

An aerial photograph of a rugged coastline. On the left, a steep, rocky cliffside is visible, with a waterfall cascading down into the sea. The water is a vibrant green color, and white foam is visible where the water meets the rocks. The sky is not visible, as the focus is on the natural landscape.

ZUMTOBEL Group

WE LIVE LIGHT

we care about the future

Sustainability Report
2023 | 24

ZUMTOBEL Group

SUSTAINABILITY REPORT

2023 | 2024

THORN

TRIDONIC



ZUMTOBEL

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ALFRED FELDER | CEO ZUMTOBEL GROUP

COMMITMENT



Dear readers,

it is our ambition to create light that considers both people and nature in equal parts. This is why, for many years now, we have been offering future-orientated lighting solutions that use ever less energy and resources while achieving the best possible quality of light for people.

From our core business and along the entire value chain, we contribute to a future worth living: always in collaboration with our suppliers, customers and partners - because only together can we create a sustainable future.

The strategic direction of the Zumtobel Group's sustainability journey is decided by the Sustainability Committee, which consists of the sustainability team, the Management Board and representatives of the brands as well as specialist departments. Together, we set binding targets, deadlines and measures. Continuous analyses shape our sustainability agenda, which is influenced by the requirements of the market, legislation and our stakeholders.

With the Zumtobel Group's three sustainability goals - Net-Zero, Circular Economy and Partner of Choice - we continue to develop as a sustainable company. Our key topics, implemented measures, achieved milestones and new targets are, for the first time in this report, presented by the topics of environment, social and governance. With this new structure, we are already now complying with the reporting obligations that will come into effect from 2025 (CSRD - Corporate Sustainability Reporting Directive).
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Net-Zero

Reducing emissions in all areas - this is the Zumtobel Group's goal, which is now being pursued comprehensively as "Net-Zero", replacing the term "Climate Neutrality in Scopes 1 & 2". Already in the beginning of 2023, the company committed to the established Science Based Targets initiative and its science-based Net-Zero pathway. This intention involves gradually reducing all direct and indirect emissions (Scopes 1, 2 and 3) in the long term by 2050. Along the way, we have set short-term milestones by 2030, which will be decisive for achieving the long-term target.

The continuous optimisation of energy-efficient processes such as coating, heating and cooling led to a further reduction of our Scope 1 & 2 emissions by around 1,000 tonnes in the past financial year, resulting in a 58 % reduction of our direct emissions since 2021. A significant step along our Net-Zero journey was made with the submission of our short and long-term targets to the Science Based Targets initiative for validation. In the current financial year, in addition to continuously increasing the share of renewable energy, we are prioritising the development of a reduction plan with tangible measures. This will help us achieve our short-term targets as well as our long-term Net-Zero goal. Our sustainable, connected and energy-efficient lighting solutions make a significant contribution to reducing emissions.

Circular Economy

With our goal of establishing a circular economy along the entire value chain, products and materials are to be reintroduced into a cycle through the means of reuse, refurbishment or recycling. Ultimately, this aims at reducing the use of primary raw materials and the waste production at the same time. Applying the Circular Design Rules (CDRs) enables us to integrate the principles of the circular economy into our product development: right from the start, our products are designed in such a way that they can be reintroduced into a cycle with recycled as well as recyclable raw materials, circular design and second-life options at the end of their use. This is how we are shifting from a linear to a circular economy.

In this context, one of last business year's highlights was the successful implementation of a circular pilot project that utilised the „reuse“ and „high value recycling“ cycles: together with SPAR, carla Vorarlberg and Voestalpine, existing installations were refurbished for reuse. This once again confirms the relevance of reuse projects and cooperation with responsible partners.

During the past 2023/24 financial year, the range of standardised refurbishment kits, which extend the service life of already installed luminaires through efficient on-site modernisation, was further intensified. In the area of procurement, the data availability and quality on environmentally critical ingredients, recyclability and the recycled content of purchased resources was expanded and improved.

The latter measures will continue to be central in the ongoing financial year:

the range of refurbishment kits as well as the availability of spare parts will steadily be increased and data on the material health of our purchased materials will continuously be improved. At the same time, the share of the recycled content for new product developments will be increased. The data on material health will be reflected in the environmental product declarations (EPDs), which will be available to our customers and partners to an even greater extent in the future, in addition to the more than 5,000 already existing environmental data sheets.

