audits to ensure compliance with policies and to identify opportunities for improvement.

**(S1-4-39):** FACC involves stakeholders in order to identify appropriate measures to respond to specific negative impacts, actual or potential, on its own workforce. By collaborating with its employees, employee representatives and trade unions, the company

gains valuable insights into potential negative impacts and an understanding of the viewpoints and concerns of its stakeholders. In addition, the company ensures compliance with legal and regulatory requirements by aligning its internal practices with relevant labor legislation, regulations and international human rights standards.

**(S1-4-40) (S1-4-40a):** Cost increases due to higher-than-expected collectively agreed salary increases: To reduce this risk, FACC plans to introduce long-term salary strategies and regular market analyses in order to better predict and budget for salary increases. The effectiveness of these measures will be monitored through regular financial analyses and budget checks.

**(S1-4-40b):** Lower staff turnover through flexible working times and a healthy work-life balance: In order to exploit this opportunity, FACC relies on flexible working time models and promotes a healthy work-life balance, which results in higher staff retention and lower recruiting costs.

Lower staff turnover through adequate and fair remuneration: FACC ensures fair and competitive remuneration structures in order to increase employee satisfaction and reduce staff turnover.

Lower staff turnover through further education and training opportunities: FACC offers extensive further education and training opportunities to promote the professional development of its employees and strengthen their loyalty to the company.

Lower staff turnover through access to healthcare services: FACC offers health benefits over and above the legal requirements in order to promote the well-being of its employees and increase their loyalty to the company.

**(S1-4-41):** Disclosure of whether and how the company ensures that its own practices do not cause, or contribute to, material negative impacts on its own workforce:

FACC has implemented various measures to ensure that its own practices do not cause, or contribute to, material negative impacts on its own workforce. These measures include:

1. Robust health and safety management system

FACC has implemented a comprehensive health and safety management system to ensure that all workplaces are safe and healthy. This system includes policies, procedures and inspections to prevent accidents and health risks.

2. Regular safety audits and inspections

FACC conducts regular safety audits and inspections to ensure that all workplaces meet the highest safety standards. These audits help to identify and eliminate potential hazards at an early stage.

3. Staff training and development

FACC offers its employees regular training and development programs to ensure that they have the necessary knowledge and skills to work safely and efficiently. These training courses cover topics such as occupational safety, health protection and professional development.

#### 4. Cooperation with industry and regulatory authorities

FACC works closely with industry associations and regulatory authorities, such as the European Aviation Safety Agency (EASA) and the International Air Transport Association (IATA), to ensure that all practices comply with legal requirements and industry standards. This collaboration supports the sharing of best practices and encourages continuous improvement.

#### 5. Grievance mechanisms and feedback channels

FACC has put in place mechanisms through which employees can voice concerns and grievances. These channels are designed to identify and resolve issues quickly in order to minimize any negative impacts on the workforce.

#### 6. Data protection and data use

FACC ensures that all practices related to the handling of employee data comply with data protection legislation. This includes the implementation of data protection concepts, the monitoring of any reports and incidents, as well as regular GDPR training in order to protect employees' privacy.

Managing the tensions arising from avoiding or mitigating material negative impacts, on the one hand, and other business constraints:

FACC recognizes that avoiding or mitigating material negative impacts may occasionally conflict with other business constraints. In such cases, FACC follows a balanced approach that includes the following measures:

- Transparent communication: FACC fosters open and transparent communication with its employees to ensure that they are informed of decisions made and their impacts. This includes regular meetings and information events.
- FACC strives for balanced solutions that enable both the avoidance or mitigation of negative impacts and the fulfilment of business requirements. This may include, among other measures, the adjustment of work processes, the introduction of new technologies, or the redesign of workplaces.

Currently, reporting is still being carried out in alignment with the ESRS requirements. At this point in time, no comprehensive evaluations or results are yet available that demonstrate how FACC's measures and activities have affected its own workforce.

There is currently no interaction between risk management and the IROs analyzed with regard to the company's own workforce. Consequently, external dependencies have also not yet been evaluated.

**(S1-4-43):** FACC currently earmarks resources for employee training and development in order to improve the understanding and management of significant impacts. In the past year, many working hours of our employees were spent on occupational health and safety and professional development training. In addition, FACC continuously invests in health and safety programs, including the provision of protective equipment and regular safety inspections. A team of trained HR employees monitors the implementation of these measures and ensures that all workplaces meet the highest safety standards. Independent investigation teams handle reports

of negative impacts and retaliatory measures to ensure impartiality and fairness in the resolution process.

Through these measures, FACC ensures that its own practices do not cause, or contribute to, material negative impacts on the workforce while ensuring that business requirements are fulfilled.

#### 3.1.5. DR S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

**(ESRS 2.62) (ESRS 2.81):** FACC, which is certified according to ISO 45001, recorded a Lost Time Injury Frequency Rate (LTIFR/1,000,000) of 8.4 at its Austrian sites in the 2025 financial year. This means that the target value of 10.0 was clearly undercut, achieving a further improvement compared to the previous year's figure of 11.4.

For the 2026 financial year, FACC has set a target to further reduce the LTIFR to 8.0. As the 2025 result already reflects a very strong and significantly improved safety performance, the primary focus for 2026 is to maintain and stabilise this level. Against this background, the target was deliberately set at a moderate 8.0.

The causes of work-related accidents and near misses are analyzed in detail at FACC, and extensive training and education measures are implemented to continuously improve work routines and safety. FACC has thus invested in a new training center in order to continuously improve the onboarding of new staff and to better accommodate the international composition of its workforce. In addition, new safety videos have been introduced throughout the Group, in which employees are taught the correct application of skin protection and proper conduct inside the company's plants. The videos are displayed on screens on the shop floor and are available in several languages to ensure that they can be understood by all employees. Occupational safety and accident prevention instruments established at FACC include processes such as a group-wide reporting platform for near misses and unsafe conditions, a structured process for dealing with occupational accidents and taking appropriate measures, safety walks attended by staff up to the Management Board, and regular zero-accident gate meetings at which managers and specialists in prevention define measures and proactively monitor their implementation.

This key figure is analyzed monthly with the help of software (PlanRadar) and regularly communicated to the Management Board in management meetings. Accidents and near misses are analyzed and the causes eliminated after discussions with the people affected in order to prevent further incidents.

Currently, FACC sets this goal on an annual basis, and has not included it in its Health and Safety Policy. We wish to change this in the next one to two years by developing a "SMART\_Target" for this objective and embedding it in the relevant policy.

**(S1-4-47a-c)** Neither FACC employees nor their representatives are involved in the development or pursuit of the aforementioned objectives. However, the results are reported to the works council (employee representatives) in the management meetings held several times a year, and to the entire workforce via the annual non-financial statement.

