

SUSTAINABILITY LETTER

SEPTEMBER 2026



Dear Stakeholders,

At QuantumScape, our mission remains clear: to revolutionize energy storage to enable a sustainable future. Since our founding, we have focused on developing battery technology capable of delivering meaningful improvements in energy density, power capability, charging speed, cycle life and safety. As global demand for efficient energy storage continues to accelerate, we believe our solid-state lithium-metal platform is increasingly positioned to help solve some of society's most important energy challenges.

Over the past year, we have continued executing our strategic blueprint focused on three pillars: developing, demonstrating, and distributing our technology. Through advancements in our cell development roadmap, continued progress on the Eagle Line production platform, and the expansion of our global partnership ecosystem, we have taken important steps toward bringing our technology to market while remaining focused on long-term sustainability and responsible business practices.

One of the most significant developments during 2026 was the continued expansion of our strategic partner ecosystem. Through agreements and collaborations with leading companies across the automotive, materials, and manufacturing value chains, including PowerCo, Honda, Corning, Murata, and others, we are building a scalable framework capable of supporting future commercialization while leveraging the expertise of world-class partners. This ecosystem approach allows QS to focus on technology innovation while enabling capital-efficient deployment at global scale.

As our technology platform matures, we are also exploring opportunities beyond electric vehicles. During 2026, we shared our vision for how solid-state lithium-metal batteries could support emerging applications including aviation, drones, robotics, and AI data center infrastructure. While transportation remains our primary market focus, we believe advances in battery safety, energy density, and power capability have broader potential to enable the next generation of energy-intensive technologies.

Sustainability Update

The global transition toward electrification, artificial intelligence, and renewable energy continues to increase demand for advanced energy storage. Batteries are becoming increasingly important not only for transportation, but also for the efficient movement, storage, and use of electricity across many sectors of the economy.

At QS, sustainability remains embedded throughout our strategy and operations. We believe responsible innovation requires balancing technological advancement with environmental stewardship, workplace safety, strong governance, and employee development. Oversight of these efforts continues through our board of directors, executive leadership team and dedicated sustainability working group.

Environmental Product Impact

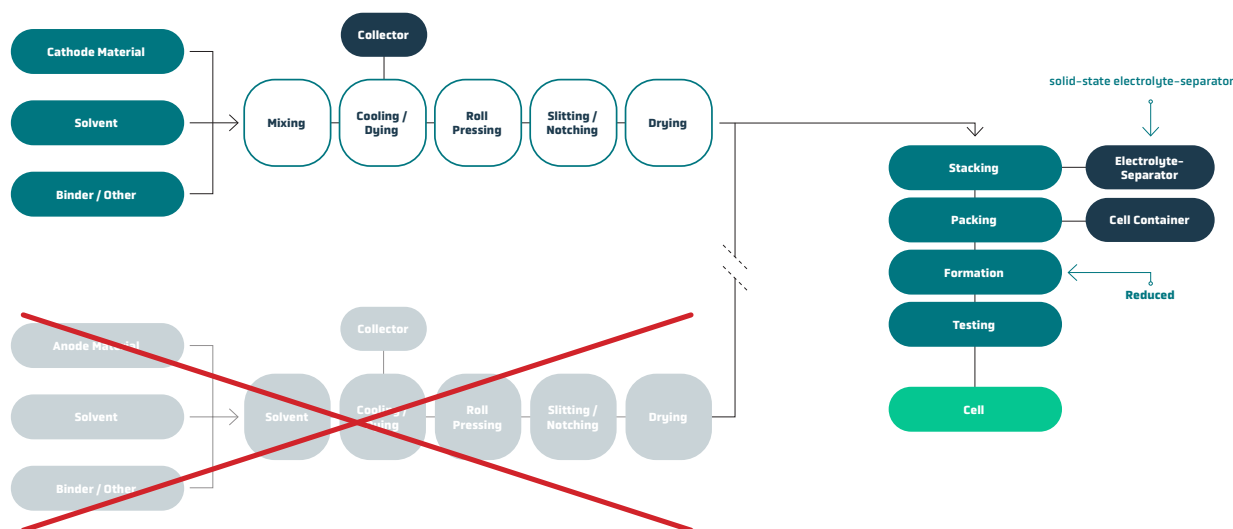
Our solid-state lithium-metal battery technology is designed to improve electric vehicle adoption by addressing key limitations of conventional lithium-ion batteries. We believe improvements in energy density, charging speed, safety, and cycle life can make electric transportation more practical and accessible while supporting broader decarbonization efforts.