Partner of Choice

As the Partner of Choice - who we want to be for all our stakeholders - we will continue to work with our suppliers on sustainable procurement, offer our employees an excellent workplace and inspire our customers not only with our light, but also with our sustainable products and services, which create added value.

Life-cycle, ad-hoc and global employee surveys were introduced in the past financial year in order to capture valuable feedback from our employees in a more focused manner: The input is now systematically collected, evaluated and then translated into action plans. Over 60 % of the measures derived from the global employee survey, such as free eye tests, demonstrations to increase mobility and vaccination campaigns, have already been implemented as part of the 'ZG Health' employee health programme.

The importance of occupational health and safety at the Zumtobel Group is confirmed by the achievement of ISO 45001 standard certifications for all European sites in the past financial year.

In addition, the Zumtobel Group's supplier management realised a digital transformation: the newly implemented „DigiSus“ (Digital Sustainability) platform provides an efficient overview of suppliers and their ESG performance and compliance in real time. This will also help us to further develop the sustainability surveys of our suppliers in the 2024/25 financial year in line with the upcoming due diligence regulations.

Our goal by 2025 is to implement 80 % of all measures derived from the global employee survey and to roll out a holistic concept for all European locations.

With our implemented measures and newly set targets along the entire value chain, we are ensuring that we will continue to be a strong partner in the area of sustainability also in the future.

Sustainable Synergies

Just how valuable partnerships can be in creating sustainable solutions was also demonstrated at the world's leading trade fair for lighting and building technology, the Light + Building, in spring this year: the exhibition area's concept, which was based on partnerships, was honoured with a „Sustainable Exhibition Stand“ award.

Another award we were pleased to receive was the third consecutive EcoVadis gold medal. In this year's evaluation of the Zumtobel Group, the independent platform for sustainability ratings particularly honoured the numerous measures implemented in the area of labour and human rights, which allowed us to maintain and further expand our solid rating basis.

The valuable exchange with partners is also expressed in our podcast series Light Talks: we talk with experts about the potential of the circular economy in the construction industry, protecting the night sky and other topics such as the energy transition in industry, smart building solutions, AI and the workplace of the future.

In summary, the Zumtobel Group was once again able to demonstrate its resilience in the 2023/24 financial year in a persistently challenging economic environment.

By consistently pursuing our strategy with a focus on innovation, digitalisation and sustainability, we were able to position ourselves in the market in a targeted manner, which is why we are confident about the company's future development.

This confidence is also due to the around 5,300 Zumtobel Group employees worldwide who work on achieving our corporate goals together with us. I would like to thank our customers and partners for their trust and partnership.

We look forward to shaping the future in a sustainable way, to new partnerships, exciting innovations and new milestones.

Best regards,

Alfred Felder
CEO Zumtobel Group

THE ZUMTOBEL GROUP IN OVERVIEW

COMPANY

The Zumtobel Group is an international lighting corporation that was founded in Dornbirn, Vorarlberg (Austria) in 1950. Over the years, it has grown to become 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 roughly 90 countries. The Group employed a workforce of 5,350 as of 30 April 2024 and generated revenues of EUR 1,127.0 million in the 2023/24 financial year. The founding Zumtobel family has served as a stable core shareholder since the IPO in 2006 and holds roughly 36.16 % of share capital.

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.