#### 3.1.6. DR S1-6 – Characteristics of the undertaking's employees

For all key figures reported here under ESRS S1-6 MDR-M and subsequently S1-8 MDR-M, S1-9 MDR-M, S1-10 MDR-M, S1-14 MDR-M, S1-16 MDR-M, S1-17 MDR-M, it applies that FACC applies all applicable social standards to all internal or external employees, regardless of location, which are also monitored and partially verified by local authorities.

Furthermore, all recorded key figures on the topics are analyzed from FACC's SAP system and have not been verified by any other entity.

**(S1-6.50a):** The following table shows the total headcount of FACC worldwide:

Gender	Number of employees (headcount) on 31.12.2024	Number of employees (headcount) on 31.12.2025
Female	1,259	1,273
Male	2,780	2,777
Other	-	-
Not disclosed	-	-
Total	4,039	4,050

The figures presented for the current reporting year refer exclusively to the company's own workforce and exclude leasing employees. Likewise, inactive employment relationships, such as employees on family-related leave (e.g., parental leave), are not included in the reported data.

Leasing employees are disclosed in Section S1-7. Further information on employees on family-related leave can be found in Section 3.1.15 (DR S1-15). Interns and temporary seasonal workers are not reported.

The following table shows the total number of employees, broken down by country in which the company employs 50 or more members of staff who account for at least 10 % of its total workforce:

#### Employees broken down by country

Country	Number of employees (headcount) on 31.12.2024	Number of employees (headcount) on 31.12.2025
Austria	3,247	3,218
Croatia	425	473

**(S1-6.50b):** The following table shows the total number of employees (headcount), broken down by gender and type of employment, as of December 31, 2025.

Female	Male	Other	Not disclosed	Total
Number of employees (headcount)				
1,273	2,777	-	-	4,050
Number of permanent employees (headcount)				
1,273	2,777	-	-	4,050
Number of temporary employees (headcount)				
0	0	-	-	0
Number of employees with non-guaranteed hours (headcount)				
0	0	-	-	0

(\* ) Gender as specified by the employees themselves

The definitions used in the tables are all derived from the national legal requirements, which do not differ from each other.

**(S1-6.50c) (S1-6.50d-e) (S1-6.AR.59):** To calculate staff turnover, we used the total number of employees leaving the company, either voluntarily, due to dismissal, retirement or death in service. The number of employees was reported as a headcount. The average number of employees was calculated as an average over 12 months.

	Departures 01.01.-31.12.2024 in heads	Departures 01.01.-31.12.2025 in heads
Austria	486	344
Canada	14	16
China	0	1
Croatia	74	106
India	3	6
Slovakia	6	13
USA	29	18

	Staff turnover rate as per 31.12.2024 in %	Staff turnover rate as per 31.12.2025 in %
Austria	15.00	11.19
Canada	14.89	20.23
China	0	4.55
Croatia	17.41	23.66
India	2.40	4.58
Slovakia	9.38	20.61
USA	29.59	26.47

**(S1-6.50f):** The figures for the total number of employees, broken down by gender and country, are identical to those in Note 15 of the Annual Financial Statements.

(S1-6.51) (S1-6.52):

Employee data broken down by region

Reporting period 2025				
Austria	Rest of Europe	Middle East and Africa	Rest of world	Total
Number of employees (headcount)				
3,218	530	137	165	4,050
Number of permanent employees (headcount)				
3,218	530	137	165	4,050
Number of temporary employees (headcount)				
0	0	0	0	0
Number of employees with non-guaranteed hours (headcount)				
0	0	0	0	0
Number of full-time employees (headcount)				
2,851	526	137	164	3,678
Number of part-time employees (headcount)				
367	4	0	1	372

### 3.1.7. DR S1-7 – Characteristics of non-employees in the undertaking's own workforce

(S1-7.55a) (S1-7.55b): Data on non-employee workers in the undertaking's own workforce

	2025
Total number of non-employee workers in the own workforce	1
Total number of non-employee workers in the own workforce – self-employed workers	220
Total number of non-employee workers in the own workforce – workers provided by undertakings primarily engaged in employment activities	221

The figures were generated from the SAP HR information system and reflect headcount figures as of December 31, 2025.

### 3.1.8. DR S1-8 – Collective bargaining coverage and social dialogue

(S1-8.60a-c) (S1-8.61) (S1-8.62) (S1-8.63a-b): For our employees at the "significant locations" according to ESRS, namely in Croatia, there is currently no collective agreement or own works council. There is also no collaboration in this regard with the EWC or similar local associations. All reported key figures have not been verified by any other entity.

(S1-8.AR 70): The employees at the Austrian locations are subject to the collective agreement of the "wood industry." For the subsidiary CoLT Prüf und Test GmbH, the collective agreement "Information and Consulting Austria" also applies. Both workers and employees are represented by a works council, which can be approached directly at any time.

Own workforce in the region (within the EEA) covered by collective agreements and social dialogue agreements, by coverage level and region:

Coverage Rate	Collective Bargaining Coverage		Social Dialogue
	Employees (EEA)	Employees (Non-EEA)	Workplace representation (EEA)
0-19%			
20-39%			
40-59%			
60-79%			
80-100%	Austria, Croatia		Austria, Croatia

### 3.1.9. DR S1-9 – Diversity metrics

(S1-9.66a): All collected key figures related to the topics are generated from FACC's SAP system and are not verified by any additional external party.

Top management level employee data

	2024	2025
Female	6	5
% of top management level	14.63	13.51
Male	35	32
% of top management level	85.37	86.49
Other	0	0
% of top management level	0	0
Not disclosed	0	0
% of top management level	0	0
Total headcount	41	37

(S1-9.AR 71): When disclosing the gender distribution in top management, FACC took the following levels into account: Level 1 = Management Board, and Level 2, which operates directly below the Management Board level.

(S1-9.66b): Employee data by age groups

	2024	2025
Number of employees (headcount)	4,039	4,050
Under 30 years old (headcount)	961	873
% of employees under 30 years old	23.79	21.56
Between 30 and 50 years old (headcount)	2,445	2,503
% of employees between 30 and 50 years	60.53	61.80
Over 50 years old (headcount)	633	674
% of employees over 50 years old	15.67	16.64

### 3.1.10. DR S1-10 – Adequate wages

(S1-10.69) (S1-10.70) (S1-10.71): FACC ensures that all its employees receive a fair wage that meets applicable benchmarks and does not offer salaries below the local legal minimum wage. Regarding all individuals who are not directly employed by FACC (including subsidiaries), we cannot fully assess this. However, we place great importance on ensuring that all our business partners adhere to our Code of Conduct and Supplier Code of Conduct.

To date, FACC is not aware of any instances where minimum standards (within the EEA as well as outside the EEA) have not been upheld.

All recorded key figures on the topics are analyzed from FACC's SAP system and have not been verified by any other entity.