Beyond transportation, we have begun evaluating how our technology may contribute to other sustainability-focused applications. In 2026, QS introduced our perspective on the future of AI infrastructure and the emerging concept of the AI factory. These facilities are expected to require dramatically greater power capacity than traditional data centers and represent a new challenge for energy efficiency and energy storage. Publicly released analyses from QS suggest that higher

energy density and superior discharge rates with improved safety characteristics may help increase the efficiency and reliability of future AI infrastructure. While these opportunities remain in the early stages of evaluation, they highlight the broad potential impact of advanced battery technology in further reducing carbon emission footprint in the era of gigawatt data centers.

Responsible Product Design and Circular Economy

Responsible design remains a foundational element of our product strategy. By eliminating the graphite anode host material used in conventional lithium-ion batteries, our technology has the potential to reduce material intensity while simplifying battery architecture. The graphite-free design may also help reduce supply chain dependencies and support future circularity initiatives.



In 2022, we established a partnership with a commercial battery recycler as part of our commitment to advancing circularity within the battery value chain. Through this program, battery manufacturing scrap and development materials that would otherwise become waste are recovered and returned to productive use. Since launching the partnership, QS has recycled more than 108,000 pounds of battery-related materials, including over 37,000 pounds in 2025 alone. Valuable materials such as nickel, cobalt, copper, and lithium are reclaimed and reintroduced into the battery manufacturing ecosystem, helping conserve natural resources, reduce waste, and support a more sustainable supply chain.

We also track and evaluate our environmental footprint through greenhouse gas (GHG) emissions monitoring. Since 2023, we have measured our Scope 1 and Scope 2 emissions across our San Jose facilities, primarily associated with utility consumption and process development activities. While our operations and facility utilization have continued to evolve, our emissions remain well below applicable regulatory thresholds established by the U.S. Environmental Protection Agency (EPA) and the California Air Resources Board (CARB).

Product Safety

Safety remains one of the defining characteristics of our technology platform.

Conventional lithium-ion batteries contain flammable liquid electrolytes and polymer separators that can contribute to thermal runaway under abusive conditions. QS's solid-state platform uses a proprietary ceramic separator and significantly reduces the amount of liquid electrolyte required compared to conventional lithium-ion batteries. This design is intended to provide enhanced thermal stability while supporting high energy density and fast charging performance.

In addition to previous safety testing achievements, QS reached an important milestone in 2025 with successful UN38.3 certification of the QSE-5 cell, validating its ability to safely meet transportation requirements across global supply chains. This certification represents an important step toward broader deployment and commercialization.

During 2026, QS also highlighted how improved battery safety characteristics could provide unique value in emerging applications such as AI data centers, where battery systems may operate in close proximity to high-value computing equipment. Our publicly reported testing demonstrated thermal stability up to 300 °C, further supporting our belief that safety and performance can advance together.