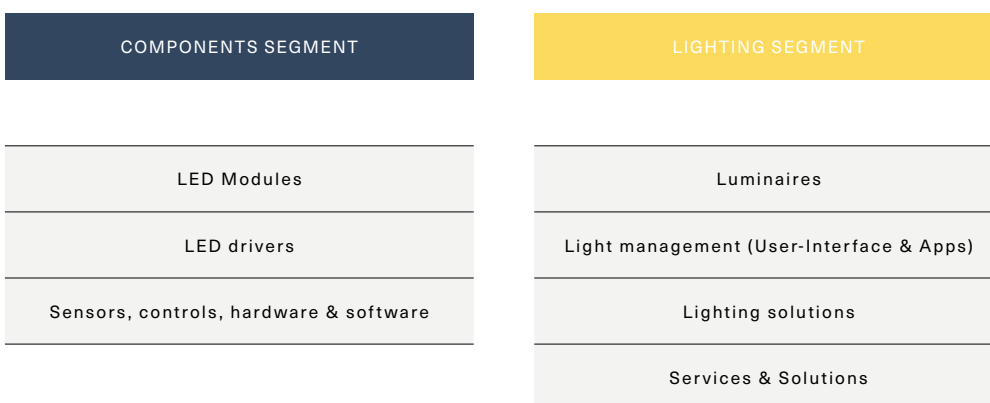
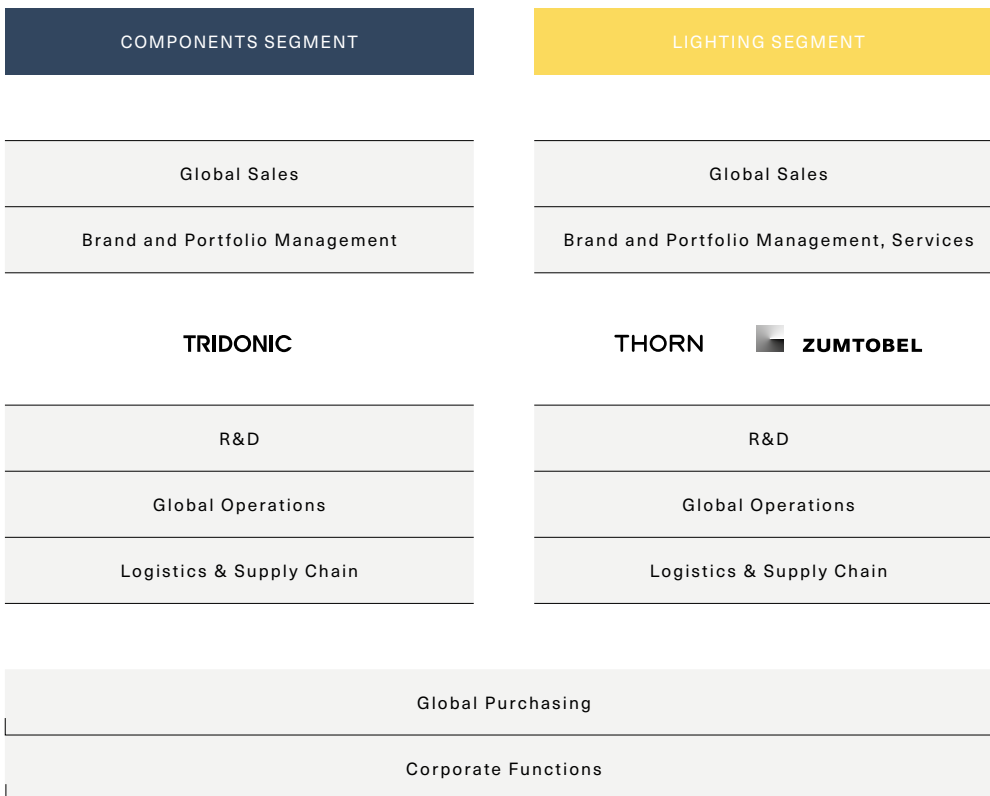
In the Lighting Segment, the company is one of the European market leaders with its Thorn and Zumtobel brands. Tridonic, the components brand, forms the basis for the Group's leading role in the production of hardware and software for lighting systems (LED light sources, LED drivers, sensors, emergency lighting and lighting systems management). The Zumtobel Group's service offering is one of the most extensive in the entire lighting industry:

It includes 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 – and here, the real time localisation of goods and people is only one example.

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 reflects the two segments and their 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. Lighting solutions are also sold



Simplified illustration as of 30 April 2024

over special online sales channels. 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 management and service functions for the brands. These central functions include finance, human resources, legal, audit & compliance, insurance, sustainability, IT and process management, information security and data protection, 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 regional 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"). Management relies on lean management, the automation of business processes, and the use of location-specific cost advantages to continuously optimise production costs. Equally, digitalisation plays an important role in production. In this context, new digital processes were introduced as a 'digital factory' at the Dornbirn plant in the 2022/23 financial year.