### 3.1.11. DR S1-11 – Social protection

Country	White-collar	Blue-collar	Non-employee workers
<b>Austria</b>			
(S1-11.74a): sickness	y	y	y
(S1-11.74b): unemployment coverage starts upon employment	y	y	y
(S1-11.74c): employment injury and acquired disability	y	y	y
(S1-11.74d): parental leave	y	y	y
(S1-11.74e): retirement	y	y	y
<b>Canada</b>			
(S1-11.74a): sickness	y	y	y
(S1-11.74b): unemployment coverage starts upon employment	y	y	y
(S1-11.74c): employment injury and acquired disability	y	y	y
(S1-11.74d): parental leave	y	y	y
(S1-11.74e): retirement	y	y	y
<b>China</b>			
(S1-11.74a): sickness	y	y	y
(S1-11.74b): unemployment coverage starts upon employment	y	y	n
(S1-11.74c): employment injury and acquired disability	y	y	n
(S1-11.74d): parental leave	y	y	y
(S1-11.74e): retirement	y	y	y
<b>Croatia</b>			
(S1-11.74a): sickness	y	y	y
(S1-11.74b): unemployment coverage starts upon employment	y	y	y
(S1-11.74c): employment injury and acquired disability	y	y	y
(S1-11.74d): parental leave	y	y	y
(S1-11.74e): retirement	y	y	y
<b>India</b>			
(S1-11.74a): sickness	n	n	n
(S1-11.74b): unemployment coverage starts upon employment	n	n	n
(S1-11.74c): employment injury and acquired disability	y	y	n
(S1-11.74d): parental leave	y	y	n
(S1-11.74e): retirement	y	y	n
<b>Slovakia</b>			
(S1-11.74a): sickness	y	y	N/A
(S1-11.74b): unemployment coverage starts upon employment	y	y	N/A
(S1-11.74c): employment injury and acquired disability	y	y	N/A
(S1-11.74d): parental leave	y	y	N/A
(S1-11.74e): retirement	y	y	N/A
<b>USA</b>			
(S1-11.74a): sickness	y	y	N/A
(S1-11.74b): unemployment coverage starts upon employment	y	y	N/A
(S1-11.74c): employment injury and acquired disability	y	y	N/A
(S1-11.74d): parental leave	n	n	N/A
(S1-11.74e): retirement	y	y	N/A

### 3.1.12. DR S1-12 – Persons with disabilities

(S1-12.79) (S1-12.80) (S1-12.AR 76):

The information has been prepared in alignment with the definition and calculation methodology defined in ESRS S1-12.

Persons with disabilities	Women %	Men %	Other %	Not disclosed %	% total workforce
2024	1.19	1.94	0	0	1.70
2025	1.49	1.87	0	0	1.75

### 3.1.13. DR S1-13 – Training and skills development metrics

(S1-13.83a-b (S1-13.84) (S1-13.85): Career development, performance reviews and training hours

	Percentage of employees that participated in regular performance and career development reviews	Weighted average number of training hours per employee
Women	99.76%	15.45
Men	99.50%	14.01
Other	N/A	N/A
Not disclosed	N/A	N/A
Total	99.58%	14.47

### 3.1.14. DR S1-14 – Health and safety metrics

(S1-14.88a-e) (S1-14.89): All key figures for these topics are analyzed with our SAP or H&S tool. These are reviewed by the auditor, and also within the scope of the annual ISO 45001 audit.

For the present analyses, the term “employees” refers to all individuals employed by the company under an employment contract, including full-time, part-time, and fixed-term employees. Interns or individuals without an active employment relationship are not included. The term “non-employees” includes all workers who are not directly employed by the company but perform work for it, for example through service providers or temporary employment agencies. These individuals are not legally employees of the company.

Health and safety metrics	Employees		Non-employees	
	2024	2025	2024	2025
Percentage of own workers who are covered by the health and safety management system based on legal requirements and (or) recognized standards or guidelines	100%	100%	N/A	N/A
Number of fatalities in the own workforce as a result of work-related injuries	0	0	N/A	N/A
Number of fatalities in the own workforce as a result of work-related ill health	0	0	N/A	N/A
Number of recordable work-related accidents for own workforce	67	50	N/A	1
Rate of recordable work-related accidents for own workforce in Austria	2.2	8.40	N/A	N/A
Rate of recordable work-related accidents for own workforce in Canada	5	2.63	N/A	N/A
Rate of recordable work-related accidents for own workforce in Croatia	1.41	5.44	N/A	N/A
Rate of recordable work-related accidents for own workforce in the USA	N/A	25.26	N/A	N/A
Number of cases of recordable work-related ill health of own workforce (Calculation method aligned with ESRS S1-14)	4	11	N/A	N/A
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health	1,506	932.71	N/A	N/A

### 3.1.15. DR S1-15 – Work-life balance metrics

For the purposes of this report, FACC defines family-related leave as absences taken by employees due to family responsibilities or caregiving duties. This includes, in particular, parental leave as well as maternity and paternity leave.

#### Family-related leaves

	2024	2025
Percentage of entitled employees that took family-related leaves		
Female	25.81%	31.42%
Male	14.57%	16.24%
Other	N/A	N/A
Not disclosed	N/A	N/A
Total	18.00%	21.01%

In total, the option of family-related leave (see S1-15.93a) was used by 400 women and 451 men across the entire Group in the 2025 financial year. The percentage presented in the table reflects the gender-specific proportion relative to the total workforce, measured in terms of headcount.

### 3.1.16. DR S1-16 – Remuneration metrics (pay gap and total remuneration)

#### (S1-16.97a-c) (S1-16.AR 98): Gender pay gap

In 2025, the gender pay gap between men and women amounts to 14.60 percent for white-collar employees and 2.93 percent for blue-collar employees.

The gender pay gap is disclosed in the current reporting year exclusively for Austria. The calculation is based on the base hourly wage of all employees active as of the reporting date of December 31, 2025; variable compensation components were not taken into account.

As part of the gender pay gap reporting, the inclusion of part-time employees has been defined as follows: the evaluation is based on headcount rather than full-time equivalents (FTE).

A standardized group-wide methodology for collecting and calculating the gender pay gap is currently being developed, including harmonized data foundations and calculation guidelines in accordance with ESRS S1. Starting from the next reporting year, the gender pay gap will be reported for all subsidiaries using the new standardized methodology.

### 3.1.17. DR S1-17 – Incidents, complaints and severe human rights impacts

#### (S1-17.104a–b) (S1-17.AR 106):

Incidents, complaints and severe human rights impacts

	2024	2025
Number of incidents of discrimination	0	0
Number of complaints filed through channels for own workers to raise concerns	0	2*
Number of complaints filed to National Contact Points for OECD Multinational Enterprises	0	0
Amount of material fines, penalties, and compensation for damages as result of violations regarding social and human rights factors	0	0
Number of severe human rights issues and incidents connected to the own workforce	0	0
Number of severe human rights issues and incidents connected to the own workforce that are violations of UN Global Compact Principles and OECD Guidelines for Multinational Enterprises	0	0
Amount of material fines, penalties, and compensation for severe human rights issues and incidents connected to the own workforce	0	0
Number of severe human rights cases where undertaking played role securing remedy for those affected	0	0

\* This figure includes only notifications submitted through the internal grievance mechanism relating to workplace-related concerns.

