



A full-page background image of a mountain landscape. In the foreground, a winding asphalt road curves along a steep, green mountain slope. Below the road is a calm, turquoise lake that reflects the surrounding mountains. The lake is nestled in a valley between rugged, rocky mountain peaks. Some snow is visible in the crevices and on the upper slopes of the mountains. The sun is low in the sky, creating a warm, golden glow and long shadows across the landscape.

THROUGH LIGHT, WE CARE.

Sustainability Report
2021/22

ZUMTOBEL Group

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CEO COMMITMENT

Dear Readers,

Sustainable actions represent an integral part of the Zumtobel Group's corporate strategy. In line with our guiding principle "Through light, we care", we want to use our core business to make the best possible contribution to a liveable future – as we have done for slightly over 70 years. Optimising the energy efficiency of our luminaires was an important objective for Dr. Walter Zumtobel, our company's founder.

Our self-image – sustainable management combined with the best possible protection for the world in which we live – is underscored by the photographs that accompany this sustainability declaration. The beauty of nature is expressed in motives on the subject of water in connection with light. These pictures were taken right at our doorstep, at our headquarters in Vorarlberg. They begin with a sweeping perspective of mountain lakes, gorges and rivers and move to close-ups of water drops and waves. This photographic series reflects, among others, our entrepreneurial approach – from an overall view down to the smallest detail.

Decisions involving the strategic focus of sustainability



are the responsibility of our Sustainability Committee, which includes the sustainability team, the Management Board of the Zumtobel Group, and representatives of the brands and specialist departments. Together we define binding goals, deadlines and measures. The revision and adaptation of materiality in 2021/22 led to the development of three long-term focal points: **climate neutrality, partner of choice** and **circular economy**. Our sustainability agenda is continuously refined on the basis of regular analyses and influenced by the demands of the market, legal regulations and our stakeholders. Of particular importance is the numerical overview, which is the reason our goals cover the entire value chain.

With our innovative strength, we produce high-quality light that gives equal importance to people and nature. We see it as our mission to identify and reconcile all the related interests. Our knowledge of how light influences people has grown over decades and forms the basis for our sustainable and future-oriented lighting solutions, which are becoming increasingly energy and resource efficient and, at the same time, provide optimal lighting quality. Our lighting solutions are designed to minimise our impact on the environment and, wherever we can,

make a positive contribution to development – for a world worth living, today and for future generations.

We set a further milestone during 2021/22 on our road to attain **climate neutrality**. The conversion of nearly all our production facilities to renewable energies reduced our CO₂ emissions from 20,000 tonnes per year by half. The lighting brands location in Dornbirn, for example, has already switched over to 90% renewable energies and cut its emissions by 40%. Our aim is to achieve Scope 1 and 2 climate neutrality according to the Greenhouse Gas Protocol by 2025. The plans to meet this goal call for a steady increase in the share of renewable energies and the continuous evaluation of our emissions, both upstream and downstream, as the basis for making further adjustments.

Our activities in 2022/2023 in support of climate neutrality will focus on the steady reduction of emissions and the group-wide waste quotient. An important part of this process will be the evaluations that help us to understand where we can make changes with a positive effect.

As a so-called **partner of choice**, we will continue to work together with our suppliers on sustainable procu-

rement, offer our employees an excellent place to work, and excite our customers not only for our light but also for our sustainable products, services and data.

The first successful results confirm that we are on the right course to becoming a partner of choice. For example: 100 sustainability audits were carried out with Zumtobel Group suppliers during the past financial year and verify compliance with our internal sustainability standards.

Our production facility in Niš, Serbia, received ISO 45001 certification (Occupational Health, Safety and Wellbeing) in 2021/22. We can also look back with pride on an entire decade of environmental product declarations: For ten years, we have provided our customers with product datasheets verified by third parties which describe the effects of our luminaires on the environment – effects that we work to reduce as far as possible.

As a partner of choice, we want to continually improve together with our internal and external stakeholders in 2022/23. We plan to schedule additional sustainability audits with our suppliers, especially in risk countries, to further strengthen our position as a responsible

industry partner. Our efforts on behalf of our employees will include the expansion of training opportunities. Other goals entail filling two-thirds of our management positions internally and increasing the share of women in senior management.

The circular economy focal point and related circular design rules cover aspects along the entire value chain. The challenges facing procurement show the substantial benefits that can be gained from recovering products and reusing the materials in a new production cycle. With our circular design rules, we are attempting to make this reality and, among others, counter the external material shortage over the long-term. All new products will be designed for easy dismantling – the materials used will have a high recycling content, be suitable for recycling and come from sustainable procurement. We want to follow the installation and use of lighting for our customers by closing the cycle with circular systems, business models and services. That will effectively reduce material consumption and emissions. Our VIVO II product family has been designated as a pilot product: With this spotlight, we are testing the circular rules for new product development together with the designer Harald Gründl from EOOS.

We look forward to the 2022 launch of the first product family created according to these circular design rules. Every development will be used as an opportunity to adapt these rules and integrate the experience from our flagship projects. The cooperation with our partners on circular models and the road to a circular economy will, of course, continue.

Our commitment to sustainability and the integration of our activities with suppliers, customers and partners underscore our intention to contribute to a sustainable future above and beyond the scope of our business activities. This is a road we can only travel together, and the reason for our special focus on partnerships. The Zumtobel Group has been an official partner of the Berlin start-up Concular since 2022, where we are working together on circular business models. As a klimaaktiv partner, we have joined together with ten Austrian companies to reduce CO₂ emissions and, in that way, support climate protection.

The Zumtobel Group can also look back on another successful financial year in 2021/22 despite numerous challenges: rising raw material prices, disrupted supply chains and a shortage of components. The untiring

efforts of our nearly 6,000 employees across the world allowed us to continue deliveries to our customers, although not always at the desired speed. I want to thank our employees and my colleagues for their commitment and our customers and partners for their trust and understanding. Only with their support were we able to make the past financial year a success.

We look forward to sustainably designing the future with our light, but also to new partnerships, exciting innovations and new milestones.

I hope you find the following information both interesting and informative.

Alfred Felder

Chief Executive Officer (CEO)

OVERVIEW OF THE ZUMTOBEL GROUP

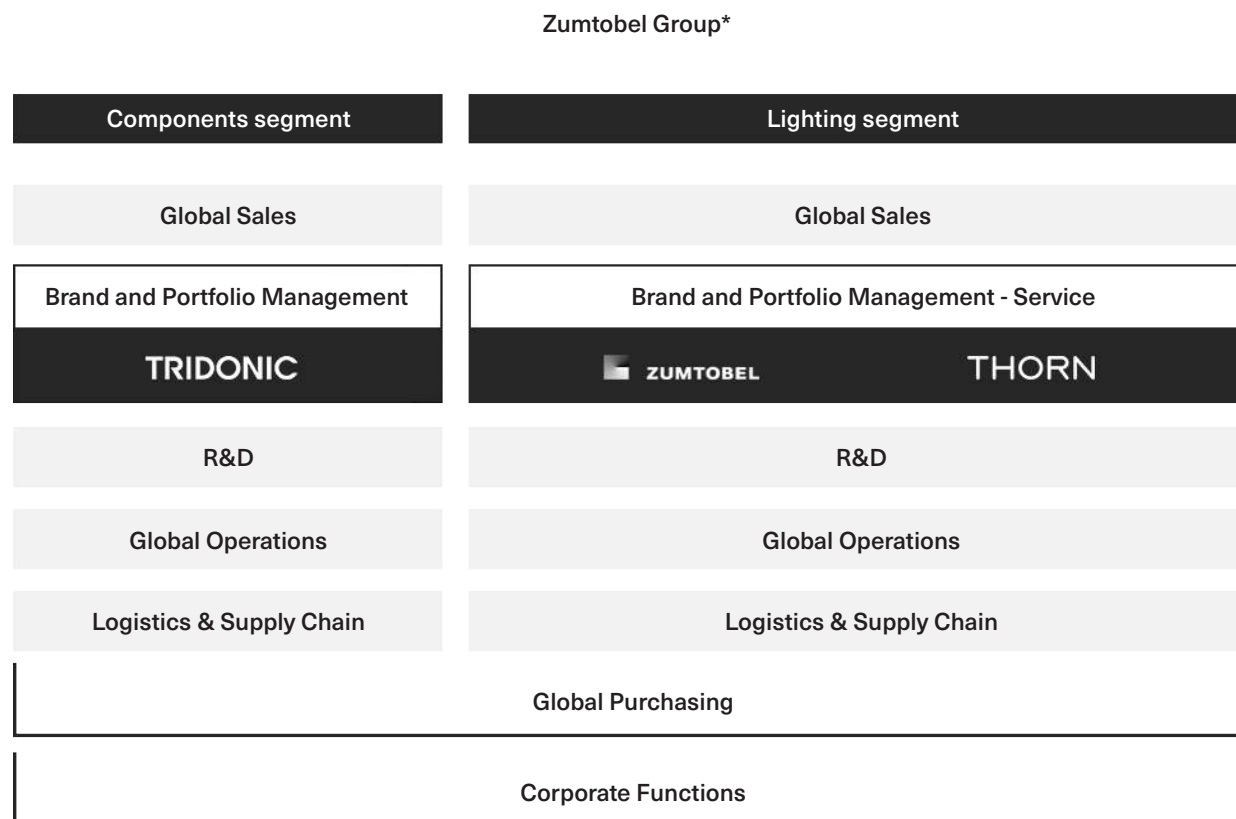
The Company

The Zumtobel Group is an international lighting corporation and a leading supplier of innovative lighting solutions, lighting components and related services. This listed company operates 10 production plants on three continents and has sales offices and partners in nearly 90 countries.

The Group employed a workforce of 5,782 as of 30 April 2022 and generated revenues of EUR 1,148.3 million in the 2021/22 financial year. The founding Zumtobel family has served as a stable core shareholder since the IPO in 2006 and holds roughly 35.8% of share capital. The company was founded in 1950 in Dornbirn, Vorarlberg (Austria).

With its core brands – Thorn, Tridonic and Zumtobel – the Group offers its customers a wide-ranging portfolio of products and services. The Zumtobel Group consists of two operating segments which form the basis for corporate management: the Lighting Segment with its luminaires and lighting solutions and the Components Segment. Each segment has its own global product portfolio, sales and production organisation.

In the Lighting Segment, the company is one of the European market leaders with its Thorn and Zumtobel brands. Tridonic, the components brand, forms the basis for the Group's leading role in the production of



*Simplified illustration as of 30 April 2022

hardware and software for lighting systems (LED light sources, LED drivers, sensors and lighting systems management).

The Zumtobel Group's service offering is one of the most extensive in the entire lighting industry: examples include consulting on intelligent lighting management and emergency lighting, light contracting, design, project management for turnkey lighting solutions and new data-based services with a focus on the integration of buildings and cities by way of the lighting infrastructure (for example, indoor navigation for guidance or for counting the number of people in a room by means of presence sensors in the lighting).

Applications represent the focal point for both the Lighting Segment and the Components Segment. Indoor includes applications for industry (incl. logistics, halls and car parks), offices, education and health (incl. hospitals, schools and universities) as well as the retail trade (incl. supermarkets, home furnishing stores and high-end brand retail), art & culture and exhibition areas (incl. gastronomy).

Outdoor addresses applications for roads, tunnels, sport facilities and exterior lighting for public areas, including facade lighting. Services cover all project and software-oriented activities. This application-based orientation determines the form of the product portfolio and is also reflected in the sales organisation.

The sales organisation is clearly separated between the two segments and reflects the different sales channels. In the Lighting Segment, this includes sales for construction projects and the related target groups (e.g. architects, lighting and electrical planners, contractors and developers), sales through retail channels, and direct sales to large customers and public contracting entities. Sales in the Components Segment involve OEM sales (Original Equipment Manufacturer) to luminaire producers as well as the sale of intelligent solutions to electrical and system planners.

The Zumtobel Group is committed to sustainable business operations and, through its solutions, to helping its customers reach their sustainability goals more easily.

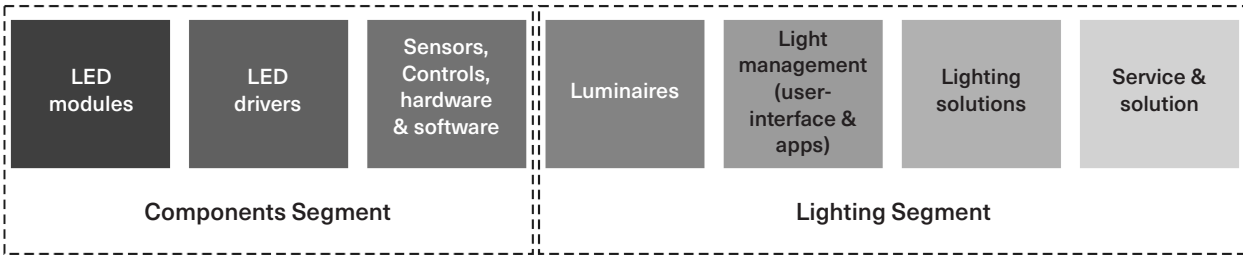
Zumtobel Group AG serves as the parent company of the Group and provides numerous corporate ma-

nagement and service functions for the brands. These central functions include finance, human resources, legal, audit & compliance, insurance, IT and process management, strategy and transformation projects, central procurement as well as corporate communications and investor relations.

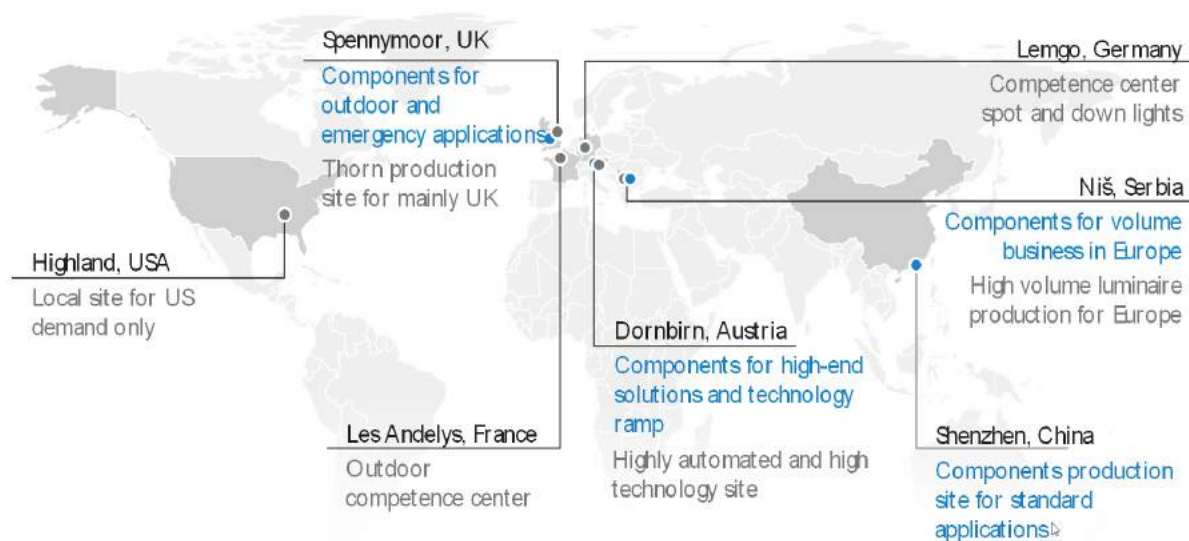
Products and production locations

The Zumtobel Group's business model covers all key areas of the professional lighting value chain – from components, luminaires and light management systems to complete lighting solutions and services.

The Zumtobel Group's lighting and components plants are organised in a global production network. The individual plants are linked in a way that best utilises their re-



Production network of Zumtobel Group as of 30 April 2022



- Lighting Segment (6 Plants)
- Components Segment (4 Plants)

gional and technological strengths for the benefit of the entire Group. Close geographical proximity to the target markets allows for fast and highly flexible deliveries to customers ("local for local").

Key elements of the FOCUSED corporate strategy include the consistent application of the lean management approach, the automation of business processes, and the use of location-specific cost advantages to continuously optimise production costs.

Lighting and components are produced in individual areas at Dornbirn, Niš und Spennymoor under separate organisation and management. The Zumtobel Group had 10 plants on three continents as of 30 April 2022.

Market and brand positioning

The Zumtobel Group is active worldwide, but Europe remains the most important market with approximately 85% of total revenues. The professional lighting industry in Europe is still highly fragmented but the concentration process is accelerating.

With its established international lighting brands, the Zumtobel Group holds a strong position in this fragmented market with a share of approximately 8% in Europe. The worldwide components industry, in contrast, is characterised by greater consolidation. With Tridonic, the

Zumtobel Group also holds a strong position in lighting management and control gears.

The Zumtobel brand, as an innovation leader, develops sustainable solutions for interior lighting that are tailored to the needs of people in the respective application areas. With a comprehensive portfolio of high-end luminaires and intelligent lighting management and emergency lighting systems, Zumtobel offers the right lighting for every activity and time of the day, for working and living spaces.

Lighting solutions optimised to meet people's needs (Human Centric Lighting) play a central role in these applications. The most important applications are industry, education, healthcare, retail, gastronomy, and art and culture. Valuable impulses for the further development of the portfolio are created not only through Zumtobel's own internal research and development, but also by long-standing cooperation with leading international architects, lighting planners, designers and artists in the project business.

Thorn is a leading quality supplier of professional solutions for indoor and outdoor lighting. This brand stands for high performance, cost-efficiency and, above all, user-friendly lighting and integrated controls. The Thorn brand markets its luminaires and lighting solutions worldwide, among others to wholesalers, electricians, planners and municipalities as well as end-users. The

energy-efficient luminaires made by Thorn support a wide variety of applications in and around buildings, urban areas, sport venues, tunnels and streets. Thorn's functional products also cover all conventional indoor applications from offices to supermarkets, industry, schools and healthcare facilities.

Tridonic is the Zumtobel Group's technology brand and a supplier of intelligent hardware and software. As a global innovation driver for light-based network technology, e.g. based on Bluetooth, it develops future-safe and scalable solutions that support lighting producers, building managers and system integrators, among others, in developing new business models. Tridonic is not only active in the production of components and system solutions for the Group's lighting brands, it also serves as an OEM supplier (Original Equipment Manufacturer) for luminaire producers throughout the world and generates over 80% of its revenues outside the Zumtobel Group.

More than 2,500 patents document the brand's innovative strength. Tridonic continued its concentration on digitalisation and connectivity in 2021/22 with the development of technologies for smart and integrated lighting systems, new services and business models. The software competence centre in Porto (Portugal) was expanded during the past year and now the hub for software development in the Zumtobel Group.

Key success factors for the Zumtobel Group

The Zumtobel Group's leading competitive position is based, above all, on the three established core brands with broadly diversified market access, extensive know-how in lighting applications and a clear technological advantage in individual areas. The sales function – which had more than 1,700 employees in 2021/22 – plays a key role in the Zumtobel Group's business model. The systematic alignment of sales with one of the three strong core brands allows the Zumtobel Group to optimally meet the diverse needs of its customers.

The design of a customer-specific lighting solution requires extensive knowledge of the product portfolio, the latest technological developments and the specific lighting application. The sales staff must therefore understand – and be able to convey – not only the technical and functional aspects of light and the potential energy savings, but also the aesthetic and emotional implications and the positive influence of good lighting on the user's sense of well-being.

Accordingly, detailed and wide-ranging education and continuous training are decisive for the quality of sales. The programmes offered by the Zumtobel Group's Learning Academy were expanded during the past year with a focus on the design, implementation and organisation of training courses for customers and internal stakeholders.

In 2021/22, the Zumtobel Group invested EUR 67.5 million in research and development (R&D) to strengthen its leading technology position. The further development of lighting quality based on LED technology, increasing digitalisation and the complexity of intelligent lighting systems represent a continuous challenge for R&D. The digital light source LED has made luminaires and their components an integral part of the Internet of Things (IoT) and, consequently, part of the new applications and business models which go beyond lighting.

The Zumtobel Group is one of the largest suppliers in Europe – its optimal positioning forms the basis to master these challenges and creates clear advantages in competition with the many small and medium-sized luminaire producers. An extensive patent portfolio and close collaboration with international light design partners and architects underscores the company's innovative power and supports sustainable growth by securing access to strategic cooperation with other industrial companies.

The subject of energy efficiency is, nevertheless, more relevant than ever due to the global efforts to reduce CO2 emissions and the steady increase in energy costs: Intelligently managed, LED-based lighting solutions can reduce electricity consumption by up to 80% compared with conventional lighting solutions. Other sustainability aspects, for example the circular economy, have also become a focal point of public attention. Marketing



activities for energy-efficient products are concentrating increasingly on the comparison of energy consumption and investment costs over the lifecycle of various lighting solutions (total cost of ownership). In addition to a significant cost savings potential, the growing demand for energy-efficient lighting is supported by legal regulations that include the EU directives on the energy efficiency of buildings and ecodesign.

The EU's Green Deal also includes an extensive list of projects that are eligible for subsidies: this financial support is available up to 2027 and gives the Zumtobel Group additional possibilities for future projects.

Our FOCUSED strategy

Be FOCUSED. The Zumtobel Group has, in recent years, consistently implemented the corporate strategy that was introduced in 2018/19 with its stronger focus on customer orientation and reduction in process complexity and costs. The "Focus" corporate strategy was expanded in 2020/21 to generate new opportunities for growth and strengthen the company's sustainable positioning. The result is the new "Be focused" strategy, which now includes increasingly important aspects like environmental issues (the letter "E") and digitalisation (the letter "D").

FOCUS ON KEY MARKETS AND APPLICATIONS

The Zumtobel Group concentrates on its target markets and on sustainable, profitable growth in core application areas and precisely defined future fields. In the indoor area, activities are based primarily on industry, office and education, retail, and art and culture. In the outdoor area, the focus is on lighting for urban areas and streets as well as architecture and sport facilities. The Lighting Segment concentrates on key markets and applications mainly in Europe, while the Components-Segment addresses the global market.

OPERATIONAL EXCELLENCE

The Zumtobel Group works to continually improve the quality of its products and processes and optimise cost structures along the entire value chain. With its own production facilities and a competitive global supplier network, the Zumtobel Group stands for reliable deliveries and customer-oriented service.

COMPETENCE IN EVERY DETAIL

The Zumtobel Group is, and will remain, an innovation leader for components and sensors and is systematically expanding its high expertise in miniaturisation and product integration. It believes in the seamless inter-

action between components and lighting as the driver for digitalisation and wants to use its extensive technical expertise to offer an increasing range of Internet-of-Things (IoT) solutions for the world of light.

UNIQUE BRANDS UNDER ONE ROOF

The Zumtobel Group's strong brands cover nearly the entire value chain in the area of light – from components to integrated solutions. The Lighting Segment consequently follows a two-brand strategy (Thorn & Zumtobel) with a balanced product portfolio and a mix of projects, key accounts and the retail sector. The Components Segment relies entirely on the Tridonic brand, which will also stand out with a particular customer orientation in the future.

SMART SOLUTIONS AND SERVICES

The Zumtobel Group relies on innovation and turnkey solutions that cover products, systems and services (including digital expertise). They represent an integral part of its distinguishing features and the driver for future growth. Services will be expanded in the future as an important part of the offering, above all in the Lighting Segment.

ENVIRONMENT AND ENGAGED EMPLOYEES

The Zumtobel Group has set a goal to become climate-neutral by 2025 and to implement the circular economy principle. That would also make the Zumtobel Group a pioneer in this area of the lighting industry. Developing solutions to help customers meet their sustainability targets is also part of this goal. The Zumtobel Group will continue to offer an environment in which employees can grow personally and professionally and, in this way, make an important contribution to the company's success.

DIGITAL SOLUTIONS

The Zumtobel Group is systematically implementing digitalised process workflows "end to end", i.e. from the receipt of orders to after-sales. In addition, the company will increasingly offer digital products with expanded functions as well as digital services that create new customer experiences, strengthen customer ties and support the development of new earnings models for the Group.

GUIDING LIGHT

ZUMTOBEL GROUP ON THE ROAD TO SUSTAINABILITY.

We are making progress. With our employees. With our partner companies and architectural firms. With politics and society. In development, raw materials procurement, the production and use of our products. Along our value chain and far beyond. Even when we go around in circles, we are making progress. We are – and intend to remain – a strong company. This is reflected in our commitment to a healthy planet and a liveable future. With a firm position, curiosity and innovative strength. And with light, which shows us the way.



CLIMATE NEUTRALITY

The road we will take in the future without leaving a footprint.



PARTNER OF CHOICE

The road we choose that encourages others to join us.



CIRCULAR ECONOMY

The road that leads us in circles but still means progress.

CLIMATE NEUTRALITY

HOW WE WANT TO BE CLIMATE NEUTRAL BY 2025

We want to understand and continuously reduce our ecological footprint. Along the entire value chain. Step by step. From one goal to the next. By converting to electricity from renewable energy at most of our locations, we have already achieved a significant reduction in our CO₂ emissions and are now working to make all our plants climate neutral by 2025. And we want to go a lot further: Data on the CO₂ footprint of our suppliers and the energy consumption of the sold products will be collected as the basis for future reducing measures.

Key topics and our focus

The material issues for reporting on our road to climate neutrality are:

- **Emissionen**
- **Energy and renewable energy**

On the road to achieving climate neutrality (Scope 1 and 2 according to the Greenhouse Gas Protocol), the Zumtobel Group is focusing on the avoidance and reduction of emissions before the compensation of emissions.

10%

less CO₂ emissions
(Scope 1 and 2)
until 2022/23
compared to 2021/22

57%

share of renewable
energies by the
2022/23
business year

Engagement on the way to climate neutrality

Progressive climate change represents a threat to the existence of future generations and the entire economic system. The development of global warming, which is caused by a rising concentration of greenhouse gases in the atmosphere, plays a significant role in this respect.

Companies in all branches are challenged to record and rapidly reduce their own greenhouse gas emissions as well as the emissions from all upstream and downstream processes.

The Zumtobel Group has set a goal to make its own processes climate neutral (Scope 1 and 2) by 2025. As preparation for the EU Directive on Corporate Sustainability Due Diligence, the Zumtobel Group plans to collect data on all material emissions along its entire value chain and will set ambitious reduction goals.

The objective is to steadily reduce emissions based on a strong commitment. In this way, the Zumtobel Group will make an active contribution to limiting global warming to 1.5° Celsius over the pre-industrial level in agreement with the Paris Climate Agreement.

Highlights on the way to climate neutrality

The conversion of major production locations to green electricity in 2021/22– including sources like hydro-power, eco-electricity and electricity from solar power (photovoltaics) – led to a year-on-year reduction of >50%.

This conversion was also responsible for a substantial increase in the share of renewable energy during the past financial year.

Newly installed cooling equipment was filled with new innovative HFO-refrigerants that have a Global Warming Potential (GWP) of <1, which has reduced the greenhouse gas potential to a minimum.



7.2 / 7.3



13.1 / 13.3

PARTNER OF CHOICE

WHY WE POSITION OURSELVES AS THE PARTNER OF CHOICE AND HOW WE SUCCEED.

We want people to accompany us because they share our convictions. Because we work continuously on sustainable procurement together with our suppliers. Because we create a good and fulfilling working environment together with our employees. And because we excite our customers with our highly innovative lighting solutions and support their sustainability activities with our services and data.

Key topics and our focus

The material issues for reporting on our road to becoming the partner of choice are:

- **Occupational safety, health and well-being**
- **Product quality and safety**
- **Customer satisfaction**
- **Social standards in the supply chain**
- **Sustainable procurement and supplier management**

Our due diligence covers the entire value chain. We meet our goals together with suppliers and colleagues, partners and customers.

3

Matrix certification of 3 sites according to the ISO 45001 Standard

20%

of suppliers to conduct independent audits and encourage assessments

Engagement on the way to partner of choice

For companies and their partners, sustainability creates complex challenges along the entire value chain. Here people come first, connections are identified together, and solutions are found for the tasks at hand through a network.

The Zumtobel Group works closely together with suppliers in support of sustainable procurement. Transparency, protection for human rights and high social standards in the supply chain are, in this way, ensured and improved.

Occupational safety, health and an increase in well-being for the Zumtobel Group's employees take priority. Activities are bundled and increasingly embedded in a management system for effective further development.

The health and safety of customers is safeguarded by the comprehensive control and monitoring of products and services. The Zumtobel Group sees its dialogue with customers as the basis for meeting their needs. Feedback on customer satisfaction is collected with regular surveys.

Highlights on the way to partner of choice

The first analyses of draft regulations have shown that the process for supplier onboarding represents an excellent basis for meeting the expected due diligence law.

Both the components and lighting plants in Niš successfully completed certification under ISO 45001 (an international standard for health and safety at work).

In a worldwide survey, customers provided valuable feedback on their perceptions and satisfaction. The results are promising and, in comparison with the previous survey, point to an improvement in customer relations. The objective is to continue this course and further strengthen the focus on customers.



3.8 / 3.9



9.4



12.2 / 12.6

CIRCULAR ECONOMY

HOW WE EMBED CIRCULAR ECONOMY PRICIPLES IN THE COMPANY.

We want to give our products a second, third and maybe even a fourth life. Through recycling, overhaul and reuse. Our circular design rules are firmly integrated in development processes and applied in the development of every new product. Workshops and training courses such as the Circular Design Rules Webinar, the Circular Design Rules Product Management Workshops or the Sustainability Core Knowledge Training Module help us to establish the circular economy as a core concept along our value chain and, with the minimisation of waste materials, we close our internal cycles. Regular analyses and the exchange of information with our partners show us the way to new, circular business models.

Key topics and our focus

The material issues for reporting on our road to a circular economy are:

- **Circular economy (materials, product design, circular models)**
- **Sustainable products and applications**

The design and quality of products and materials must be sufficiently high to allow for their use as raw materials in the next product generation.

Expansion of
the range of
Refurbishment Kits

Launch of
first Cradle to Cradle
products

Engagement on the way to circular economy

The circular economy offers the Zumtobel Group a model in which products and materials can move within a cycle through reuse, processing or recycling. The use of primary raw materials is becoming increasingly obsolete, and waste can be reduced to a minimum.

Circular design principles and product planning based on the circular economy are important elements of a holistic understanding of quality. That covers the entire product lifecycle – from raw materials production to the usage phase and up to the recycling of materials.

The circular economy is understood to be a future-oriented innovation tool in which products serve as a source of raw materials for the next product generation. The intention is to gradually substitute high-quality secondary materials for the use of primary materials.

The Zumtobel Group is fully involved in the transformation process from a linear to a circular economy, for example through the introduction of these circular design rules.

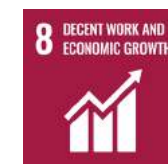
Highlights on the way to circular economy

The materials used are evaluated for critical content together with the respective suppliers. The share of recycling material is recorded, and the recyclability of materials is systematically increased.

Products are designed to permit the separation of individual components and materials.

Business models and service products are developed for a longer lifespan and the recycling of products, components and materials.

The Zumtobel Group maintains partnerships with thought leaders and experts to jointly support the implementation of the circular economy.



8.4



12.2 / 12.5 / 12.6

SUSTAINABILITY ROADMAP

A roadmap was prepared for the climate neutrality, partner of choice and circular economy focal points and will be translated into a working programme with voluntary commitments. These commitments are related to the

material issues connected with the above-mentioned three focal points and are underscored with measures and activities. They cover the full range of environmental, social and governance aspects. The roadmap serves

as a guideline for the continuous improvement in the sustainability performance of the Zumtobel Group.

Focal points	Material issue	Commitment	Measures, activities	SD*	ESG	Goal
Climate neutrality						
	Emissions			OEP	E	
		Attain climate neutrality (Scope 1 and Scope 2) by 2025	Concept to prevent and reduce remaining emissions at all major locations (focus on heat generation and laminating)			2023
			Develop compensation strategy for residual emissions			2024
			Implement concept and compensation strategy, independent validation of climate neutrality			2025
		Climate neutrality becomes net zero (Scope 1 to Scope 3)	Record emissions along the entire value chain			2023
			Prepare net zero reduction plans based on Paris Climate Agreement			2025
	Energy and renewable energy			OEP	E	
		Increase share of renewable energy	Concept to increase the share of renewable energy (e.g. solar, wind, biomass)			2023

*SD - Specialist departments: SM – Sustainable management, PR – Product responsibility, OEP – Operational environmental protection, RE – Responsible employer, SP – Sustainable procurement, GC – Governance & compliance

Focal points	Material issue	Commitment	Measures, activities	SD*	ESG	Goal
Partner of choice						
	Occupational safety, health and well-being			RE	S	
	Support employees' health and well-being	Certify all major European locations under ISO 45001				2024
		Prepare overall concept for health management and implement key elements at the major European locations				2024
		Develop programme to record and identify main causes and duration of lost working days				2024
	Product quality and safety			SM	S	
	Meet highest product safety standards	Plan for future standards through committee work and innovative hard- and software development in own labs				2023
		Screen new requirements for measurement and testing based on the circular economy concept (refurbishment, remanufacturing)				2025
	Customer satisfaction			SM	S	
	Monitoring and improvement of customer satisfaction	Regular implementation of brand equity monitoring				2023
		Programme for continuous improvement of customer satisfaction				2023
	Social standards in the supply chain			SP	S	
	Arrange for independent validation of commitment to sustainable procurement	Validate sustainability performance (e.g. via ECOVADIS, RMI)				2023
	Expand evaluation of suppliers according to social criteria	Adapt sustainability questionnaire in line with the expected EU Due Diligence Directive				2025
	Encourage suppliers to arrange for independent audits and valuations	Query/interview regarding ISO 45001 at TOP suppliers				2023
	Sustainable procurement and supplier management			SP	G	
	Integrate sustainability aspects in the supplier evaluation programme	Set goal for sustainability audits in relation to supplier audits				2023
	Ensure compliance with human rights and environmental protection in the supply chain	Ensure conformity of main suppliers and their sub-contractors in line with the expected EU Due Diligence Directive				2025

* SD - Specialist departments: SM – Sustainable management, PR – Product responsibility, OEP – Operational environmental protection, RE – Responsible employer, SP – Sustainable procurement, GC – Governance & compliance

Focal points	Material issue	Commitment	Measures, activities	SD*	ESG	Goal
Circular economy						
	Circular economy (material, product design, circular models)			PR	E	
	Use materials based on circular economy concept		Continuously increase recycle share of products			2023
			Continuously increase share of recyclable materials in products			2023
			Make packaging materials completely recyclable (components)			2024
			Manage and integrate environmental data (e.g. CO ₂ , share of recycle)			2025
	Develop products for the circular economy		Systematically implement design for disassembly to support easy repairs and upgrade capability of products			2023
			Develop refurbishment kits			2025
			Create remanufacturing option for 10% of the product families in the lighting brands			2030
			Certify all premium products based on cradle to cradle (components)			2030
	Establish circular systems		Implement projects for circular economic systems: maintenance & upgrade, remanufacturing, high-value recycling			2025
			Establish infrastructure for high-value recycling			2028
	Sustainable products and applications			PR	E	
	Expand availability of environmental product declarations		Goal: availability of EPDs as a number, % per product family, % of all products and new products			2023

* SD - Specialist departments: SM – Sustainable management, PR – Product responsibility, OEP – Operational environmental protection, RE – Responsible employer, SP – Sustainable procurement, GC – Governance & compliance

SUSTAINABILITY PERFORMANCE 2021/22

Sustainable, responsible actions have a long tradition in the Zumtobel Group.