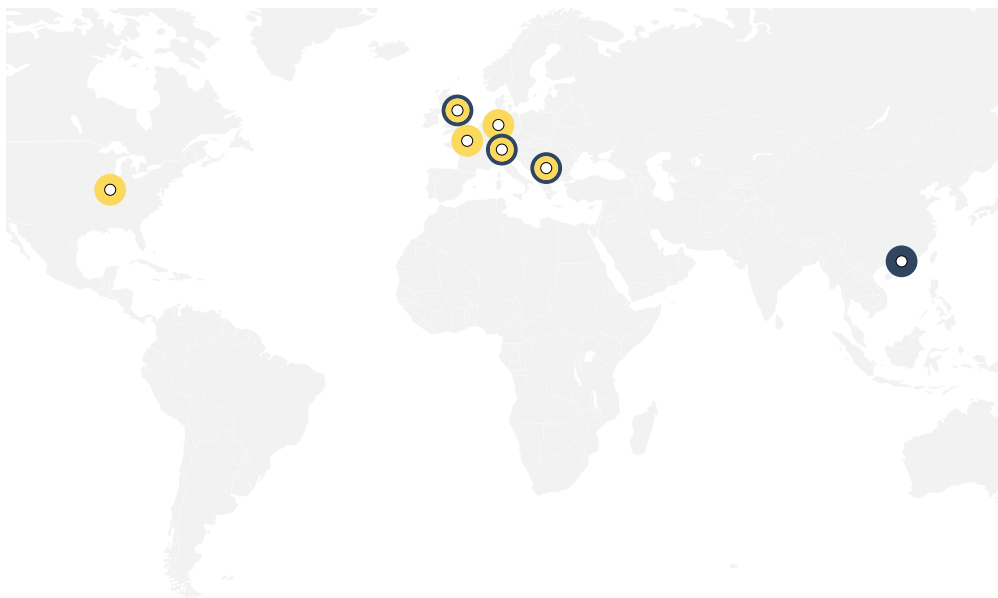
These include 'best practice' processes in material supply, quality inspection and tender management, which will be implemented in all plants worldwide in the future. Lighting and components are produced in individual areas at Dornbirn, Niš and Spennymoor under separate organisation and management. The Zumtobel Group operated 10 plants on three continents as of 30 April 2024.


Market position and brand positioning


The Zumtobel Group is active worldwide, but Europe remains the most important market with around 85 % of total revenues. The professional lighting industry in Europe is highly fragmented but the Zumtobel Group holds a strong position with its established international lighting brands: The market share in Europe equals roughly 7 %. 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.

Designing perfect lighting solutions in top quality for every situation is the mission and passion of the Zumtobel brand. The right lighting in the right context creates an atmosphere and can have a positive influence on the quality of life – and in combination with innovative architecture, it becomes a genuine experience. Zumtobel develops innovative and sustainable lighting solutions for interiors that are optimised for the specific area of application to meet people's needs (Human Centric Lighting).

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. The most important applications for these solutions are industry, education, retail, healthcare, office, gastronomy, and art and culture.



 Components Segment
4 Plants

 Lighting Segment
6 Plants

COMPONENTS SEGMENT

Dornbirn, AT
Niš, RS
Shenzhen, CN
Spennymoor, UK

LIGHTING SEGMENT

Dornbirn, AT
Highland, US
Lemgo, DE
Les Andelys, FR
Niš, RS
Spennymoor, UK

Production network of Zumtobel Group as of 30 April 2024

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 as well as external partners in the project business – true to the brand claim to continuously improve the aesthetics of light and, in doing so, strike out in new directions.

Thorn is a leading quality supplier of professional solutions for indoor and outdoor lighting which has been successfully active on the market for nearly one hundred years. 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. One important role, among others, is played by the protection of the nighttime sky with the help of so-called dark sky friendly solutions, and Thorn has extensive know-how in this area. Its functional products also cover all conventional applications from offices to supermarkets, industrial buildings, schools and healthcare facilities.

Tridonic, the Zumtobel Group's technology brand, supports customers with intelligent hardware and software solutions. With over 2,500 patents, it is a global innovation driver for light-based network technology and the development of scalable solutions that support the development, among others, of new business models for lighting producers, building managers and system integrators. 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 around 80 % of its

revenues outside the Zumtobel Group. The brand's innovative strength is also demonstrated by a recent award from the Digital Illumination Interface Alliance: For the light management in a movie theatre complex in Dubai, Tridonic received the renowned DALI Award for architecture and entertainment at the Light + Building trade fair in March 2024.