(S1-10.75): According to the company, the existence of social standards and the ability of FACC employees to make use of them result in increased employee satisfaction and workplace safety.

### 3.2. ESRS S2: Workers in the value chain

(S2.SBM-3.10): FACC systematically integrates sustainability into its business model and value chain. This includes the use of environmentally friendly materials and low-emission production processes, as well as the consideration of social and human-rights requirements along the supply chain. The foundation for this is a sustainability strategy aligned with internationally recognized standards — such as the UN Global Compact and its ten principles on human rights, labor standards, the environment, and anti-corruption; the ILO core labor standards as a reference for fair working conditions, occupational safety, and employee rights; and international environmental and management standards (e.g., ISO 14001, ISO 45001), where applied in operational processes. This strategy incorporates all relevant stages of the value chain.

A central element of this strategy is close collaboration with suppliers and business partners to ensure compliance with minimum social and environmental standards. This includes, in particular, requirements related to working conditions, occupational safety, employee qualifications, and respect for human rights. Implementation is supported by structured due-diligence processes, supplier assessments, and risk-based audits.

To promote a shared understanding of ESG requirements, FACC relies on training and awareness-raising measures that apply internally while also serving as a reference framework in communica-

tion with suppliers. This approach helps ensure transparency regarding expectations for responsible working and production conditions along the value chain.

Furthermore, investments in CO<sub>2</sub>-reducing technologies and sustainable production processes indirectly contribute to improving working conditions in the value chain — for example, through safer working environments, more efficient processes, and strengthened long-term supplier relationships. In this way, FACC ensures that sustainability is firmly embedded in its business strategy and continuously contributes to improving the social and environmental impacts of its operations.

(S2-SBM 3.11) FACC has sought to consider the most relevant groups of workers in the value chain who are materially affected by the company within the scope of disclosure under ESRS 2.

(S2-SBM 3.11a): FACC has identified the following groups of workers in the value chain who may be potentially materially affected by the company's own operations, products, services, or business relationships, including the relevant impacts for each group:

- Workers on company premises who are not part of FACC's own workforce (e.g., temporary agency workers, employees of service providers or contractors): These workers may be materially affected by impacts related to occupational health and safety, particularly due to their deployment in production-related areas, differing levels of safety instructions, and limited integration into internal prevention and training programs.
- Workers in the upstream value chain (e.g., in metal or mineral extraction or in material-intensive pre-production stages): These areas may involve potentially material negative impacts regarding occupational health and safety, working hours, remuneration, and the respect for labor and human rights, particularly in regions with elevated social or regulatory risks.
- Workers in the downstream value chain (e.g., logistics, transportation, warehousing, or distribution): These workers may be materially affected by FACC's requirements for on-time delivery, production schedules, and logistics planning, which may result in increased work pressure, safety-related stressors, or irregular working hours.
- Particularly vulnerable workers (e.g., migrant workers, women, or young workers): These groups may be disproportionately affected by negative impacts along the value chain, such as limited access to occupational safety measures, discrimination, inadequate remuneration, or insufficient labor-law protection.

(S2-SBM 3.11b): FACC recognizes that in certain regions and industries within the upstream value chain—particularly in countries with weak labor law frameworks—there is an increased risk of child labor and forced labor. These risks primarily affect workers employed by suppliers and subcontractors, especially in raw-material- and material-intensive early stages of the supply chain.

Although FACC's own sites in these regions are predominantly responsible for administrative functions staffed with highly qualified personnel and do not involve production activities, the risks mentioned may still arise indirectly through business relationships and

procurement processes. Accordingly, under ESRS S2, FACC focuses on identifying and assessing risks related to child labor and forced labor affecting workers in the value chain.

This is carried out in particular by establishing binding minimum social requirements for all suppliers, implementing risk-based due-diligence processes, and applying prevention and monitoring mechanisms along the upstream value chain.

(S2-SBM 3.11c): The DMA performed by FACC revealed the following two negative impacts (for the value chain, in the medium term):

- Working conditions within the value chain that lead to precarious employment: These negative impacts are widespread/systemic as they can occur in different parts of the value chain and are often linked to structural problems with regard to employment security.
- Systematic discrimination of people within the value chain: These negative impacts are also widespread/systemic as they can be indicative of deep-rooted discrimination and inequalities in various regions and business relationships.

(S2-SBM 3.11d): The DMA performed by FACC revealed the following positive impacts (for the value chain, in the medium term):

- Working conditions within the value chain, that lead to increased job security.
- Activities producing positive effects: With its C.O.M.P.E.T.E. program, FACC improves workplace safety through targeted training and further education measures, and by raising awareness of CSR issues among FACC's suppliers through questionnaires, as well as on-site and desktop audits. Likewise, FACC's ISO 45001 certification significantly contributes to enhanced workplace safety at its Austrian production sites, which in turn has an indirect positive effect on the safety of external personnel and visitors. FACC also offers its employees a comprehensive training matrix with numerous specialist training courses. All these activities are designed to strengthen employees' skill sets and prepare them for technological changes in a safe working environment.
- Types of workers who are positively affected: Production staff and technical specialists, who are directly involved in FACC's manufacturing processes, are among those most positively affected. These workers benefit from training and further education measures that promote their professional development and increase their job security.

(S2-SBM 3.11e): FACC analyzed the following risks as part of the DMA (for the value chain, in the medium term):

- Financial penalties/litigation costs/loss of sales due to labor incidents of business partners: There is a significant risk of labor law violations by business partners leading to considerable financial burdens for FACC, including financial penalties and litigation costs. Moreover, this can damage the company's reputation and lead to a loss of sales.
- Financial penalties/litigation costs/loss of sales due to incidents involving mental or physical health problems within the value chain: Health problems within the value chain can lead

to legal repercussions and financial losses. Such incidents can impair productivity and increase the risk of fines and litigation costs.

- Financial penalties/litigation costs/loss of sales due to systematic discrimination of individuals within the value chain: Systematic discrimination can lead to legal disputes and financial penalties. Furthermore, this can lead to reputational damage, potentially resulting in a loss of sales if customers or partners avoid the company.

**(S2-SBM 3.12):** FACC has not yet developed a specific process to gain an understanding of how workers with certain characteristics, located throughout the value chain, may be at greater risk. There is no systematic identification of risk groups according to gender, age, disability, LGBTQ+ or ethnicity. When onboarding direct suppliers for the first time, questionnaires covering general non-financial topics are conducted. A mandatory requirement for entering into a business relationship is the signing of the FACC Supplier Code of Conduct. Audits are carried out throughout the entire year (either desktop or on-site) on a sample basis across the entire supplier pool.