Sustainability performance is summarised by the areas covered in the report and the respective material issues.

Area	Material issue ¹	Goal 2021/22	Measures, activities, results	Status	SDG	Page
Responsible actions						
	Join key sustainability initiatives (membership)		The Zumtobel Group is a member of respACt, Austria's leading corporate platform for responsible management	●	16, 17	42
	Publish annual progress report (COP) based on the UN Global Compact		Commitment to the UN Global Compact renewed for FY 2020/21; COP available on the Zumtobel Group website/sustainability	●	16, 17	42
	Join the Klimaaktiv Pakt 2030 (partner)		Klimaaktiv Pakt partnership signed for 2030; reporting structure and annual update of climate protection concept FY 2021/22 prepared for Klimaaktiv Pakt	●	17	42
	Receive gold medal from EcoVadis		Gold medal for sustainability performance received; active improvement of guidelines, actions and results	●	16, 17	443
	Present Zumtobel Group Award 2021		Zumtobel Group Award presented for the 6th time; awarded in two categories plus special prize	●	9, 11, 17	44 - 46
	Update materiality 2021/22		Materiality updated in line with the GRI 3 standard (2021)	●	8	36 - 38
Sustainable management						
	Customer satisfaction				9,12	54
	Increase customer satisfaction based on NPS (net promotor score)		Customer satisfaction analysis planned and completed	●	7, 9, 11, 12	54
	Transparency and reporting				12	54

¹ Includes material issues for reporting as well as the material issues from the materiality matrix 2020/21

Area	Material issue ¹	Goal 2021/22	Measures, activities, results	Status	SDG	Page
	Base reporting on GRI framework (2021)		Reporting structure adapted to meet GRI requirements; Report content prepared in accordance with GRI (2021)	●	12, 16	34, 54
	Sustainable financing and investments				8	55 - 58
	Implement regulatory requirements of EU Taxonomy Regulation		Implementation concept developed; Taxonomy capability mapped in the reporting system	●	8	56 - 58
Governance & compliance						
	Compliance and ethics (incl. fight against corruption, anti-competitive behaviour, anti-trust law)				16	62 - 66
	Update and issue binding code of conduct for employees		Issues like anti-corruption, competition and anti-trust law updated in code of conduct to meet latest standards	●	8, 16	62 - 63
	Train employees on compliance and ethics issues		Group-wide, comprehensive training organised for all salaried employees; automated process implemented for new employees' compliance training	●	4, 16	63, 65
	Update guidelines/policies		85% of these documents have been updated; no Zumtobel Group guideline is older than three years; guidelines issued for gifts, invitations and entertainment	●	8, 16	64
	Implement whistle-blower system throughout the Group		Usability and access options were optimised; six reports were solved or refuted	●	8, 16	64
	Further development of compliance management system		Compliance charter prepared, approved by Management Board and Audit Committee and published in INlight (internal communication platform); external audit for CMS	●	16	63, 65
	Update data protection throughout the Group		Production registers updated; data protection manual prepared; new legal requirements integrated in data protection toolbox	●	16	66
Sustainable procurement						
	Sustainable procurement and supplier management				12	73 - 75
	Achieve transparency over content materials for each product group		The product groups were evaluated for conformity with restricted substances list	●	12	74

¹ Includes material issues for reporting as well as the material issues from the materiality matrix 2020/21

Area	Material issue ¹	Goal 2021/22	Measures, activities, results	Status	SDG	Page
	Integrate sustainability aspects in the product group strategy	Main suppliers are regularly reviewed for compliance with sustainability requirements; continuous improvement	●	8, 12	76 - 77	
	Make the company car fleet greener	Analysis carried out to establish the requirements and usage profile for motor pool vehicles; revision and adaptation of the company car policy and inclusion of hybrid and electric vehicles	●	8, 13	75	
	Convert major locations to renewable energy procurement	All major European locations have converted to the procurement of renewable energy	●	7, 13	74	
	Environmental and social standards in the supply chain				8	75 - 78
	Conduct annual sustainability audits for new and existing suppliers	Completion of 150 QS audits, including 101 sustainability audits, with suppliers	●	5, 8, 12, 16	76 - 77	
	Appraise sustainability performance of suppliers from risk countries	Sustainability performance of 66% of the suppliers from risk countries was audited	●	5, 8, 12, 16	77	
	Require suppliers to comply with RoHS, REACH and conflict mineral regulations	The CMRT report is available for download on the website	●	8, 12	79	
	Responsible employer					
	Occupational safety, health and well-being				3	97 - 101
	Continuous development of health programme	Pilot project started to record lost working days at the Austrian locations	●	3	101	
	Implement ISO 45001 in the Group	Nis Lighting Brands and Niš Components are now certified under ISO 45001	●	3	98	
	Implement safety measures to address Covid-19	Test and vaccination offers available to employees at their work locations	●	3	83, 99	
	Corporate culture and values				8	83 - 84
	Develop an HR strategy based on the corporate strategy	LIGHT UP People strategy developed and implemented	●	3, 4, 5, 8	82 - 83	

¹ Includes material issues for reporting as well as the material issues from the materiality matrix 2020/21

Area	Material issue ¹	Goal 2021/22	Measures, activities, results	Status	SDG	Page
	Dr. Walter Zumtobel Award	Employees were presented with the Value Award		●	8	84
	Submit applications for awards and quality seals	Awards for Zumtobel Lighting GmbH and ZG Lighting Austria as "Family-friendly Companies"; "Great Place to Work" for sales in Switzerland and Tridonic Portugal; "Excellent Apprenticeship Company" for Zumtobel Lighting		●	4, 5, 6, 8	84
	Work-life-balance				8	84 - 85
	Support an effective work-life balance	Adapt and roll out home office rules based on local legal requirements		●	8	84
	Employee satisfaction (incl. working conditions)				8	84
	Continuously increase the number of employee reviews and development discussions	Share of employee reviews and development discussions exceeds the +10% goal; coverage equals 88.6% (+13%)		●	8	87 - 88
	Diversity and equal opportunity				5	94 - 96
	Fill management positions internally	Share of women in management positions increased by 16%; newly created or free internal positions with management responsibility filled 76% internally		●	5	94 - 95
In-house environmental protection						
	Certify all major Group locations under ISO 14001 and ISO 50001	Certification under ISO 14001 and ISO 50001 received for all certified location; Lemgo is certified under ISO 50001		●	13	104, 106
	Energy and renewable energy				7	108 - 112
	Include share of renewable energy in environmental reporting	Structure for environmental reporting shows the share of renewable energy for each location, for the lighting brands and components and for the Zumtobel Group in total		●	7, 13	111 - 112
	Continuously increase share of renewable energy to 50%	All European locations purchase their electricity from renewable energy sources; share of renewable energy equals 60% (motor vehicle pool and administrative locations included beginning in 2022/23)		●	7, 13	111 - 112

¹ Includes material issues for reporting as well as the material issues from the materiality matrix 2020/21

Area	Material issue ¹	Goal 2021/22	Measures, activities, results	Status	SDG	Page
	Reduce energy consumption of sold products		Continuous improvement in the average energy efficiency of all sold products; improvement equals 3.1%	●	7, 9, 12, 13	111, 130
	Optimise refrigeration equipment at Schweizerstrasse location		Purchase and installation of new cooling equipment with free cooling and back-cooling; future savings equal 640 MWh/year	●	9, 13	110 - 111
	Emissions				13	112 - 115
	Disclose full information on Scope 1 based on the Greenhouse Gas Protocol and GRI		Reporting was expanded to include emission values for the internal motor vehicle pool, fugitive emissions from refrigerants and the Group's administrative locations	●	13	112 - 113
	Maintain course to become climate neutral by 2025		All European locations have converted to electricity from renewable energy sources; reduction equals 62% compared with the basis year 2015/16	●	7, 13	16 - 17 112 - 113
	Add Scope 3 processes to reporting		The upstream and downstream processes to be reported were defined; a description of underlying calculation method for Scope 3 emissions was prepared	●	13	113 - 114
	Water and wastewater				6	115 - 118
	Optimise water consumption in toilet facilities		Flow volume in toilet flushing processes controlled and reset; purchase and installation of short flush equipment in existing facilities	●	6	116
	Optimise water consumption in powder coating		Installed pumps permit the recycling of water in the tanks for the power coating equipment; control of the water quality with regard to PH-values, micro siemens and particle count reduced draining procedures by one-half	●	6	116
	Waste				12	118 - 121
	Record waste according to the GRI standard		Structure for environmental reporting shows the requirements based on the GRI standards for each location, for the lighting brands and components and for the Zumtobel Group in total	●	12	118 - 120

¹ Includes material issues for reporting as well as the material issues from the materiality matrix 2020/21

Area	Material issue ¹	Goal 2021/22	Measures, activities, results	Status	SDG	Page
	Increase recycling rate for internal waste to 90%		Continued focus on optimising the separation of waste into its constituent parts at the major locations; recycling rate of 90% reached for internally generated waste	●	12	121
Product responsibility						
	Innovation				9	127 - 129
	Increase number of patents and commercial property rights		Active number of commercial property rights increased by 2.5% to 9,260, patents by 1.1% to 4,875	●	9	127
	Sustainable products and applications				11,13	129 - 131
	Market the issue of environmental product declarations (EPDs) after 10 years of application		EPDs were integrated in reporting; all new products receive an EPD; 5,000 EPDs issued; EPDs form the basis to calculate the Scope 3 emissions for product application	●	11, 13	131
	Circular economy				8, 12	133 - 137
	Implement circular design rules as the framework for the development process		Circular design rules defined and rolled out to all development locations; circular design rules are an integral part of the development process	●	12	133 - 134
	Optimise material content and increase the share of recyclable materials in products		Purchased materials will be examined for conformity with the restricted substances list; increase recycling capability of purchased materials	●	12	74, 134
	Establish circular systems		Develop concept and target definition for at least three cycles	●	12	135 - 137
	Cradle to cradle certified products		The cradle-to-cradle process structure will be transferred to the lighting brands and the components brand; first projects in implementation	●	12	137

Status of measures, activities, results

- Completed
- Implementation in progress
- Not implemented

¹ Includes material issues for reporting as well as the material issues from the materiality matrix 2020/21



**The road to sustainability is made up
of many small steps, and we take
each of them wisely and with caution.**

And always with a view towards our goal to safeguard our business success in economic, ecological and social terms. We see these three focal points as integral parts of a whole, which guide our thoughts and actions.

ZUMTOBEL Group

RESPONSIBLE ACTIONS

WHAT LIES AHEAD

Important steps to contribute to climate protection, to master the aftereffects of the COVID-19 pandemic, and to address the greatest geopolitical, economic and social challenges of our time.

OUR CONTRIBUTION 2022/23

- Systematisation of the stakeholder dialogue in terms of materiality
- Documentation of sustainability performance through the EvoVadis Platinum Medal
- Assessment of all major sites with regard to climate risks/adaptation to climate change



RESPONSIBLE ACTIONS



„FOR ME, ACTING RESPONSIBLY AND SUSTAINABLY MEANS CONSTANTLY WEIGHING SOCIAL, ENVIRONMENTAL AND ECONOMIC CONCERNS AGAINST EACH OTHER IN ORDER TO BRING THEM INTO A REASONABLE RELATIONSHIP - THUS SAFEGUARDING THE SUSTAINABLE INTERESTS OF HUMANITY.“

Mario Wintschnig, Corporate Responsibility Manager, Group Sustainability

Framework for the non-financial statement

This year's group management report also includes the consolidated non-financial statement required by § 267a of the Austrian Commercial Code.

The Zumtobel Group meets its reporting requirements under the Austrian Sustainability and Diversity Improvement Act ("Nachhaltigkeits- und Diversitätsverbesserungsgesetz", NaDiVeG) on environmental, social and employee issues, on the respect for human rights, and the fight against corruption and bribery.

The information included in this report refers equally to the Zumtobel Group and its subsidiaries, unless indicated otherwise.

The Sustainability Report applies to the 2021/22 financial year and applies all principles defined by the Global Reporting Initiative (GRI). It was prepared in agreement

with the GRI standards applicable to the period from 1 May 2021 to 30 April 2022. Reporting was expanded to place a greater focus on the issues most important to the Zumtobel Group and its stakeholders.

In addition to this non-financial statement, selected content is included in the current group management report, under risk management, and in the corporate governance report and the consolidated financial statements.

The basis year was changed from 2015/16 to 2021/22 following the orientation on GRI standards and the related expansion of reportable data. This will ensure the comparability of data in the coming years.

The consolidated non-financial statement was presented to the Supervisory Board and reviewed and released by this corporate body and by PwC for its correctness, regularity and appropriateness with limited assurance.

Organisational anchoring and due diligence processes

The Zumtobel Group's commitment to sustainability covers the entire value chain and represents an integral part of the corporate strategy. The holistic approach taken in developing the sustainability programme includes, for the first time, the assignment of material issues to the ESG structure and their connection with the SDG goals of the Zumtobel Group.

The material issues prioritised in the materiality update 2021/22 are viewed along the value chain and flow into the focal points – Guiding Light – with climate neutrality, partner of choice and circular economy.

The roadmap finalised and released by the specialist departments and the Management Board rounds out the structured basis for the development of the sustainability programme.



Sustainability Steering Committee

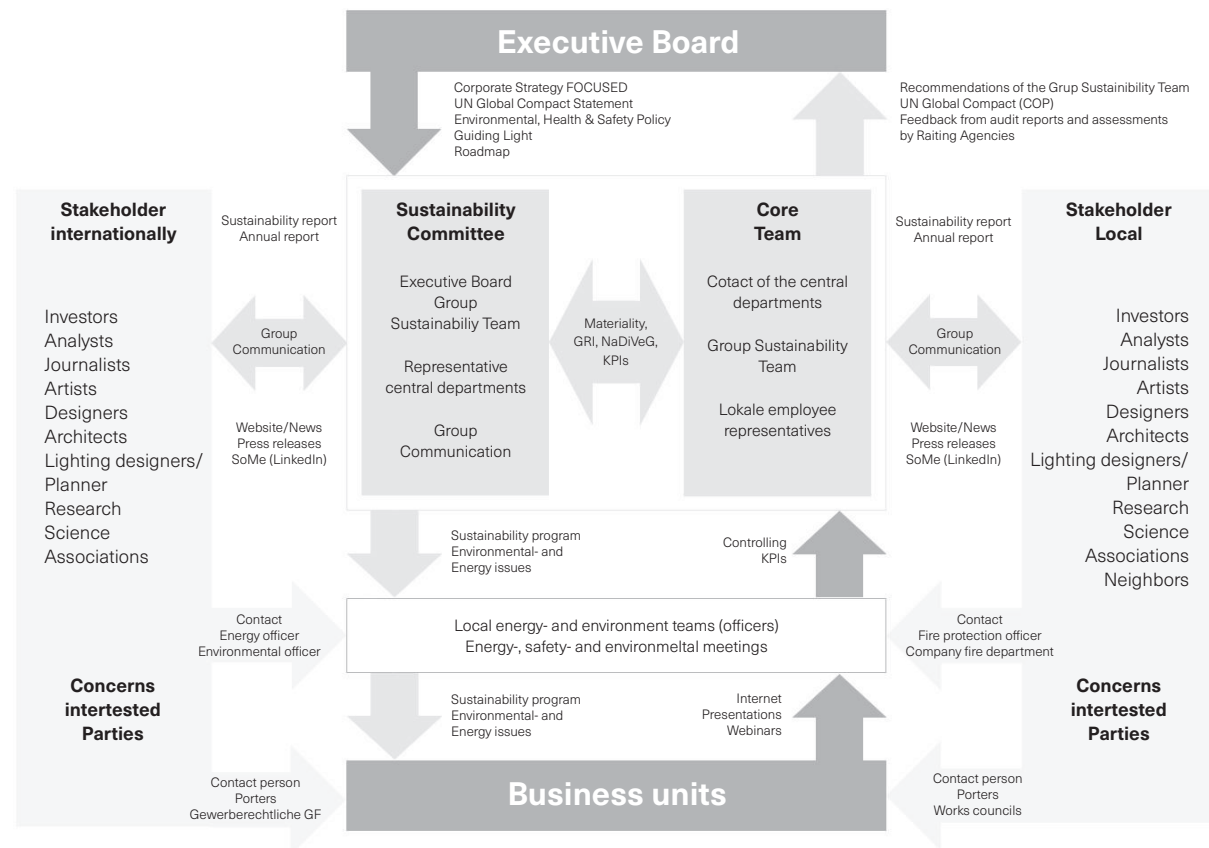
The responsibilities for sustainability in the Zumtobel Group are clearly regulated and anchored. The sustainability steering committee (SSC) takes decisions on the strategic focus of all sustainability issues in the Group. It includes the Management Board of the Zumtobel Group as well as representatives of the brands, specialist areas like global human resources management, global procurement, brand & portfolio management R&D, and the Group sustainability team.

The SCS meets quarterly to discuss and develop reporting requirements, focal points, non-financial indicators, the sustainability strategy and content for the roadmap and to define binding goals, deadlines and activities and monitor indicators, goals and measures.

The sustainability management staff department coordinates sustainability management. It is headed by the Group sustainability director who reports directly to the chairman of the Management Board of the Zumtobel Group. Sustainability officers are responsible for implementing the sustainability goals in the business units and, for this purpose, are in regular contact with the Group sustainability team.

The Management Board, with the support of the Group sustainability director, provides the Supervisory Board with regular information on financial operating and

Flow of information Group Sustainability





strategic issues as well as current sustainability issues and progress on sustainability activities. This procedure makes it possible for the Supervisory Board to meet the controlling responsibilities related to sustainability performance.

Information on the applied concepts and due diligence processes can also be found in the following sections: Governance & Compliance, Sustainable Procurement, Responsible Employer, Operational Environmental Protection and Product Responsibility.

Stakeholder management

The Zumtobel Group maintains an open channel of communication with its interest groups. It uses this dialogue to exchange information and opinions, and along these lines, to understand the expectations and demands of the various stakeholders and integrate the results in its corporate activities. This dialogue also helps to identify risks and opportunities at an early time and creates trust.

Close and direct dialogue, especially with customers and partners in the project business, supports the development of pioneering and sustainable lighting solutions. The following table provides an overview of the most important stakeholder groups and the platforms used by the Zumtobel Group for individual dialogues.

Stakeholder groups

- Investors/analysts - Conferences, road shows, telephone conferences
- Customers/business partners - Personal meetings, newsletters & trade fairs, training programmes
- Architects/designers/planners - Cooperation on product development and projects
- Suppliers/producers - Supplier audits, annual meetings, continuous dialogue
- Research/science - Cooperation with technical colleges and universities
- Politics/public authorities - Producers' associations, standardisation committees, employer associations
- NGOs/NPOs - Joint projects in support of corporate citizenship
- Employees/contract workers - Employee reviews, events, social media, INlight
- Neighbouring residents/neighbours - Direct personal contacts, meetings on construction projects

Materiality update in 2021/22

The materiality analysis was updated to take into account the current requirements of the GRI 2021 reporting framework (Global Reporting Initiative).

The results of the materiality analysis 2020/21 provided an important basis for the revision. In several steps, sustainability issues were identified in the organisational context; the actual and potential effects were analysed through online stakeholder surveys and in management workshops, supported by the application of a PESTEL analysis, and the assessment of the impact was carried out in a context analysis. This materiality analysis 2020/21 led to the development of a materiality matrix with 24 material issues, which formed the starting point for reporting in 2021/22.

The relevance of the 24 various issues was measured in three areas: the influence of an issue on the evaluation and decisions by stakeholders, the contribution to the creation of economical added value, and the role as an ecological and social value driver. The issues were then assigned to the category “sustainable management” and to the ESG categories “environment, social and governance” according to their rating, and threshold levels were defined.

The material issues for reporting were defined as the issues whose rating for 2021/22 exceeded the threshold



or involved compliance with legal requirements. In the event of identical ratings, the material issue for reporting purposes was selected by experts based on the corporate context or current developments and, consequently on the relevance for the company. The issues chosen through this procedure are reported in agreement with the GRI standards.

The issues assigned to the ESG categories (environment, social and governance) were classified for reporting purposes under the three focal points “climate

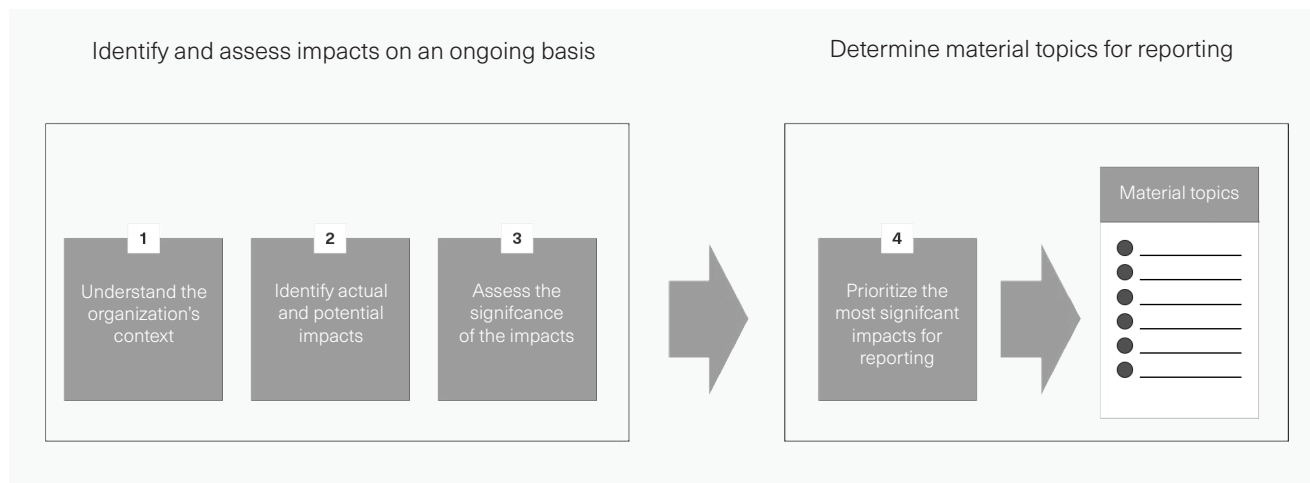
neutrality”, “partner of choice” and “circular economy”. These focal points represent the central elements of sustainability communication in the Zumtobel Group.

Information is also provided on the remaining 24 issues from the 2020/21 materiality analysis that were not classified as material issues for reporting. For reasons of consistency and continuity, reporting in this case is based on the previous years’ publications and without any claim to full compliance with the requirements of the GRI standards.

The above-mentioned materiality update offers a structured process for determining the material issues for reporting. Within the framework of this systematic, it is conceivable that existing issues could be assessed regularly – for example, annually – and new issues could be added to the evaluation grid, or the thresholds could be redefined each year. That creates an opportunity to illustrate the evolution of the various issues as well as their relevance over time.

The process to define the material issues for reporting was verified with various stakeholders and evaluated and approved by the highest management bodies, the Management Board and Supervisory Board, as well as by internal experts and the Steering Committee.

Process for identifying material topics according to GRI 3 (2021)



Following is a structured list of the material issues for the Zumtobel Group and their connection with issues related to the Austrian Sustainability and Diversity Improvement Act (“NaDiVeG”), focal points, ESG criteria and SDGs:



Area	ESG	focal points	Material issues	Sustainability/diversity*	SDG
Sustainable management			Sustainable increase in the value of the company		8
			Sustainable financing and investments		8
			Innovation		9
Operational environmental protection	E	Climate neutrality	Emissions	Environmental issues	13
	E	Climate neutrality	Energy and renewable energy	Environmental issues	7
	E		Environmental compliance	Environmental issues	16
Product responsibility	E	Circular economy	Sustainable products and applications	Environmental issues	8
	E	Circular economy	Circular economy (materials, product design, circular models)	Environmental issues	12
Responsible employer	S	Partner of choice	Occupational safety, health and well-being	Employee-related issues	3
	S	Partner of choice	Human rights, child labour and forced labour	Respect for human rights	16
Sustainable management	S	Partner of choice	Product quality and safety	Social issues	12
	S	Partner of choice	Customer satisfaction	Social issues	12
Sustainable procurement	S	Partner of choice	Social standards in the supply chain	Social issues	8
Governance & compliance	G		Compliance and ethics (fight against corruption, anticompetitive behaviour, antitrust law)	Fight against corruption Employee-related issues	16
Sustainable procurement	G	Partner of choice	Sustainable procurement and supplier management (audits, certifications)	Social issues Respect for human rights Fight against corruption	12

*) Austrian Sustainability and Diversity Improvement Act ("Nachhaltigkeits- und Diversitätsverbesserungsgesetz", NaDiVeG)



UN Sustainable Development Goals

At the World Summit for Sustainable Development in New York in September 2015, the United Nations General Assembly adopted 17 goals with 169 subgoals. First and foremost, the 193 member states are required to meet these goals. Responsible companies are also required to contribute to reaching the SDGs.

The Zumtobel Group actively supports the UN Sustainable Development Goals, but it is clear that not all of the 17 SDG goals are equally relevant for the company. Certain goals are focused more on governmental activities, e.g. state development assistance, while the Zumtobel Group, as a production and manufacturing company, can only make a limited contribution to other goals, e.g. to ending poverty or hunger.

There is, however, a clear connection between many of the goals and our business activities. They include, for example, decent work and economic growth, responsible consumption and production, and climate action.

In view of the knowledge that the Zumtobel Group will make a positive contribution – direct or indirect – to all goals, it was necessary to create a sharper focus.

The relevance of the 17 goals and 169 subgoals for the Zumtobel Group was reviewed, and a survey of the positive and negative effects on the relevant goals along

the entire value chain was evaluated. The purpose was to strengthen the positive effects of our actions and minimise the negative effects.

The Zumtobel Group believes the following SDG goals are particularly relevant for its sustainable corporate activities and incorporates these goals in the implementation of activities and measures:

SDG goals with a relevance for improving well-being (more internal effects)

SDG 3 Good health and well-being

SDG 4 Quality education

SDG 5 Gender equality

SDG 8 Decent work and economic growth

SDG 16 Peace, justice and strong institutions

SDG 17 Partnerships for the goals



SDG goals with a relevance for resource security (more external effects)

SDG 6 Clean water and sanitation

SDG 7 Affordable and clean energy

SDG 9 Industry, innovation and infrastructure

SDG 11 Sustainable cities and communities

SDG 12 Responsible consumption and production

SDG 13 Climate action



The following SDG goals have little relevance for the Zumtobel Group, which means they do not represent a focus of activities or measures to directly support these overriding goals: 1 No poverty, 2 Zero hunger, 10 Reduced inequalities, 14 Life below water, and 15 Life on land.





UN Global Compact

In connection with its efforts on behalf of sustainability, the Zumtobel Group supports the principles of the world's largest initiative for corporate social responsibility (CSR) and sustainable development. The company joined the United Nations Global Compact in 2020 and is also represented in the management board of RespACT, Austria's leading corporate platform for responsible business activity. This official commitment confirms the Zumtobel Group's intention to comply with the ten principles on human rights, labour standards, environmental protection and the fight against corruption.

This commitment to responsible management was renewed in 2021/22 with our annual progress report (COP-Communication on Progress) based on the UN Global Compact and informs all relevant stakeholders of the activities and progress in implementing these ten principles. The current version of the progress report is available for download on the Zumtobel Group's sustainability website.

Klimaaktiv Pakt 2030 for Austria

Klimaaktiv Pakt 2030, Austria's climate platform for large companies, was established in 2021 as the successor to the Klimaaktiv Pakt 2020 and is one of the 50 most

important CSR awards in this country. Under the professional guidance of Klimaaktiv experts, 11 associated partners prepared individual climate protection concepts for the years up to 2030.

The recognition as an associated Klimaaktiv Pakt partner was followed by a signing ceremony with the Zumtobel Group's CEO at the Klimaaktiv annual meeting on 18 October 2021 to confirm participation in the Klimaaktiv Pakt 2030 and, in doing so, set a strong signal for climate protection.

Together with 10 other companies, the Zumtobel Group supports the goal to achieve a reduction of almost 57% in CO₂ emissions by the pact partners (basis: 2005) by 2030. The Zumtobel Group has set a goal to reduce its own emissions (Scope 1 and 2) in Austria by 50% below the basis year 2015. That represents a reduction of 2,516 tonnes of CO₂. Another goal set by the Zumtobel Group is to reach a 73% share of renewable energy at the Austrian locations by 2030.

The signing of the agreement and inclusion in the Klimaaktiv Pakt 2030 initiates an annual and structured process to optimise the submitted and presented operational climate protection concept. In order to actually achieve the desired reduction in greenhouse gas emissions and not only meet – but exceed – national climate protection goals, a broad range of measures will be required.

The Zumtobel Group is relying on activities and measures in the areas of energy savings & energy efficiency, construction & renovation, mobility, renewable energy carriers, renewable raw materials & resource efficiency, and the creation of a greater awareness among employees and stakeholders. The actual implementation of climate protection measures and the related goal attainment will be evaluated annually and independently by the Austrian Energy Agency and the Austrian Federal Ministry for Climate Action, Environment and Energy to ensure maximum credibility and transparency inside and outside the Zumtobel Group.

Targets Zumtobel Group Klimaaktiv Pakt 2030

- emissions (Scope 1 and 2) by 50% compared to the base year 2015/16. This corresponds to a reduction of 2,516 tonnes
- Share of renewable energy amounts to 73%

klimaaktiv





EcoVadis evaluates sustainability performance

EcoVadis has grown to become the world's largest and most reliable source of sustainability ratings for the business sector and has created a global network of more than 90,000 rated companies.

The EcoVadis methodology evaluates corporate guidelines, measures and reports published by companies on the environment, employees' and human rights, ethics and sustainable procurement according to their size, location and branch.

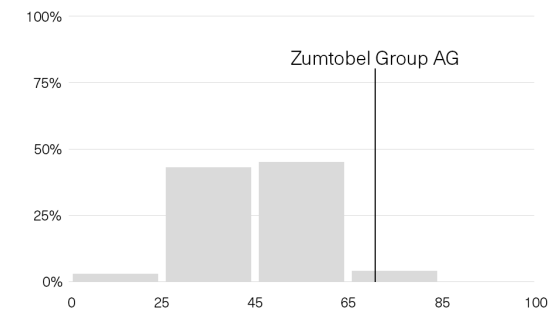
This evidence-based rating between 0 and 100 points flows into a scorecard that can be shared with companies across the world.

The current evaluation by EcoVadis for the 2021/22 financial year led to the first Gold Medal for the Zumtobel Group.

The improvement resulted from the continuous optimisation of all evaluation and subject categories, e.g. the environment, employees' and human rights, ethics and sustainable procurement, and above all the preparation of corporate guidelines. The Zumtobel Group now ranks among the top 3% companies in the branch and, with regard to the environment, to the top 1% worldwide of all companies in the branch that are rated by EcoVadis.

As its goal for the coming year, the Zumtobel Group is targeting the highest possible rating – the Platinum Medal.

Zumtobel Group in comparison with the sector



Points by topic





Social engagement

The international jury for 2021 presented this year's "Zumtobel Group Award – Innovations for Sustainability and Humanity in the Built Environment" to projects by the Lacol architects' cooperative from Barcelona, Spain, the initiative Black Women Build from Baltimore, USA, and the Circular Construction Lab at Cornell University in Ithaca, USA.

With their focus on current issues related to collective residential construction, a bottom-up initiative for the independent creation of housing, and a data-based innovation for the circular economy, the award-winning projects addressed the core concept of the Zumtobel Group Awards. They were presented for the sixth time since 2007 and again curated by the Aedes Architecture Forum in Berlin.

This international architectural prize, which is endowed with a total of EUR 120,000, is designed to support future-oriented developments to improve the quality of life and the sustainability of the constructed environment. The prizes in the categories "Buildings" and "Urban Developments & Initiatives" are each endowed with EUR 50,000, while the Special Prize for Innovation carries a prize of EUR 20,000.