Key success factors for the Zumtobel Group

The Zumtobel Group's leading competitive position is based, above all, on three established core brands with broadly diversified market access, extensive know-how in lighting applications and a clear technological advantage in individual areas. In order to optimally address the markets, the group has created three so-called sales clusters – D/A/CH, Europe-West/South, and Europe-North/East – that are designed, among others to strengthen the market presence in Europe. The sales function had nearly 1,700 employees in 2023/24, whereby roughly 1,400 employees work for the Lighting Segment and roughly 260 employees for the Components Segment. A systematic focus on each of the three 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. This applies, in particular, to the sales employees in the Lighting Segment. Accordingly, detailed and wide-ranging education programmes and continuous training are decisive for the quality of sales. "Launch windows" are held by the product managers twice each

year to familiarise their sales colleagues with the latest product developments. The programmes offered by the Zumtobel Group's Learning Academy were further expanded during the past year with a focus on the design, implementation and organisation of training for internal stakeholders and customers. So-called "partner hub" seminars have been held for apprentices, electricians, electrical planners, light planners and architects for over 18 years, whereby each programme is tailored to the respective requirements. The focus of this knowledge transfer is the subject of light.

In order to further strengthen its leading technological position and distance itself from the competition, the Zumtobel Group regularly makes substantial investments in research and development (R&D): A total of EUR 72.7 million was invested in R&D alone in 2023/24. The further development of lighting quality based on LED technology, rapid digitalisation and the increasing complexity of intelligent lighting systems create continuous challenges for R&D. Luminaires and their components based on the digital light source LED have become central elements 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. This position is supported by targeted acquisitions, e.g. the purchase of rights to the IoT software Siteworx developed by Digital Lumens – whereby Zumtobel holds exclusive rights for Europe. The software has been successfully integrated in the Thorn and Zumtobel Keyture product offering for smart building solutions. This

modular, multifunctional software suite in combination with intelligent sensors covers solutions for maximum energy savings (control), precise information for the maintenance and monitoring of sustainability goals (report), space optimisation in real time (view), the location and tracking of objects (locate) and the monitoring of environmental factors and operational excellence (sense).

Structural revenue drivers for professional lighting

The most important structural revenue driver for the professional lighting industry in recent years has been the issue of energy efficiency, also due to the increasing market penetration of LED as a new light source. The technological maturity of LEDs has brought about a continuous improvement in lighting quality and the design of product solutions to optimally meet the individual needs of users. The opportunities provided by digitalisation – i.e. integrated intelligent lighting solutions – are receiving greater attention, and the lighting infrastructure is now increasingly used in applications outside the scope of actual lighting. This development has been reflected in a range of new applications and business models like digital services.

The subject of energy efficiency is, nevertheless, more relevant than ever due to the necessary global efforts to reduce CO₂ emissions and, above all, 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. 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 significant cost saving opportunities, 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 or the prohibition on fluorescent lighting.

The EU's Green Deal also includes an extensive list of projects that are eligible for subsidies which are available up to 2027. This creates additional opportunities for the Zumtobel Group because the related projects are leading to an increased demand for refurbishment solutions like the ones offered by the Lighting Segment: The lighting technology in older buildings can be modernised with a new lighting concept or so-called refurbishment kits without major construction expense, which do not replace the complete lighting system but only exchange the lighting source and adjusted control electronics.

Relevant trends for the lighting industry currently include "connectivity", meaning intelligent and Internet linked lighting, as well as the growing demand for comprehensive, integrated service offers. Light is predestined to become a cornerstone in the infrastructure of the Internet of Things (IoT) – lighting is everywhere, connected and digital. The Internet of Things will create new and better experiences and services for the retail trade, buildings and cities and unlock a wide range of opportunities for the development of innovative business models. Today, the Zumtobel Group's customers can rely on one of the most comprehensive integrated service offerings in the entire lighting industry. The systematic exchange of know-how on smart building technologies and intelligent IoT solutions forms the basis for new strategic ecosystem partnerships like the ones with Siemens and its Enlighted subsidiary.