**(S2-SBM 3.13):** At present, FACC has not identified any specific risks or opportunities that relate exclusively to certain groups of workers in the value chain, such as certain age groups or workers in a particular factory or country. All risks and opportunities identified are currently considered relevant for the entire workforce within the value chain.

**3.2.1. DR S2-1 – Policies related to value chain workers**

**(S2-1.16):** The Supplier Code of Conduct sets out the values that FACC considers important for its own workforce. The code is binding for direct suppliers and is reviewed through regular supplier audits. With this approach, FACC aims to ensure that the company's internal values are upheld by its business partners and passed on to their own workforce – ideally in a way that allows them to benefit from these standards as well.

Relevant IROs:

- Working conditions in the value chain that lead to precarious employment.
- Working conditions in the value chain that lead to increased job security.
- Systematic discrimination of persons within the value chain.
- Financial penalties/litigation costs/loss of revenue due to labor law incidents involving business partners.
- Financial penalties/litigation costs/loss of revenue due to incidents involving mental or physical health problems in the value chain.
- Financial penalties/litigation costs/loss of sales due to systematic discrimination of persons within the value chain.

In accordance with ISO 45001, the Health and Safety Policy is focused on creating a safe and healthy working environment through

the implementation of a systematic approach to occupational health and safety management.

Relevant IROs:

- Working conditions in the value chain that lead to precarious employment.
- Working conditions in the value chain that lead to increased job security.

Scope of the policies:

Compliance with the FACC Supplier Code of Conduct is mandatory for all direct suppliers of FACC.

The Health and Safety Policy applies to all employees at the Austrian sites. Through the implementation of ISO 45001 and the resulting safety standards at FACC's Austrian locations, a positive effect is also expected for those workers in the value chain who are present on FACC's premises in Austria as external personnel.

Responsibilities at FACC:

The General Counsel is responsible for the implementation and enforcement of the Code of Conduct (CoC). He reports directly to the CFO of FACC. The Vice President Procurement is responsible for the content and compliance of the Supplier Code of Conduct (SCoC). Until 24 June 2025, he reported directly to the COO; following the resignation of the COO, he now reports to the CFO. The Health and Safety Manager, in turn, is responsible for the Health and Safety Policy. Since 24 June 2025, he no longer reports to the COO but directly to the CEO.

The Supplier Code of Conduct reflects the principles of the International Labour Organization (ILO) standards and addresses, among other topics, occupational health and safety as well as precarious forms of work.

The Health and Safety Policy is regularly reviewed as part of the external ISO 45001 audit.

Consideration of the interests of key stakeholders:

When defining the Supplier Code of Conduct, FACC took into account important concerns and interests of individual stakeholders and incorporated them into the document. These include partners within the value chain, particularly customers, but also authorities (legislators). This is to ensure that the policy considers the expectations and needs of stakeholders and promotes sustainable cooperation.

Availability of the policy to stakeholders:

All suppliers are provided with the Supplier Code of Conduct and are required to sign it. The Health and Safety Policy is accessible on the FACC intranet and is communicated via training courses so as to ensure that all employees are informed about, and comprehend, its content.

**(S2-1.17a-c):** FACC takes workers in the value chain into account within its company-wide policies and procedures, particularly in

supplier management and procurement strategy. A central foundation for this is the Supplier Code of Conduct (SCoC), which sets out minimum social standards related to working conditions, occupational health and safety, human rights, and non-discrimination.

These requirements apply to all material suppliers and business partners along the upstream value chain and form an integral part of supplier selection, evaluation, and development. Consideration of workers in the value chain follows a risk-based approach that takes into account country-, industry-, and activity-specific risks.

FACC is committed to involving employees in the value chain through various methods and processes. These include the C.O.M.P.E.T.E. system, which serves as a platform for exchange and further development. In addition, a whistleblower hotline enables employees to report grievances anonymously. FACC regularly conducts internal and external audits, including with customers and authorities, to ensure compliance with standards. Furthermore, the company is certified according to ISO 45001, which underscores its focus on occupational health and safety. Audits are also carried out at suppliers to monitor compliance with human rights and labor policies along the value chain.

With its Code of Conduct, FACC undertakes to comply with ILO standards (see definition BP2.15 as well as the corresponding reference in accordance with S2.SBM-3.10).

Since FACC generally does not have direct labor-law control over workers in the value chain, its ability to influence conditions occurs primarily through business relationships. This includes, in particular, the contractual integration of minimum social requirements, the communication of expectations to suppliers, and the implementation of risk-based monitoring and dialogue formats.

Within supplier management, FACC uses, among other measures, supplier audits, self-assessments, and regular engagement with business partners to promote compliance with the defined social standards. Where deviations are identified, appropriate improvement measures are initiated, ranging from corrective action plans to a review of the business relationship. The objective is to support gradual improvements in working conditions along the value chain.

**(S2-1.18):** FACC has established a (Supplier) Code of Conduct that includes compliance with ILO standards. This code explicitly prohibits any form of modern slavery, including human trafficking, forced or compulsory labor, and child labor.

**(S2-1.AR-15) (S2-1.19):** FACC's policies regarding workers in the value chain are aligned with the standards of the ILO Declaration of Fundamental Principles and Rights at Work. In addition, the company adheres to the requirements of the ISO 45001 standard to promote occupational health and safety among its own workforce, which indirectly also benefits external workers in the value chain who are present at the Austrian production sites.

This is implemented through the Code of Conduct and specific management systems that ensure compliance with these standards. To date, no cases of non-compliance with ILO principles within the value chain have been reported.

**3.2.2. DR S2-2 – Processes for engaging with value chain workers about impacts**

**(S2-2.22a-d):** FACC engages directly with workers in the value chain or their legitimate representatives in order to incorporate their perspectives into decision-making. This ranges from direct contact in day-to-day operations to regular supplier audits (both desktop and on-site).

FACC conducts its engagement related to the development and updating of concepts through regular dialogue with customers and suppliers. Although no direct consultation with workers in the value chain takes place outside of day-to-day business interactions and audits, the requirements and concerns of these stakeholders are taken into account through continuous engagement with customers and suppliers and are incorporated into the Supplier Code of Conduct where necessary.

Stages of engagement:

Early phase of policy formulation: In this phase, the information and feedback gathered in daily exchanges with customers and suppliers is used to shape policies.

Type of engagement:

Regular exchange: Continuous and informal dialogues with customers and suppliers to ensure that the policies reflect current requirements and concerns.

Frequency of engagement:

Daily exchange: FACC stays in constant contact with its customers and suppliers, ensuring that the policies are continuously adapted and updated.

With this approach, FACC seeks to ensure that the policies reflect the needs and expectations of the value chain, even without directly consulting blue-collar workers.