QSE-5 Prototypes Safety Test Results Summary

QSE-5 Demonstrates Better Safety Than Competitor Cells

		QS QSE-5	Silicon Anode Drone Cell	Semi-Solid State	High- Performance Cylindrical 21700 Cell	Smartphone Cell [Prismatic]	Auto Cell with Silicon	LFP	Auto Cell with Graphite	HL	Description
Test	Thermal Stability	3	7	7	7	7	6	7	7	0	No effect
	External Short Circuit	3	3	3	1	1	6	3	7	1	Passive protection
	Nail Penetration	3	7	7	7	6	3	3	3	2	Defect/Damage
										3	Minor Leakage/venting
										4	Major Leakage/venting
										5	Rupture
										6	Fire or flame
										7	Energetic failure

Responsible Supply Chain

Building a sustainable energy future requires more than breakthrough products; it also requires responsible sourcing and strong partnerships.

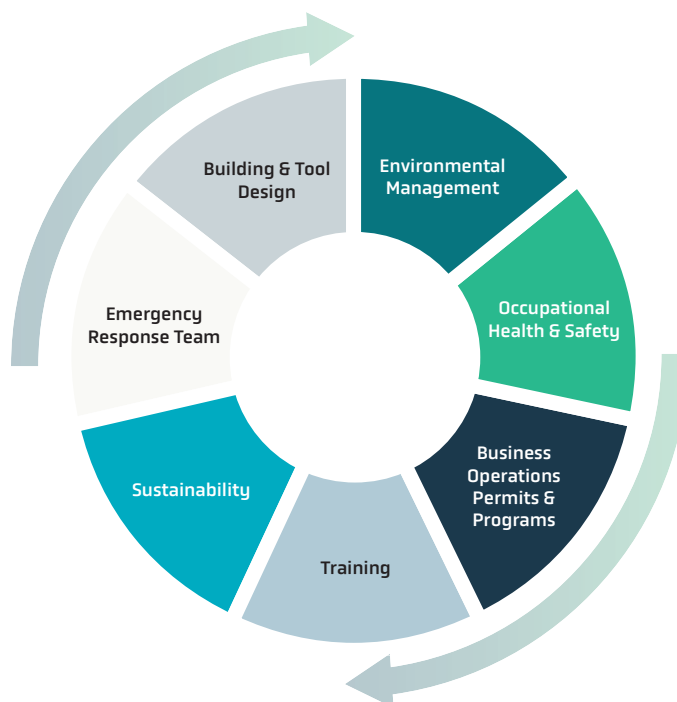
Our Supplier Code of Conduct continues to provide the framework for supplier expectations related to ethics, environmental responsibility, labor standards, and compliance. We remain committed to partnering with organizations that share our values and help strengthen sustainability across the broader battery ecosystem.

The expansion of our manufacturing partnership ecosystem, including collaborations with companies such as Murata and Corning, demonstrates our approach to leveraging specialized expertise while supporting scale, quality, and responsible production practices.

Workplace Health and Safety

Protecting employees remains fundamental to our mission.

We continue managing environmental, health, and safety risks through engineering controls, training programs, audits, hazard assessments, emergency preparedness, and continuous improvement initiatives. Our safety framework extends across environmental management, occupational health, operational permitting, sustainability programs, training, emergency response, and equipment design.



As our operations evolve and new technologies are introduced, we remain committed to fostering a culture where safety is integrated into every aspect of our business and where all employees share responsibility for maintaining a safe workplace.

In 2025, we recorded a total of 15 OSHA recordable incidents. The majority were ergonomics-related, including 10 industrial ergonomics cases and one office ergonomics case. The remaining incidents consisted of two cut/crush injuries and two slip, trip, and fall incidents. We are pleased to report a continued absence of chemical-related OSHA recordable incidents since 2017.

Our 2025 OSHA Total Recordable Incident Rate (TRIR) was 2.1. While this was higher than our 2024 TRIR, it remained below the 2024 Motor Vehicle Manufacturing industry TRIR of 5.6 reported by the U.S. Bureau of Labor Statistics (BLS) (<https://www.bls.gov/iif/nonfatal-injuries-and-illnesses-tables/table-1-injury-and-illness-rates-by-industry-2024-national.htm>), reflecting our continued focus on injury prevention and workplace safety.