+ FOCUSED

Our FOCUSED strategy

Be FOCUSED. The Zumtobel Group has, in recent years, consistently implemented and refined the corporate strategy that was introduced in 2018/19 with its stronger focus on customer orientation and reduction of process complexity and costs. This strategy was expanded by management in 2020/21 to generate new opportunities for growth and strengthen the company's sustainable positioning through the inclusion of 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 interaction 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 are 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's sustainability goals are to reduce emissions, establish itself as a partner of choice and implement the principles of the circular economy. 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.

Digitalisation

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.

A variety of external factors created numerous challenges for the Zumtobel Group in 2023/24. Persistently high interest rates and the related reservation of the construction industry, especially in the new building segment, created a difficult situation for the company. Despite this adverse situation, the pursuit of the corporate strategy and investments in the future continued. Continuous innovation connected with consistent quality management enabled the Zumtobel Group to further strengthen its position as a leading supplier of lighting solutions.

Strategic focal points in 2023/24

Investments in the future – upgrade of the TECTON carrier rail
Introduction of the new Keyture IoT product brand
„Ecosystem Partnership Agreement“ with Siemens and Enlighted
Reorganisation of the Tridonic plant in Dornbirn
Science Based Targets initiative (SBTi): Targets submitted for validation
Launch of circular economy pilot projects
Introduction of a digital solution for the sustainability assessment and management of suppliers

Investment to upgrade the TECTON carrier rail system

A major investment to upgrade the TECTON carrier rail system was made in 2023/24 and underscores its position as one of the Zumtobel Group’s most outstanding products. The upgrade of the TECTON carrier rail system marks a further milestone in our plans to offer our customers the very best. One key feature of this upgrade is the expansion of connectivity options.

The new TECTON carrier system is equipped with 15, instead of the previous 11 poles. This gives our customers a broader range of

application possibilities and greater flexibility in the design of lighting solutions. From an industrial environment to commercial facilities, it can be easily adapted to meet different branch requirements. Expanded functions make it possible for our customers to customise their lighting solutions and thereby increase their efficiency and productivity. This innovation strengthens our position as a leading provider of lighting solutions and highlights our strong commitment to quality and customer satisfaction.

IoT-product brand Keyture

Another important innovation in the past financial year was the introduction of the new Keyture IoT product brand as the new smart building solution for the Zumtobel Group. This modular software suite with its intelligent sensors includes various solutions that cover maximum energy savings, the monitoring of compliance with sustainability goals and the tracking of objects. The new product line will help to position the Zumtobel Group as a pioneer in integrated technology and support the development of new market segments.

Ecosystem Partnership Agreement

The Zumtobel Group recently announced the signing of an Ecosystem Partnership Agreement with Siemens and its Enlighted subsidiary. This strategic partnership strengthens the position of the Zumtobel Group in the future field of intelligent building solutions and opens new opportunities for growth and innovation.

Reorganisation Tridonic Dornbirn

The challenging situation in the components business led to a decision by the Zumtobel Group in favour of an extensive reorganisation of the Tridonic plant in Dornbirn. The decision was taken in October 2023 and

fully implemented in January 2024. This step is intended to increase operating efficiency in Dornbirn and to protect the competitive ability of the Components Segment over the long term.

Science Based Targets initiative

In agreement with the long-term corporate strategy, the Zumtobel Group continued to increase its efforts in the area of sustainability. Numerous measures were implemented to reduce the ecological footprint of the business, to increase the efficiency of resource use and to establish more sustainable business practices. These initiatives form an integral part of the company's social responsibility and its commitment to environmental protection.

A key highlight in the 2023/24 financial year was the submission of the targets for validation in connection with the Zumtobel Group joining the Science Based Targets initiative (SBTi) in the previous year. By joining the initiative, Zumtobel Group is committed to reducing CO₂ emissions along the entire value chain in line with science-based net zero targets. The submission of the targets represents a further step in this direction.