Responsibilities:

FACC has not explicitly assigned responsibility for this topic to a specific person. Instead, the company collects information from the various departments, which use the feedback to draw up department-specific policies.

As of the reporting date, FACC had no global framework agreements with global trade union federations.

**3.2.3. DR S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns**

**(S2-3.27a-d):** FACC follows a structured approach to remedy any negative impacts on employees within the value chain. This includes a confidential grievance mechanism through which issues can be reported (whistleblower hotline on FACC's website). Remedial measures are tailored to the specific grievances, and their effectiveness is assessed through follow-up surveys.

FACC provides various channels through which employees in the value chain can report their grievances, including:

- A whistleblower hotline (offered directly by FACC, not by a third party) that can be used anonymously and is accessible to all workers, as well as physical suggestion boxes at central locations.

FACC supports the availability of these channels through:

- Training and awareness raising: Employees and managers within the workforce are trained to understand and promote the use and accessibility of the grievance channels, and to emphasize the importance of open communication also for suppliers and customers.
- Accessible channels: Grievance channels are easily accessible, e.g. through multilingual instructions and flexible communication options.
- At FACC, qualified personnel process and monitor the progress of grievances received, from submission to resolution, to ensure transparency and accountability. Feedback loops are put in place to ensure continuous improvement, and affected stakeholders are included in the assessment of the effectiveness of the channels. The involvement of affected stakeholders in assessing the effectiveness of the grievance channels takes place in particular through structured feedback obtained during the follow-up of closed cases, as well as through the evaluation of feedback from supplier dialogues, insofar as this is appropriate and feasible.

**(S2-3.28):** FACC communicates its policies and processes in a clear and transparent manner to its suppliers, who in turn are responsible for relaying this information to workers within the value chain. This is achieved through regular meetings and written communication. FACC collaborates with the service provider CRIF to monitor compliance with environmental, social, and governance (ESG) standards among its suppliers. The ESG assessment platform Synesgy, which is used in this process, provides a legally compliant and valid ESG rating based on current regulatory requirements.

We have informed our suppliers that a valid ESG certification is required in order to maintain the business relationship with FACC. While not all suppliers currently hold this certification, FACC is continuously working to increase the number of certified suppliers.

In 2025, a reminder was once again sent to suppliers to renew their ESG certification if it had already expired. This reiterates FACC's ongoing commitment to emphasizing the importance and urgency of this matter. An additional training session is not necessary at this time, as ESG requirements are already addressed as part of the CRIF certification process and are also covered in the C.O.M.P.E.T.E. Report.

FACC assumes that the whistleblowing system is trusted, as it is used internally by the workforce. As of the reporting date, no external reports had been received; however, it is nevertheless assumed that the system is also accepted within the value chain.

Policies to protect against retaliation can be found in FACC's Code of Conduct, through which the company undertakes to comply with them (see ESRS G1-1).

**(S2-3.29):** Channels are to be further expanded in the coming years to make them accessible to an even larger segment of the value chain.

### 3.2.4. DR S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

**(ESRS 2.62):** As of the reporting date, FACC had not implemented any specific remediation measures related to human rights violations affecting workers in the value chain. The reason for this is that, during the reporting year, the company was still in a structured evaluation phase in which existing processes, risks, and potential levers for prevention and remediation were analyzed. As part of the double materiality assessment, potential negative impacts on workers in the value chain were examined. No actual material negative impacts requiring specific remediation measures were identified.

Based on the results of this evaluation, FACC plans to further develop its existing processes and supplement them with additional measures within the next twelve months. The focus will be on the perspective of workers in the value chain. Planned measures include expanding the social assessment of suppliers with regard to labor and human rights standards, increasing the involvement of value-chain workers in training and awareness-raising activities related to whistleblowing, and strengthening the consideration of social aspects in supplier audits.

In the 2025 financial year, FACC had no indications or evidence of actual human rights violations involving workers in the value chain. This result is based on the sample on-site audits, questionnaires, and discussions conducted with suppliers.

### 3.2.5. DR S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

**(ESRS 2.81):** As of the reporting date, FACC had not set any specific targets in relation to the sustainability issue in question. This is due to the fact that FACC is currently in the evaluation phase of this issue, with the aim of identifying the best approaches to implementing effective and sustainable measures. As mentioned above, only potential negative impacts were analyzed as part of the materiality assessment, but actual material negative impacts requiring remedial action or the setting of targets were not identified. FACC plans to continue comprehensive and continuous evaluations in this area, but to date there have been no indications of actual violations or issues in this area within FACC's value chain.

# GOVERNANCE INFORMATIONEN



## 4. GOVERNANCE INFORMATION

### 4.1. ESRS G1: Business Conduct

#### 4.1.1. DR G1-1– Business conduct policies and corporate culture

Business conduct policies and promoting the corporate culture

##### (G1-1.7) (G1-1.10b):

- Policy 1 Code of Conduct
- Policy 2 Supplier Code of Conduct

Policy 1 – Code of Conduct (CoC)

General objectives

The FACC Code of Conduct aims to establish a zero-tolerance policy towards bribery and corruption within the company and is aligned with the principles and requirements of the United Nations Convention. This is supported by regular training and self-assessments for high-risk areas such as procurement and logistics.

Significant Impacts, Risks, and Opportunities (IROs)

Based on the Code of Conduct, positive impacts include:

- (Own operation, long-term) Strengthening a positive corporate culture
- (Value chain, long-term) Greater involvement of shareholders.
- Opportunities in this context include:
- (Own operation, long-term) Increased revenue through attractive workplaces.

Identified risks for FACC include:

- (Value chain, long-term) Potential failures due to dealings with companies affected by regulatory changes.

Monitoring Processes

The Code of Conduct is monitored through training (part of the welcome training), annual self-assessments with varying focus, a whistleblower hotline, and supplier due diligence by FACC's compliance department. Starting in 2025, an annual internal "Compliance Newsletter" is planned to further raise awareness of corruption within the workforce.

Policy 2 – Supplier Code of Conduct (SCoC)

General objectives

The Supplier Code of Conduct (SCoC) aims to ensure that business partners comply with social, environmental, and ethical standards and is aligned with the principles and requirements of the United Nations Convention. This is supported by a Responsible Business Partners program and FACC's C.O.M.P.E.T.E. system.

Significant Impacts, Risks, and Opportunities (IROs)

The positive impacts identified by FACC regarding the Supplier Code of Conduct (supplier management) include:

- (Value chain, short-, medium- and long-term) Ensuring compliance with social and environmental criteria for its own suppliers
- (Value chain, short-, medium- and long-term) Ensuring compliance with social and environmental criteria for companies in the value chain.