People and Culture

Our employees are the foundation of our success. People and culture management at QS goes beyond policies and systems; it is about empowering our people and behaviors that make it a high-trust, high-performing, mission-driven place to work. The People and Culture team develops practical tools and programs that help make QS a place where people trust one another, do great work, achieve results and continuously improve. From how we hire and onboard employees to how we support performance, growth, and leadership development, our programs continue to evolve alongside the company.

QS's culture is rooted in our core values: Passion for the Problem, Collaborate, Prioritize the Customer, Act Authentically, and Bias to Action. These values help create an environment where employees are empowered to solve challenging problems, work effectively across teams, and contribute to our mission of revolutionizing energy storage. Fostering a culture of continuous feedback remains an important part of how we grow, adapt, and improve across the organization. Our strength is built on the training, experience, capabilities, and dedication of our employees, and we remain committed to helping team members develop their talents and perform at their highest potential.

In 2025, we continued to strengthen employee development, engagement, and leadership capabilities through a variety of programs and initiatives, including:

- Quarterly All-Employee meetings
- Dedicated People and Culture meetings focused on employee development and workplace topics
- Manager capability training programs, including:
 - ◊ Presenting for Impact and Influence, focused on executive communication, message clarity, and presentation skills
 - ◊ Continued reinforcement of inclusive leadership practices introduced through Inclusive People Manager Essentials
- QS University Lunch & Learn sessions launched in 2025 to support continuous learning and cross-functional collaboration through both technical and business-focused presentations led by internal subject matter experts
- Employee Reward and Recognition Program, including both manager-driven awards and peer recognition opportunities
- Mentorship Program launched in 2024 and continued through recurring six-month cohorts designed to support professional development, networking, and knowledge sharing
- Employee clubs and community-building activities
- Tuition reimbursement for employees pursuing educational opportunities relevant to their professional growth
- Employee 360 Feedback Program

We believe employee growth fuels performance. By investing in leadership development, technical learning, mentoring, career mobility, and continuous feedback, we help employees build the skills needed to succeed while supporting QS's long-term growth. We also strive to maintain a compensation strategy that balances internal equity with external competitiveness, including performance-based incentives such as bonuses, restricted stock units, and employee stock purchase programs.

Inclusive Workplace Strategy

To revolutionize energy storage, QS needs a team with diverse perspectives, experiences, backgrounds, and ways of thinking. Our culture thrives when every employee is treated with dignity, embraced for who they are, and recognized for their contributions.

We remain committed to ensuring a fair and inclusive process for recruitment, development, and advancement while continuing to strengthen representation across the organization. Our hiring managers receive bias-awareness training and structured interview guidance designed to reduce the impact of unconscious bias during recruiting and promotion decisions. We also maintain a standardized job-level framework and conduct annual pay equity analyses to help ensure employees are compensated fairly for their contributions.