The jury consisted of experts from a variety of disciplines and a geographical spread. The notable jurors were

„THE ZUMTOBEL GROUP AWARD WITH ITS MAIN EMPHASIS FOR INNOVATION IN HUMANITY AND SUSTAINABILITY IN THE BUILT ENVIRONMENT IS MORE RELEVANT THAN EVER. AGAIN WE HAD SO MANY VALUABLE CONTRIBUTIONS AND I WANT TO THANK THEM ALL NOT ONLY FOR THEIR PARTICIPATION WITHIN THE AWARD BUT ALSO THEIR CONTRIBUTION TO MAKE OUR WORLD A BETTER ONE. SADLY WE CANNOT PICK EACH ONE OF THEM. SO MY SINCERE CONGRATULATIONS GO TO THE THREE WINNERS AND THE ELEVEN NOMINATIONS OUR JURY SELECTED THIS TIME.“

Isabel Zumtobel, Head of Arts & Culture Zumtobel Group and Patron of its Award

(in alphabetical order): Alfred Felder, CEO Zumtobel Group; Francine Houben from Mecanoo, the Netherlands; Dorte Mandrup from Dorte Mandrup A/S, Denmark; Tobias Nolte from Certain Measures, Germany/USA; Ian Ritchie, ritchie*studio in London, and Kjetil Trædal Thorsen from Snøhetta Architects in Oslo as Chairman of the jury.

From the public invitation to participate, a total of 220 projects from 42 countries were registered. At its meeting in November, the jury selected the final winners and nominees from the entries. The categories and the Special Prize are represented by the three brands of the Zumtobel Group.

Awarded in the Buildings category

The prize in the Buildings category – represented by the

Zumtobel brand – has been awarded to the architecture cooperative Lacol for its project La Borda Housing Cooperative in Barcelona, Spain.

The six-storey timber structure – at the time of construction the country's tallest wooden structure and itself a praiseworthy example of architectural achievement and environmental sustainability – offers collective housing and was created in 2012 from a neighbourhood initiative looking to find a solution to the lack of access to living space.

„La Borda is an extraordinary project because it clearly demonstrates a series of non-physical values that are needed in our urban societies. Combining environmental, social and economic thinking sets a new standard for future urban housing and one that encourages both communal and personal well-being. Among all great



projects, La Borda stood out, simply because of its efforts, trying to move the world and the housing industry collectively forward,” the jury explained its decision.



Copyright: Lluc Miralles

Awarded in the Urban Developments & Initiatives category

In the Urban Developments & Initiatives category – represented by the Thorn brand –, the award goes to the Initiative Black Women Build in Baltimore, USA, for its project Whole Block Outcomes: Rehabilitating Baltimore.

The initiative works for black women and together with them on rehabilitating dilapidated buildings in Upton and Druid Heights (UDH), two neglected communities with a high poverty rate in West Baltimore. The programme focuses on supporting women’s social and economic freedom.

„What makes this project so important is that it really supports the people themselves and gives them perspective, as it is not a top-down project. We really hope it will make a big change in Baltimore, giving the Black women there power and confidence.

We are very proud that we selected this project because initiatives like this are not only important to solve local problems, but also as a global sign for what the future might look like,” the jury commented on its decision.



Copyright: N/A

Special Prize for Innovation

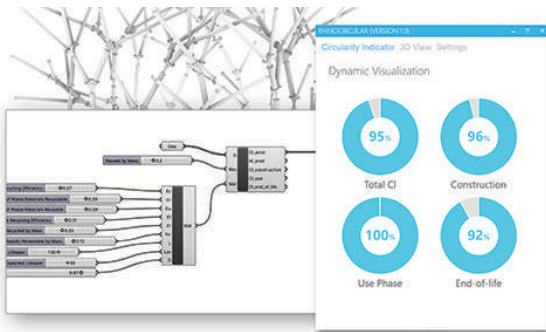
The Special Prize for Innovation – represented by the technology subsidiary Tridonic – is awarded for the first time this year and goes to the Circular Construction Lab of Cornell University, Ithaca, USA and its research partners for the development of the RhinoCircular software tool.

The CAD plugin, which is based on expert knowledge, can be used to determine the circularity of materials at a very early design stage, evaluating the environmental



impact of building design in terms of embodied carbon and circularity.

„Out of all the great projects that were submitted, the jury argued that this one is the most scalable and also applies to multiple industries. It is not limited to design and construction but could also be applied to product development. This software enables you to work with your sketch and your initial design in a more sustainable way, providing the possibility of addressing the challenge of climate change. RhinoCircular really has all the potential to have a lot of impact,” the jury explains its choice.



Copyright: Circular Construction Lab

Participation in associations

The Zumtobel Group is active in industry associations, standardisation committees, lighting organisations and individual consortia to develop the best framework conditions for optimal energy efficiency and lighting quality for the lighting industry, its customers and users. In connection with the certification of energy-efficient buildings, the company is also a member of various initiatives for sustainable construction.

The most important memberships:

- ZVEI ("Zentralverband Elektrotechnik- und Elektroindustrie e. V.", Germany)
- Lighting Industry Association (LIA, Great Britain)
- Association for the Electrical and Electronic Industries (FEEI, Austria)
- European Committee for Standardisation (CEN)
- International Standards Organisation (ISO)
- International Electrotechnical Committee (IEC)
- International Commission on Illumination (CIE)
- Lux Europe
- Various national lighting societies
- German Sustainable Building Council (DGNB)
- Green Building Council

- Consortium for international specifications of LED light sources interfaces (ZHAGA)
- Consortia on the subject of data exchange and communications technology (e.g. DALI Alliance, Thread, Zigbee, Bluetooth).





Influence of the Covid-19 pandemic

The Covid-19 pandemic also had an impact on all aspects of corporate responsibility – economic, ecological and social – during the 2021/22 financial year and, consequently, on sustainable and responsible management.

Key factors in the environmental area have improved significantly, for example the decline in CO₂ emissions due to the wide-ranging restrictions and reduction in travel, while economic factors like the procurement of raw materials were negatively affected by the pandemic for an additional year.

This situation has been worsened by the war in Ukraine. In the area of social responsibility, the pandemic had a particular effect on employees through the challenges created by flexible working conditions and the availability of contact partners.

In-office, home office and short-time work models supported the generally smooth continuation of operations and the creation of added value in line with the specific situation and location.

Sustainable management that gives balanced priority to all aspects, combined with a lean administration, efficient production network and far-sighted supplier management, made an important contribution to the

sound results recorded by the Zumtobel Group in another financial year that was significantly influenced by the corona pandemic. The specific demands created by the Covid-19 pandemic are addressed under the individual subject clusters.

Climate-relevant risks/opportunities and effects

The Zumtobel Group systematically analyses climate-related risks. A differentiation is made between two categories of risks: the physical risks resulting from the expected climate change and the transition risks resulting from the transformation to a low CO₂ economy.

Physical risks

Increased precipitation and rising temperatures are connected with low, potentially long-term physical risks, while the possible increase in the frequency and intensity of extreme weather events represents an acute physical risk over the medium-term.

In order to prevent damage to assets, the interruption of procurement processes and production stops, measures have been taken at all locations to minimise the potential effects, and the procedures to manage these risks were compiled in an emergency response plan.

In general, the assessment of the physical risks at all locations indicates that the Zumtobel Group is less affected by climate change.

Transition risks

Political and legal developments have led to an increase in reporting and disclosure requirements that has been accompanied by stricter legislation, e.g. on the reduction of emissions. These developments were proactively included in the context analysis of the management system, and the related assessments were followed by the implementation of appropriate measures. Goals were formulated to reduce emissions, and significant measures were initiated and implemented to achieve climate neutrality.

Potential technological risks include the substitution of products by more environmentally friendly alternatives. The product development process includes tools like the lifecycle assessment and circular design rules to provide our customers with sustainable and highly energy efficient products and services.

Other potential risks result not only from market trends but also from customer demands for environmentally friendly products and services and the inclusion of a company's sustainability performance in purchase decisions. In addition to expanding the offering of energy-ef-



efficient products and sustainable services, the Zumtobel Group follows a strategy that is designed to continuously develop and improve its sustainability performance along the entire value chain.

A company's reputation can be potentially damaged when products and services are not sustainable or are perceived as not sufficiently sustainable. Communication that is not credible and fact-based can lead to a loss of confidence. Accordingly, the Zumtobel Group places high priority on fact-based communications over sustainability and environmental issues.

The environmental impact of products is systematically documented by independent, validated environmental product declarations. The progress made by the Zumtobel Group in improving its sustainability performance is visible, for example, in the external EcoVadis rating.

In the transition to a low CO₂ economy, the potential risks are contrasted by substantial opportunities on the selling side – and the Zumtobel Group is optimally positioned to utilise these opportunities.

Environmental factors matrix at the Group level

The most important environmental factors related to products and activities have been identified for all European production locations that are certified under

ISO 14001. Other, unrelated conditions and predictable emergency situations are also included. The evaluation of opportunities and risks forms the basis for the development of measures to minimise the effects of the environmental factors.

An additional environmental factors matrix was also prepared in 2021/22 for the value-creating business processes and all downstream and upstream processes at the Group level.

This matrix is used to derive the most important direct environmental factors related to electrical current, emissions, liquid fossil fuels, purchased merchandise and packaging. The most important processes with the greatest environmental impact are automated production, plastics processing, laminating, metal processing and the production infrastructure.

Environmental conditions and their potential negative impact on the Zumtobel Group's production locations are identified and regularly examined as part of the context analysis in the environmental management systems. Current potential effects are considered, and steps are taken to reduce any adverse effects. An environmental conditions matrix was prepared at the Group level for the first time in 2021/22.

Since the Zumtobel Group's production facilities are located in various European countries and in China

and the USA, these conditions differ by location. The environmental conditions matrix will be expanded to meet the taxonomy requirements by also evaluating all environmental conditions according to possible climate scenarios (representative concentration pathways). This complete assessment of all production locations will take place in the coming financial year.

The following environmental conditions are currently considered to represent a medium-term risk for the Dornbirn locations: heavy rains, snow, local flooding and earthquakes. No environmental conditions represent a high risk at the present time.

		GRI	Use of resources							Environmental impact							Total
			Material			Energy				Emissions				Waste		Bio-diversity	
			Raw material	Packaging	Operating materials	Electricity	District heating	Fuels	Gas/Oil	Air	Wather	Ground	Noise	non-hazar-dous	hazardous		
Upstream	Purchased goods and services	X	5	5	0	0	0	0	0	0	0	0	0	0	0	0	10
	Upstream transport		0	0	0	0	0	5	0	5	0	0	1	0	0	0	11
	Business travel		0	0	0	1	0	5	0	5	0	0	1	0	0	0	12
	Employee mobility		0	0	0	3	0	5	0	5	0	0	1	0	0	0	14
	Administration/ Sales (Hire)		1	0	0	3	3	0	3	1	1	0	0	1	1	0	14
Zumtobel Group locations	Internal transport and fleet	X	0	0	0	1	0	5	0	5	0	0	1	0	0	0	12
	Metal processing	X	5	1	3	3	0	0	0	1	0	0	0	1	1	0	15
	Plastics processing	X	5	1	3	5	0	0	0	1	0	0	0	1	1	0	17
	Coating	X	3	1	1	3	1	0	3	1	3	0	0	1	5	0	22
	Assembly Manual	X	3	3	1	1	0	0	0	0	0	0	0	1	0	0	9
	Automated assembly	X	5	5	3	3	0	0	0	1	0	0	0	5	3	0	25
	Packaging	X	0	5	0	1	0	0	0	0	0	0	0	1	0	0	7
	Commissioning		0	5	0	1	0	0	0	0	0	0	0	1	0	0	7
	Services and support	X	0	0	0	1	0	1	0	1	0	0	1	3	0	0	7
	Maintenance (machines/buildings)		1	1	3	1	0	0	0	0	0	0	0	1	3	0	10
	Infrastructure/ manufacturing		0	0	0	5	3	1	3	1	1	0	0	1	0	0	15
	Administration/Sales (Own)		1	0	0	3	3	0	3	1	1	0	0	1	1	0	14
	Downstream	Downstream transport		0	0	0	0	0	5	0	5	0	0	1	0	0	0
Installation of sold products		X	0	0	0	1	0	1	0	1	0	0	1	3	0	0	7
Use of sold products (utilisation)		X	0	0	0	5	0	0	0	0	0	0	0	0	0	3	8
End-of-life treatment of sold products		X	0	0	0	1	1	1	0	1	0	0	0	3	1	0	8
Total			29	27	14	42	11	29	12	35	6	0	7	24	16	3	

1 Low relevance, opportunity/risk
 3 Moderate relevance, opportunity/risk
 5 High relevance, opportunity/risk



We are heading towards a sustainable future.

Along our entire value chain, organised and with clearly assigned responsibilities. That is how we coordinate sustainability and make it measurable and tangible. Ecological and social goals are placed on equal footing with economic goals and integrated with management responsibilities. With binding goals, deadlines and measures for the entire group.

ZUMTOBEL Group

SUSTAINABLE MANAGEMENT

WHAT LIES AHEAD

A road we are not travelling alone, but together with our employees, partners and all other stakeholders.



OUR CONTRIBUTION 2022/23

- Carry out monitoring for continuous improvement of customer satisfaction
- Review and, if necessary, adjust GRI reporting in relation to industry standards
- Expand disclosure in accordance with requirements of the Taxonomy Regulation

SUSTAINABLE MANAGEMENT



"SUSTAINABILITY IS BECOMING MORE AND MORE IMPORTANT FOR ALL STAKEHOLDERS AND THEREFORE ALSO FOR CORPORATE STRATEGY AND MANAGEMENT. I AM CONVINCED THAT ADDRESSING THIS ISSUE WILL BE THE BASIS FOR FUTURE DIFFERENTIATION BETWEEN COMPANIES IN COMPETITION."

Sebastian Gann, Group Sustainability Director

Sustainability in the management system

Sustainability is an integral part of the Zumtobel Group's management system. Its goal is to protect the Group's market position over the long-term and further develop the organisation in keeping with political, economic, socio-cultural, technological, ecological-geographic and legal influencing factors.

The management process ensures that the context analysis reflects the requirements of stakeholders. It must also be capable of identifying the key internal and external issues which are relevant for the Zumtobel Group and evaluating and prioritising the resulting opportunities and risks according to their respective effects.

Any direct need for action as well as the goals are defined in line with the context analysis, the review of the company's strategic orientation, its strategy and the related adjustments. Progress on the defined measures

and the fulfilment of goals are reviewed regularly. Compliance with all binding obligations, the dialogue with our stakeholders and insightful reporting are further important elements of the Zumtobel Group's management process.

The dialogue with stakeholders often leads to the identification of possible approaches to sustainability. The United Nations Sustainable Development Goals (SDGs), as a global compass, are often a suitable starting point for describing the sustainability performance of the Zumtobel Group.

However, the material issues must be frequently structured according to environmental, social and governance factors or there is a request to allocate these issues to activities along the value chain.

The dialogue with stakeholders is designed to reflect the respective viewpoints and to always return to the

underlying material issues. A graphic representation that shows the various perspectives in a single overview was developed for this purpose:

The material issues for sustainability reporting are positioned in the core and linked with the above-mentioned approaches – ESG, SDG, value chain. A connection to the internal specialist departments is also shown.

In practice, this presentation forms a good basis for a shared understanding with the discussion partner and a workable structure for a successful dialogue on sustainable management.

			Production			Use			Recovery		
Sustainable management	ED	SDG	Purchasing	Dvelopment	Production	Sale	Logistics	Use	Logistics	Collection	Recovery
Sustainable increase in company value	NM	8									
Sustainable financing & investments	NM	8									
Innovation	PV	9									
ESG Topics											
Environment	Emissions	BU	13								
	Energy & Renewable Energy	BU	7								
	Circular economy (materials, product design, circular models)	PV	12								
	Sustainable products & applications	PV	8								
	Environmental compliance	BU	16								
Social	Occupational safety, health & well-being	VA	3								
	Product quality & safety	NM	12								
	Customer satisfaction	NM	12								
	Social standards in the supply chain	NB	9								
	Human rights, child & forced labour	VA	16								
Governance	Compliance & ethics (anti-corruption, anti-competitive behaviour, antitrust, etc.)	GC	16								
	Sustainable procurement & supplier management (audits, certifications, etc.)	NB	9								



Customer satisfaction

The Zumtobel Group conducts regular standardised surveys on customer satisfaction (BEM, Brand Equity Monitoring) which ultimately lead to indicators like NPS (net promotor score). These analyses are carried out separately for the Tridonic, Thorn and Zumtobel brands. The responsible brand managers have goals that are connected with specific measures.

In the worldwide survey carried out during 2021/22, our customers gave us valuable feedback on their perceptions and satisfaction. The results are promising and, in comparison with the previous survey, point to an improvement in customer relations. The objective is to continue this course and further strengthen the focus on customers. Data is also collected regularly on customer satisfaction and on corrective actions in the event of a complaint.

Digitalisierung

The Zumtobel Group sees digitalisation as an important factor for future, sustainable business activities. Digitalisation is, on the one hand, a driver for reducing process and transaction costs and, on the other hand, a source of new services based on digital infrastructure. The customer to customer process will be digitalised end2end.

Transparenz und Reporting

Transparent communications and reporting by a company in connection with sustainability content and efforts (with equal attention to environmental issues under ISO 14001, energy issues under ISO 50001 and social issues) are important elements of the management system. Different standards make it necessary for an organisation to develop, realise and maintain the required processes for internal and external communications as part of its systems.

A lack of internal and external communications can lead to significant information deficits that slow or prevent the efficient and coordinated implementation of common sustainability goals. This was reflected in a decision by the Zumtobel Group to coordinate its sustainability performance in the steering committee installed for this purpose and to communicate the annual successes and required information to stakeholders in accordance with the applicable GRI reporting structure.

Sustainable increase in the value of the company

For the Zumtobel Group, a sustainable increase in the value of the company stands for holistic entrepreneurial actions which, among others, require continuous adjustments to reflect the dynamic financial market environment. The Zumtobel Group is included annually

in various sustainability indexes (e.g. VöniX). These index companies undergo regular, comprehensive audits to guarantee their sustainability performance. Sustainability is an integral part of the Zumtobel Group's strategy.

Financial flows to stakeholders

The Zumtobel Group generated economic value of EUR 1,158.6 million in the 2021/2022 financial year. After the deduction of expenses and payments to providers of equity and debt and to governments, the residual economic value equals EUR 94.6 million.

This presentation reflects the GRI definition and is based on financial flows derived from the income statement and cash flow statement.



Financial flows to stakeholders in EUR million	2017/18	2018/19	2019/20	2020/21	2021/22
Corporate revenues ¹	1,210.5	1,173.2	1,144.4	1,061.9	1,158.6
Operating expenses ²	(752.4)	(723.1)	(666.8)	(594.3)	(675.9)
Personnel expenses	(413.6)	(399.2)	(375.3)	(357.4)	(365.5)
Payments to shareholders	(9.9)	(0.0)	(0.0)	(4.3)	(8.6)
Payments to providers of borrowed capital	(6.7)	(6.7)	(7.2)	(5.7)	(5.4)
Payments to public bodies ³	(10.1)	(9.0)	(14.7)	(13.1)	(8.6)
Residual economic value	17.8	35.1	80.4	87.1	94.6

¹ Revenues and other operating income, interest income and cash inflows from the sale of assets

² Cost of goods sold, selling expenses, administrative expenses and other operating expenses (excluding personnel expenses and depreciation/amortisation)

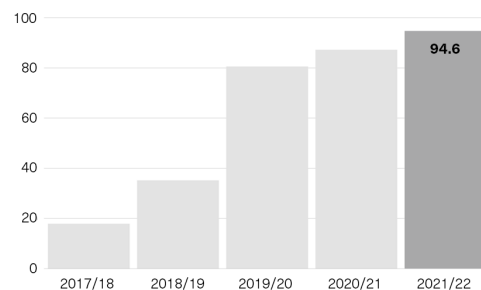
³ Excluding deferred taxes

Sustainable financing and investments

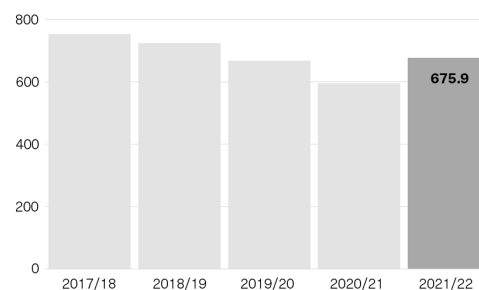
The greening of the economy creates significant opportunities for the stakeholder group of investors. This is reflected in a key goal in the EU Action Plan on Sustainable Finance, which calls for the redirection of capital flows to sustainable investments.

Against this backdrop, the EU Taxonomy Regulation took effect in mid-2020. It was conceived as a standardised and legally binding classification system to determine which economic activities in the EU are considered “ecologically sustainable”.

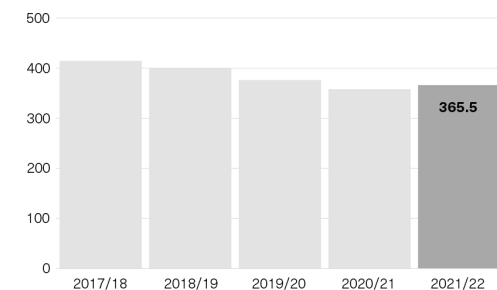
Development of economic value in EUR million



Development of operating costs in EUR million



Development of personnel costs in EUR million





Disclosures in accordance with the Taxonomy Regulation

Company-specific reporting on the results of this classification is required annually. Article 9 of the Taxonomy Regulation lists the following six environmental objectives:

- Climate change mitigation
- Climate change adaptation
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems

The EU has issued guidelines for sustainable economic activities in the sense of the EU Taxonomy which involve two environmental goals (climate change mitigation and climate change adaptation). The description of economic activity in the delegated legal acts defines which activities can principally be considered.

In view of the classification of economic activity as “environmentally sustainable” in the sense of the EU

Taxonomy, a differentiation between taxonomy-eligible and taxonomy-compliant is required.

Methodology and approach

The first step involves an examination to determine whether an economic activity is described in a legal act and can be classified as taxonomy-eligible. Only taxonomy-eligible economic activities that meet certain criteria can be classified as “environmentally sustainable”. The second step determines whether the technical standards for classification as taxonomy-compliant are met.

Based on an expedient granted by the EU, only the share of taxonomy-eligible and non-taxonomy-eligible activities in revenue, investments and operating expenses must be disclosed for the 2021/22 reporting year. This analysis basically includes the revenue, investments and operating expenses of all fully and proportionately consolidated Group companies.

The basic parameter for revenue is formed by the amounts reported under this position on the income statement.

The basis for capital expenditure includes the additions to property, plant and equipment and intangible assets during the respective financial year, before depreciation, amortisation and any revaluation in that year and with-

out changes in fair value. It also includes any additions to property, plant and equipment and intangible assets resulting from business combinations (application of IFRS (IAS 16, 38, 40, 41, IFRS 16)). Acquired goodwill is not included. Investments in non-current assets that are classified as held-for-sale or designated for distribution are only included up to the date of the initial classification.

The basis for operating expenditures covers the following: direct, non-capitalised costs for research and development, building refurbishment measures, short-term leases, maintenance and repairs, and all other direct expenditures for the ongoing maintenance of property, plant and equipment by the company or by a third party which are required to ensure the continuing and effective functionality of these assets.

In accordance with Art. 8 no. 1 of the Regulation in connection with § 243b and § 267a of the Austrian Commercial Code, Zumtobel Group AG is required to apply the rules defined by the Taxonomy Regulation.

The consolidated financial statements of Zumtobel Group AG as of 30 April 2022 were prepared in conformity with IFRS in keeping with § 245a (1) of the Austrian Commercial Code. The amounts required to calculate the indicators for revenue, capital expenditure and operating expenditures are based on the data reported in the consolidated financial statements.



Any economic activities by the Zumtobel Group found in the EU catalogue can be considered taxonomy-eligible.

Taxonomy-eligible economic activities

Economic activity 3.5 “Manufacture of energy efficient equipment for buildings” is applicable to the Zumtobel Group because its products are covered by NACE codes and listed in the criteria for a “substantial contribution” to the specified economic activity. The revenue, capital expenditure and operating expenditures connected with this economic activity can be classified as taxonomy-eligible.

Based on a complete analysis of the economic activities, the share of taxonomy-eligible revenue / capital expenditure (CapEx) / operating expenditures (OpEx) in the respective totals is reported in line with the EU Taxonomy for the Zumtobel Group's 2021/22 financial year. The EU Taxonomy Regulation and the related adopted legal acts include wording and terms which are subject to substantial interpretation uncertainty, and clarifications have not been issued for every case. The interpretations applied by the Zumtobel Group are described in the following section.

Application of the Taxonomy definitions for revenue, CapEx and OpEx

Revenue

The revenue indicator is derived from the ratio of revenue from taxonomy-eligible economic activities in a financial year to the total revenue for that financial year.

Revenue of 1,114 EUR million from taxonomy-eligible activities in relation to total revenue of 1,148 EUR million results in a revenue indicator of 97%.

Total revenue of 1,148 EUR million for the 2021/22 financial year forms the denominator for the revenue indicator and can be found on the consolidated income statement (see note 2.6.5 to the consolidated financial statements).

The revenue reported on the Zumtobel Group's consolidated income statement was examined for all Zumtobel Group companies to determine whether they represent taxonomy-eligible economic activities as defined in Annex I (Substantial contribution to climate change mitigation) and Annex II (Substantial contribution to climate change adaptation) of Regulation (EU) 2020/852. A detailed analysis of the positions included in revenue was followed by the allocation of the respective revenue to taxonomy-eligible economic activities.

This detailed analysis led to the identification of the Zumtobel Group's total revenue as taxonomy-eligible economic activities, whereby a discount of 3% was deducted for non- taxonomy-eligible minor revenues.

The total revenue from taxonomy-eligible economic activities in the 2021/22 financial year forms the numerator. The Zumtobel Group's economic activities are classified as taxonomy-eligible under the following provisions of the Taxonomy Regulation (Annex I/Annex II): 3.5 “Manufacture of energy efficient equipment for buildings”, 7.3 “Installation, maintenance and repair of energy efficiency equipment” and 7.5 “Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings”. These economic activities also comply with the NACE codes and the criteria for a “substantial contribution”.

CapEX

The CapEx indicator shows the share of capital expenditure that is connected with a taxonomy-eligible economic activity or is related to the purchase of products and services from a taxonomy-eligible economic activity.

Based on CapEx of TEUR 54,093 (100%), 76% of this amount are classified as taxonomy-eligible and 24% as not taxonomy-eligible economic activities.



Total capital expenditure according to the EU Taxonomy Regulation amounted to TEUR 54,093 in 2021/22 and represents the additions to property, plant and equipment and intangible assets (incl. IFRS 16 rights of use as reported on the IFRS consolidated financial statements; see the respective notes).

Based on the project descriptions for the additions, an analysis was carried out to evaluate taxonomy eligibility and compared with Annex I (Substantial contribution to climate change mitigation) and Annex II (Substantial contribution to climate change adaptation) of Regulation (EU) 2020/852.

The total of the additions which represent taxonomy-eligible investments represents the numerator for the CapEx indicator.

OpEX

The OpEx indicator shows the share of operating expenditures as defined by the EU Taxonomy which are connected with the taxonomy-eligible economic activities or with the purchase of products from taxonomy-eligible economic activities.

OpEx share in %: OpEx taxonomy-eligible activities 22%, OpEx non-taxonomy-eligible activities 78%, total 100%. The total operating expenditures according to the EU Taxonomy Regulation amounted to TEUR 34,030.

The denominator was developed by analysing the accounts containing direct, non-capitalised costs for research and development, building refurbishment measures, short-term leases, maintenance and repairs (explanation of major components).

The numerator resulted from an analysis of the assets related to the expenditures recorded under the above-mentioned accounts to evaluate their taxonomy-eligibility based on Annex I (Substantial contribution to climate change mitigation) and Annex II (Substantial contribution to climate change adaptation) of Regulation (EU) 2020/852.

Outlook

More detailed analyses will be required to meet certain criteria for the identified economic activities beginning with the 2022/23 financial year.

Included here are the evaluation of conformity criteria as well as an assessment of whether the taxonomy-eligible economic activities make a substantial contribution to an environmental goal defined by the Taxonomy Regulation or whether another environmental goal is substantially impaired.

Compliance must also be ensured with the social minimum standards as defined by the OECD guidelines for multinational companies, the UN Guiding Principles on Business and Human Rights, the ILO Core Labour Standards, and the International Human Rights Charter.



Employees who join us on our road into the future start their journey with compliance training.

The revision and implementation of the code of conduct was followed by comprehensive group-wide training: 95% of our employees have taken part in and successfully completed this programme. The access options and usability of the whistle-blower system were also optimised and adapted. No serious violations were reported or detected.

ZUMTOBEL Group

GOVERNANCE & COMPLIANCE

WHAT LIES AHEAD

Revising the topics of anti-corruption, competition and antitrust law in the Code of Conduct and training them.
The establishment of a systematic and standardised risk analysis to assess compliance risks.



OUR CONTRIBUTION 2022/2

- Ongoing revision of outstanding Zumtobel Group Policies
- Review of requirements for the expected EU Due Diligence Regulation
- Continuous adaptation of all requirements to the the evolving Code of Conduct

GOVERNANCE & COMPLIANCE



"IN MY UNDERSTANDING, CORPORATE GOVERNANCE IS THE LEGAL AND FACTUAL REGULATORY FRAMEWORK FOR RESPONSIBLE MANAGEMENT AND SUPERVISION OF THE COMPANY. COMPLIANCE IS ONE ELEMENT OF THIS FRAMEWORK, WITH THE OVERARCHING GOAL OF PROTECTING THE COMPANY AND ITS STAKEHOLDERS FROM HARM."

Stephan Hempel, Senior Director Corporate Audit & Compliance

Management approach, due diligence processes

The Zumtobel Group has installed an extensive and responsible compliance management system which is administered by the audit & compliance organisation.

For the Zumtobel Group, responsibility means ethical actions, the disclosure of necessary information, the transparent co-design of framework conditions, and the acceptance of responsibility for activities.

Together with the responsible corporate governance and compliance department, the Zumtobel Group organises the comprehensive management and monitoring of all business activities. The framework for the design of the corporate governance system is the Austrian Corporate Governance Code in its latest version.

This code has been implemented in the Zumtobel Group through the corporate values, the recently re-

vised code of conduct, various corporate guidelines, and the Group-wide whistle-blower system.

As a listed international company, the Zumtobel Group is committed to transparent and conscientious management and contributes to the continuous improvement of systematic corporate controls.

An ongoing dialogue with the chairman of the Audit Committee, a subcommittee of the Supervisory Board, ensures the necessary independence of this area.

The corporate audit and compliance department is responsible for all defensive measures to prevent violations and criminal acts. The identification of and fight against criminal acts and violations is not part of compliance.

Influence of the Covid-19 pandemic

The restrictions caused by the-19 pandemic led to an increase in remote work. This development has also been reflected in the greater acceptance of online training programmes and, in turn, to the expansion of the related offering.

Compliance und Ethik

Compliance with legal regulations is the foundation of entrepreneurial activities in the Zumtobel Group and an integral part of the code of conduct for all employees and management. New employees confirm their compliance with the code as part of their internal training.

The code was last updated on 18 November 2020 and approved by the Zumtobel Group's Management Board. It is continuously adapted to meet current legal regula-



tions. In view of the growing international requirements, the existing sections have been expanded and the following areas were added: data protection, cybercrime & IT security, export control, health and safety, social media and external communications.

Contents Code of Conduct

Basic behavioural requirements

- Responsibility of the individual
- Leadership and supervisor behaviour
- Behaviour in conflict situations
- Compliance with laws
- Respect and fairness
- Health and safety at work

Relationship with business partners and third parties

- Prohibition of corruption, handling of donations
- Donations and sponsoring
- Anti-money laundering
- Export control
- Business relations with suppliers
- Fair competition

Avoiding conflicts of interest

Handling of information

- Prohibition of insider trading
- Commitment to data protection and security
- Protection of business secrets
- Duty of confidentiality
- Information security
- Social media and external communication

Treatment of company property

The revised code of conduct was implemented through Group-wide training courses in 2021. The necessary examinations were successfully completed by 95% of the salaried workforce. Training covered all content areas in the code of conduct.

The compliance charter was approved by the Audit Committee in a June 2021 meeting. The annex to the charter maps the persons responsible for the individual legal areas.

The appointment of persons in charge of designated areas will facilitate the preparation of specific guidelines in the future. Updated guidelines for gifts, invitations and entertainment were approved by the Management Board in 2021/22.

The Zumtobel Group's legal department is currently working on an updated version of the code of conduct. Specific issues like anti-corruption, competition and anti-trust law will be adapted to reflect the latest standards and preparations will be made for training in 2022/23.

Critical concerns and the whistle-blower system

The corporate audit and compliance department is a staff function which reports directly to the Audit Committee and also has a reporting obligation to the Management Board. This ensures the department's independence within the organisation.

The external whistle-blower system installed by the Zumtobel Group makes it possible for employees and external third parties to anonymously report possible compliance violations over a link on the Zumtobel Group's website. Protection for the confidentiality of identity, one of the basic requirements of the EU Whistle-blower Directive which took effect on 16 December 2019, is always ensured.

A whistle-blower hotline is available to employees and external persons throughout the world. The access options and usability were optimised and adapted in 2021/22.



Critical concerns and issues can, as a result, be reported directly to corporate audit and compliance. As an additional communication channel, reports can also be submitted via email.

The whistle-blower hotline is administered by corporate compliance and ensures that incoming reports are classified and processed on a timely basis. These reports are communicated without delay to the Management Board. If the immediate notification of the Audit Committee is not required to address a significant violation, the reports are compiled and presented to the Audit Committee on a quarterly basis.