Identified opportunities for FACC include:

- (Value chain, long-term) Planning security/cost savings through long-term and trusting collaboration with suppliers
- (Value chain, long-term) New customer acquisition through strict social and environmental criteria for suppliers.
- (Value chain, long-term) Monitoring processes

Compliance with the Supplier Code of Conduct is ensured through annual audits (desktop and on-site) and the C.O.M.P.E.T.E. system, which focuses on cost awareness, operational excellence, market knowledge, development of partnerships, process efficiency, technology use and business ethics.

Scope of application of the policies

The Code of Conduct applies to all global operational units of FACC with a focus on upstream activities at production facilities, i.e. wherever transparency is crucial.

The Supplier Code of Conduct, on the other hand, is currently only applied at all Austrian locations.

Responsibility for the topic at FACC

The General Counsel is responsible for the implementation of the Code of Conduct (CoC) and reports to the Chief Financial Officer (CFO). He is supported by the Senior Manager CSR and Export Control, as well as by the Legal Counsel for Compliance. The Vice President Procurement is responsible for the Supplier Code of Conduct (SCoC) and reports to the CFO.

##### Governance structures and decision-making processes

**(G1-1.9):** FACC follows a structured approach to establish, develop, promote and assess its corporate culture with a view to creating a positive and sustainable working environment.

Establishment: FACC lays the foundations of its corporate culture by defining core values that are aligned with the company's vision and mission and are already enshrined in the Code of Conduct. This includes the dedication and commitment of management, which serves as a role model by actively practicing the company's values.

Our human values

Appreciation and team spirit.

Showing appreciation for our customers and colleagues, and for our work and responsibilities, forms the basis of our corporate philosophy. The FACC team spirit is built on this philosophy and is a defining feature of the company as a whole. Being part of the FACC team should be a source of joy, satisfaction and success.

Our corporate values

Performance and success.

Our FACC value compass guides us at all times to our human and corporate values.

Our customers must be able to rely on us completely. That is why we are committed to performance and success. Because there can be no success without performance. And no company can exist without success. As a team, we place a higher value on joint success than on the success of individuals.

Our ecological values

Sustainability.

Sustainability is in FACC's DNA. From the very first component produced, we have been making aircraft lighter, quieter and more efficient. We are making an effective contribution to reducing CO<sub>2</sub> emissions from aircraft and wish to demonstrate our commitment to sustainability by acting in accordance with the 17 Sustainable Development Goals (SDGs) of the United Nations.

A comprehensive onboarding program ensures that new members of staff understand, and identify with, these values right from the start. During the induction phase, they are introduced to the company's values and principles through various training courses.

Development: In order to continuously advance its corporate culture, FACC fosters the commitment of its employees through regular training sessions, workshops and events aimed at improving teamwork and personal development. Programs to promote diversity and inclusion are offered to ensure that all members of staff feel valued and respected. Employee surveys and feedback tools are key elements of FACC's strategy to ensure that the needs and opinions of its workforce are incorporated into the further development of the corporate culture.

Promotion: FACC promotes its corporate culture through effective internal communication that regularly emphasizes its values and objectives. Important communication channels include the intranet, newsletters, the FACC Space App and regular meetings. In addition, events and activities are organized to strengthen the team spirit and keep the company's values alive.

Evaluation: FACC evaluates its corporate culture through regular assessments and feedback mechanisms (such as the whistleblower hotline), which allow cultural strengths and weaknesses to be identified. This is achieved through measures such as employee surveys, regular feedback rounds and performance measurements. Based on the insights gained, FACC continuously adjusts its strategies to ensure that the corporate culture remains firmly rooted in all areas of the company and continues to develop.

Promoting the corporate culture and business practices

**(G1.10a) (G1.10c) (G1.10g):** Mechanisms for identifying, reporting and investigating concerns regarding unlawful conduct or behavior in violation of the Code of Conduct.

FACC has established mechanisms for identifying, reporting and investigating concerns regarding unlawful behavior or violations of the Code of Conduct. Employees and external stakeholders can report violations via a designated e-mail address and hotline managed by the Compliance department. Reports can also be submitted anonymously. If the whistleblower discloses their identity, appropriate identity protection is ensured through confidentiality, observing the principle of purpose, and technical measures. Data is not disclosed to third parties as a matter of principle, and appropriate access restrictions are implemented. Furthermore, the whistleblower is protected against retaliation, including through relevant instructions in internal company policies (the Code of Conduct and the Whistleblower Policy).

Once a report has been received, it is systematically recorded and first assessed by the Compliance Officer, followed by a comprehensive investigation in collaboration with the relevant departments and, if necessary, external experts. In this context, the Management Board grants the Compliance department the authority to act independently of instructions. A regulation on the reallocation of responsibilities applies in the event of conflicts of interest. The results of the investigation are presented to the Management Board, which then decides on appropriate measures, if necessary with the involvement of the HR department.

Regular training and information events ensure that all FACC employees are informed of the reporting channels. Statutory information obligations are complied with. In addition, regular information campaigns are organized within the company. These mechanisms provide clear and safe channels for internal and external stakeholders to report any concerns regarding unlawful behavior or violations of internal policies and ensure that the results are investigated and communicated in a transparent manner.

All employees are introduced to the Code of Conduct, and familiarized with its content, during the FACC welcome training.

It provides an overview of the Code of Conduct with regard to ethical business practices, the reporting of violations via the whistleblower hotline and the possible consequences of failing to report a violation.

**(G1-1.10h):** FACC has identified the greatest risks of bribery and corruption in the following areas of the company:

- Procurement (e.g. bribery in exchange for favorable conditions or contract awards)
- Sales (e.g. bribery in order to obtain business or favorable conditions from customers)
- Logistics (e.g. bribery in order to obtain business or favorable conditions from special forwarding agents)
- Finance and accounting (e.g. employees who handle important financial transactions)
- HR (e.g. with regard to recruitment, promotions, contract negotiations)
- Top management (e.g. the authority to make important business decisions could lead to opportunities for bribery and corruption on a large scale)

#### 4.1.2. DR G1-2 – Management of relationships with suppliers

Mechanisms for monitoring and ensuring compliance

**(G1 2.62):** Strategy for preventing late payments

FACC currently has no dedicated policy that explicitly addresses the prevention of late payments. However, we intend to build on existing guidelines and develop a policy on this topic in the next one to two years.

Standardizing and guaranteeing the timely payment of all suppliers is a top priority for FACC. The most important objectives in this regard include the implementation of standardized payment terms and the establishment of clear and consistent payment terms in all supplier contracts to ensure timely and foreseeable payments. Although this is currently practiced, the company has not yet recorded this in a written policy.

#### 4.1.3. DR G1-3 – Prevention and detection of corruption and bribery

Risk management and internal control systems

**(G1-3.18) (G1-3.18a):** Back in the financial year 2017/2018, FACC launched a communication initiative to raise awareness of the Code of Conduct, and of compliance in general, throughout the Group. As part of this initiative, the Code of Conduct was adapted and brought to the attention of all Group employees worldwide in a separate mailing by the Management Board.