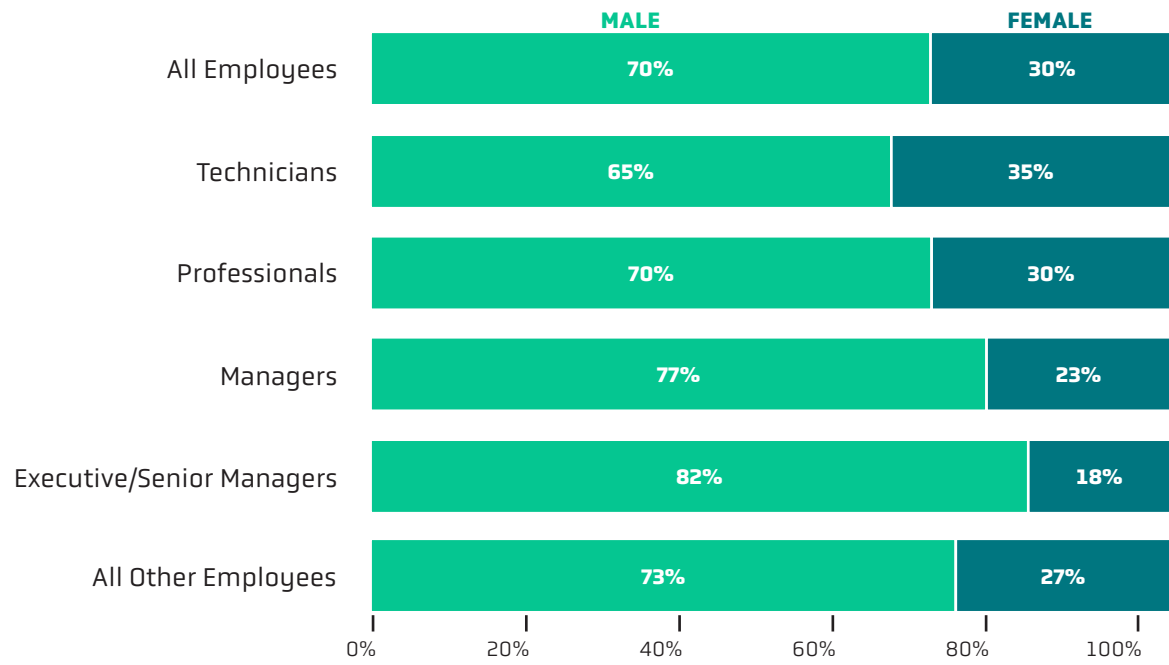
In 2025, we continued several initiatives designed to foster inclusion, engagement, and professional development, including:

- Bi-monthly Let's Talk sessions, providing employees with opportunities to engage directly with company leaders; with at least one woman leader speaking each time
- Continued development of the Women's Leadership Group, founded in 2024, which brings together senior women leaders quarterly to engage with leaders from diverse industries and backgrounds and share experiences and best practices
- Continued participation in the Women in Batteries Conference through the Volta Foundation
- Ongoing efforts to support women in science and technology through external speaking opportunities and industry engagement
- Continued mentorship opportunities through recurring six-month program cohorts

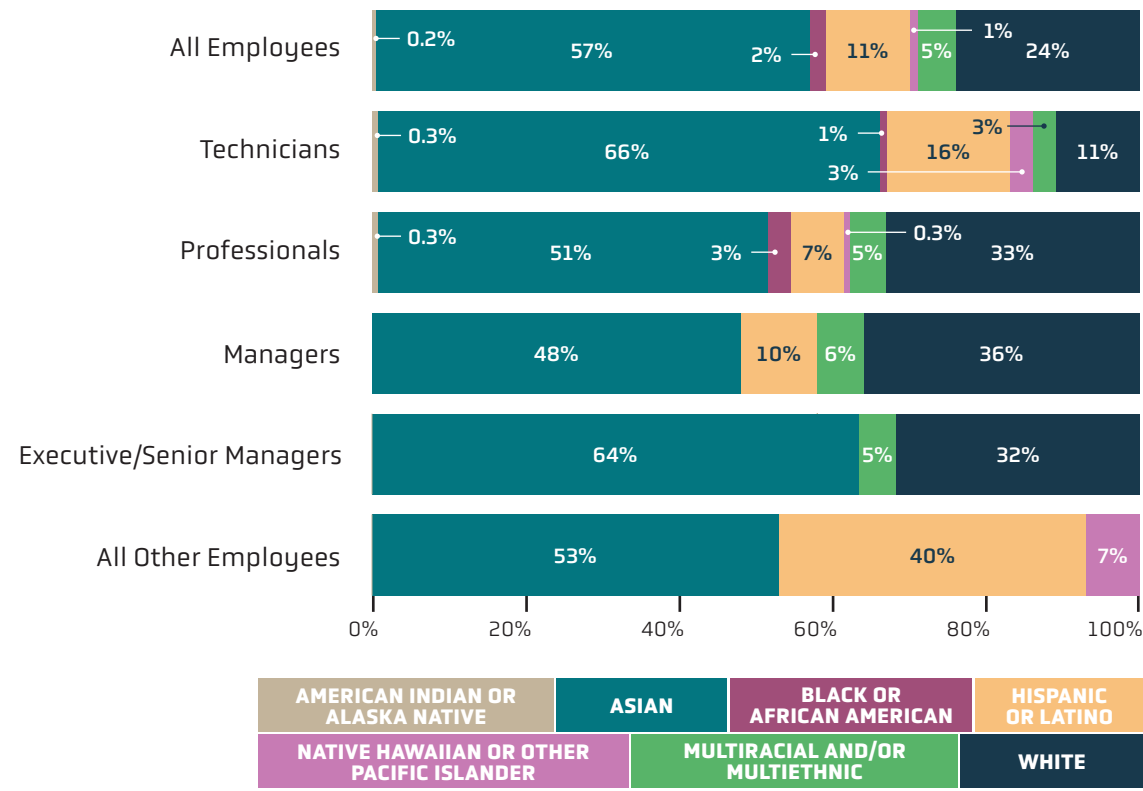
Building a diverse workforce remains an ongoing priority. In 2025, women represented approximately 30% of QS's global workforce, an increase from 25% in 2024. Representation among management remained strong at 23%, while women represented 35% of technicians, 30% of professionals, and 18% of executive and senior management roles. These metrics reflect steady progress while also highlighting areas where we continue to focus our efforts to improve representation across the organization.