Six employees reported minor concerns in 2021/22, all of which were resolved or dispelled after the conclusion of internal investigations.

Individuals can also contact the corporate compliance staff through various channels if they have any questions concerning responsible business conduct in the plants or the organisation's business relations. The necessary information is available for all employees in the Intranet and is regularly used.

The whistle-blower system also allows employees to anonymously report their concerns and complaints. Together with the Zumtobel Group's Works Council, a company agreement was concluded to cover internal whistle-blowers. This system was rolled out throughout

the Zumtobel Group and is available to all employees. Administration by corporate compliance ensures that incoming reports are classified and processed on a timely basis.

The whistle-blower system covers the following reportable points:

- Health, safety and environmental regulations
- Fraud / breach of trust / embezzlement
- Corruption
- Capital market compliance / insider trading
- Data protection violations
- Anti-competitive behaviour
- Discrimination / harassment / mobbing
- Other violations

The necessary measures related to supplier due diligence are the responsibility of the Zumtobel Group's global procurement organisation and are implemented

through supplier sustainability audits. These requirements are currently being evaluated and integrated in the organisational instructions. Possible violations or non-compliance with due diligence requirements can also be reported over the external whistle-blower system.

Continuous review and evaluation of risks

The audit plan for 2021/22 was approved by the Audit Committee and executed during the past financial year. The required resources were available, and the audits were assigned to the responsible staff members.

After preparations were completed and the necessary conditions were met, work began to prepare the content for the audit issues. Audits in the D/A/CH region formed the focal point in the first half-year, and the international audits started in September 2021.

Revisions involved 85% of the Group policies, which were subsequently filed in the Intranet. The remaining 15% undergo continuous review under the lead of the respective specialist departments.

No serious violations of legal requirements were reported or identified during the 2021/22 financial year. This also applies to incidents or proceedings related to violations of human rights, discrimination, competitive



or anti-trust behaviour, corruption or environmental regulations.

Fight against corruption

The management of the Zumtobel Group is convinced that sustainable business success in a competitive environment is only possible on the basis of legally-compliant actions. Therefore, the prevention of corruption and violations of anti-trust law has high business relevance and is an important success factor for the expansion of market positions and the fulfilment of corporate goals. This conviction is reflected in the installation of a compliance management system (CMS) by the Zumtobel Group.

A systematic and standardised risk analysis for compliance risks is currently under development and will represent an important element of the CMS in the future. Based on a relevance analysis, a compliance risk assessment will be carried out in a second step. The Management Board supports this process with a suitable compliance organisation as well as adequate and efficient software.

The corporate audit and compliance department also provides the Management Board and Audit Committee with timely and extensive written information. The Audit Committee and compliance department meet on a

quarterly basis. The senior director of corporate audit and compliance is responsible for the development of the CMS in the Zumtobel Group, carries out risk analyses and training courses, and advises the Management Board on the development and implementation of risk-minimising measures. The CMS is reviewed by internal audit, and an external evaluation was also completed in 2021.

Corporate audit reviews the Zumtobel Group's worldwide sales organisations and plants at regular intervals. A generalist approach is normally taken and focuses, above all, on the internal control system of the unit to be audited. Special audits are also performed if there are concrete reasons for suspicion. The targeted review of Group companies for corruption risks goes hand in hand with the systematic and standardised analysis of compliance risks.

24 sales companies underwent an Internal Control Check as part of the Self-Assessment Global Sales 2021. As part of the self-assessment process, questions were added regarding the existence and awareness of local policies with the aim of preventing fraud.

95% of all salaried employees have successfully participated in Code of Conduct training. The focus topics were fair competition, conflicts of interest, the handling of invitations and gifts and the processes and procedures designed to combat corruption. All salaried emp-

loyees have received training on the code of conduct, and mandatory training is automatic for all new hires.

The Zumtobel Group's business partners are also required to countersign the code of conduct as part of their business agreements. The requirements for suppliers are defined by the procurement department in the business code of conduct. On the sales side, the code of conduct is an integral part of customer contracts with the Zumtobel Group.

- No significant risks of corruption were identified in the Zumtobel Group during the reporting year.
- No investigations against participations of the Zumtobel Group or its employees for violations of anti-trust law or corruption incidents became known during the reporting year.
- No fines or penalties were imposed during the reporting year.

Anti-competitive behaviour

The Zumtobel Group aims to create transparency in its dealing with customers, suppliers and public authorities



in order to comply with international standards for the fight against corruption and to meet national and local requirements for the fight against corruption and bribery. The CMS therefore covers the prevention of corruption, in particular criminal offences involving corruption and bribery in business transactions, the granting of advantages to public officials, and bribes of public officials. The CMS guidelines related to anti-trust law cover the prevention of agreements and coordinated practices that could restrict competition.

- No violations or actions involving legal proceedings over anti-competitive behaviour or the creation of cartels or monopolies were identified during the reporting year.
- There were no new findings related to non-compliance with the laws and regulations covering business activities during the reporting year.

Protection of human rights

As an international company, the Zumtobel Group is fully committed to the protection of human rights and compliance with high social standards and the legal regulations applicable in Austria and other countries.

The “slavery and human trafficking statement“ for Great Britain is renewed annually.

The Zumtobel Group renewed its commitment to responsible management in 2021/22 and published an annual progress report (COP - Communication on Progress) based on the UN Global Compact. It contains information for all relevant stakeholders on activities and progress in implementing the 10 principles.

Data protection

The extensive updating of data protection involved the implementation of the following measures and preparation of the following documents:

- Updating of the production registers for the leading companies in the Zumtobel Group
- Preparation of a data protection manual and publication in the internal communication network
- Inclusion of changes in the data protection toolbox
- Integration of new legal requirements
- Advising on technical issues

All major process descriptions relating to data protection and the handling of personal data in the Zumtobel Group are described in the new data protection manual. In addition to these process descriptions, the manual also includes a list of the contact partners, pre-printed forms, and processes and procedures for special data protection cases (e.g. violations of data protection). The goal to achieve data protection conformity in business processes was generally met.

A compliance training tool was purchased as further support for training activities and successfully used in implementing the code of conduct.

The data protection guideline was also revised, and the most important legal changes were incorporated. This guideline is available to all Zumtobel Group employees in the “INlight“ internal communications network.



We are not alone on the road to sustainability.

Based on volume, 97.2% of our suppliers from 34 countries have signed the relevant code of conduct. And 150 supplier audits with 101 sustainability audits were carried out during the past financial year. What's more: 66% of the suppliers from risk countries were audited to review their sustainability performance.

ZUMTOBEL Group

SUSTAINABLE PROCUREMENT

WHAT LIES AHEAD

Together with our suppliers, we are working to improve our efforts in support of sustainability. This is reflected in requests, recommendations or reviews of the implementation of environmental and social certifications (for example: ISO 14001 or ISO 45001) or external certifications (for example: by EcoVadis) to guarantee greater transparency in our sustainability performance.



OUR CONTRIBUTION 2022/23

- 100% of all suppliers from the risk countries are assessed in terms of their sustainability performance
- Increase the recycling rate for the 6 most important raw materials at Lighting Brands
- Sustainability questionnaire for suppliers in relation to climate neutrality and emissions

SUSTAINABLE PROCUREMENT



„FOR ME, SUSTAINABLE PROCUREMENT MEANS ENSURING COMPLIANCE WITH MINIMUM SOCIAL AND ENVIRONMENTAL REQUIREMENTS THROUGHOUT THE SUPPLY CHAIN ON THE BASIS OF ECONOMIC SUSTAINABILITY. SUSTAINABILITY ASPECTS ARE AN INTEGRAL PART OF PROCUREMENT AND AWARD CRITERIA.“

Miro Ardan, SVP Global Purchasing

Sustainable procurement plays an important role for the Zumtobel Group as a producing company. Global procurement, the responsible department, is centrally organised, globally positioned and located in Dornbirn.

The Zumtobel Group's supply chain takes full account of the following social, labour law and ecological factors and issues:

Managementansatz

The Zumtobel Group relies on the long-term inclusion of and communication with its stakeholders along the supply chain and in the organisation's other areas of influence. All processes are characterised by mutual respect, open dialogue and transparent behaviour.

Stakeholders who have an influence on the Group's business activities are involved in procurement processes through open and clear representation. This involves the suppliers of materials required for production, contract suppliers for merchandise, and the suppliers of indirect materials or products used in production.

The procurement volumes for all plants are bundled under designated commodity managers. The various procurement groups are also managed centrally in keeping with the focus on sustainability. The Zumtobel Group works worldwide with 659 suppliers from 34 countries

Sustainable supply chain issues	Considered by ...
Ethics along the entire supply chain	Code of conduct, self-declaration on sustainability, sustainability audits
Global procurement with local areas of influence	Organisationsstruktur
Safety of employees and suppliers	Code of conduct, self-declaration on sustainability, sustainability audits, training
CO ₂ footprint of the supply chain	Konkrete bzw. gezielte Abfragen bei Lieferantengesprächen
Evaluation of suppliers' environmental and social standards	Code of conduct, self-declaration on sustainability, sustainability audits
Respect for human rights and all employee and social issues	Code of conduct, self-declaration on sustainability, sustainability audits



(2020/21: 674 suppliers from 30 countries). This setup helps employees to continuously optimise sustainable procurement and improve resource efficiency.

It also makes a substantial contribution to the protection of the environment and climate and to compliance with social standards and the correct observance of conditions under labour law along the supply chain.

The local plants and their procurement teams are also integrated in the procurement structure. These teams can react on location to current requirements and con-

Supplier data	Unit	2017/18	2018/19	2019/20	2020/21	2021/22
Suppliers	Number	750	700	692	674	659
New suppliers	Number	N/A	N/A	N/A	N/A	8
Share of new suppliers	in %	N/A	N/A	N/A	N/A	1.2
Suppliers from Europe	Number	N/A	N/A	N/A	N/A	545
Share of suppliers from Europe	in %	N/A	N/A	N/A	N/A	82.7
Suppliers from other regions	Number	N/A	N/A	N/A	N/A	114
Share of suppliers from other regions	in %	N/A	N/A	N/A	N/A	17.3
Top suppliers	Number	N/A	N/A	N/A	N/A	89
Suppliers from risk countries	Number	N/A	N/A	N/A	N/A	109

Procurement volumes	Unit	2017/18	2018/19	2019/20	2020/21	2021/22
Procurement volumes (total)	EUR million	400	390	357	305	395
Share of revenues	in %	N/A	N/A	N/A	N/A	34.4
Procurement volumes Europe	Mio million	N/A	N/A	N/A	N/A	263
Procurement volumes Asia	Mio million	N/A	N/A	N/A	N/A	130
Procurement volumes Rest	Mio million	N/A	N/A	N/A	N/A	2
Procurement volumes Europe Lighting Brands	in %	N/A	N/A	N/A	N/A	89.5
Procurement volumes Asia Lighting Brands	in %	10.0	11.0	9.0	8.2	9.9
Procurement volumes Rest Lighting Brands	in %	N/A	N/A	N/A	N/A	0.6
Procurement volumes Europe Components	in %	N/A	N/A	N/A	N/A	41.3
Procurement volumes Asia Components	in %	68.0	65.0	63.0	58.9	58.2
Procurement volumes Rest Components	in %	N/A	N/A	N/A	N/A	0.5

tribute to regional, transport-optimised and sustainable procurement through local initiatives.

The company attempts to purchase most of the raw materials, goods and services in the region where production takes place. Key raw materials like steel, copper, aluminium and plastic granulate are purchased in Central Europe.

Electronic and LED components are sourced primarily in Asia, where many of the most competitive suppliers are located. In 2021/22, the share of the procurement volume from Asia amounted to 58.2% (2020/21: 58.9%) in the Components Segment and nearly 9.9% (2020/21: 8.2%) in the Lighting Segment.



Einfluss der Covid-19-Pandemie

The impact of the Covid-19 pandemic has, in the meantime, taken on very different forms. Precise monitoring of the direct effects and local legal requirements were essential and a decisive factor for success during the first months of the pandemic, but developments have since led to a global shortage of goods that is independent of specific materials and requires different management strategies.

The Zumtobel Group benefits from long-standing partnerships with its suppliers in these times of shortages. Nonetheless, various procurement tools must be used regularly and carefully to organise the materials required for production.

Regular, close coordination with suppliers and the continuous monitoring of delivery plans up to the routine review of individual order positions have proven to be reliable instruments. Other frequently used procurement actions include safety stocks and consignment warehouses, the reactivation of “former” suppliers with existing tools or the approval of new suppliers, wherever reasonable and expedient, as well as a dual-vendor strategy for critical materials.

One success factor during the past months was to keep the supply chain as local as possible and as global as necessary. Regular coordination with the local plants

and their suppliers as well as the increased approval and use of local suppliers has proved to be particularly successful: For example, the local procurement team at the plant in Niš, Serbia, was able to optimise the procurement process in spite of the pandemic-related challenges.

A new challenge in recent months was the protection of upstream transport logistics, especially from Asia. Diverse, for the most part pandemic-related events, like the shutdown of several Asian harbours, the shortage of freight containers and the sharp rise in the demand for Asian-European transfers, have increased the cost of inbound freight and challenged on-time availability in the Zumtobel Group’s European plants.

Individual changes in established transport routes, the critical examination and temporary change of transport carriers and the continuous analysis of the procurement and transport market were the result.

The pandemic has also created opportunities for procurement: This new situation requires a change in working procedures and substantially greater flexibility. Higher costs define the procurement market.

However, the pandemic has led customers and suppliers to focus more on regionality and sustainability in the supply chain. The procurement organisation and good supplier relationships give the Zumtobel Group

a competitive advantage that will be expanded in the coming years.

A further contribution to sustainability during the pandemic was made by the increase in remote meetings and remote audits, which have been routinely used and found to be successful. Although travel is again becoming possible, physical presence is systematically questioned and, where feasible, replaced with environmentally friendly remote communications.

Success factors in the context of Covid-19

- Long-term partnership with suppliers
- Supply chain as local as possible
- Increased approval of local suppliers
- Regular coordination with local factories
- Continuous close coordination with suppliers
- Ongoing monitoring of supply schedules
- Selective changes to established transport routes
- Increased remote meetings and remote audits with suppliers



Sustainable procurement and supplier management

The implementation of a sustainable procurement concept which includes a maximum value contribution for the organisation, has represented a core initiative for procurement in the Zumtobel Group for many years.

As a producing company, the Zumtobel Group wants to fulfil its responsibility to society and, in all areas of its activities, ensure the economical use of natural resources, climate and environmental protection, fair trade and responsibility along the entire supply chain.

Supply chain management in the Zumtobel Group places high priority on full compliance with all applicable legal regulations and internal standards for safety, environmental protection and human rights..

The focus of procurement has moved from pure economic interests to the increased implementation of ecological aspects over the past five years. Business relationships between the Zumtobel Group and its suppliers were always characterised by longevity, mutual trust and fairness – and have been further strengthened by the paradigm shift.

The basis for business relations is formed by a systematic supplier evaluation and release process (supplier onboarding). It begins with the signing of the supplier code of conduct and continues with a self-evaluation

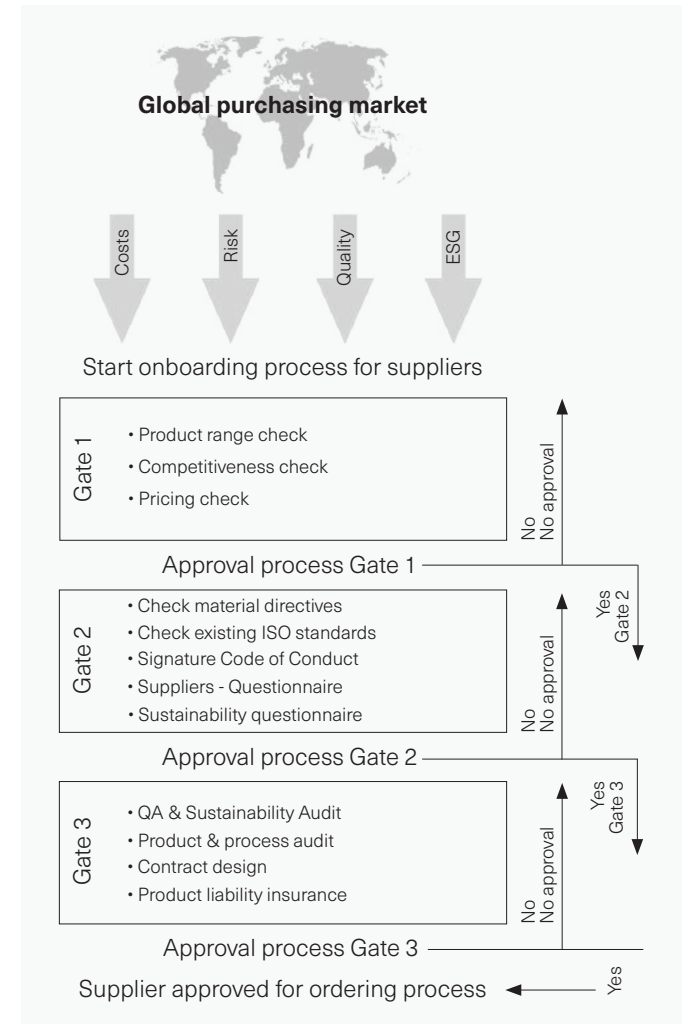
questionnaire that covers various economic, ecological and social factors. The next step is an agreement over the commercial and quality aspects of the contract, which ends with the auditing of various focal points in areas like quality and sustainability.

Confirmation of compliance by business partners with all requirements of the code of conduct, which are focused on human rights as well as clearly defined social and environmental standards, is fundamental for the start of supplier relations with the Zumtobel Group and creates the foundation for a long-term, sustainable partnership.

New suppliers are also carefully evaluated for compliance with legal regulations like the REACH/ROHS guideline or conformity with conflict mineral prevention.

The Zumtobel Group's suppliers must accept these topics as an integral part of their contracts. If there is a violation of one or more guidelines and corrective measures are not introduced within an appropriate time, the Zumtobel Group reserves the right to terminate the contractual relationship with the supplier.

The procurement department believes it is necessary to further strengthen sustainability in purchasing activities and in supplier onboarding. To address this issues, sustainability aspects were integrated in the procurement group strategy. The main goal is to regularly evaluate





key suppliers for compliance with the most important requirements and to ensure documentation and continuous improvement.

For key suppliers of the Zumtobel Group, the continuous development of the supplier relationship includes various KPIs for quality, delivery reliability and customer service, also as regards diverse supplier ratings and the optimisation of elements in the sustainable supply chain.

A goal was set for the coming year to create greater transparency over the CO2 footprint of the main suppliers. Additional development projects will also be implemented in connection with the circular economy (e.g. cradle-to-cradle certification) and complete transparency over constituent substances (full material declaration).

This is fully supported by the Zumtobel Group's procurement team and is reflected in the increasing number of suppliers who have committed to the necessary transparency.

In addition to the materials which flow directly into the products and merchandise that is manufactured by contract partners, indirect materials are receiving greater attention with regard to sustainability.

For example: The major plants converted to 100% green

electricity in 2021/22 and, in doing so, made substantial progress in moving production towards greater environmental compatibility. Projects are also in progress to make the company fleet greener and to optimise the footprint of transport logistics.

Joint measures are then put into effect based on the feedback from suppliers to increase this share wherever possible. The recyclability indicator as a per cent is also calculated on the basis of this data.

Materials by procurement group	Unit	2017/18	2018/19	2019/20	2020/21	2021/22
Starting materials	Tonnes	N/A	N/A	N/A	N/A	17,200
Semi-finished goods	Tonnes	N/A	N/A	N/A	N/A	7,963
Operating equipment	Tonnes	N/A	N/A	N/A	N/A	1,265
LED/lamps	Tonnes	N/A	N/A	N/A	N/A	444
Supplies	Tonnes	N/A	N/A	N/A	N/A	717
Packaging	Tonnes	N/A	N/A	N/A	N/A	3,848
Merchandise (TPP)	Tonnes	N/A	N/A	N/A	N/A	2,071
Rest	Tonnes	N/A	N/A	N/A	N/A	1,472

As part of the sustainability programme, the Zumtobel Group is implementing measures along the supply chain to ensure that information on the share of recycled source materials is available for each procurement group (including packaging) and is included in this report for the first time.



Share of recycle by top procurement group	Unit	2017/18	2018/19	2019/20	2020/21	2021/22
Steel	in %	N/A	N/A	N/A	N/A	30
Cardboard packaging	in %	N/A	N/A	N/A	N/A	90
Cast components	in %	N/A	N/A	N/A	N/A	85
Plastic granulate	in %	N/A	N/A	N/A	N/A	5
Aluminium profiles	in %	N/A	N/A	N/A	N/A	70
Aluminium	in %	N/A	N/A	N/A	N/A	45

the possibility of increasing the focus of the company fleet on environmental compatibility and includes four categories of hybrid and electric vehicles.

Environmental and social standards in the supply chain

Every potential supplier must confirm compliance with the code of conduct für suppliers in writing before the possible start of business relations with the Zumtobel Group.

Approval as a supplier is followed by the completion of a multidimensional sustainability questionnaire that includes questions on environmental and social standards in the supply chain.

The resulting rating is decisive for further approval: The supplier approval process cannot be completed without a clearly defined minimum of performance.

The content of this self-evaluation is subsequently verified in an on-site sustainability audit that is mandatory for the approval process. This audit also questions, verified and documents the sustainability-related content.

The Covid-19 pandemic and the related travel restrictions also led to the use of remote audits. In 2021/22, 150 quality system, process and/or control plan audits

E-mobility in fleet management and revision of car policy

Mobility is another important issue for the Zumtobel Group's sustainable procurement. The focus of fleet management is increasingly shifting to find the right balance between environmental protection and economy.

For this purpose, the demand and usage profile of the Zumtobel Group's motor vehicle pool was examined in detail during the reporting year. The usage profile is the decisive factor for determining which drive technology makes greater ecological and economic sense.

The analysis was followed by the adaptation and re-issue of the global policy for company vehicles in line with sustainable criteria. This policy now also includes





Supplier audits/sustainability audits	Unit	2017/18	2018/19	2019/20	2020/21	2021/22
Suppliers	Number	750	700	692	674	659
New suppliers	Number	N/A	N/A	N/A	N/A	8
Total audits	Number	76	103	136	154	150
	in %	10.1	14.7	19.7	22.8	22.7
Sustainability audits	Number	N/A	44	51	48	101
	in %	N/A	42.7	37.5	31.2	67.3
Audits of new potential suppliers (total)	Number	N/A	N/A	N/A	N/A	32
Sustainability audits of new potential suppliers	Number	N/A	N/A	N/A	N/A	9
	in %	N/A	N/A	N/A	N/A	28.1
Suppliers with negative impact	Number	N/A	N/A	N/A	N/A	14
Suppliers with negative impact and termination of supplier relationship	Number	N/A	N/A	N/A	N/A	0
New suppliers with negative impact	Number	N/A	N/A	N/A	N/A	6
New suppliers with negative impact and termination of supplier relationship	Number	N/A	N/A	N/A	N/A	0

(2020/21: 154) were carried out. These audits were adapted, where necessary, to reflect the requirements defined for the respective suppliers. A special focal point of the QS audit is the diligence in implementing the selected quality management systems (normally ISO 9001/TS 16949) in everyday work.

The supplier scoring process covers the following areas: quality management, procurement, material handling, development and production. Under any circumstances, at least 80% of the points from all areas are required to pass the audit.

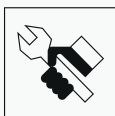
Audits with less than 80% of the possible points require immediate actions by the supplier as well as a new audit that evaluates and documents the implementation of the measures and improvements and gives the supplier 80% or more of the required points.

Business relations are not started with suppliers who have not completed a positive QS audit.

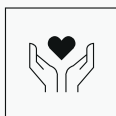
Contents of the sustainability audit



ETHICS
7 Questions



WORK
10 Questions



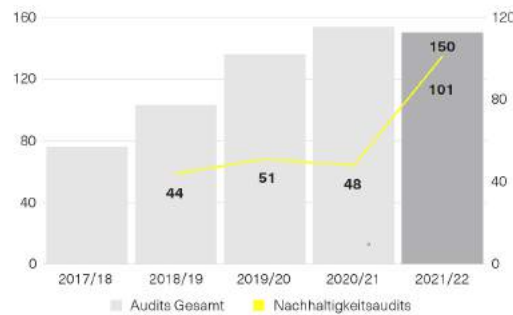
HEALTH & SAFETY
9 Questions



ENVIRONMENT
7 Questions



Entwicklung Lieferantenaudits



Of the total audits carried out in 2021/22, 101 (2020/21: 48) also represented verified sustainability audits. The related activities covered QS/process issues and included a special focus on ethics, work and worker protection, and environmental management.

The defined requirement for a positive audit in this area also equals a minimum of 80% of the total points. Audits with less than 80% of the possible points require immediate actions by the supplier.

The identified omissions must be corrected, the audit deviations taken into account, and the recommendations implemented.

This procedure allows for the specific evaluation and auditing of the above-mentioned risks (corruption, violations of human rights, forced labour and child labour) as well as further environmental and social risks in the supply chain – and their exclusion from the supply chain. The other risks are as follows:

Other evaluated risks in the supply chain

- Lack of business integrity
- Lack of information security
- Compulsory work performance
- Lack of work safety standards
- Illegal working and rest times
- Any form of discrimination
- Lack of work safety in any of the involved areas
- Environmental pollution and lack of legal environmental standards
- Waste of resources

Based on an internally defined sustainability rating for risk countries, an increasingly tighter net of sustainability evaluations has been spread over “old” or long-established suppliers (self-evaluation and/or audit). Special attention is given to suppliers in countries that are associated with a high risk of violations against environmental, social or humanitarian standards.

Self-evaluations from 118 suppliers in the Zumtobel Group’s supplier base are now also available in addition to the audits. A minimum standard must be maintained to continue business relations in the future.

It is remarkable to note that more than 80% of the suppliers have reached the A-standard (at least 80% of the possible points), even though the assessment goes far beyond minimum standards and requirements.

Recommendations for improvement have been made to the remaining suppliers, and their implementation is regularly monitored. It is important to note that none of the audited suppliers has been identified as being responsible for gross violations that would have a significant negative impact on the environment or society.

Moreover, it was determined that suppliers are consistently integrating environmental and social issues in their actions. Opportunities for improvement identified by the Zumtobel Group are primarily related to the certification of compliance with standards by external agencies.



Together with its suppliers, the Zumtobel Group is continuing its development in the area of sustainability.

This takes place through a request, or invitation as well as a review of the implementation of environmental and social certifications (e.g. ISO 14001 or ISO 45001) or external certification (e.g. by EcoVadis) to ensure greater transparency over sustainability issues.

Code of conduct for suppliers

Every potential supplier must confirm compliance with the code of conduct für suppliers in writing before the possible start of business relations with the Zumtobel Group.

The latest version was issued in 2020/21 and, in addition to general behavioural rules, significantly expanded in the areas of corruption, violations of human rights, forced labour and child labour as well as the environment and sustainability.

By signing the code, partners commit to combatting the risk of violations in the supply chain under all circumstances and to eliminating these risks in their areas of influence. The code of conduct has been signed by 97.2% of all suppliers, based on volume (2020/21: 96.5%).

Topics Code of Conduct for Suppliers

General principles of conduct

Corruption and criminal offences

Human rights, child & forced labour

Health protection

Discrimination and fair working conditions

Environment, Sustainability, IT Security

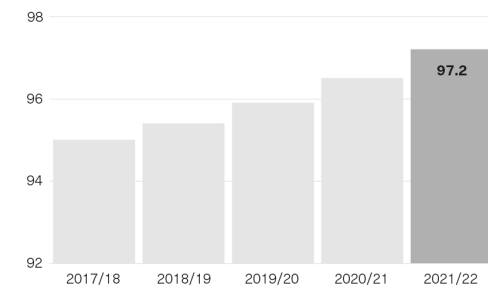
Intellectual property and confidential information

Data protection

Monitoring and partnership

The Zumtobel Group renewed its commitment to a responsible and sustainable procurement process in 2021/22 with an annual progress report (COP-Communication on Progress) based on the UN Global Compact. This report includes information for stakeholders on the company's activities and progress in implementing the 10 principles.

Code of Conduct signatories in %



Conflict minerals

Companies headquartered in the EU have been legally required to carry out a due diligence audit in connection with the procurement of conflict materials since the beginning of 2021. The European Commission has called on all companies covered by this directive to meet the due diligence requirements for tin, tantalum, wolfram and gold in their supply chains.

As part of the conflict minerals programme, the Zumtobel Group has implemented measures in its supply chain to ensure that these products do not directly or indirectly finance transactions with the Democratic Republic of the Congo (DRC).



The Zumtobel Group documents its due diligence based on the report template issued by the Responsible Minerals Initiative (RMI) and discloses its due diligence in the supply chain for smelting works und refineries as required by the Responsible Minerals Assurance Process (RMAP).

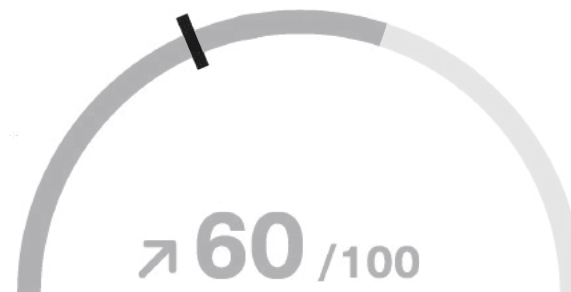
The OECD guideline “Due Diligence Guidance for Responsible Supply Chains from Conflicted-Affected and High-Risk Areas“ is the most important reference benchmark for the current RMAP standards. It requires upstream companies to publish annual reports. Smelters and refineries are considered upstream companies in the sense of the OECD guidelines and must meet the OECD Level 5 reporting requirements for upstream companies in order to conform to RMAP standards.

The reports were prepared and updated externally by ValueStream Europe GmbH, which contributes its expertise in material compliance. The current version of the conflict minerals reporting template (CMRT) is available for download on the Zumtobel Group's website for the Lighting Segment and the Component Segment.



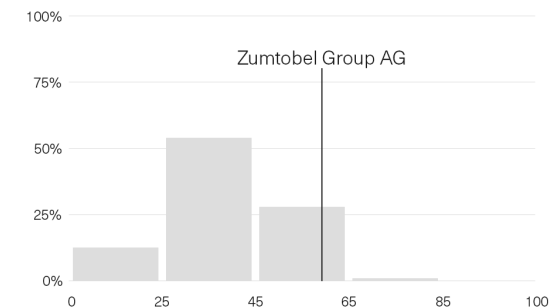
The Zumtobel Group has improved its sustainability performance in all EcoVadis topic areas. The evidence-based assessment by EcoVadis covers the topics of environment, labour and human rights, ethics and sustainable procurement. In the area of sustainable procurement, the Zumtobel Group currently has a score of 60 out of 100 points.

This is an improvement of a remarkable 10 points compared to the last evaluation. The significant increase was largely achieved through the generation of new corporate guidelines, followed by actions, results and proactive handling of the improvement areas by the department. The recognition for this - the gold medal.



ZUMTOBEL Group

Comparison to the industry



The suggestion by EcoVadis to create a training concept on content related to sustainability performance with regard to the sustainable procurement process was also taken up and implemented.

The roll-out of a standardised and continuous training programme for all global purchasing employees was started in the reporting period..



Leading the way means taking responsibility.

For the nearly 6,000 employees who have accompanied us for almost 11 years on average. We see employer branding not as a pure recruiting strategy but as a professional perspective we give to the men and women who work with us: long-term co-operation that creates enormous trust. In teams, towards managers and, last but not least, towards our image to remain an innovative and sustainably good employer.

ZUMTOBEL Group

RESPONSIBLE EMPLOYER



WHAT LIES AHEAD

An increase in the number of management positions filled internally, the goal to be the “employer of choice“, and the creation of a group-wide environment that encourages personal and professional development.

OUR CONTRIBUTION 2022/23

- Increase in average training hours from hours from 14 to 16 hours
- 66% of open management positions are filled with internal candidates
- Reduce the LTI/TRI rate by 5% and the degree of Improve accident severity by 18%

RESPONSIBLE EMPLOYER



"WE WANT TO BE THE EMPLOYER OF CHOICE FOR ALL THOSE WHO WANT TO HELP SHAPE THE FUTURE OF LIGHT. IT IS IMPORTANT TO US TO HAVE A CULTURE THAT IS CHARACTERISED BY TRUST AND THAT CHALLENGES AND INSPIRES PERSONAL AND PROFESSIONAL DEVELOPMENT. IN AN OPEN AND FAIR ENVIRONMENT THAT OFFERS EQUAL OPPORTUNITIES, OUR EMPLOYEES SHOULD BE ABLE TO DEVELOP THEIR POTENTIAL AND CREATE VALUE WITH PASSION. FLEXIBLE WORKING MODELS THAT ARE ADAPTED TO INDIVIDUAL NEEDS PROVIDE THE FRAMEWORK FOR THIS."

Petra Steiner, SVP Global HR

The Zumtobel Group has a workforce of roughly 6,000 employees at numerous locations throughout the world. These men and women are the foundation of our success and a key factor for the successful development of our company.

Satisfied, competent and committed employees form the foundation for outstanding lighting solutions, components and services and, in turn, for satisfied customers. That is the only way to build lasting customer relations and sustainably increase our productivity and profitability.