Since then, FACC employees have received regular training (either annually or biannually, depending on external circumstances and events) on the overarching topics of compliance, anti-corruption, acceptance of gifts, money laundering and terrorism prevention, export control, supply chain compliance, and data protection. At FACC, the ongoing work on good governance is a cross-sectional

discipline in which various organizational units such as Communications, Legal, Business Strategy, Internal Audits, as well as IT Security and CSR are involved. The Legal department bears primary responsibility for the Code of Conduct and serves as the central point of contact for compliance issues within the company.

FACC's whistleblowing hotline is an internal system that enables individuals to report violations of the company's Code of Conduct. Whistleblowers can choose to remain completely anonymous; they are protected by law and can report grievances and concerns confidentially. The system, which has been in operation since 15 December 2021, can be used around the clock and is described in FACC's Whistleblowing Policy. There are no relevant CapEx or OpEx to report in this regard.

**(G1-3.18b):** With regard to FACC's whistleblower system, the Compliance Department acts independently of instructions and internal reporting lines. A substitution arrangement has been put in place for cases where an employee of the Compliance department faces a conflict of interest; in such cases, an employee who is not subject to a conflict of interest shall take over the respective case.

**(G1-3.18c):** Once the investigations have been concluded, a standardized rereport is submitted to the Management Board, including a recommendation for action. The HR department is consulted in cases involving potential disciplinary actions.

With regard to investigations into corruption or bribery, there are (currently) no separate procedural rules in place. Reporting is also standardized in the event of an incident, as explained above.

Processes for identifying and assessing risks

**(G1-3.20):** FACC employees at the Austrian site are made aware of the whistleblower hotline and its availability on the intranet, and of the Code of Conduct and training materials provided by FACC, as part of their welcome training. Furthermore, numerous information campaigns (via posters, desktop savers, etc.) are held throughout the year.

Risk mitigation and monitoring measures

**(G1-3.21 a-c):** FACC places great importance on the prevention of corruption and bribery and has therefore developed training programs to raise awareness and educate its employees in these areas. The programs are designed to enhance awareness of ethical business practices and ensure that employees understand and comply with company policies and legal requirements.

The training covers a variety of topics (see table below), including the recognition and avoidance of corruption and bribery, the importance of compliance and ethical behavior, as well as the specific policies and procedures of FACC.

The training is mandatory for all FACC employees in Austria to varying degrees (see table below), particularly for those in positions with a higher risk of corruption, such as in procurement, sales, and management.

Training sessions are offered regularly (see table below) to ensure that knowledge remains current and that new employees are quickly integrated.

Upon completion of the training, participants' understanding is assessed through feedback sessions to ensure the effectiveness of the programs and enable continuous improvements.

FACC ensures that members of the administrative, supervisory, and management bodies regularly (see table below) participate in anti-corruption and anti-bribery training. These sessions are designed to inform leaders about the latest developments, risks, and best practices in these areas and to strengthen their role in promoting an ethical corporate culture.

Table: Functions at risk covered by training programs

	At-risk functions	Managers	AMSB	Other own workers
Training coverage				
Total	369	523	15	368
Total receiving training	0	25 (4.78%)	15	368
Delivery method and duration				
Classroom training (hours)	0	0	0	1h
Computer-based training (hours)	0.5h	0.5h	0.5h	0
Voluntary computer-based training (hours)	0	0	0	0
Frequency				
How often training is required	12–18 months	annually	annually	once during onboarding
Topics covered				
Definition of corruption	Inappropriate offering or receiving of gifts and invitations	Inappropriate offering or receiving of gifts and invitations	Inappropriate offering or receiving of gifts and invitations	Inappropriate offering or receiving of gifts and invitations
Policy	Code of Conduct	Code of Conduct	Code of Conduct	Code of Conduct
Onboarding ("welcome training")	depends on the specific case, in principle zero tolerance	depends on the specific case, in principle zero tolerance	depends on the specific case, in principle zero tolerance	depends on the specific case, in principle zero tolerance

The training interval of 12–18 months for "risk-exposed functions" results from the availability of internal trainers as well as the relevance and timeliness of the respective topic. Individuals in "risk-exposed functions" also receive this training on a regular basis (albeit with a shorter total duration of approximately 30 minutes), as they are potentially more exposed to this topic in the course of their duties.

A restructuring of the training system is currently underway, including for managers, and is expected to be completed in Q2 of the 2026 financial year. "Other employees," on the other hand, receive the training only once as part of the welcome training. FACC considers that these employees have little or no contact with the topic, and therefore a one-time training during onboarding is deemed sufficient by the company.

#### 4.1.4. DR G1-4 – Incidents of corruption or bribery

Transparency and reporting on governance practices

**(G1-4.24) (G1-4.24a):** Number of convictions: 0

**Management Board:** These training sessions aim to emphasize the importance of governance and compliance in corporate management for this participant group.

**Supervisory Board:** Members of the supervisory board are trained in the legal framework and internal policies of FACC to effectively fulfill their supervisory function.

**Executive Management:** The executive management team receives training focused on the practical implementation of anti-corruption policies and procedures. This training includes practical examples and scenarios that help leaders make ethical decisions in complex situations.

Financial penalties incurred for violations of anti-corruption and anti-bribery laws amounted to EUR 0.00 in the 2024 financial year.

**(G1-4.24b):** Furthermore, we are not aware of any violations of FACC's anti-corruption regulations in the 2024 financial year.

#### 4.1.5. DR G1-6 – Payment practices

**(G1-6.33) (G1-6.33a):** On average, suppliers receive their payments from FACC within 53.7 days, which is within the agreed payment terms. This figure is determined by the controlling department and is part of the monthly reporting to the management board. The Working Capital Manager of FACC also uses this figure for internal analyses.

At FACC, the realization of revenue from the sale of products, as well as from development services and other services, is almost exclusively point-in-time based.

Receivables from deliveries and services typically have payment terms of up to 90 days, while receivables from customer-related development services and contract assets may have payment plans with milestone payments.

**(G1-6.33b):** FACC does not have standard payment terms. Payment terms are usually agreed upon with payments ranging from 30 days to 90 days (see below). However, these are always individual negotiation points that are negotiated with the suppliers (similar to price and/or Incoterms, etc.).

- Close to 7 % of FACC's suppliers obtain their receivables (without deduction) within 14 days.
- Close to 47 % of FACC's suppliers obtain their receivables (without deduction) within 30 days.
- Close to 13 % of FACC's suppliers obtain their receivables (without deduction) within 60 days.
- Close to 11 % of FACC's suppliers obtain their receivables (without deduction) within 90 days.

The basis for calculating these values is the ratio of the total purchase value (excl. consignment) of materials. The remaining percentages result from minor variations in the payment terms (such as granting a discount of 1 % - 5 %).

**(G1-6.33c):** As of the balance sheet date, FACC had no pending legal proceedings due to late payments.