We recognize that building a diverse and inclusive workplace is a long-term endeavor. By investing in leadership development, mentoring, equitable employment practices, and programs that foster belonging, we aim to create an environment where employees from all backgrounds can contribute, grow, and help advance QS's mission.

2025 Team Member **Gender Diversity**



2025 Team Member **Ethnic Diversity**



Governance, Data Protection and Ethics

Strong governance remains a cornerstone of our sustainability strategy.

We continue maintaining rigorous cybersecurity, information security, and risk management programs designed to protect our intellectual property, operations, employees, customers, and stakeholders. Our cybersecurity governance structure includes executive oversight, board of directors involvement, third-party assessments, employee training and continuous monitoring.

Our Code of Conduct, Anti-Corruption Policy, and compliance programs continue to guide ethical decision-making throughout our business. Through these frameworks, we seek to promote accountability, transparency, and integrity across all operations and partnerships.

Concluding Remarks

The world is entering a new era of electrification, artificial intelligence and energy transformation. At QS, we believe advanced energy storage is a foundational technology enabling this future.

Through continued innovation, strategic partnerships, responsible operations, and an unwavering commitment to sustainability, we are working to build battery technology capable of transforming transportation while creating opportunities in emerging applications beyond the automotive industry. As we continue executing our strategic blueprint of developing, demonstrating, and distributing our technology, we remain committed to delivering long-term value for our stakeholders and advancing our mission of revolutionizing energy storage to enable a sustainable future.

Sincerely,

A handwritten signature in black ink that reads "Siva Sivasan". The signature is written in a cursive, flowing style with a prominent underline.

Siva
President, CEO and Director

Forward-looking Statements

This letter contains forward-looking statements within the meaning of U.S. federal securities laws, including, but not limited to, statements regarding our goals, strategies, business plans, and expectations surrounding the commercialization of our solid-state lithium-metal battery technology, sustainability practices, and potential partnerships or business model shifts. Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied in such statements. These risks include, but are not limited to, the timing of development and commercialization efforts, the ability to meet technical milestones, changes in market conditions, and our ability to maintain strategic partnerships and sustainability efforts. We encourage you to review our filings with the Securities and Exchange Commission for a full discussion of the risks that could affect our business and future performance. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update them in light of new information or future events.