Management approach

Global HR teams comprising HR business partners, people services and centres of expertise support all current and future employees in their work and further development, above all in the following areas:

- Personnel recruitment
- Performance & talent management
- Personnel and organisational development
- Total Rewards
- Employer-labour relations
- Occupational safety, health and well-being

The Zumtobel Group's People Strategy – LIGHT UP – was derived from the FOCUSED corporate strategy, the three core values "passion, performance and partnership", current strengths and weaknesses, external factors and market conditions as well as HR trends and best practices.

The Zumtobel Group wants to be the employer of first choice for people who want to advance the future of light.

As the employer of first choice, we want our employees to shine (LIGHT UP) at work through:

- L **Leaders** who trust, challenge and empower their teams and set an example
Führungskräfte, die ihren Teams vertrauen, sie herausfordern, stärken und mit gutem Beispiel vorangehen
- I **International** perspectives, local roots and equal opportunities for all
Internationale Perspektiven, lokale Wurzeln und Chancengleichheit für alle
- G **Growth** opportunities enfolding our employees' full potential
Wachstumschancen, die das volle Potential unserer Mitarbeiter entfalten
- H **High** performance culture marked by self-responsibility and open, two-way feedback
Leistungskultur geprägt von Eigenverantwortung und offenem, beidseitigem Feedback
- T **Teams** that create real value with passion and purpose
Teams, die mit Leidenschaft und einem klaren Ziel



einen echten Mehrwert schaffen

- U **Uncomplicated** fair payment and performance recognition
Unkomplizierte, faire Bezahlung und Anerkennung erbrachter Leistungen
- P **Practical** flexible working models which meet individual needs
Praktische, flexible Arbeitsmodelle, die den individuellen Bedürfnissen gerecht werden

As a company, we place even greater value on a culture of trust in which we interact with openness and respect and give and accept feedback. We plan to offer our employees even more development opportunities in the future so they can reach their full potential and, at the same time, we are strengthening our managers in their role.

We are committed to equal opportunity – not only in view of the global job market of the future but also with a look inside – at the nearly 6,000 people who already work with us.

The basis for all this is fair remuneration, practicable working time models and processes that are flexible enough to meet employees' individual needs.

Impact of the Covid 19 pandemic

The 2021/22 financial year, similar to the preceding year, was influenced by the corona pandemic and its consequences, both in the private and professional environments.

Due to the shortage of raw materials, the Zumtobel Group utilised the short-time work models offered by various governments. These programmes involved a reduction in working hours, but all areas remained accessible for external stakeholders (e.g. customers) and internal stakeholders.

At the start of the pandemic, hygiene concepts and further organisational measures were implemented at all company locations to protect employees. These measures included, among others, mobile disinfection equipment, disinfectants for meeting rooms, distancing rules for open offices and cafeterias, increased cleaning intervals, and testing and vaccination offerings. Additional measures were also implemented in line with local laws and requirements.

The positive experience with home office, virtual meetings and online customer contacts will sustainably transform the way we work and move the "future of work" a large step forward. The working world will also be changed by subjects like long-distance management and virtual teams.

Corporate culture

"With our light, we make the world brighter, safer and more beautiful."

Nicholas Zumtobel, Manager Corporate Culture

This message forms the basis for all activities in the Zumtobel Group and is an integral part of the corporate culture. This culture is experienced both inside and outside the company: As a guiding principle, it also applies, above all, to employees and their individual needs. The way the Zumtobel Group communicates, manages, takes decisions, and interacts with its stakeholders is influenced to a significant degree by the corporate culture. The following mission statements accompany us in our daily activities:

"We want to be the employer of choice for people who want to advance the future of light."

"We work together as a strong team, generate added value with passion, and are proud of our results."

The Zumtobel Group follows an employer brand management strategy. It was developed on the basis of collected data and presents the company as a sustainable, authentic and trustworthy employer with the goal



of positioning the Zumtobel Group as the employer of choice for current and future employees.

The major initiatives of the employer branding strategy involve the following:

- Safeguarding future required qualifications through long-term partnerships with selected (educational) institutions
- Strengthening the passion for light and identification with the company to increase external stakeholders' understanding of light
- Optimising a consistent and positive onboarding journey (employee experience) that quickly integrates employees in the company from a technical, organisational and emotional perspective and increases the integration success rate
- Anchoring the values "passion, performance and partnership" in core HR processes like talent acquisition, performance & talent management, people and organisational development, total rewards and employee & labour relations to align the company's DNA with future challenges and contribute to a vital corporate culture

The Dr Walter Zumtobel Value Award, which carries the name of the Group's founder, was also presented in 2021/22. It is given to persons who demonstrate the corporate values in their everyday actions and, in this way, keep the founder's values alive.

Employee satisfaction

As an attractive employer, the Zumtobel Group wants to provide an effective work-life balance for its employees. This means, in particular, making an allowance for the continuously changing needs of younger generations on the labour market as well as measures to help working parents reconcile career and family life.

These efforts were recognised during 2022 in Switzerland (Zumtobel) and Portugal (Tridonic) with the "Great Place to Work" seal. According to a survey of employees at the Swiss location 82% see their work as far more than "just" a job.

Work-life balance

In order to further increase its attractiveness as an employer, the Zumtobel Group offers various working time models that make it possible for employees to coordinate their private and working lives. Employees can choose from models like part-time employment,

educational leave, sabbaticals, parental leave for fathers and home office options.

Mothers and fathers who return to work after parental leave are actively supported by the company in their reintegration.

The options offered by the Zumtobel Group were recognised by the province of Vorarlberg with the quality seal "Outstanding family-friendly company 2022-2023", and ZG Lighting Austria was also recertified as a family-friendly employer.

At the end of 2021/22, 60 employees in Austria were on parental leave (2020/21: 58).

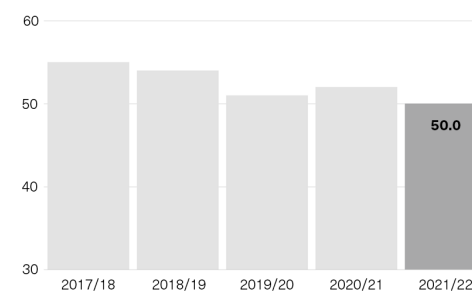




Parental leave in Austria	Unit	2017/18	2018/19	2019/20	2020/21	2021/22
Employees entitled to parental leave	FTE	N/A	N/A	N/A	N/A	N/A
Employees on parental leave	FTE	89	80	69	58	60
Male	FTE	N/A	N/A	5	1	0
Female	FTE	N/A	N/A	64	57	60
Return to work after the end of parental leave	FTE	N/A	N/A	N/A	N/A	N/A

- There were no new findings or proceedings involving “non-compliance with laws and regulations relating to labour law” in 2021/22.

Employees with collective contract in %



Free-time option

Employees in Austria can also take advantage of a free-time option provided by a works agreement. Based on annual coordination with the Management Board and Works Council, it permits a reduction in working hours in exchange for waiving a salary or wage increase and results in paid time-off (for example, for age-based work, educational programmes or to accumulate longer free-time periods). Free time can also be accumulated over several years and used at once.

The free-time option has been selected by 340 employees.

As an employer with a corporate culture that has grown over decades, the Zumtobel Group is well aware of its social responsibility for its many employees throughout

the world and remains focused on the further development of responsible working conditions.

The Zumtobel Group believes in and promotes the open and regular exchange of information between the Management Board, employees and the Employees' Council. Collective agreements cover roughly 50% of the worldwide workforce.

The legal participation rights of employees and compliance with the principles and standards defined by the International Labour Organisation (ILO) are a matter of course and represent an integral part of the code of conduct, which is binding for all companies in the Zumtobel Group.

Training and continuing education

The limited number of competent specialists also creates major challenges for the international Zumtobel Group to attract qualified applicants and recruit the right people for the right jobs. Employee development and systematic professional advancement therefore represent a key element for sustainable business success.



The basis for systematic employee development is the LIGHT competency model, which was derived from the corporate strategy:

L	Level of Knowledge, Skills & Experience
I	Innovation & Transformation
G	Getting Things Done
H	Habit to Develop
T	Together we Shine

With these five generic ambition levels for desired conduct and the level of technical expertise, LIGHT provides a framework for the human resources development, search and selection processes.

The long-term goal is to develop a modern, digitally supported and self-determined learning culture (learning on demand). Accelerated by the Covid-19 pandemic, the first processes have already started: The educational offering was digitalised, the digital learning infrastructure was expanded, and training experts with the necessary

know-how were recruited.

The 2020/21 financial year was influenced by the corona pandemic and the resulting restrictions on attendance events, but this situation improved in 2021/2022.

In addition to the expansion of digital learning options, a number of in-class courses were also held.

This led to an increase in the average number of training hours per employee to 14 hours (2020/21: six hours).

Average hours of training	Unit	2017/18	2018/19	2019/20	2020/21	2021/22
Employees (total)	Hours	12	13	12	6	14
Male	Hours	N/A	N/A	N/A	N/A	16
Female	Hours	N/A	N/A	N/A	N/A	12
Salaried employees	Hours	15	16	15	5	18
Male	Hours	N/A	N/A	N/A	N/A	19
Female	Hours	N/A	N/A	N/A	N/A	17
Wage employees	Hours	8	8	8	8	7
Male	Hours	N/A	N/A	N/A	N/A	8
Female	Hours	N/A	N/A	N/A	N/A	7
Online share of internal training	in %	N/A	N/A	N/A	N/A	66.6

Education and training in hours





The Zumtobel Group is continuously developing, and it is essential that its employees also continue their target-oriented development. A dual-focus training and continuing education concept was developed for this purpose:

- General and free digital learning offers, available in the Zumtobel Group's own learning management system. Employees are free to use these options or are assigned to specific courses in line with their roles (e.g. new employees, employees in sales etc.).
- Individual development plans that target technical as well as personal development (soft skills etc.). The formats differ and include internal as well as external courses, coaching and mentoring. Individual developments are prepared for each employee as part of the annual reviews in agreement with the respective supervisor. They can also include, among others, further development in other areas and a longer-term carrier path.

Special country-specific, individual offers are also available depending on the employee's location. For example: employees in the Austrian locations can take advantage

of an educational sabbatical.

Apprentice training

The Zumtobel Group views training for young people as part of its social responsibility. As of 30 April 2022, 69 young men and women were in apprenticeship programmes with the Zumtobel Group.

This company-based professional education is an important instrument to actively address the growing shortage of skilled workers that has resulted from demographic shifts. Apprentice training is therefore an essential part of human resources policy.

In 2022, these efforts were recognised by the province of Vorarlberg for the ninth time in succession with the "Excellent Apprenticeship Company" seal.

Apprentices are currently training in the following field:

- Electrical engineering with a focus on systems and industrial engineering as well as automation and process control engineering
- Plastics engineering

- Mechatronics with a special automation and production engineering module (dual academy) and a special robotics module
- IT technology with a focus on systems engineering
- Industrial clerk

Of the apprentices trained in the Zumtobel Group, 64% were integrated in the corporation after completing their education.

Employee reviews

The annual employee reviews are an important building block in the interaction between employees and their supervisors and form the basis for the identification of targeted, individualised training and continuing education measures as part of human resources development.

In this structured discussion, managers and their staff define goals and develop a common understanding for the values, behaviour and importance of the corporate strategy for their specific job responsibilities. Mutual expectations are coordinated, development opportuni-



ties are systematically identified, and training measures are outlined to support the employee's training and personal development. The annual reviews provide an opportunity for employees and their supervisory to reflect on the employment relationship and performance on an equal basis. The discussions lead to decisive impulses which sustainably change cooperation.

The importance of the employee reviews is underscored by the high number of discussions which were planned for 2021/22: This goal was not only met but exceeded. Documented annual reviews were held with 5,171 in 2021/22 (88.6%; 2020/21: 4,507 employees or 78.4%).

Employee reviews	Unit	2017/18	2018/19	2019/20	2020/21	2021/22
Employee reviews	Number	4,700	4,597	4,416	4,507	5,171
Share of total employees	in %	75.5	78.2	73.1	78.4	88.6
Salaried employees	Number	N/A	N/A	2,863	2,882	3,296
Male	Number	N/A	N/A	2,073	2,072	2,362
Female	Number	N/A	N/A	790	810	934
Wage employees	Number	N/A	N/A	1,553	1,625	1,875
Male	Number	N/A	N/A	732	786	914
Female	Number	N/A	N/A	821	839	961

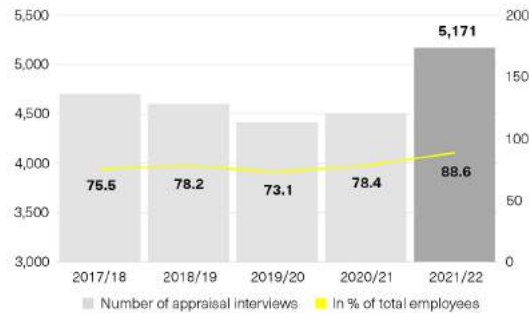
Picture: Employee appraisal interview production



Picture: Employee appraisal interview administration



Development Employee development reviews





Employee development

The annual employee reviews also form the basis for the further human resources development process and support internal talent scouting.

The global establishment of a human resources development process with annual talent review meetings and development conferences provides an opportunity to define potential and performance at all levels of the Group and helps to identify and develop top performers. This process supports structured and standardised succession planning.

The participants in the talent review meetings include the respective manager, the human resources department and a co-evaluator. The performance and potential of each employee is evaluated in these meetings and recorded in a performance-potential grid.

The exit risk is evaluated and recommendations for development and retention measures are defined and documented. The result is a performance-potential landscape for each department with all employees, which establishes a basis for the implementation of the defined measures.

Employment and employment trends

The Zumtobel Group had a workforce of 5,782 employees (full-time equivalent, including contract workers) as of 30 April 2022. This represents a year-on-year decline of 0.5% (30 April 2022: 5,813).

Part-time employment for parents, educational leave, sabbaticals or other models are arranged where needed and permitted by the respective position. The number of part-time employees increased slightly from 7.5% in the previous year to 7.8% in 2021/22.

Approximately 50% of the employees work in operatio-

nal areas like direct production, quality management, procurement or logistics.

A further 30% are active in sales and roughly 9% in research and development. The remaining employees include nearly 8% in administrative functions and 4% of contract workers.

Roughly 83% of the employees work in Europe, followed by 13.4% in Asia, 2.1% in Australia and New Zealand, 1.6% in America and 0.1% in Africa.

The average length of employment with the Zumtobel Group equalled 10.9 years in 2021/22.

Employees ¹ by functional area	Unit	2017/18	2018/19	2019/20	2020/21	2021/22
Employees (total)	FTE	6,224	5,878	6,039	5,813	5,782
Change	in %	N/A	-5.6	2.7	-3.7	-0.5
Contract workers	FTE	329	276	170	184	222
	in %	5.3	4.7	2.8	3.2	3.8
Production	FTE	2,879	2,779	3,018	2,860	2,861
Research and development	FTE	542	515	551	563	538
Sales	FTE	1,934	1,837	1,829	1,733	1,714
Administration	FTE	540	471	472	473	447

¹ Excluding apprentices



Employees ¹ by region	Unit	2017/18	2018/19	2019/20	2020/21	2021/22
Europe	in %	80.0	82.5	82.7	83.2	82.8
Asia	in %	15.6	13.4	13.5	12.9	13.4
Australia & New Zealand	in %	2.3	2.3	2.2	2.2	2.1
America	in %	2.1	1.8	1.7	1.6	1.6
Africa	in %	N/A	N/A	N/A	0.1	0.1

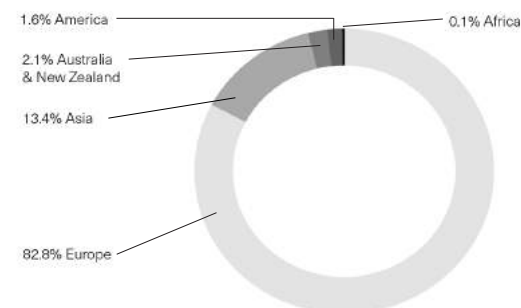
New employees ²	Unit	2017/18	2018/19	2019/20	2020/21	2021/22
New employees	FTE	N/A	N/A	1,080	679	1,048
Male	FTE	N/A	N/A	674	433	699
Female	FTE	N/A	N/A	406	246	349
< 30 years	FTE	N/A	N/A	445	290	394
30 - 45 years	FTE	N/A	N/A	543	307	534
46 - 55 years	FTE	N/A	N/A	83	62	98
> 55 years	FTE	N/A	N/A	9	20	22
Europe	FTE	N/A	N/A	621	381	735
Asia	FTE	N/A	N/A	438	273	288
Australia & New Zealand	FTE	N/A	N/A	9	11	13
America	FTE	N/A	N/A	11	14	11
Africa	FTE	N/A	N/A	1	0	1

¹ Excluding apprentices, ² Excluding contract workers

This high average service time reflects the trust of employees and high employee satisfaction.

The long length of service is also evident in the age structure, which hardly changed in comparison with the previous year (Tabelle Beschäftigungsdaten Altersstruktur).

Employees by region



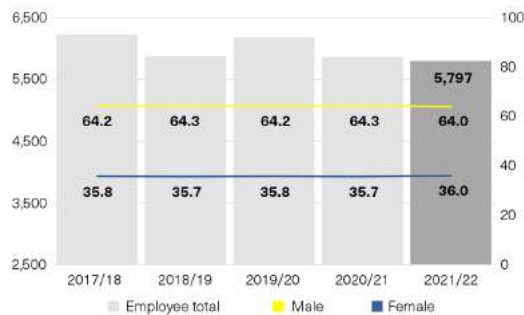
Labour productivity – calculated as adjusted EBIT in relation to personnel expenses – declined from 12.1% in the previous year to 16.6% in 2021/22 due to the decrease in operating results.

Average revenues per employee (including contract

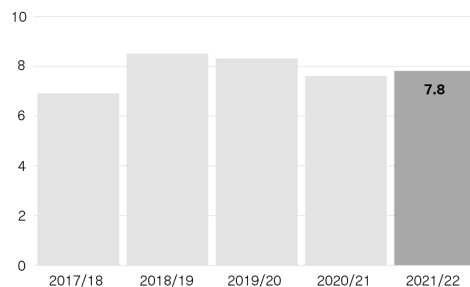


workers) declined year-on-year to EUR 198,595 in 2021/22 (2020/21: EUR 179,674).

Gender development in %



Development part-time employment in %



Employment data by gender	Unit	2017/18	2018/19	2019/20	2020/21	2021/22
Employees ¹ (total)	Number	N/A	N/A	6,177	5,862	5,797
Male	Number	N/A	N/A	3,966	3,767	3,709
	in %	64.2	64.3	64.2	64.3	64.0
Female	Number	N/A	N/A	2,211	2,095	2,088
	in %	35.8	35.7	35.8	35.7	36.0

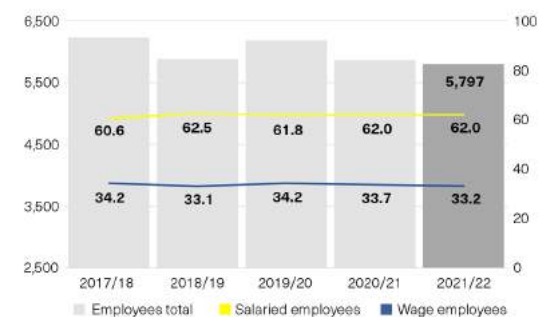
Employment data - full-time/part-time	Unit	2017/18	2018/19	2019/20	2020/21	2021/22
Employees ¹ (total)	Number	N/A	N/A	6,177	5,862	5,797
Full-time	Number	N/A	N/A	5,664	5,423	5,345
	in %	93.1	91.5	91.7	92.5	92.2
Male	Number	N/A	N/A	3,786	3,651	3,586
	in %	N/A	N/A	66.8	67.3	67.1
Female	Number	N/A	N/A	1,878	1,772	1,759
	in %	N/A	N/A	33.2	32.7	32.9
Part-time	Number	N/A	N/A	513	439	542
	in %	6.9	8.5	8.3	7.6	7.8
Male	Number	N/A	N/A	146	116	123
	in %	N/A	N/A	28.5	26.4	27.2
Female	Number	N/A	N/A	367	323	329
	in %	N/A	N/A	71.5	73.6	72.8

¹ Including apprentices, excluding contract workers

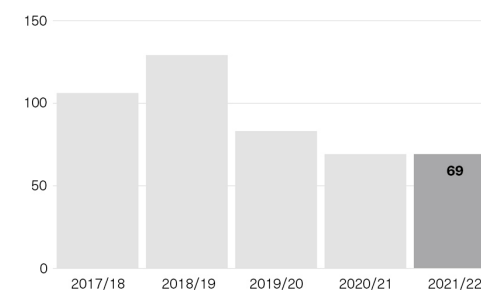


Employment data - salaried/wage	Unit	2017/18	2018/19	2019/20	2020/21	2021/22
Employees ¹ (total)	Number	N/A	N/A	6,347	6,051	6,022
Salaried employees (total)	Number	N/A	N/A	3,924	3,752	3,731
	in %	60.6	62.5	61.8	62.0	62.0
Male	Number	N/A	N/A	2,809	2,707	2,683
	in %	N/A	N/A	71.6	72.1	71.9
Female	Number	N/A	N/A	1,115	1,045	1,048
	in %	N/A	N/A	28.4	27.9	28.1
Wage employees (total)	Number	N/A	N/A	2,170	2,042	1,997
	in %	34.2	33.1	34.2	33.7	33.2
Male	Number	N/A	N/A	1,073	1,007	977
	in %	N/A	N/A	49.4	49.3	48.9
Female	Number	N/A	N/A	1,097	1,035	1,020
	in %	N/A	N/A	50.6	50.7	51.1
Apprentices (total)	Number	N/A	N/A	83	69	69
	in %	N/A	N/A	1.3	1.1	1.1
Male	Number	N/A	N/A	64	54	49
	in %	N/A	N/A	77.1	78.3	71.0
Female	Number	N/A	N/A	19	15	20
	in %	N/A	N/A	22.9	21.7	29.0

Salaried employees/ Wage employees in %



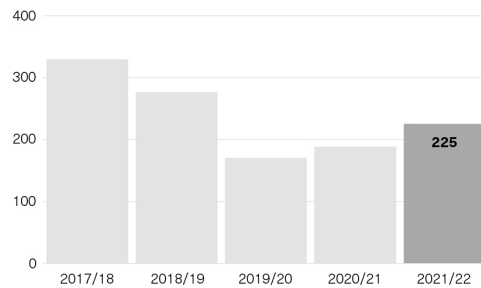
Development of number of apprentices



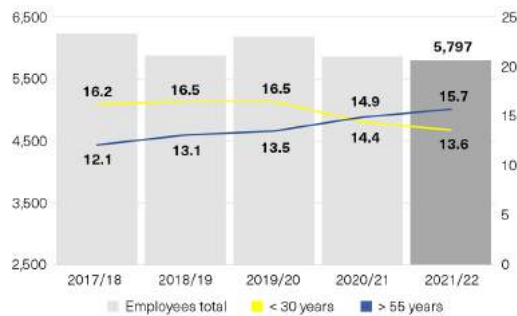
¹ Including apprentices and contract workers



Development of contract workers



Development age structure in %



Employment data - salaried/wage	Unit	2017/18	2018/19	2019/20	2020/21	2021/22
Contract employees¹ (total)	Number	N/A	N/A	170	188	225
	in %	5.2	4.4	2.7	3.1	3.7
Male	Number	N/A	N/A	N/A	125	151
	in %	N/A	N/A	N/A	66.5	67.1
Female	Number	N/A	N/A	N/A	63	74
	in %	N/A	N/A	N/A	33.5	32.9

¹ Including apprentices and contract workers

Employment data - age structure	Unit	2017/18	2018/19	2019/20	2020/21	2021/22
Employees ² (total)	Number	N/A	N/A	6,177	5,862	5,797
< 30 years	Number	N/A	N/A	1,019	843	786
	in %	16.2	16.5	16.5	14.4	13.6
30 - 44 years	Number	N/A	N/A	2,835	2,649	2,632
	in %	45.8	45.4	45.9	45.2	45.4
45 - 55 years	Number	N/A	N/A	1,489	1,497	1,469
	in %	25.9	25.0	24.1	25.5	25.3
> 55 years	Number	N/A	N/A	834	873	910
	in %	12.1	13.1	13.5	14.9	15.7

² Including apprentices, excluding contract workers



Employee turnover ¹	Unit	2017/18	2018/19	2019/20	2020/21	2021/22
Number of terminations ²	FTE	N/A	N/A	1,014	977	1,059
Male	FTE	N/A	N/A	646	618	730
Female	FTE	N/A	N/A	368	360	328
< 30 years	FTE	N/A	N/A	324	291	293
30 - 45 years	FTE	N/A	N/A	477	449	530
46 - 55 years	FTE	N/A	N/A	116	113	133
> 55 years	FTE	N/A	N/A	98	123	103
Europe	FTE	N/A	N/A	551	574	712
Asia	FTE	N/A	N/A	430	367	313
Australia	FTE	N/A	N/A	14	16	17
America	FTE	N/A	N/A	19	18	17
Africa	FTE	N/A	N/A	1	2	0

¹ Excluding contract workers

² Definition according to GRI: Salaried employees who leave the organization voluntarily or due to dismissal, retirement, or death in service; Parental leave is not included as part of employee turnover; Termination based on reasons - termination by employee or employee, consensual termination, expiration of contract, natural causes (retirement, death); Calculation of turnover rate = Number of terminations / average number of employees for the period (beginning balance + ending balance / 2) X 100

Employee turnover (excluding contract workers) in the Zumtobel Group rose from 17% to 18.9% in 2021/22, which means 1,059 employees left the company.

Most of this fluctuation is attributable to the exit of wage

employees in Shenzhen – the decline here equalled 4.4%.

A total of 1,047 positions (excluding contract workers), above all in the operating areas and sales, were filled

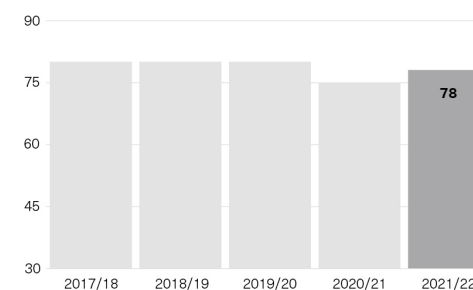
with external candidates in 2021/22. Various human resources development measures made it possible to fill 76% of the management positions internally.

Diversity and equal opportunity

Diversity among the workforce is an important factor for creating an innovative working climate and protecting the Group's competitive ability.

The men and women employed by the Zumtobel Group come from 78 different nations, whereby the staff at the corporate headquarters in Dornbirn, Austria, represent roughly 50 nations.

Number of nations in the staff



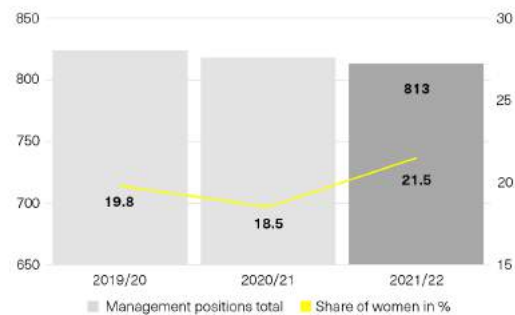


As an equal opportunity employer, the Zumtobel Group rejects any form of discrimination based on social or ethnic origin, gender, sexual orientation, religious conviction or ideology, age, physical or mental capabilities, or other characteristics.

Every person is unique, valuable and has individual capabilities. This belief is also reflected in the Zumtobel Group's code of conduct, which prohibits all forms of discrimination.

Experience, qualifications and performance form the basis for personnel decisions in all corporate areas and at all management levels.

Development of women in management positions in %



Women ¹ by functional area	Unit	2017/18	2018/19	2019/20	2020/21	2021/22
Women (total)	Number	N/A	N/A	2,192	2,143	2,142
Female contract workers	in %	N/A	N/A	N/A	2.9	3.5
Production	in %	N/A	N/A	N/A	58.6	58.4
Research and development	in %	N/A	N/A	N/A	4.0	3.8
Sales	in %	N/A	N/A	N/A	22.1	22.6
Administration	in %	N/A	N/A	N/A	12.4	11.8

Women in management positions	Unit	2017/18	2018/19	2019/20	2020/21	2021/22
Management positions (total)	Number	N/A	N/A	824	818	813
Women in management positions	Number	N/A	N/A	163	151	175
	in %	N/A	N/A	19.8	18.5	21.5
Top management (managing director/ board member)	Number	N/A	N/A	0	0	0
Senior management (division manager)	Number	N/A	N/A	5	5	5
	in %	N/A	N/A	8.9	8.5	9.4
Middle management (e.g. department head)	Number	N/A	N/A	25	29	39
	in %	N/A	N/A	10.9	12.6	16.4
Others (e.g. team leader, overseer)	Number	N/A	N/A	133	117	131
	in %	N/A	N/A	24.8	22.2	25.2
Supervisory Board ²	Number	N/A	N/A	2	3	3

¹ Excluding apprentices, ² The women on the Supervisory Board are not included in the number of women in management positions



The share of women in the Zumtobel Group's workforce increased slightly to 36% in 2021/22 (2020/21: 35.7%). The share of women in management positions equalled 21.5% and, in comparison with the previous financial year (18.5%) rose by nearly 16%.

The Zumtobel Group supports the staffing of management positions with women through internal and external recruiting and human resources development measures. It is also an accepted fact that the continuation of existing initiatives and an open approach to new initiatives requires a greater share of women in higher qualified positions.

In order to safeguard its competitive ability and benefit from a wide range of different viewpoints, the Zumtobel Group has set a goal to increase the share of women and, accordingly, their representation in the Group each year.

Discrimination incidents can be reported over the Zumtobel Group's whistle-blower system, anonymously and confidentially if requested. These incidents are investigated according to pre-defined internal procedures and any necessary measures are implemented. No discrimination incidents were reported in 2021/22.

Employee rights and remuneration programme

The Zumtobel Group follows a uniform remuneration scheme to ensure high transparency and performance-based compensation based on equal opportunity (equal opportunity employer). Remuneration in Austria generally exceeds the level required by legal regulations or collective bargaining agreements. Internal salary comparisons and external evaluations with competitors based on market data are used to confirm the fair and competitive structure of wages and salaries.

The wages and salaries paid by the Zumtobel Group generally exceed the legally required minimum in all countries. A standard market salary and job evaluation system focused on objective criteria for the respective function ensures that all employees are treated equally and in line with the market.

Employees who are eligible to participate in variable remuneration programmes but not covered by another remuneration scheme are evaluated for the one-year or short-term component (short-term incentive, STI) based on the attainment of goals for EBIT and free cash flow.

An individual component was also introduced in 2021/22. The variable remuneration of the members of the Management Board and upper management circle consists of a one-year or short-term component (short-term incentive, STI) and a multi-year or long-term

component (long-term incentive, LTI). The short-term component is paid out directly during the goal attainment year.

The distribution of the long-term component is spread over the following three to five years, whereby the tranche in the respective payment year is weighted by the target achievement of the total shareholder return (TSR) of the Zumtobel Group compared with a defined peer group as the performance indicator.

This long-term component places a special focus on sustainable decisions by management.

Human rights, child labour and forced labour

The respect for and compliance with human rights is the basis for cooperation. The Zumtobel Group is committed to compliance with human rights and the fundamental principles of labour law, occupational safety and the protection of health all over the world. Respect for human rights represents an integral part of the corporate culture and management.

Compliance with human rights and the prevention of child labour and forced labour is audited annually at all producing locations, together with management and on site, to eliminate the possible risk of the employment of minors. At all ISO 14001-certified sites, 10 of the 11



sites, compliance with legal requirements regarding labour law and occupational safety law is ensured. In the European countries, all human rights relevant to a company are anchored in EU regulations and national laws.

These requirements are recorded in a legal database, measures to implement them are implemented and compliance is randomly checked annually through audits.

Furthermore, every employee can and should report information on violations via persons of trust, the works council and, if necessary, via the whistleblower hotline. No violations of human rights were reported in the 2021/22 business year.

The 2020/21 revision of the Code of Conduct will address the issues of human rights, children and forced labour. In the reporting year, 95% of the employees in the white-collar sector took part in the training on the Code of Conduct and successfully completed the required examination.

In its cooperation with business partners (e.g. suppliers), the Zumtobel Group places high priority on compliance with human rights and the prevention of child labour and forced labour. These principles are regulated in a separate, mandatory code of conduct for business partners.

As an international company, the Zumtobel Group is fully committed to the protection of human rights and compliance with high social standards and the legal regulations applicable in Austria and other countries.

Significant investment agreements are not explicitly defined in the Zumtobel Group. Cooperation with suppliers requires full agreement and commitment to the Supplier Code of Conduct, which includes all required human rights clauses.

97.2% of suppliers have signed the Supplier Code of Conduct.

The Zumtobel Group documented its commitment to responsible management, compliance with human rights and the prevention of child labour and forced labour by renewing its commitment to the UN Global Compact for a further year.

The related disclosures are included in the annual progress report of the UN Global Compact (COP – Communication on Progress) which is published on the Zumtobel Group's website.

As an employer with a corporate culture that has grown over many decades, the Zumtobel Group accepts social responsibility for its employees throughout the world and works continuously on the improvement of responsible working conditions.

The Zumtobel Group supports the open and regular exchange of information between the Management Board, employees and the Works Council.

Compliance with the legal participation rights of employees and the principles and standards defined by the International Labour Organisation (ILO) is a matter of course and represents an integral part of the Zumtobel Group's code of conduct.



Occupational safety, health and well-being

The success of the Zumtobel Group is based on qualified, committed and motivated employees. The occupational safety, health and well-being of these men and women was identified as a material issue for the Zumtobel Group. It has high priority and is the focus of further development.

Targeted measures for health care and prevention through initiatives, tools and processes are used to counter work accidents and to continuously improve occupational safety as well as the physical and mental health of employees.

The related activities are the responsibility of local safety officers and health management, which reports to the human resources department. The Zumtobel Group's comprehensive operational health management programme is based on worker protection legislation, presence management, workplace health promotion, leadership and management behaviour as well as integration and generation management.

The production locations in the Zumtobel Group have defined processes and procedures to ensure compliance with legal regulations, standards and internal guidelines.

A global reporting system regularly evaluates and analy-

ses occupational safety and health protection indicators and leads to the definition, implementation and assessment of measures.

The Serbian plant was successfully certified under ISO 45001, the current standard for management systems in the areas of safety and health, during 2021/22.

The matrix certification of this management system is planned for the coming year, whereby the main plant in Dornbirn and the plant in Spennymoor will be certified. Other producing locations will then be gradually integrated in the matrix.

Specific environmental, health and safety guidelines are regularly evaluated by local safety and fire prevention officers at all producing locations. This is done on the one hand through regular inspections by the safety officer, but also on an ad hoc basis when machines are relocated or new and adapted workplaces are created in order to evaluate any risks with regard to occupational safety.

The primary goal here is to prevent accidents and identify work-related dangers or dangerous situation. Employees can report potential dangers or near accidents through a formalised procedure for the documentation and prioritisation of risks and the implementation of preventive measures.

Employees without PC access can register their reports through their manager. Through this formalised procedure, employees can report their safety concerns, suggestions for improvement or near misses without fear of negative consequences.

In addition, all concerns can also be entered anonymously via the whistleblower system, via the safety officer or the safety confidant. Workplaces as well as work activities are evaluated to identify potential dangers, and appropriate steps are then taken to reduce any recognised risks.

Employees are required and have the right to interrupt activities, tasks and work processes immediately if they do not appear to be safe or do not meet safety requirements. Only after the safety officer has examined the situation and safety can be ensured again, may and can work be continued.

Measures are implemented on a continuous basis to increase workplace safety and include employee training, improvements to protective clothing and the maintenance of machinery.

Accident prevention and the protection of employees' health are the subject of discussion at regular, formal employer-employee meetings. Employee representatives like the Works Council are included at many locations on issues involving occupational safety, e.g.



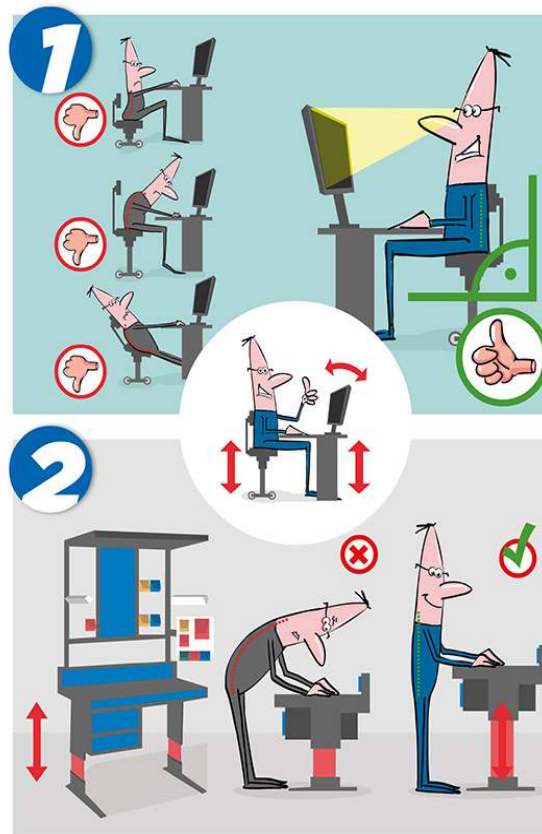
occupational safety committees or workplace evaluations. Employees can submit suggestions for improvement at any time, which will be evaluated and, if feasible, implemented.

Employees are offered instruction in occupational safety as relates to their respective workplaces and activities. Additional occupational safety training is scheduled as required, e.g. for testing or load securing.

The requirements and procedures as well as all important documents on occupational safety and health protection are available in an internal communications network.

At the lighting plant in Dornbirn, comics and comic films on safety are regularly released under the name "Lighti". It creates an awareness for dangers and preventive measures with non-verbal means and can be understood by all employees regardless of their native language.

For external persons such as external service providers, visitors, etc., safety rules also apply and they are instructed on entering the site. In addition, the wearing of protective clothing such as safety shoes and high-visibility waistcoats is obligatory in the production and storage areas. External service providers are made aware of compliance with legal requirements and confirmations are obtained on an ad hoc basis.



Picture: Extract from the edition "Ergonomics at the workplace"

In support of a retention offensive, a reintegration process was implemented throughout the Group. It gives employees on long-term sick leave an opportunity to return to their previous job or to an alternative function, subject to health-related constraints (e.g. limits on daily working time or adaptation of the job content, etc.). An internal integration team accompanies this process.

The Zumtobel Group also supports various company sport associations which are open to all employees. They create an incentive to get more exercise and do more for one's own health. The company also supports participation in running events like the Business Run in Austria.

The offering of occupational medical services varies from country to country. Company physicians/occupational physicians are available to employees at all locations, or these services are provided by external specialists.

Depending on their location, employees can take advantage of occupational medical services that include, for example, ergonomics advising, audiometric examinations, vaccinations, vision tests (also for computer glasses) or psychological assistance.

Free test and/or vaccinations were also offered at many locations in 2021/22 due to the Covid-19 pandemic. Selected employees at all locations have also been



Occupational safety/accident rate	Unit	2017/18	2018/19	2019/20	2020/21	2021/22
Number of hours worked by employees	Hours	6,630,829	6,292,218	5,990,381	5,405,699	5,963,163
Number of recorded accidents ¹ Lighting Brands	Number	48	40	59	29	34
Number of recorded accidents ¹ Components	Number	3	7	6	4	16
LTI rate Lighting Brands		12.0	7.3	10.1	9.2	9.3
LTI rate Components		1.2	2.7	2.3	1.7	5.8
LTI rate Zumtobel Group		7.7	5.2	6.3	5.9	7.7
TRI rate Lighting Brands		12.0	11.3	18.6	9.5	10.6
TRI rate Components		3.0	7.0	6.0	4.0	5.8
TRI rate Zumtobel Group		7.7	7.5	10.9	6.1	8.4
Number of fatal accidents	Number	0	0	0	0	0
Accident severity Lighting Brands		N/A	N/A	N/A	N/A	101
Accident severity Components		N/A	N/A	N/A	N/A	71
Accident severity Zumtobel Group		88	88	58	69	87

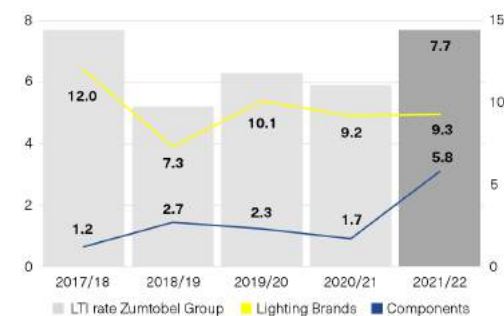
¹ Recorded accidents = Accidents which result in more than 8 hours of lost working time;
Accident rate = Reportable work accidents / Number of hours worked x 1,000,000

certified as first aid helpers or safety officers.

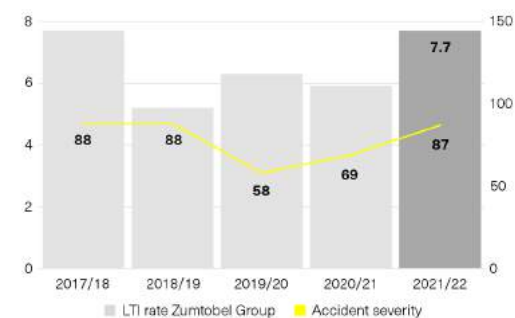
The LTI rate (Lost Time Injury: number of work accidents with lost time >8 hours x 1,000,000 / Total hours worked) is calculated monthly at all plants. In the Zumtobel

Group, the LTI rate declined to 5.9 in 2020/21 (2019/20: 6.3). The overall LTI rate increased to 7.7 in 2021/22 (2020/21: 5.9). The LTI rate rose to 5.8 (2020/21: 1.7) in the components plants and to 9.3 (2020/21: 9.2) in the lighting plants. The accident severity indicator (number

LTI rate by segments



Development of LTI rate and accident severity



of days lost x 1,000,000 / Total hours worked) rose from 69 in the previous year to 87 in 2021/22.



The most frequent injuries at the Group level were cuts, followed by bruises and contusions. The sequence of every accident and its causes are analysed in detail.

Based on these findings, measures are developed to increase the safety of employees. There were no fatal accidents in 2021/22 or in earlier years.

The company's goal is to continuously reduce the LTI rate over the coming years and to develop a pronounced safety culture, for example through an increase in training on the prevention of work accidents.

TOP 3 types of sick leave¹

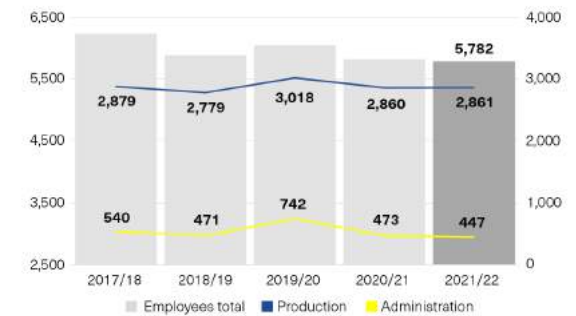
Musculo-skeletal diseases

Respiratory diseases

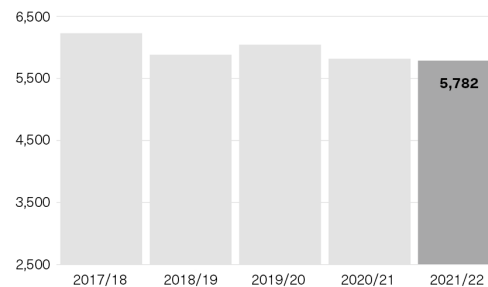
Mental illnesses

¹ Types of absenteeism due to illness among employees in Austria

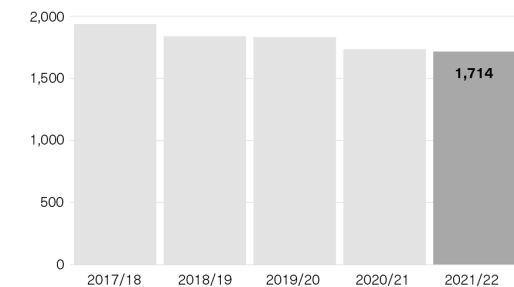
Employees production/administration (FTE)



Development of number of employees (FTE)



Development Employees Sales (FTE)



TOP 3 types of injuries

Cuts

Bruises

Contusions

A full-page background image of a waterfall. The water is white and turbulent as it falls over dark, jagged rocks. The surrounding cliffs are covered in green moss and small plants. The scene is captured in a cinematic style with soft lighting.

Our operating locations are key milestones on this road.

Here we have already saved over 10,000 tonnes of CO₂, reduced production waste by over 600 tonnes, and reached a recycling rate of 90% for operational waste. The introduction of quarterly reporting will give us a constant overview of our sustainability performance and the road we intend to consistently follow in our production facilities.

ZUMTOBEL Group

OPERATIONAL ENVIRONMENTAL PROTECTION



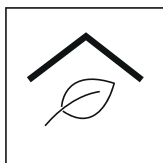
WHAT LIES AHEAD

Climate neutrality by 2025, an increase in the share of renewable energy, the further reduction of waste and an increase in the recycling rate.

OUR CONTRIBUTION 2022/23

- 4 sites are developing a concept for the reduction of emissions in relation to surface coating
- Reduction of the total volume of waste in relation to the of products produced by 5% compared to 2021/22
- Increase the internal recycling rate from currently 90% to 91%

OPERATIONAL ENVIRONMENTAL PROTECTION



"FOR ME, ENVIRONMENTAL PROTECTION MEANS CAREFUL AND EFFICIENT USE OF RESOURCES AS WELL AS THE AVOIDANCE AND REDUCTION OF EMISSIONS AND WASTE ALONG THE LIFE CYCLE OF OUR PRODUCTS AND SERVICES. THE SUSTAINABLE SAFEGUARDING OF OUR LIVING SPACE AND OUR CORPORATE GOALS ARE EQUALLY IMPORTANT."

Philipp Magritsch, Senior Global Quality Manager, Global Quality Management

Environmental protection is of great importance for the Zumtobel Group, not only with respect to the development of energy-efficient, environmentally friendly products but also in connection with efforts to make procurement, production and logistics more environmentally compatible. This conviction is reflected in the careful and efficient use of raw materials as well as the minimisation of emissions and waste over the entire product lifecycle and the entire value chain of products and services.

Management approach

Environmental protection is an essential element of our integrated management system. Environmental management in the Zumtobel Group is based on three supporting elements: environmental and energy management systems that are certified according to international standards (ISO 14001 and ISO 50001),

strict compliance with internal and external environmental protection guidelines, and efforts to continuously improve the company's environmental and energy-related performance.

Quality Austria, as the accredited certification partner, confirms the Zumtobel Group's use and continuous improvement of effective environmental and energy management systems under ISO 14001 and ISO 50001. The main goals of this integrated management system are to improve environmental performance, to meet environmental goals for the reduction and prevention

of negative effects on the environment, and to ensure compliance with legal, and government and voluntary obligations.

The principles and goals of environmental protection are anchored in the Zumtobel Group's environmental policy, which serves as a guideline for all employees to support the sustainable use of resources in their everyday actions.

At every location, top management – with the assistance of local environmental management officers – is responsible for providing sufficient resources for the attainment of environmental goals.

Global process owners ensure compliance with all requirements of the ISO standards and binding obligations in their business processes and, in that way, make sure environmental goals and all other corporate goals are met. The global quality organisation, which is





responsible for the integrated management system and, in turn, for the environmental and energy management systems, defines the framework and provides support in implementing the strategy.

The globally defined environmental goals are broken down to the individual Zumtobel Group locations. The development of these goals is monitored with transparent and periodical global reporting which is based on the standards set by the Global Reporting Initiative.

The most important indicators for this reporting are energy consumption, CO₂ emissions, water consumption, waste and the recycling rate. Absolute values as well as output-based values are provided because the volume of the produced products has a major influence on the Zumtobel Group's environmental and energy-related performance.

Environmental performance is monitored and evaluated locally at each location and also by the global quality organisation and the Management Board. This procedure allows for the early identification of variances and the definition and implementation of countermeasures.

The data for the environmental and energy indicators are based on supplier information and invoices, and final data are, in part, only available more than one month later. Therefore, there are minimal variances between the indicators in the last sustainability report and the

indicators in the final environmental and energy report.

Clearly defined operations and processes as well as established methods help to ensure that the best available materials and techniques are used where appropriate and economically feasible.

Moreover, the development of products and services covers the entire lifecycle from the selection of materials to the required technologies, production, transportation, use and recycling. The circular economy was defined as a material issue and represents a core element of the Zumtobel Group's sustainability strategy.

Circular design rules were defined and integrated in the product development process. Tridonic and the lighting brands have already launched pilot projects (also see "Product responsibility" in the section on the circular economy).

In addition to quality and lean management, the environment, energy and safety and health at work are also key focal points for the global production network.

The continuous improvement process in the production network (global operations) defines clear standards and supports the Zumtobel Group in effectively and efficiently using the available resources and meeting the high expectations and demands of customers. The environment and energy are also becoming increasing

important issues for customers and are frequently a central part of their selection process.

Continuous improvement covers the optimisation of production and support processes as well as the responsible use of resources and raw materials, including energy efficiency, as well as the protection of employees' health and the prevention of the negative influence of processes on the environment.

The Zumtobel Group not only stands for the continuous improvement of all supply chain processes, but also for the continuous improvement of its business processes, products and services. For this purpose, the company has implemented procedures to identify and evaluate opportunities for improvement which are then combined into action programmes and documented and dealt with in structured form.

Procedures have been implemented to identify opportunities for improvement as regards the environment, energy, safety and health at work, and quality. The identified opportunities are summarized, documented in structured form and subsequently addressed.

The effectiveness and further development of the integrated management system is ensured by regular internal and external audits, management reviews, strategic improvement projects, and continuous improvement activities.



Competence and awareness

The employees who are responsible for the maintenance and continuous improvement of the environmental and energy management systems have corresponding training, which is verified annually as part of the employee reviews.

The Zumtobel Group wants to create a greater awareness among all employees for the environment and the responsible use of resources. Employee awareness for the importance of environmental protection is supported by numerous communication channels. A wide range of information is provided in introductory folders and multiple-day training courses for new staff and info screens in the break-time areas as well as Intranet websites that are available to all employees.

Supervisors and environmental protection officers regularly train and instruct employees on the environmental effects and issues which are relevant for their specific responsibilities. In addition, employees are informed of planned and implemented environmental protection projects.

Activities in 2021/22 focused on the presentation and implementation of the new Group-wide environmental policy. At the lighting plant in Dornbirn, the policy was broken down into simple statements that were extensively communicated and explained what the company

ISO certificates	ISO 9000:2015	ISO 14001:2015	ISO 45001:2018	ISO 50001:2018
Corporate headquarters in Dornbirn, AT	X	X		X
Service, AT	X			
Lighting plant in Dornbirn, AT	X	X		X
Lighting plant in Lemgo, DE	X	X		X
Lighting plant in Spennymoor, UK	X	X		X
Lighting plant in Niš, RS	X	X	X	
Lighting plant in Les Andelys, FR	X	X		
Components plant in Dornbirn, AT	X	X		X
Components plant in Niš, RS	X	X	X	
Components plant in Spennymoor, UK	X	X		X
Components plant in Shenzhen, CN	X	X		
Total	11	10	2	6

 New certifications

expects from and how it can support its employees. At the lighting plant in Lemgo, the energy policy and energy management were clearly described in a presentation that was shown to all employees in various sessions.

Realisation of environmental goals

In line with our management process, the goals for the coming financial year were based on the context analysis and a review and adjustment of the strategic focus and strategy. A management review at the end of the



financial year studies and analyses the goal attainment and, if necessary, identifies corrective measures.

The goals defined by the environmental and energy programmes were generally met, and the strategic activities were implemented.

The goal was met to retain certification under ISO 14001:2015 and ISO 50001:2018 at all certified locations. The Zumtobel Group successfully passed all external audits without any variances.

Global environmental and energy reporting was prepared according to GRI standards for the first time in 2021/22. Data is collected monthly, and the indicators are monitored by the local organisations as part of the monthly management review and centrally by global quality.

Together with the Management Board, environmental and energy reporting is reviewed quarterly to assess environmental and energy-related performance.

Another important step to reach climate neutrality was taken during the reporting year. All European locations in the Zumtobel Group now purchase 100% of their electricity from renewable energy.

In November 2021, the Lemgo lighting plant successfully passed the ISO 50001 certification audit by our

certification partner Quality Austria and is now the fifth production location with an energy management system certified under this standard.

In addition to the central environmental aspects of our products and activities at the European production locations that are also certified under ISO 14001, an environmental matrix was prepared at the Group level during the past financial year. It covers all value-creating, downstream and upstream processes and provides a roadmap to attain climate neutrality.

The goal to cut CO₂ emissions by 50% compared with the reference year 2015/16 was clearly exceeded with a reduction of 62%.

The share of renewable energy rose to 60% and also exceeded the 50% goal.

The goal to reduce the volume of waste by 15% compared with the previous year was not fully met with an absolute reduction of 9%.

The relation of produced to sold volumes improved by 5% in the components plants and by 14% in the lighting plants.

The Zumtobel Group's ambitious goal to increase the recycling rate from 86% to 90% was met with a recycling rate that equalled exactly 90% in 2021/22.

A detailed evaluation of the individual indicators can be found under the respective subjects.

Environmental goals 2022/23

The Zumtobel Group has set the following environmental goals for the 2022/23 financial year based on its strategic orientation to attain climate neutrality by 2025. The 2021/22 financial year will now be used as the new reference year due to the expansion of data collection for Scope 1 and Scope 2:

- Reduction of 10% in CO₂ emissions compared with the previous year
- Increase in the share of renewable energies to 57% (incl. motor vehicle pool and administrative locations)
- Reduction of the total volume of waste by 5% compared with the previous year
- Increase in the recycling rate from the current level of 90% to 91%
- Receipt of ISO 14001 certification and ISO 50001 matrix certification for the Lighting Brands
- Concept to prevent and reduce the remaining emissions at all major locations (focus on heat generation and laminating)



Energy and renewable energy

Energy consumption is an important environmental aspect for the Zumtobel Group, whereby the focus is placed on the energy consumption that can be directly influenced.

Production is responsible for the highest energy consumption and, consequently, the improvement of energy consumption and the use of renewable energy represent essential issues for all producing locations. The largest locations in the Zumtobel Group also operate with certified energy management systems. In November 2021, the Lemgo lighting plant successfully passed the ISO 50001 certification audit.

The goal of an energy management system under ISO 50001 is to continuously improve a company's energetic performance and, in this way, reduce greenhouse gas emissions, energy costs and other relevant effects on the environment.

Energy-related performance is defined as the result of efficient energy use, appropriate energy use and energy consumption. The Zumtobel Group carries out regular energy audits at selected locations to identify opportunities for savings and develop measures for improvement. The continuous implementation of these energy efficiency measures is intended to ensure the efficient use of energy.

Energy consumption	Unit	2015/16 ¹	2018/19	2019/20	2020/21	2021/22
Process energy	MWh	74,316	64,261	59,591	65,653	69,827
Electricity	MWh	54,818	48,421	48,260	50,151	51,479
Electricity photovoltaics (100% own use)	MWh	N/A	N/A	N/A	319	1,231
Emergency power/sprinkler aggregate (Diesel)	MWh	N/A	N/A	N/A	N/A	371
Process heat (natural gas)	MWh	19,179	15,147	10,316	14,013	15,669
Local/district heat (supplier mix)	MWh	319	288	399	478	436
Local/district heat (biomass)	MWh	N/A	405	616	692	641
Heating energy	MWh	14,448	11,912	15,268	16,860	16,002
Thermal heat (natural gas)	MWh	12,275	7,850	9,597	10,490	10,108
Local/district heat (supplier mix)	MWh	2,173	2,043	2,061	2,423	2,234
Local/district heat (biomass)	MWh	N/A	2,019	3,610	3,947	3,660
Energy (total)²	MWh	88,764	76,173	74,859	82,513	85,829
Recently included consumption²	MWh	N/A	N/A	N/A	N/A	16,383
Motor vehicle pool	MWh	N/A	N/A	N/A	N/A	13,849
Electricity administrative locations ³	MWh	N/A	N/A	N/A	N/A	719
Heating energy administrative locations ³ (natural gas)	MWh	N/A	N/A	N/A	N/A	1,815
Energy (total) incl. recently included consumption	MWh					102,212

¹Basis year to assess the development of consumption

²The recently included consumption is not part of the total energy, energy intensity calculation, prior year comparison or comparison with the basis year

³Administrative locations that do not belong to a production location



Energy consumption in the organisation

Energy consumption data is collected monthly from all production locations in the Zumtobel Group and is based on real-time consumption as calculated by the respective suppliers.

Data collection to date has covered heating and process energy, while the energy consumption of the motor pool was recorded for the first time in 2021/22 based on the number and mileage of the vehicles.

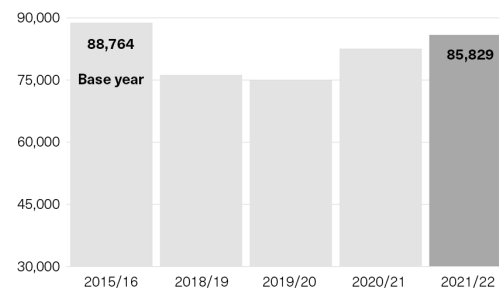
These statistics were included in total energy consumption for the reporting year but are not yet part of the goal attainment. For this purpose, 2015/16 will serve as the reference year.

Energy consumption totalled 102,212 MWh in 2021/22 (85,829 MWh, excluding the energy consumption of the motor vehicle pool and administrative locations which are recently included in the reporting system). In comparison with the previous year (82,513 MWh), this represents an absolute increase of 4% in consumption.

The major energy consumers in the lighting plants are the plastic injection moulding machines and the laminating equipment. Since the proportion of plastic in the luminaires is growing and specific colours and durable laminating are increasingly requested by customers, the related energy consumption is rising due to the greater

use of these technologies. In the components plants, the soldering and hardening processes are the greatest energy consumers. These significant energy users are recorded and analysed in the energy management system and represent the focal point for the implementation of improvement measures. Most of the energy in production is used in Europe (91%).

Development of energy consumption in MWh



Energy consumption outside of the organisation

Indirect Scope 3 greenhouse gas emissions were identified for the first time in 2021/22: All upstream emissions resulting from purchased materials, production waste,

and commuting by employees to and from work were included. Downstream emissions were based on deliveries and the energy consumption of the sold products.

Energy intensity

Since the number of produced luminaires and components has a significant influence on total energy consumption, energy-related performance is based on the following indicator: total energy consumption within the organisation/1,000 sold/produced units.

Total energy consumption within the organisation for the calculation of energy intensity includes process and heating energy. The recently included energy consumption data for the motor vehicle pool and administrative locations is not included in this calculation because it was not collected in recent years. Comparability with the reference year and following years is guaranteed by excluding this data from the calculation of energy intensity.

Energy intensity in the Zumtobel Group during the 2021/22 financial year improved from 1,642 to 1,516 MWh per 1,000 units. Energy intensity in the components plants improved by a significant 11% during 2021/22. The lighting plants were unable to match the significant improvement from the previous year and achieved a 4% increase in energy intensity.



Reduction of energy consumption

The components plants recorded a year-on-year increase of 3% in absolute energy consumption based on a 16% increase in the production volume.

However, energy consumption per 1,000 units improved from 0.402 to 0.358 MWh and resulted in relative savings of 10% by the plants.

The lighting plants were unable to match the previous year's unusually high reduction of 12.5% in energy consumption, which increased from 6,789 to 7,036 MWh per 1,000 units. In spite of these developments, the improvement in energy performance versus the reference year, which is required by ISO 50001, was met by far.

At the lighting plant in Dornbirn, the installation of new efficient refrigeration machines with free cooling and additional back-cooling will lead to savings of 637 MWh per year. Additional savings of 282 MWh per year were realised by optimising the activation of the gas burner used for powder coating.

The lighting plant in Spennymoor reduced gas consumption in the powder laminating process by 33% with improved production planning and a reduction in operating time. Pressurised air leaks were also eliminated at the Lemgo, Niš and Shenzhen plants.

At the components plants in Dornbirn and Spennymoor, energy-efficient lighting and assembly machines were

installed and production lines 1 and 2 were optimised.



Picture: New refrigeration supply centre at the Dornbirn Schweizerstraße



Pictures: New chiller with free cooling and recooling on the roof

Reduction in energy requirements of products and services

An essential factor for the certification of the environmental and energy management systems in the Zumtobel Group is a reduction of the energy required for products and services.

The improvement in the energy efficiency of products is measured in lumens per watt, weighted by the products produced and sold in 2021/22. The lumen per watt output of the products improved from 124.2 lm/W to 128.0 lm/W (also see the section on product responsibility/ energy efficiency).

Our customers see energy savings as a key requirement for our turnkey projects. The savings represent the difference between the energy consumption of the existing lighting and the new lighting and integrated controls installed by the Zumtobel Group.

The projects realised in 2021/22 led to average energy savings of 40% for customers. Since the reduction in energy savings for customers has only been collected systematically since 2021/22, that financial year will serve as the reference year in the future.

Renewable energy

Data on renewable energy as a share of the total energy consumption was integrated in environmental and energy reporting.

In 2021/22 business year, 51% of the total energy consumption was covered by renewable energy (60% without the newly included energy consumption of the vehicle fleet and the administrative location).

The target of 50% - excluding the newly included energy consumption of the vehicle fleet and the administrative locations - was exceeded.

Three European plants were converted to 100% renewable energy during the past financial year:

- The Lemgo lighting plant has purchased its entire electricity requirements from renewable sources since May 2021
- The Les Andelys lighting plant converted in July 2021
- The plants in Niš has been supplied exclusively with electricity generated by hydropower since June 2021



That means the electricity for all European plants now comes from 100% renewable energy.

The components plant in Shenzhen has been supplied with an optimised energy mix since January 2022, which increased the share of renewable energy from 15% to 24%.

Of the total gas requirements, 21% are covered by biogenic generated heat. The lighting plant in Dornbirn raised the share of renewable energy to 91% with a mixture of electricity from hydropower, electricity from photovoltaic equipment installed on the roof, and the use of biogenic generated heat.

Concepts to avoid and reduce the use of natural gas will be developed during the coming financial year to move the Zumtobel Group closer to achieving climate neutrality by 2025.

Emissions

Greenhouse gas emissions were identified as one of the material environmental factors for the Zumtobel Group, and their reduction has had high priority for many years.

The development of greenhouse gas emissions results from both energy consumption and the specific energy sources. Production processes and the downstream

and upstream processes make CO₂ the significant greenhouse gas for the Zumtobel Group. Accordingly, the focus was placed on the reduction of CO₂ emissions to support the attainment of climate neutrality in 2025.

CO₂ equivalents for the various energy sources used by the Zumtobel Group are evaluated, verified and documented at regular intervals.

The reduction of Scope 1 and Scope 2 greenhouse gas emissions at the production locations has formed the focal point of activities to date. The motor vehicle pool and administrative locations that are not allocated to the plants are also included.

Indirect Scope 3 greenhouse gas emissions were also recorded for the first time: Upstream emissions represent the emissions connected with purchased materials, production waste, and employees' commuting, while downstream emissions are caused by deliveries and the energy consumption of the sold products.

Direct GHG emissions (Scope 1)

The Zumtobel Group uses natural gas for heating and for laminating in the production process. The company vehicles and emergency aggregates operate with liquid fossil fuels.

Various refrigerants are also used in the cooling systems. The 2015/16 financial year represents the current basis year because the full scope of data on the production locations has been recorded since that time. Following the expansion of environmental and energy reporting to meet the complete GRI standards, 2021/22 will be used as the reference year in the future.

The applied emission factors were provided by the suppliers. The direct greenhouse gas emissions in tonnes equal the energy consumption in MWh multiplied by the relevant emission factor in tonnes per MWh.

Scope 1 CO₂ emissions totalled 8,676 t in 2021/22 (4,693 t excluding the recently included energy consumption from the motor vehicle pool and administrative locations). In comparison with the previous year (5,241 t), that represents an absolute reduction of 10%.

Indirect GHG emissions (Scope 2)

Electricity is the largest energy carrier in the Zumtobel Group and, consequently, has a substantial influence on Scope 2 greenhouse gas emissions. Biogenic generated district heat is used as heating energy. The emission factors were provided by the energy suppliers. The electricity used by the production locations in Europe is generated entirely by renewable energies and has been certified accordingly by the electricity suppliers.

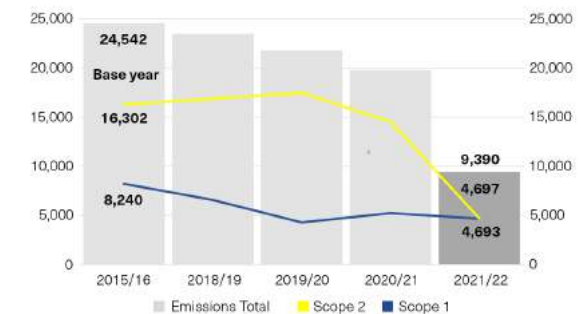


Scope 1&2 emissions	Unit	2015/16 ¹	2018/19	2019/20	2020/21	2021/22
Scope 1	Tonnes	8,240	6,581	4,295	5,241	4,693
Oil CO ₂ -equivalent	Tonnes	0	32	0	0	0
Diesel CO ₂ -equivalent	Tonnes	N/A	N/A	N/A	N/A	94
Natural gas CO ₂ -equivalent	Tonnes	8,240	6,486	4,248	5,099	4,518
Fugitive emissions CO ₂ -equivalent	Tonnes	N/A	63	47	142	81
Scope 1 newly included emissions²	Tonnes	N/A	N/A	N/A	N/A	3,983
Motor vehicle pool CO ₂ -equivalent	Tonnes	N/A	N/A	N/A	N/A	3,526
Administrative ³ locations natural gas CO ₂ -equivalent	Tonnes	N/A	N/A	N/A	N/A	457
Scope 1 (total) incl. newly included emissions	Tonnes	8,240	6,581	4,295	5,241	8,676
Scope 2	Tonnes	16,302	16,878	17,486	14,545	4,697
Electricity CO ₂ -equivalent	Tonnes	15,719	16,272	17,066	14,098	4,484
Photovoltaics (100% own use) CO ₂ -equivalent	Tonnes	0	0	0	-41	0
Local/district heat (biomass)	Tonnes	0	48	85	93	86
Local/district heat (supplier mix)	Tonnes	583	558	335	395	127
Scope 1&2 (total) CO₂-equivalent	Tonnes	24,542	23,459	21,781	19,786	9,390
Scope 1&2 (total) incl. newly included emissions	Tonnes	24,542	23,459	21,781	19,786	13,373

¹ Basis year to assess the development of consumption ; ² The recently included consumption is not part of Scope 1&2 emissions, the emission intensity calculation, prior year comparison or comparison with the basis year; ³ Administrative locations that do not belong to a production location

Scope 2 CO₂ emissions totalled 4,697 t in 2021/22. In comparison with the previous year (14,545 t), that represents an absolute reduction of 68%.

Development of emissions Scope 1&2
(without newly added emissions)



Other indirect GHG emissions (Scope 3)

As can be seen in the environmental aspect matrix, the management approach for emissions and the approach for energy consumption outside the organisation, purchased materials, production waste, and commuting by employees as well as deliveries and the energy



consumption of the sold products are responsible for significant greenhouse gas emissions.

The emissions were calculated as follows:

The purchased materials were allocated to product groups. Each product group was assigned a calculation factor that represents the global warming potential of 1 kg of the respective material and weighted by the amount in kg of the purchased materials per product group. The results were then added across all product groups. The calculation factors were derived from the GaBi LCA database issued by Sphera.

The collection of data on the emissions arising from the disposal of production waste initially involved the separation into the existing categories (recycling material, residual waste and hazardous waste). A calculation factor was then assigned to each category, scaled according to the respective volume and added. The calculation factors were derived from myClimate.

The emissions caused by employees' commuting were based on the distance from the place of residence to the place of work and the use of transport options listed in the VCÖ 2020 database and on the CO₂-equivalent for the use of transportation means by the Austrian Environment Agency, and multiplied by the number of employees.

The calculation for luminaires is based on the power consumption. For LED modules, the calculation basis represents the operating performance, while the calculation basis for LED modules is the power loss. This approach follows the idea that the power consumption of a luminaire equals the operating performance of the installed LED module plus the power loss of the LED driver.

A useful life of 30,000 hours was assumed for luminaires, LED modules and LED drivers. A more conservative corrective factor of 0.75 was applied to dimmable luminaires.

The conversion of the modelled energy consumption into CO₂ emissions assumed use in Europe.

The EU average of 0.2307 kg CO₂e per kilowatt hour of electrical energy was selected as the CO₂ equivalent (https://www.eea.europa.eu/data-and-maps/daviz/co2-emission-intensity-9#tab-googlechartid_googlechartid_googlechartid_googlechartid_chart_11111).

Other emissions Scope 3	Unit	2015/16 ¹	2018/19	2019/20	2020/21	2021/22
Upstream Scope 3 emissions	Tonnes	N/A	N/A	N/A	N/A	806,250
Purchased goods ² and services	Tonnes	N/A	N/A	N/A	N/A	800,000
Operational waste	Tonnes	N/A	N/A	N/A	N/A	1,250
Commuting by employees	Tonnes	N/A	N/A	N/A	N/A	5,000
Downstream Scope 3 emissions	Tonnes	N/A	N/A	N/A	N/A	4,008,500
Downstream transport and distribution	Tonnes	N/A	N/A	N/A	N/A	8,500
Use of sold products	Tonnes	N/A	N/A	N/A	N/A	4,000,000
Scope 3 (total)	Tonnes	N/A	N/A	N/A	N/A	4,814,750

¹ Basis year to assess the development of consumption ; ² Includes input materials for products



GHG emissions intensity

Since actual greenhouse gas emissions are exclusively related to energy consumption and the type of energy used, the intensity of the greenhouse gas emissions is calculated similar to the energy intensity indicator based on the total greenhouse gas emissions per 1,000 produced units.

Total emissions cover the greenhouse gas emissions from process and heating energy at the production locations. The recently recorded greenhouse gas emissions from the motor vehicle pool and administrative locations are not included to ensure comparability with the reference year and following years.

The intensity of greenhouse gas emissions in the Zumtobel Group improved from 0.401 to 0.165 t per 1,000 units in 2021/22.

The intensity in the lighting plants improved from 1.222 to 0.476 t per 1,000 units, for a reduction 61%. The components plants improved by 51% with a reduction of 0.203 to 0.099 t per 1,000 units.

Reduction of GHG emissions

The Zumtobel Group took a further significant step towards climate neutrality in 2021/22. All European

production facilities are now operating exclusively with electricity from renewable energy sources. Since electricity is the most important energy carrier for the Zumtobel Group, the result was an absolute reduction of 10,396 t, or 53%, in greenhouse gas emissions compared with the previous year and 15,152 t compared with the reference year.

In comparison with the reference year, the Zumtobel Group cut its CO₂ emissions by 62%. The reduction in greenhouse gas emissions – and the efforts to attain climate neutrality by 2025 – were also supported by the measures described in the section on “renewable energy”.

Emissions of ozone-depleting substances (ODS)

None of the producing locations in the Zumtobel Group manufacture, import or export ozone-depleting substances.

Nitrogen oxides, sulphur oxides and other significant air emissions

There are no significant quantities of nitrogen oxide, sulphur oxide or other material air emissions in the Zumtobel Group. Legal and governmental requirements are observed by all production locations. All emission

measurements are carried out by external specialists, and no unusual measurement results were recorded. The lighting plant in Lemgo prepares an emission report every four years as required by law.

The 2020 measurement indicated that CO₂ is the only significant air emission. Nevertheless, the Zumtobel Group will prepare an overall emission report in the coming financial year based on the measurement results from the external specialists and the respective consumption volumes.

Water and wastewater

Water is a vital resource that is becoming increasingly scarce in these times of climate change. Accordingly, it is also an important issue for the Zumtobel Group. Water is required in only limited volumes and hardly polluted in the production processes used by the Zumtobel Group, but the responsible and economical use of water is a primary concern.

Procedures ensure that wastewater meets municipal requirements before it is discharged into local treatment plants and hold the related indicators clearly below the permissible limits wherever possible. These indicators are monitored and confirmed internally and externally on a regular basis.



Water as a shared resource

The water used by the Zumtobel Group's production locations comes almost exclusively from local waterworks. Additional ground water is only drawn by the lighting plant in Andelys and comprises 1% of the total water consumption.

The production locations use water mostly for sanitary facilities, as drinking water, and for air humidification. In production, water is used primarily in pre-cleaning for the laminating process, air humidification and sprinklers as well as the pre-heating and cooling of machinery.

Laminating represents a key production process for all lighting plants, and the focus is therefore placed on the responsible, economical use of water and the best possible cleaning of wastewater prior to recycling.

Various procedures – including vacuum evaporation, continuous neutralisation, oil separators and sedimentation – are used to clean the wastewater from powder coating and wet lacquering.

Management of the effects of water recycling

Water is generally recycled, apart from the water used for drinking or air humidification. The recycled water meets the highest local legal standards and is clearly

below permissible limits. Sewerage systems transport the wastewater to local treatment plants.

Water consumption as a per cent of the drawn water is only minimal at the lighting plants in Dornbirn, Niš and Spennymoor and the component plants in Niš, Spennymoor and Shenzhen, and measurement is not possible or too costly.

The entire volume of drawn water is therefore classified and compensated as wastewater.

Water withdrawal

The production locations and the corporate headquarters of the Zumtobel Group drew approximately 65.23 megalitres of water in 2021/22 compared with 67.08 megalitres in the previous year, which represents a 3% decline in the volume of water drawn.

The production location in Niš reduced its water withdrawal by 16%. This substantial reduction is, however, attributable to the upgrading of the sprinkler equipment in 2019/20 and the necessary emptying of the sprinkler tanks several times with a resulting increase in water volumes.

Moreover, the existing rainwater collection tanks were only used to water the outside green areas. The lighting

plant in Spennymoor dealt extensively with the use of water during the past financial year.

Pumps were installed to recycle the water in various containers from powder coating aggregates 1 and 2. Monitoring of the water quality with regard to PH-values, micro siemens and the particle count reduced the number of container draining procedures by one-half.

The sanitary facilities were also equipped with modern short flush equipment, which reduced the volume of rinsing water by roughly 50%.

The absolute water withdrawal was only reduced by 8% in 2021/22, but the period from February 2022 to April 2022 shows a reduction of nearly 50%.

That means a significant reduction in the water withdrawal can be expected in the coming financial year.

Water recycling

The production locations and the corporate headquarters of the Zumtobel Group recycled approximately 63.63 megalitres of water in 2021/22 compared with 65.33 megalitres in the previous year.

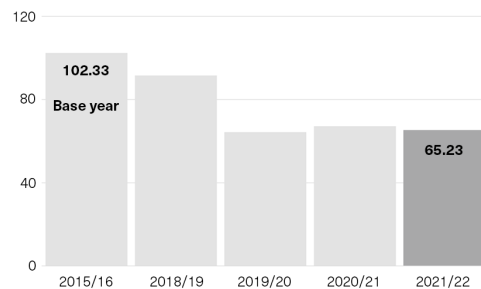
That represents a 3% decline in water recycling.



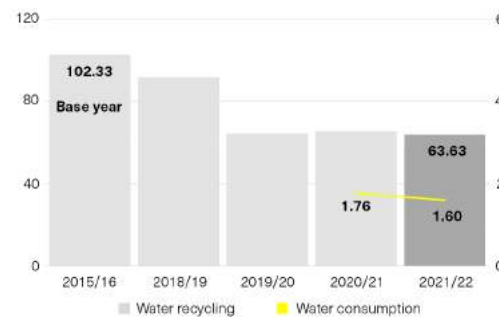
Water	Unit	2015/16 ¹	2018/19	2019/20	2020/21	2021/22
Water withdrawal	MI	102.33	91.50	64.18	67.08	65.23
Water from third party sources	MI	102.33	90.61	63.31	66.18	64.31
Groundwater	MI	N/A	0.89	0.87	0.90	0.63
Surface water	MI	N/A	N/A	N/A	N/A	N/A
Water recycling	MI	102.33	91.51	64.18	65.33	63.63
Water consumption	MI	N/A	N/A	N/A	1.76	1.60

¹ Basis year to assess the development of consumption

Development of water withdrawal in MI



Development of water recycling and consumption in MI



Water consumption

Water consumption at the production locations and the corporate headquarters of the Zumtobel Group totalled approximately 1.6 megalitres in 2021/22 compared with 1.75 megalitres in the previous year.

Therefore, water consumption represented 2.5% of the drawn water.

Waste

The Zumtobel Group places special emphasis on the economical use of resources and the recycling of materials. Key factors include the efficient and economical use of materials as well as the minimisation of production scrap and unnecessary waste.

Valuable materials are recycled as best as possible to conserve resources. Waste management is an important part of the environmental management system. Every production location has a designated waste officer, documented processes and detailed records for all generated waste.

The indicators for waste are the volume of waste generated per tonne classified by recycling waste, residual waste and hazardous waste. The recycling quota is another important indicator for material recycling. The



indicators defined at the Group level are broken down to the individual lighting and component plants. Goals are defined in the location's environmental programmes, and actual data is collected in the environmental and energy reporting system and communicated in the monthly management reviews.

The fundamental principles underlying the circular economy are anchored in the development process and applied in all new product developments. Improvements in the effective use of resources and recycling, maintenance and repair are also central issues for existing products.

Waste generation and significant waste-related effects

Metal processing, plastics processing, laminating, automated production lines and the manual assembly of products are the major production processes which cause most of the waste in the Zumtobel Group.

The activities involved in metal processing, plastics processing, laminating, automated production lines result in stamping waste, adjusting nuts and scrap which can generally be recycled.

The water used in pre-treatment for the laminating process is subsequently cleaned, which means a con-

centrated volume of hazardous waste must be disposed or processed. All production processes, especially automated assembly equipment, are responsible for packaging waste from purchased raw materials, input parts, and components.

This packaging is, for the most part, recycled by disposal firms. There are also smaller quantities of hazardous waste like waste oil, refrigerants and lubricants from metal processing, residual adhesives from mounting processes, and residual lacquer from lacquering processes.

Waste also includes tools, machinery, production lines, raw material, purchased products and finished products which are no longer used.

Management of significant waste-related effects

The Zumtobel Group actively pursued issues connected with the circular economy in 2021/22. In addition to the implementation of circular design rules, which apply to all new product developments, a situation analysis was prepared for the existing products and the materials used.

This led to various measures in support of the Zumtobel Group's efforts to achieve cradle-to-cradle certification (C2C) for products. Following the successful conclusion

of the C2C inspection at the components plant in Niš, C2C certificates will be issued for the first LED modules at the beginning of the 2022/23 financial year.

The components plant in Dornbirn and the lighting plant in Spennymoor will also be audited under C2C standards in the coming financial year. The data analysis on the circular economy also included the calculation of the recyclable share of luminaires, which equals 70%.

In all European countries, the sales organisations' disposal partners are responsible for the correct disposal and utilisation of luminaires.

In addition to the many activities in support of the circular economy which will have a significant influence on waste volumes in the coming years, the Zumtobel Group has introduced many other continuous improvement measures.

For example: The lighting plant in Spennymoor reduced hazardous waste by 44% by optimising the pre-treatment process in the powder coating aggregate. In this process, 66% of the wastewater is recycled for pre-treatment and only 33% is disposed as hazardous waste.

The recycling rate at the components plant in Niš was increased to 89% through the better separation of plastic materials. The lighting plant in Dornbirn has developed a comprehensive reporting procedure for scrap,



Waste	Unit	2017/18	2018/19	2019/20	2020/21	2021/22
Recyclable waste	Tonnes	6,435	5,799	5,826	5,840	5,213
Preparation for recycling	Tonnes	N/A	N/A	N/A	N/A	412
Recycling	Tonnes	N/A	N/A	N/A	N/A	4,722
Other utilisation procedures	Tonnes	N/A	N/A	N/A	N/A	79
Residual waste	Tonnes	1,165	994	679	463	569
Other utilisation procedures	Tonnes	N/A	N/A	N/A	N/A	24
Incineration with energy recovery	Tonnes	N/A	N/A	N/A	N/A	531
Incineration without energy recovery	Tonnes	N/A	N/A	N/A	N/A	0
Landfill	Tonnes	N/A	N/A	N/A	N/A	14
Hazardous waste	Tonnes	446	390	476	489	401
Preparation for recycling	Tonnes	N/A	N/A	N/A	N/A	11
Recycling	Tonnes	N/A	N/A	N/A	N/A	22
Other utilisation procedures	Tonnes	N/A	N/A	N/A	N/A	274
Incineration with energy recovery	Tonnes	N/A	N/A	N/A	N/A	87
Incineration without energy recovery	Tonnes	N/A	N/A	N/A	N/A	7
Landfill	Tonnes	N/A	N/A	N/A	N/A	0
Waste (total)	Tonnes	8,046	7,184	6,981	6,792	6,183
Recycling rate	Tonnes	80	81	93	86	90

excess material use, and reworking and integrates this information in the daily production meeting. This and many other activities helped the lighting plant in Dornbirn to reduce the total volume of waste by 23%.

At the lighting plant in Lemgo, residual waste is processed in a pre-treatment aggregate to increase the share of recyclable waste.

The components plant in Shenzhen eliminated the old tar casting process in April and will now be able to reduce hazardous waste by 1 t in the next financial year.

Waste-related data is recorded by the Zumtobel Group's locations in the environmental and energy reporting system. It is based on information and invoices from the respective disposal companies. Sampling audits are therefore carried out at the end of the financial year to verify data collection for this system.

Waste generated

The Zumtobel Group recorded roughly 6,183 tonnes of waste from its production processes in 2021/22, which represents a reduction of 9% compared with the previous year (6,792 t).

A total of 401 tonnes were classified as hazardous.



Waste	Unit	2017/18	2018/19	2019/20	2020/21	2021/22
Total non-hazardous waste diverted from disposal	Tonnes	N/A	N/A	N/A	N/A	5,237
Total non-hazardous waste directed to disposal	Tonnes	N/A	N/A	N/A	N/A	545
Non-hazardous waste (total)	Tonnes	N/A	N/A	N/A	N/A	5,782
Total hazardous waste diverted from disposal	Tonnes	N/A	N/A	N/A	N/A	307
Total hazardous waste directed to disposal	Tonnes	N/A	N/A	N/A	N/A	94
Hazardous waste (total)	Tonnes	N/A	N/A	N/A	N/A	401
Waste (total)	Tonnes	8,046	7,184	6,981	6,792	6,183
Recycling rate	Tonnes	80	81	93	86	90

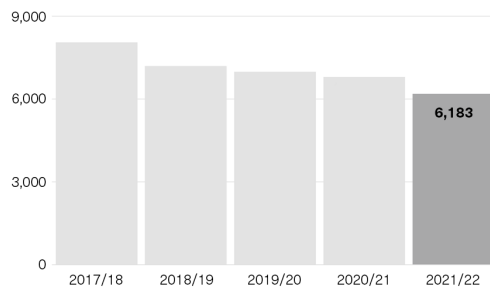
The increased demand for the components plants led to an absolute increase of 120 t in waste but to a reduction of 5% based on the number of produced/sold products.

The lighting plants recorded an absolute reduction of 739 t in waste and a reduction of 14% based on the number of produced/sold products.

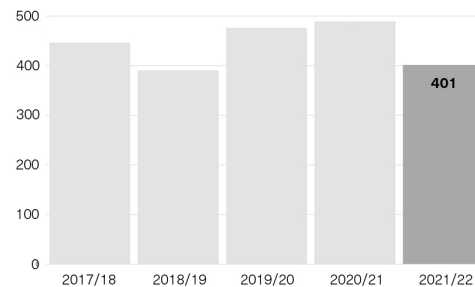
Waste diverted from disposal/directed to disposal

Detailed records for all categories of diverted and transferred waste were prepared for the first time in 2021/22.

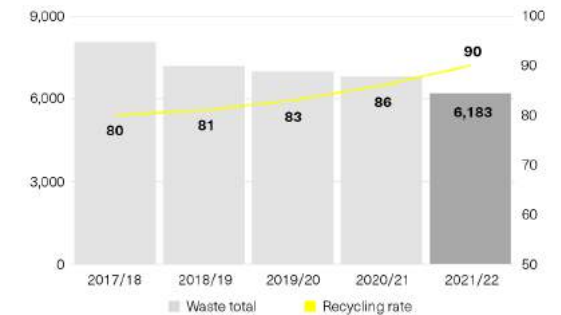
Development of total waste in tonnes



Development of hazardous waste in tonnes



Development of recycling rate in %





Of the total non-hazardous waste, 91% is diverted and 9% transferred, whereby the transferred non-hazardous waste is incinerated with energy recovery.

Of the total hazardous waste, 77% is diverted and 23% is transferred, whereby 93% of the transferred hazardous waste is incinerated with energy recovery and the remaining 7% is incinerated without energy recovery.

Recycling rate

The challenging goal to achieve a recycling rate of 90% was reflected in greater attention to the separation of waste into its constituent parts at all production locations.

This goal was met with an improvement in the recycling rate from 86% to 90% and made an important contribution to the protection of essential raw materials.

Environmental compliance

Environmental compliance is an integral part of ISO 14001 and ISO 50001 requirements. The determination, observance and evaluation of all binding and voluntary obligations is based on pre-defined processes in the integrated management system. All production locations have a legal database which documents, evaluates and

monitors the relevant obligations. New requirements and any related changes are documented and assessed, and the necessary measures to ensure compliance are defined and implemented.

External legal consultants and service providers support the production locations in identifying and interpreting the relevant legal obligations and evaluate compliance annually. Compliance with these obligations is also verified by internal audits and specific compliance audits.

Environmental compliance is evaluated and confirmed by the local managing directors each year and by the Zumtobel Group's Management Board in its management review.

Non-compliance with environmental laws and regulations

Internal and external audits on environmental compliance were completed at all relevant production locations, and no deviations were identified.

The compliance audit at the lighting plant in Les Andelys was again performed by CNNP, an external partner, to identify the progress made on the defined measures for the last year, to review legal issues, and to confirm legal conformity. An internal compliance audit was carried out at the lighting plant in Dornbirn, an additional 379

legal obligations were reviewed, and periodic inspections of official requirements were completed without any difficulties.

A review in May 2022 was postponed due to the Covid-19 situation. At the lighting and components plant in Niš and the lighting plant in Spennymoor, all obligations were reviewed in an internal audit and legal conformity was confirmed.

At the components plant in Dornbirn, all legal obligations were reviewed, and all periodic inspections were completed without difficulty. The procedures were then confirmed in external audits by Quality Austria.

There were no internal or external complaints and, consequently, no fines, other sanctions or legal proceedings for non-compliance with environmental protection rules and regulations.

All new legal obligations and changes to existing legal obligations were documented and evaluated. Compliance with the necessary measures was then defined and implementation was started, whereby most of the necessary activities have since been completed.

Based on these findings and to the best of their knowledge, all production locations and central functions have confirmed their environmental compliance in management reviews.



Biodiversity

For the Zumtobel Group, biodiversity means preserving the diversity of life and support for three major areas: diversity in ecosystems, diversity of species and genetic diversity – all of which are closely connected.

The advancing climate change, for example, represents an increasing threat for biodiversity because entire ecosystems are changing at a speed which makes it very difficult for plants and animals to adapt to the new conditions.

The Zumtobel Group has set a goal to become climate neutral by 2025, to continuously increase the share of renewable energy, and to make a proactive contribution each year to reducing greenhouse gas emissions.

Operational sites in, or adjacent to, protected areas and areas of high biodiversity value

The production locations in the Zumtobel Group are not found in or adjacent to protected areas or areas of high biodiversity value. A bird sanctuary is located roughly five kilometres and the Lauteracher Ried nature reserve almost seven kilometres from the production site in Dornbirn.

Five areas with high biodiversity value are located near the lighting plant in Les Andelys. All Zumtobel Group production facilities are situated in priority regions with intact flora and fauna, where environmental protection has a very high legal as well as social significance.

Our environmental management systems ensure compliance with all legal requirements and EU directives, national legal and regional laws and the requirements of public authorities.

These systems also identify, assess and prevent or minimise the impact of the business activities of the Zumtobel Group's production locations on the environment.

Projects/products to protect significant impacts on biodiversity

People moving about in the dark feel safer and prefer bright, well-lit streets and areas. Lighting is therefore good for people but impairs biodiversity.

The Zumtobel Group strives to minimise its effects on the animal world, above all on insects, and relies on optimised planning as well as NightTune technology.

This technology optimises night lighting and reduces its impact on the illuminated area and its ecosystem – which makes an active contribution to preserving biodiversity while limiting light pollution and making the night sky visible.



**When it comes to lighting solutions,
we constantly look for new approaches.**

For example: how we can make our products even more energy efficient. And how we can firmly anchor the principles of the circular economy in our product development process and marketing. We are working hard to meet these goals, and our results show an improvement in the energy efficiency of our products every year.

ZUMTOBEL Group

PRODUCT RESPONSIBILITY

WHAT LIES AHEAD

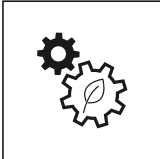
A greater focus on the circular economy and the responsible use of material resources as well as the implementation of models to anchor added value in the circular economy.



OUR CONTRIBUTION 2022/23

- 100% of all employees in areas relevant to development are trained in the Circular Design Rules
- Launch of the first product family developed according to the newly implemented Circular Design Rules
- For 100 % of new product developments manufactured in-house TOP articles are given an EPD

PRODUCT RESPONSIBILITY



„SUSTAINABILITY HAS ALWAYS BEEN IN THE FOCUS OF OUR DEVELOPMENTS WITHIN THE ZUMTOBEL GROUP BUT IS EVEN MORE IN THE SPOTLIGHT OF THE NEW PRODUCT DEVELOPMENT OF ARTELEA PRODUCT RANGE AIMS TO BECOME THE FIRST CERTIFIED CRADLE TO CRADLE LUMINAIRE WITHIN THE ZUMTOBEL GROUP, MEANING THAT THE TEAM DOES NOT ONLY CONSIDER DESIGN FOR MANUFACTURING, BUT ALSO DESIGN FOR CIRCULARITY. THE CORE CHASSIS WILL ENABLE RECONFIGURATION AND UPGRADEABILITY IN YEARS TO COME, THEREBY BECOMING A TRULY TIMELESS LUMINAIRE FOR END USERS IN FUTURE APPLICATION ENVIRONMENTS.“

Anton Bowness, Technical Director R&D Indoor

Research and development (R&D) play a very important role in the success and economic sustainability of the Zumtobel Group. This role is reflected through continuous research in new technologies which, when they reach the right stage of maturity, support the development of new products and systems.

Management approach

Product development covers a specific process landscape in the areas of portfolio management, product and service development, product lifecycles and customer-specific projects. The respective processes are documented in knowledge database and generally accessible.

Portfolio management covers five levels beginning with the collection of product ideas to the description, selection and decision over the appropriate portfolio

items, and transparent presentation of the roadmap. The following product development follows a four-step stage gate process, in which the gates are secured and reviewed after every phase based on specific checklists. The necessary releases, depending on the project classification, are presented to a steering committee and approved by key stakeholders.

The product lifecycle then takes over the process with the product launch and organises any necessary changes over the product's lifetime and its phase-out at the end.

These processes, beginning with portfolio management and continuing with product development to the product lifecycle are closely intertwined and coordinated. They are structured in steps and continuously developed and adapted to meet the current situation.

Product responsibility was reorganised to safeguard the

competitive product portfolio over the long-term and, above all, to strengthen the Zumtobel and Thorn lighting brands. The dedicated brand and portfolio management for both areas is concentrated on the brand-specific portfolios and, together with product management, organised in a roadmap. Stronger separation of the project management office (PMO) and R&D also helps to improve the efficiency of new and maintenance project development.

The PMO is responsible for processes related to the execution of development projects, including necessary monitoring and the assessment of economic feasibility. Well-equipped internal and external laboratories examine the development results for compliance with standards and the application fit and accompany both the development phase and lifecycle.

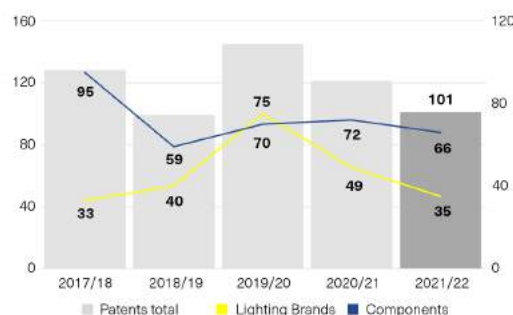
Competitors' products are regularly analysed, concepts are discussed in an early stage with selected custo-



mers, and special projects (CPD – Custom Product Development) are realised with leading architects and planners. Rejected installations are examined on site to determine the source of errors, which are then eliminated through a feedback loop.

Innovation

Number of patents per business year



Commercial property rights and patents

R&D plays an important role in the company's innovative strength. For the Zumtobel Group, a wide-ranging patent portfolio – also in the area of new technologies – is essential for maintaining a competitive advantage

and ensuring access to strategic cooperation with other companies and the opportunity to conclude cross-licensing agreements with key market players.

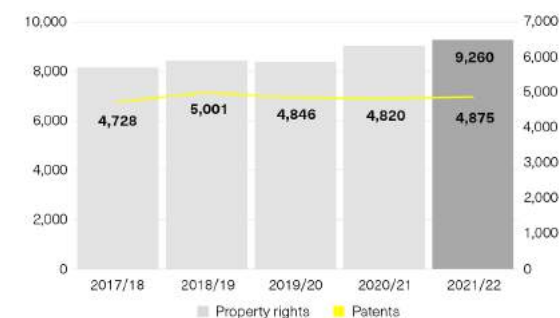
In 2021/22, the Lighting Segment registered 35 patents (2020/21: 49) and the Components Segment 66 patents (2020/21: 72) which underscore the growing importance of intelligent components.

The number of active commercial property rights – currently 9,260, including 4,875 patents – speak for the Zumtobel Group's exceptional innovative strength.

Synergy effects through platforms

Additional synergy effects were also realised during the past financial year through the increased use of product configuration and variant management and the continu-

Property rights and patents Total

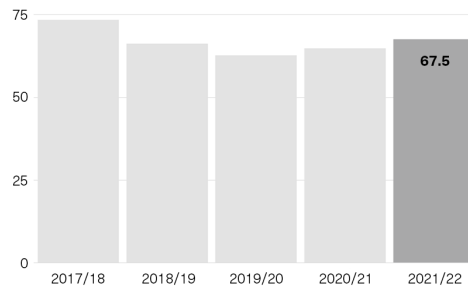


ed development of component and product platform-covering multiple product families. R&D expenses totalled EUR 67.5 million in 2021/22.

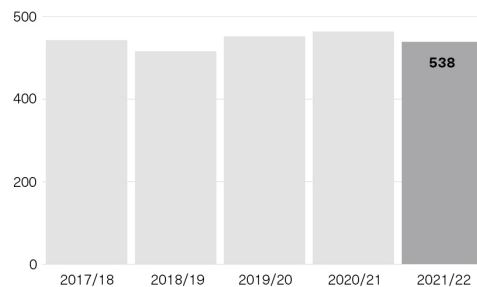
Research & Development	Unit	2017/18	2018/19	2019/20	2020/21	2021/22
Development costs	EUR million	69.5	61.6	59.2	61.8	63.4
Research expenses	EUR million	3.9	4.7	3.5	3.0	4.1
R&D expenses Total	EUR million	73.4	66.2	62.7	64.8	67.5
In % of turnover	in %	6.1	5.7	5.5	6.2	5.9
Employees R&D	FTE	542	515	551	563	538



R&D expenses in EUR million



Development R&D employees (FTE)



The Zumtobel Group protects its competitive product portfolio by increasingly relying on technology partnerships. Its brand reputation and innovative strength is regularly demonstrated through participation in national and international research projects.

The focal points of R&D activities during the reporting year included, among others, new optical concepts for the direction of light, new control gears and concepts for the operation of LEDs, a systematic approach for the further integration of smart components in lighting, sensors to transmit relevant data and new approaches for the management of lighting systems.

The efficiency increase in LEDs is slowing, but still requires platform concepts to manage material and process complexity as the basis for offering differentiated end products with a limited number of components that still provide high customer benefits.

The influence of Covid-19 and the geopolitical situation have shifted the search for and adaptation of components and materials as well as the identification of additional suppliers into the foreground of activities.

Luminaires as part of the Internet of Things (IoT)

R&D in the Zumtobel Group covers the entire value chain through active memberships in associations,

committees, consortia and alliances along the entire value chain. The Group provides resources to enable employees to participate in the design of standards and guidelines which, in the end, benefit the entire lighting industry, customers and users. In this way, the area of “light” represents the interests of the lighting industry and, through the increasing interconnectedness, is also integrated in the construction sector.

Through its active participation in national, European and international standardisation committees, the Zumtobel Group ensures that issues like safety, sustainability and lighting quality are appropriately mapped and industry standards are set.

Memberships include, among others, the IEC (International Electrotechnical Commission), CIE (International Commission on Illumination), ZVEI (Zentralverband der Elektro- und Digitalindustrie in Germany), LIA (Lighting Industry Association in England), and the European industry association Lighting Europe.

The Zumtobel Group is also a member of alliances and consortia like DiiA (Digital Illumination Interface Alliance) and Zhaga which are addressing the standardisation of interfaces for lighting components.

Aside from standardisation, the Zumtobel Group works closely with partners from the industrial sector and with research institutes and universities. Its many academic



partners include institutes like FH Vorarlberg, V-Research, the Fraunhofer Institute for Applied Research, and VRVis (Zentrum für Virtual Reality und Visualisierung), which cooperate with the Zumtobel Group within the framework of numerous national and international research projects.

Cooperations are also in place with industrial partners like Nichia, Digital Elektronik, Bartenbach GmbH and zactrack Lighting Technologies GmbH, which deal with issues like digital twins, simulation and autonomous lighting.

Participation in EU-wide research projects

Cooperation is further developed through various research projects at the EU level. Examples include the PHABULOUS project to develop production processes for microstructures on freeform surfaces and AI Twi-Light to develop digital twins of LED light sources and electronic components as well as self-learning models based on artificial intelligence.

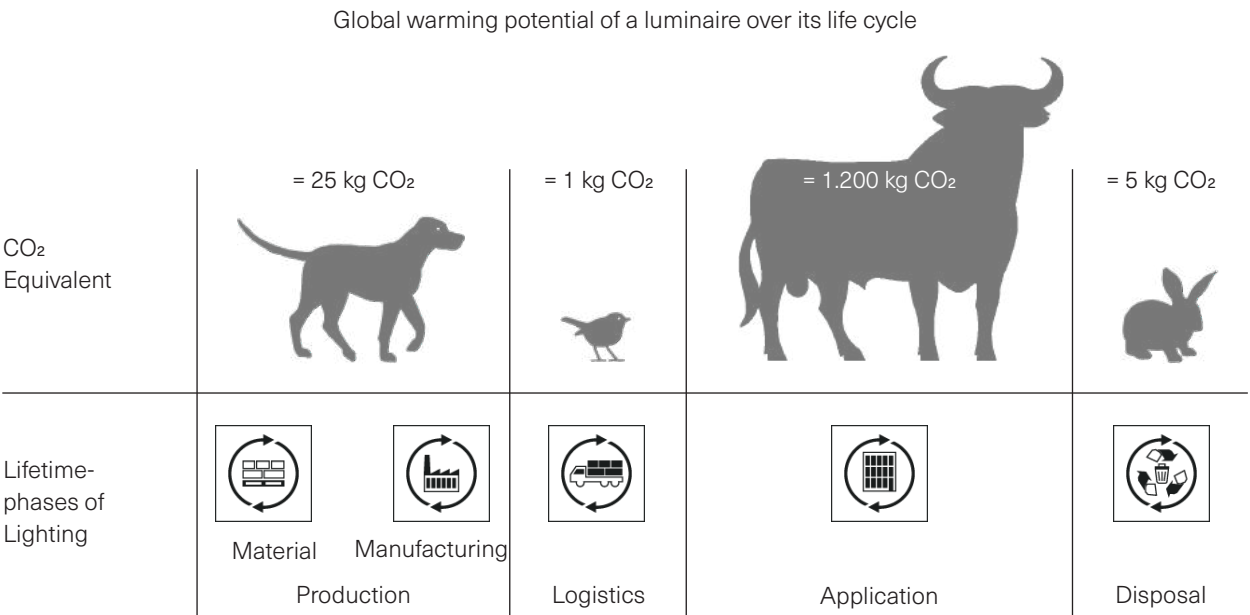
Sustainable products and applications

The Zumtobel Group's commitment to sustainability is closely related to the core business because of the important role played by energy-efficient, intelligently

managed lighting technology in reducing worldwide resource consumption. This trend is supported by the continuous increase in the efficiency (lumes/watt) of LED luminaires and a parallel decline in the cost of LED chips. However, the steady increase in efficiency will slow as the physical limits are reached in the coming years. Artificial lighting is currently responsible for roughly 13% of worldwide electricity consumption and

will continue to decline by 2030 due to the use of state-of-the-art lighting solutions. Commercial buildings and outdoor lighting – which represent light in exactly those areas of application that form the core expertise of the Zumtobel Group – are responsible for a good two-thirds of this consumption.

Most of the environmental impact of lighting is still



Graphic: Example luminaire for calculation: industrial segment, connected load 35.5 W, weight 1.5 kg



caused by the energy consumption during use, but other issues like resource consumption and the circular economy are becoming more important. The Zumtobel Group has been working for many years to steadily improve the energy efficiency of its products while, at the same time, integrating sustainability aspects along the product lifecycle.

Calculation of the improvement in energy efficiency

Artificial lighting converts energy into visible radiation and, in turn, into light. Energy efficiency, as a key indicator for the lighting industry, describes how much light (the light quantity in lumens) can be generated by one watt of electrical energy.

The total energy efficiency of all products sold during a reporting period shows the development of the sold product portfolio. This number represents a purely physical measured quantity and therefore shows the potential for improvement independent of service life of the sold products.

The average year-on-year improvement in energy efficiency has been reported for the past two years. It compares the total lighting output marketed during the reporting period (i.e. the number of luminaires multiplied by the rated luminous flux) with the total connected load (i.e. the number of luminaires multiplied by the

$$\text{Energy efficiency in lm/W} = \frac{\text{Number of luminaires} \times \text{Nominal luminous flux}}{\text{Number of luminaires} \times \text{Nominal connected load}}$$

9,8% Improvement in energy in the last 3 years

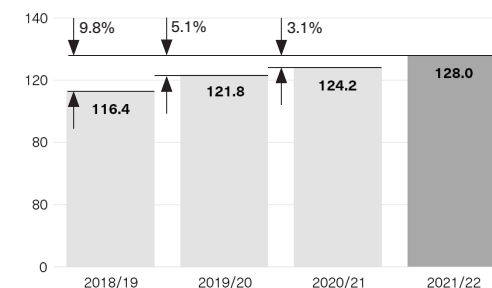
rated connected load) to develop a ratio.

In the 2021/22 financial year, the Zumtobel Group marketed luminaires with an average energy efficiency of 128.0 lm/W; in the previous year, this value equalled 124.2 lm/W.

That represents an improvement of 3.1% in energy efficiency compared with the previous period.

The COVID-19-related smaller increase in the previous year reflected the increased sale of lower-priced, not very efficient lighting. It was followed not only by an increase in revenue and earnings during 2021/22, but also by a return to the previous trend towards an improvement in energy efficiency.

Average energy efficiency in lm/W



The improvement steps will be smaller in the future because the energy efficiency potential of LEDs is physically limited and generally exhausted at the LED level. The physically limited maximum is also dependent on the lighting quality; the higher the quality of the light, the lower the attainable maximum of energy efficiency.

All the more important and gratifying is the success in further increasing the share of dimmable luminaires. In connection with intelligent lighting controls, the dimmable luminaire only delivers the amount of light that is required depending on the available daylight – and that further reduces the energy consumption of the lighting equipment.



This calculation method also has an expiration date: As part of the Taxonomy Regulation, the European Commission is working on a new guideline that will be based on defined energy efficiency classes for light sources.

The future energy efficiency indicator will therefore most likely represent the share of revenue generated by products with very energy-efficient light sources.

Environmental product declarations

Environmental product declarations (EPDs) present all relevant environmental effects in a transparent and neutral form. They cover the entire lifecycle from the extraction of the raw materials to production, transport, installation and operation in the building up to the end of the usage phase with recycling and disposal possibilities.

Acknowledged environmental indicators include, among others, greenhouse gas effects, the destruction of the ozone layer, over-fertilisation of land, and the acidification of bodies of water.

The Zumtobel Group has issued Type III environmental product declarations in accordance with ISO 14025 and EN 15804 based on lifecycle assessments (LCA) in line with ISO 14040 and ISO 14044 for components and luminaires for more than ten years.

ENVIRONMENTAL PRODUCT DECLARATION	
According to EN ISO 14025 and EN 15804	
This Declaration is based on the Product Category Rules (PCR) for Luminaires, lamps and components for luminaires - 07/2014	
Declaration Holder:	Zumtobel Lighting GmbH Schweizerstraße 30, 6850 Dornbirn - Österreich
Program Holder:	Institut Bauen und Umwelt e.V. (IBU), Deutschland (www.ibu-epd.com)
Declaration number:	ECO-ZGR-4292925-Manufaktur-EU-2018-03-12
Date of issue:	2018-03-12
Validity Date:	2023-03-12



Moisture-proof diffuser luminaire
AMP L 4600-840 PC WB LDO
4292925

5 Verification

This EPD including the results of the Life-Cycle Analysis is based on an LCA modelling (EPD system), verified by an independent third party. It's the sole responsibility of the manufacturer to secure the correctness of any input data entered into the system. The owner of the declaration is liable for the underlying data and certificates; liability of IBU is disclosed with respect to manufacturer's information, LCA data and certificates.

The CEN standard EN 15804 serves as core PCR. The verification of the generation process of this EPD was done externally by a third party independent according to EN ISO 14025.	
Third party verifier:	Director:
Matthias Schulz, appointed by the Advisory Board of the Institute Construction and Environment (IBU) e.V.	Dr. Alexander Röder, Director of the Institute Construction and Environment (IBU) e.V.

Picture: Excerpts from a 15-page product EPD

The wide variety of products and the continuous expansion of the product portfolio were reflected in the a priori development of a system for the automated internal generation of EPDs for the products in the Zumtobel, Thorn and Tridonic brands. Nevertheless, all EPDs must meet normative requirements and be verified by the programme operator IBU (Institut für Bauen und Umwelt). A process structure, which is regularly audited by

IBU, was established in the company for this purpose. These annual audits review compliance with the norms, the currency of the lifecycle assessment data, and any necessary adjustments to the system. The Zumtobel Group is, as a result, entitled to issue its own environmental product declarations. Since the system was installed, approximately 5,000 EPDs have been prepared and made available to customers free of charge.

EPDs can be used in many different ways. Internally, they flow into development to support the continuous improvement of products from the viewpoint of the lifecycle assessment.

Customers can also use the EPDs in their own lifecycle assessments (e.g. at the building level). This system was also recently used to calculate the emissions from purchased goods according to Scope 3 of the Greenhouse Gas(GHG) Protocol.





Further development of the product and service offering

The transformation of the lighting industry has increased the importance of the LED business and led to a stronger focus on intelligent and Internet-linked lighting. The result has been a growing demand for innovative LED-based lighting solutions with comprehensive controls and integrated service offers.

The development, production and sale of innovative, sustainable products and services therefore represent fundamental building blocks for the sustainable success of the Zumtobel Group over the medium- and long-term.

To meet the rising demand and establish new business models, the company is planning to gradually increase its service offering. The first step includes the expansion of conventional light planning and turnkey solutions, where the Zumtobel Group offers a one-stop shop solution for customers.

The upper end of these services is represented by lighting-as-a-service offering, which provides the customer with a complete lighting solution from project planning and installation to maintenance over a specific time. The customer receives a state-of-the-art lighting solution that is tailored to meet his individual needs.

Product quality and -safety

Comparative measurements and procedural validations are carried out internally and with international testing institutions to maintain and improve the high quality of benchmarks and analysis standards.

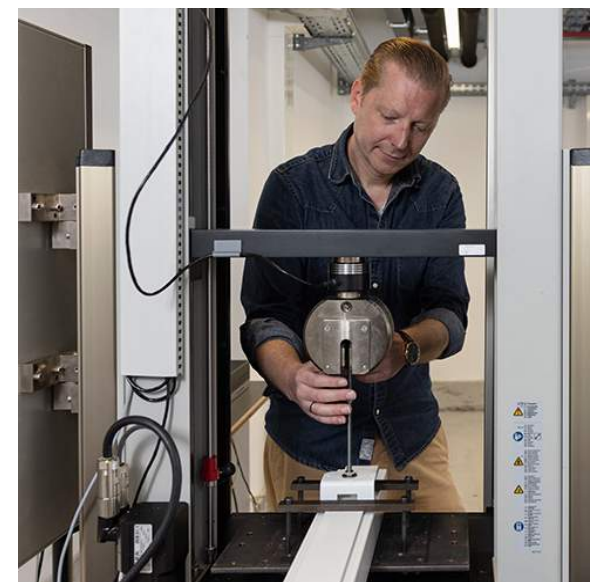
The Zumtobel Group cooperates with national and international testing institutes that include OVE (Österreichischer Verband für Elektrotechnik), TÜV (Technischer Überwachungsverein), and UL (Underwriters Laboratories). All production facilities in the Zumtobel Group's worldwide network, with the exception of the plant in the USA, have been certified according to the ISO 9001 international standard for quality management systems and ISO 14001 for environmental management systems. The standardised, centrally defined selling processes are also certified.

Zumtobel plans to implement ISO 45001 (management systems for health and safety at work) in all major European plants by the end of 2024.

The standardised, centrally defined selling processes are also certified. The primary goal is to continuously improve the quality of production and selling processes and, in this way, increase customer satisfaction and confidence in the Group's products.

Customer health and -safety

The health and safety of its customers has high priority for the Zumtobel Group. The effects of various categories of products and services on customers' health and safety is therefore the subject of a continuous process that includes the evaluation of opportunities for improvement.



Picture: System for tensile testing of product components



REACH conformity for 100% of the purchased materials and products is evaluated twice each year. It is accompanied by a continuous RoHS evaluation for newly purchased components (100% raw materials).

CE conformity is also evaluated for every luminaire family and includes a risk analysis for health and safety. All luminaires are tested and classified in accordance with protection classes (EN 61140).

The Zumtobel Group is investigating and preparing for the upcoming changes in the IEC 62471-7 standard (Photobiological safety of lamps and lamp systems – Part 7: Light sources and luminaires primarily emitting visible radiation). The changes involve the emission of UV and blue light as well as the thermal danger for skin.

There were no violations in connection with the effects of products and services on the health and safety of customers in 2021/22. Moreover, there were no violations of legal regulations which would have led to a fine, sanctions or reprimands.

Circular economy

The issue cluster “product responsibility” and the circular economy as a key issue represent the responsible handling of material resources and a sustainable change in the product development process for the

Zumtobel Group. Circular economy aspects will therefore form a focal point of activities in the earliest part of the product development process.

Circular design rules (CDR) were introduced as a tool to ensure full integration in production processes and place the Zumtobel Group in a position to develop products for the upcoming circular economy.

This also includes the systematic minimisation of waste and optimisation for circular processes. The guideline for the Lighting Segment was implemented in global research and development during 2021/22 to ensure that the ecological potential of all new products developed in this segment is specified and developed with a view towards the circular economy.

The Lighting Segment uses a scoring concept in the product development process to evaluate and optimise the capability for the circular economy. The model consists of three building blocks:

- Circular Sourcing
- Circular Design
- Circular Systems

Circular design rules: an innovation tool to implement the circular economy

Circular design rules create a framework for development teams to examine the aspects of the circular economy directly in the product development process and to train and gradually establish a circular economy mindset.

The performance levels – basic, bronze, silver, gold and platinum – whose attainment is tied to various goals, increase motivation while providing a control tool to identify the respective development level of a product.

At the same time, the path to the next performance level is shown. The circular design rules break the complexity of circular product development down into partial steps and facilitate their management.

These circular design rules represent an effective innovation tool to gradually establish and improve circularity in all new lighting brand products. They have required mandatory application in all new product developments since 1 May 2021.

Circular Sourcing

Optimisation of material content



Together with suppliers, all materials are gradually undergoing a review concerning their RSL (restricted substances list) conformity. The restricted substances list was issued by the Cradle to Cradle Product Innovation Institute and covers a list of materials which are considered hazardous to the environment and health.

An RSL conformity audit of the materials included in a product is also one of the first steps on the way to external cradle-to-cradle certification.

Knowledge of the exact content of materials and the identification of potentially critical contents form the basis to improve material quality and information across the entire product lifecycle and create a good starting point for use in the next product generation.

An RSL-conformity audit has already been carried out for the Zumtobel Group's main suppliers. Full RSL-conformity is targeted for all materials by 2030.

Increase in the share of recyclable materials in products

The use of good recyclable materials will be successively increased. A first step involved the identification of the recycling capability of the materials used in products, whereby the focus was placed on material properties and the development stage of an infrastructure for the material to be recycled.

This information helps the product development teams to include more recyclable material in new products as required by the circular design rules. The share of recyclable materials in the lighting brand products currently equals 70%.

CDR cover the recycled source materials in purchased commodities

The share of recycled materials in the products will also be gradually increased. Together with suppliers, the share of recyclate in the purchased materials was identified. This information makes it possible to estimate the final share during the product development process. A number of suppliers have confirmed a recyclate share of up to 45% for aluminium and up to 30% for steel.

Plans call for all new product developments to have a recyclate share of 50% in total by 2028.

Circular design

Design for disassembly and durability

The principle "design for disassembly" creates the basis for the fast and easy disassembly of materials and components after the end of the product use phase. The section on circular design in the circular design rules

explains the consequent application of this principle, the design of interfaces for future upgrades, and the easy access and disassembly options for spare parts.

The development and construction process can then ensure that:

- the product can be upgraded quickly with technically simple means
- components can be easily and quickly disassembled and replaced (maintenance & upgrade) to extend the service life of a product for the customer
- the product can be disassembled into its individual parts at low cost for recycling (remanufacturing) or the materials can be "cleanly" separated for high-quality recycling (CDR return systems, reusable products and the related packaging materials).

Circular systems

Establishment of circular systems

The frequently quoted "butterfly" diagram developed



by the Ellen MacArthur Foundation includes several value cascades for products in technical cycles in which products and materials can circulate. Metals and plastics are standard materials for technical cycles and are used in the production of luminaires and electronic components.

The goal of the Zumtobel Group is to generate high added value and provide an attractive service offering for customers with a minimum of materials from primary resources. New possibilities are under development to extend the product lifecycle and to use products and materials in a circular flow with collaboration partners.

The focus is on the following cycles:

- Maintenance & upgrade
- Remanufacturing
- High-value recycling

Maintenance & upgrade

The following issues are essential to extend the use of materials in previously installed luminaires:



Picture: Distribution centre in Härkingen, conversion from fluorescent lamps to LED, infrastructure (suspension, mounting rails, wiring) of the system remained intact.

- How can the usage phase of previously installed products be extended to reduce the use of material resources and thereby reduce the related CO2 emissions and environmental impact?
- How can customers be offered solutions for state-of-the-art lighting technology and optimal lighting quality with low energy consumption and good service technology despite the continued use of older products made by the Zumtobel Group?

- How can LED solutions be offered for older luminaires in view of the prohibition on fluorescent lamps that takes effect in 2023?

Plans include the expansion by 2025 of available refurbishment kits to cover additional product families – especially the product families affected by the prohibition on fluorescent lamps that takes effect in 2023.



Photo: University Hospital Hamburg-Eppendorf, the new building was completed in 2008 with a lighting solution by the Zumtobel Group, first request for an upgrade to LED in 2018, Step 1 was a refurbishment solution with 2 km Slotlight Refurbishments Kits and new TECTON LED inserts in the entrance hall, Step 2 Refurbishment Kits for CLEAN in the operating theatre anteroom, airlocks and intensive care areas, Step 3 Refurbishment solution for lecture theatre with Panos
Planned completion August 2022.

Remanufacturing

The following issues are essential to reasonably implement the recycling process for used luminaires:

- How can used products be reprocessed?
- For which products is reprocessing economical?
- What infrastructure and network partners are needed to implement product reprocessing?
- What does a corresponding remanufacturing process look like in detail, and what opportunities and risks should be considered?

Various pilot projects are investigating these issues and building corresponding networks to evaluate the possibilities for product offerings within the circular economy value creation cycle.

Plans call for the availability of an active remanufacturing option for 10% of the product families by 2030.



High-value recycling

The following issues are essential to ensure high-quality material recycling:

- How can the materials in products be directed to closed, regionally focused cycles?
- What partners can recycle specific materials?
- How can high flexibility against fluctuating material prices be achieved and material shortages or delivery delays be prevented?

Plans call for the development of an infrastructure with suitable partners to significantly increase the share of materials that can flow from old into new products.

Sustainable packaging

Easily recyclable materials will be used for product packaging in the future. The recycling capability of the material as well as the available infrastructure will be decisive to maximise the volume of packaging materials

recycled in the region. Long distances for material recycling will be avoided.

The regional recyclability of paper and cardboard in Europe equalled 82.9% in 2018 (Statista 2021). The Zumtobel Group's paper and cardboard packaging suppliers can already demonstrate a high recycling component of up to 90%.

Recyclable alternatives are expected to replace the use of one-way plastic packaging by 2025.

The Component Segment launched a pilot project for sustainable packaging in 2021/22, and a packaging guideline focused on the principle "reduce, recycle & reuse" is scheduled for issue in the coming financial year.

The goal is to increase the share of recyclable packaging materials and, at the same time, reduce packaging waste.

Cradle to Cradle

The cradle to cradle (C2C) concept has had a significant influence on the development of the circular design rules for the lighting brands. Many aspects of the circular design rules which address product development and product management reflect elements of the cradle to

cradle concept. This includes:

- Material health -> Circular sourcing
- Material reutilisation -> Circular systems
- Design for disassembly -> Circular design

Zumtobel Lighting's first cradle-to-cradle certified product will be launched in spring 2023.

The Component Segment successfully implemented its first C2C project in 2021/22, which followed a feasibility study with EPEA Schweiz, a C2C consulting firm.

The results flowed into a pilot project: Together with two customers, the material health of seven drivers and one LED module was examined. The first C2C project was then initiated on this basis.

The project is currently in the final stages after only half a year: The programme managers expect the launch of the first C2C-certified electronic component – an LED module – at the beginning of the 2022/23 financial year. Only several months later, the first C2C-certified drivers will be introduced to the market.

GRI CONTENT INDEX

DECLARATION OF USE

This report by the Zumtobel Group covers the period from 1 May 2021 to 30 April 2022 and is in agreement with the GRI standards.

GRI	Standard	Page(s)	Omissions, explanations
General Standards			
GRI 1	Foundation (2021)		
GRI 2	General Disclosures (2021)		
1. Die Organisation und ihre Berichtspraktiken			
GRI 2-01	Organisational details	8, 148	
GRI 2-02	Entities included in the organisation's sustainability reporting	Annual Financial Report 192 - 194	
GRI 2-03	Reporting period, frequency and contact point	148	
GRI 2-04	Restatements of information	108 - 109, 110, 112 - 113	If there is a required adjustment to the previous year's report, a reference is made to the information provided.
GRI 2-05	External assurance	145 - 147	
2. Activities and workers			
GRI 2-06	Activities, value chain and other business relationships	8 - 13	
GRI 2-07	Employees	89 - 94	
GRI 2-08	Workers who are not employees (Contract workers)	89 - 94, 93	

GRI	Standard	Page(s)	Omissions, explanations
3. Governance			
GRI 2-09	Governance structure and composition	Annual Financial Report, Corporate Governance Report: 211	
GRI 2-10	Nomination and selection of the highest governance body	Annual Financial Report, Corporate Governance Report: 210 - 211, 223 - 224	
GRI 2-11	Chair of the highest governance body	Annual Financial Report, Corporate Governance Report: 214	
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	34 - 36	
GRI 2-13	Delegation of responsibility for managing impacts	34 - 36	
GRI 2-14	Role of the highest governance body in sustainability reporting	34 - 36	
GRI 2-15	Conflicts of interest	63 - 64, 65	
GRI 2-16	Communication of critical concerns to the highest governance body, incl. grievance management	63 - 64	
GRI 2-17	Collective knowledge of the highest governance body, its skills and experience with sustainable development	34 - 36	
GRI 2-18	Evaluation of the performance of the highest governance body in overseeing the management of the organisation's impacts on the economy, environment and people	Annual Financial Report, Corporate Governance Report: 223 - 224	
GRI 2-19	Remuneration policies	96, Remuneration Report: 4 - 8	
GRI 2-20	Process to determine remuneration	96, Remuneration Report: 9 - 10	
GRI 2-21	Annual total compensation ratio (compensation of the CEO in relation to the median total compensation of a full-time employee)	Remuneration Report: 15	

GRI	Standard	Page(s)	Omissions, explanations
4. Strategy, policies and practices for responsible management			
GRI 2-22	Statement on sustainable development strategy	12 - 13, 14 - 21, 95 - 96	
GRI 2-23	Policy commitments for responsible conduct, incl. respect for human rights	40 - 42, 66, 78, 97	
GRI 2-24	Embedding policy commitments for responsible conduct in activities and business relationships	40 - 42, 78	
GRI 2-25	Commitment to accept responsibility for own impacts, mechanisms for seeking advice and raising concerns, incl. grievance management	63 - 64	
GRI 2-26	Dealing with concerns over responsible business conduct, incl. whistleblowing mechanisms	63 - 64	
GRI 2-27	Compliance with laws and regulations	62 - 66, 66, 86, 96 - 97, 98 - 99	
GRI 2-28	Associations and advocacy organisations in which the organisation plays an important role	46, 128	
5. Stakeholder engagement			
GRI 2-29	Approach to stakeholder engagement	36 - 38	
GRI 2-30	Collective bargaining agreements / tariff contracts and working and employment conditions for employees not covered	85	
GRI 3	Material Topics (2021)		
GRI 3-01	Process to determine material topics	36 - 38	
GRI 3-02	List of material topics	38	
Specific standards			
GRI 201	Economic performance (2016)		
GRI 3-03	Management of material topics (2021)	54	
GRI 201-01	Direct economic value generated and distributed	54	

GRI	Standard	Page(s)	Omissions, explanations
GRI 201-02	Financial implications and other risks and opportunities due to climate change	47 - 49	
GRI 201-03	Defined benefit plan obligations and other retirement plans	Annual Financial Report: 115, 161 - 162	
GRI 201-04	Financial assistance received from government	83, Annual Financial Report: 104, 146, 157, 171	In the past business year, there was still some short-time work and related subsidies, as well as research funding.
GRI 205	Anti-corruption (2016)		
GRI 3-03	Management of material topics (2021)	65	
GRI 205-01	Operations assessed for risks related to corruption	65	
GRI 205-02	Communication and training about anti-corruption policies and procedures	63	
GRI 205-03	Confirmed incidents of corruption and actions taken	63 - 64, 65	
GRI 206	Anti-competitive behaviour (2016)		
GRI 3-03	Management of material topics (2021)	65 - 66	
GRI 206-01	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	63 - 64, 66	
GRI 301	Materials (2016)		
GRI 3-03	Management of material topics (2021)	70 - 71, 133 - 137	
GRI 301-01	Materials used by weight or volume	74 - 75	
GRI 301-02	Recycled input materials used (secondary raw materials)	74 - 75, 133 - 137	
GRI 301-03	Reclaimed products and their packaging materials	133 - 137	
GRI 302	Energy (2016)		
GRI 3-03	Management of material topics (2021)	104 - 107	
GRI 302-01	Energy consumption within the organization	108 - 109	

GRI	Standard	Page(s)	Omissions, explanations
GRI 302-02	Energy consumption outside of the organization	109	
GRI 302-03	Energy intensity	109	
GRI 302-04	Reduction of energy consumption	110 - 111	
GRI 302-05	Reductions in energy requirements of products and services	111	
GRI 305 Emissions (2016)			
GRI 3-03	Management of material topics (2021)	104 - 107, 112	
GRI 305-01	Direct (Scope 1) GHG emissions	112 - 113	
GRI 305-02	Energy indirect (Scope 2) GHG emissions	112 - 113	
GRI 305-03	Other indirect (Scope 3) GHG emissions	113 - 114	
GRI 305-04	GHG emissions intensity	115	
GRI 305-05	Reduction of GHG emissions	115	
GRI 305-06	Emissions of ozone-depleting substances (ODS)	115	The Zumtobel Group does not produce, import or exports any ozone-depleting substances
GRI 305-07	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	115	
GRI 307 Environmental compliance			
GRI 3-03	Management of material topics (2021)	104 - 107, 121	
GRI 307-01	Non-compliance with environmental laws and regulations	63 - 64, 121 - 122	
GRI 403 Occupational health and safety			
GRI 3-03	Management of material topics (2021)	97 - 101	
GRI 403-01	Occupational health and safety management system	97 - 98	
GRI 403-02	Hazard identification, risk assessment, and incident investigation	97 - 98	
GRI 403-03	Occupational health services	97 - 101	

GRI	Standard	Page(s)	Omissions, explanations
GRI 403-04	Worker participation, consultation, and communication on occupational health and safety	97 - 101	
GRI 403-05	Worker training on occupational health and safety	99	
GRI 403-06	Promotion of worker health	97 - 98	
GRI 403-07	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	97 - 99	
GRI 403-08	Workers covered by an occupational health and safety management system	97 - 101	
GRI 403-09	Work-related injuries	101	
GRI 403-10	Work-related ill health	101	Work-related illnesses are currently not recorded in the Zumtobel Group for data protection reasons. The collection and anonymisation of data on work-related illnesses is currently in review.
GRI 406	Non-discrimination		
GRI 3-03	Management of material topics (2021)	62, 78	
GRI 406-01	Incidents of discrimination and corrective actions taken	63 - 64	
GRI 408	Child labour (2016)		
GRI 3-03	Management of material topics (2021)	62, 78	
GRI 408-01	Operations and suppliers with significant risk for incidents of child labour	63 - 64	
GRI 409	Forced or compulsory labour (2016)		
GRI 3-03	Management of material topics (2021)	66, 78, 96 - 97	
GRI 409-01	Operations and suppliers with significant risk for incidents of forced or compulsory labour	66, 96 - 97	

GRI	Standard	Page(s)	Omissions, explanations
GRI 412	Human Rights Compliance Audit (2016)		
GRI 3-03	Management of material topics (2021)	66, 78, 96 - 97	
GRI 412-01	Sites where a human rights audit or human rights impact assessment has been conducted	96 - 97	
GRI 412-02	Training for employees on human rights policies and procedures	96 - 97	
GRI 412-03	Significant investment agreements and contracts that contain human rights clauses or have been screened for human rights aspects	96 - 97	
GRI 414	Social assessment of suppliers (2016)		
GRI 3-03	Management of material topics (2021)	70 - 72	
GRI 414-01	New suppliers screened against social criteria	70 - 72, 76, 78	
GRI 414-02	Negative social impacts in the supply chain and measures taken	76 - 77	
GRI 416	Customer health and safety (2016)		
GRI 3-03	Management of material topics (2021)	126 - 127, 132 - 133	
GRI 416-01	Assessing the health and safety impacts of different categories of products and services	132 - 133	
GRI 416-02	Violations related to the health and safety impacts of products and services	63 - 64, 132 - 133	

STATEMENT BY THE MANAGEMENT BOARD

We confirm to the best of our knowledge that this report has been prepared in accordance with the requirements

of the Sustainability and Diversity Improvement Act (NaDiVeG) and in compliance with GRI Standard 2021.

The report contains all disclosures on material non-financial matters.

Dornbirn, 15 June 2022

The Management Board

Alfred Felder
Chief Executive Officer (CEO)

Thomas Erath
Chief Financial Officer (CFO)

Bernard Motzko
Chief Operating Officer (COO)

Note on the following PwC report

The following report on the independent audit of the consolidated non-financial statement pursuant to § 267a of the Austrian Commercial Code (UGB), which was integrated into the Annual Financial Report

2021/22 of Zumtobel Group AG and prepared by PwC Wirtschaftsprüfungs GmbH, is also included in this Sustainability Report 2021/22 of the Zumtobel Group. This is subject to the condition that the contents of the consolidated non-financial statement pursuant to 267a of the Austrian Commercial Code (UGB) have been

included in the Sustainability Report on a 1:1 basis in their entirety. Where appropriate, graphics, images or explanatory descriptions have been added to support the informative value of the content.

INDEPENDENT AUDIT REPORT PwC

Independent Limited Assurance Report on the Consolidated Non-financial Statement pursuant to Section 267a UGB

We performed a limited assurance engagement of the consolidated non-financial statement pursuant to section 267a UGB (Austrian Company Code) (hereinafter the “consolidated non-financial statement”) of Zumtobel Group AG, Dornbirn (the “Group”) for the financial year 2021/22.

Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Group's consolidated non-financial statement is not prepared, in all material aspects, in accordance with the requirements of section 267a UGB and the “EU Taxonomy Regulation” (Regulation (EU) No. 2020/852) as well as the GRI Standards 2021.

Responsibility of Management and the Supervisory Board

Management is responsible for the preparation of the consolidated non-financial statement in accordance with the requirements of section 267a UGB and the “EU-Taxonomy Regulation”(Regulation (EU) No. 2020/852)

as well as the GRI Standards 2021.

Management's responsibility includes the selection and application of appropriate methods to prepare the consolidated non-financial reporting (in particular the selection of key issues) as well as making assumptions and estimates related to individual sustainability disclosures which are reasonable in the circumstances, and for such internal control as management determines is necessary to enable the preparation of a consolidated non-financial statement that is free from material misstatement, whether due to fraud or error.

The Supervisory Board is responsible for examining the consolidated non-financial statement.

Auditor's Responsibility

Our responsibility is to express a limited assurance conclusion based on our procedures performed and evidence obtained as to whether anything has come to our attention that causes us to believe that the Group's consolidated non-financial statement is not prepared, in all material aspects, in accordance with the legal requirements of section 267a UGB and the “EUTaxonomy Regulation” (Regulation (EU) No. 2020/852) as well as the GRI Standards 2021.

We performed our engagement in accordance with

the professional standards applicable in Austria with regard to KFS/PG 13 “Other assurance engagements”, KFS/PE28 “Selected issues in connection with the assurance of non-financial statements and nonfinancial reports pursuant to sections 243b UGB and 267a UGB as well as sustainability reports” and the International Standards on Assurance Engagements (ISAE) 3000 (Revised) “Assurance engagements other than audits or reviews of historical financial information”.

These standards require that we comply with our ethical requirements, including rules on independence, and that we plan and perform our procedures by considering the principle of materiality to be able to express a limited assurance conclusion based on the assurance obtained.

Our report is issued based on the engagement agreed upon with you and is governed by the General Conditions of Contract (AAB 2018), issued by the Austrian Chamber of Tax Advisers and Auditors (<https://www.ksw.or.at/desktopdefault.aspx/tabid-209/>), which also apply towards third parties. As provided under section 275 para. 2 UGB (liability provision regarding the audit of financial statements of small and medium-sized companies), our responsibility and liability towards the Company and any third parties arising from the assurance engagement are limited to a total of EUR 2 million.

The procedures performed in a limited assurance

engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement; consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The selection of the procedures lies in the sole discretion of the auditor and comprised, in particular, the following:

- Evaluating the overall presentation of the disclosures and non-financial information
- Critical assessment of the Company's analysis of materiality considering the concerns of external stakeholders by interviewing the responsible employees and inspecting relevant documents
- Obtaining an overview of the policies pursued by the Company, including due diligence processes implemented as well as the processes used to ensure an accurate presentation in the consolidated non-financial statement by interviewing the Company's management and inspecting internal guidelines, procedural instructions and management systems in connection with non-financial matters/disclosures
- Obtaining an understanding of reporting processes by interviewing the relevant employees and inspecting selected documentations
- Evaluating the reported disclosures by performing analytical procedures regarding non-financial perfor-

mance indicators, interviewing relevant employees and inspecting selected documentations.

- Critical appraisal of the disclosures in accordance with the requirements of the "EUTaxonomy Regulation" (Regulation (EU) No. 2020/852)
- Examining the consolidated non-financial statement regarding its completeness in accordance with the requirements of section 267a UGB and the "EUTaxonomy Regulation" (Regulation (EU) No. 2020/852) as well as the GRI Standards 2021

The following is not part of our engagement:

- Examining the processes and internal controls particularly regarding their design, implementation and effectiveness
- Performing procedures at individual locations as well as measurements or individual evaluations to check the reliability and accuracy of data received
- Examining the prior-year figures, forward-looking information or data from external surveys
- Examining the correct transfer of data and references from the (consolidated) financial statements to the non-financial reporting; and
- Examining the information and disclosures on the website or further references on the internet

Neither an audit nor a review of financial statements is objective of our engagement. Furthermore, neither the

disclosure and solution of criminal acts, as e.g. embezzlement or other kinds of fraud, and wrongful doings, nor the assessment of the effectiveness and profitability of the management are objectives of our engagement.

Restriction of Use

Because our report is prepared solely for and on behalf of the client, it does not constitute a basis for any reliance on its contents by other third parties. Therefore, no claims of other third parties can be derived from it.

Vienna

15 June 2022

PwC Wirtschaftsprüfung GmbH
Peter Pessenlehner, Wirtschaftsprüfer

Inclusive language

In line with our understanding of diversity and inclusion, we largely use gender-neutral language in this report. In some places, we have decided to use the generic masculine for reasons of readability and comprehensibility. This applies, for example, to certain terms established within the Zumtobel Group or defined by legal requirements. Groups that are not named individually, such as "customers", "suppliers" or "shareholders", are also referred to using their generic masculine. The chosen formulations in these cases apply without restriction to all genders.

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Sustainability concerns all of us.



THORN

TRIDONIC

ZUMTOBEL Group