Circular economy pilot projects

The Zumtobel Group also achieved certification under the Cradle to Cradle Certified® Product Standards for the new ARTELEA floor lamp and Tridonic's fourth generation excite driver. The first Bronze Cradle to Cradle Certified® certification was also received for both product groups. ARTELEA is not only versatile and easily serviced due to its modular design, but the recycling, modernisation or replacement of the luminaire head are also problem-free. Consequently, the service life of ARTELEA does not end with its initial use, and the luminaire can be returned to the cycle. The

recycling of the floor lamp in place of a new purchase can save up to 72.4 kg CO₂.

The AVENUE exterior light also has a high recycling component and, in addition to the ARTELEA floor lamp, is another product family that was developed and introduced in 2023/24 based on circular design rules to improve recyclability.

With the certification of the fourth generation of the so called excite driver, Tridonic became the first company in the electronics branch to achieve parallel cradle-to-cradle certification for LED drivers and LED modules. Tridonic's LED modules received this certification in 2022.

Sustainability assessment and management of suppliers

Other activities in 2023/24 involved efforts to optimise supplier management. This use of new digital instruments allows the Zumtobel Group to review its suppliers more efficiently and to follow their performance and compliance with corporate sustainability goals.

The implementation of "Digisus" represents a milestone in the sustainability evaluation of the Zumtobel Group's suppliers.





01 GUIDING LIGHT

THOSE WHO HAS THE LIGHT
CAN GO AHEAD.



Zumtobel Group on the road to sustainability

We are taking the lead with this year's report. Once again. Our aim is not only to meet legal requirements, but also to make real progress on the road to sustainability. It's about seizing the opportunity to positively design our world and taking on actions that are important for us and our environment. In doing so, we take responsibility for ourselves long before others do. As a designer of lighting solutions that go hand in hand with a liveable planet. As a business partner who assumes responsibility along the entire value chain. As a company which views itself as an integral part of society. Our road to sustainability is accompanied by three focal points along the entire value chain, which have evolved from the revision and adaptation of materiality: Net-Zero, Circular Economy and Partner of choice.

1.1	NET-ZERO	020
1.2	CIRCULAR ECONOMY	022
1.3	PARTNER OF CHOICE	025

GUIDING LIGHT

1.1 NET-ZERO

How we pursue the Net-Zero goal

THERE IS ONLY ONE WAY: THE WAY THAT LEADS TO ZERO CO₂.

We are on the road to net-zero, meaning the complete reduction of our ecological footprint. The use of sustainable energy sources and technical optimisation is supporting the continuous reduction of CO₂e emissions in our plants. By submitting the targets to the Science Based Targets initiative for validation, we emphasise our commitment to making significant progress in reducing emissions along the entire value chain. With the sustainable procurement of raw materials and the development of future-oriented lighting solutions. And to do this, we are continuing to work closely with our customers, suppliers and business partners..

The material topics for reporting on our road to Net-Zero are:

Climate change mitigation
Energy & renewable energy
Procurement

Net-Zero for the Zumtobel Group means the avoidance and reduction of emissions along the entire value chain. The foundation is formed by the Greenhouse Gas Protocol for Carbon Accounting and by the scientifically based requirements for reduction in line with the Science Based Target initiative (SBTi).

Scope 1 & 2 in FY 2024/25 in spite of growth
CO ₂ -emissions fall below 9.500 t
share of renewable energies rise to over 65 %

Commitment on the road to Net-Zero

The conversion to efficient lighting in infrastructure and buildings plays an important role in the reduction of emissions. With its portfolio of sustainable lighting solutions, the Zumtobel Group actively supports its customers in meeting their environmental goals.

The Zumtobel Group has set numerous goals and is working to meet the short-term goals set with the Science Based Targets initiative (SBTi) by 2030. The company further reduced its ecological footprint during the past financial year and, in doing so, made substantial progress to realise these goals.

The commitment to the SBTi underscores the Zumtobel Group's ambitions to reduce emissions along the entire value chain and to follow a net-zero roadmap. Meeting this goal will only be possible through close collaboration with customers, suppliers and business partners to help create a sustainable future.

Highlights on the road to Net-Zero

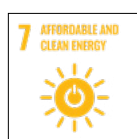
Continuous improvement measures in energy-intensive processes such as injection moulding, laminating, heating and cooling led to a reduction of around 1,000 t CO_{2e} in the Zumtobel Group's plants during 2023/24 financial year.

Scope 1 & 2 emissions have been reduced by 60 % since the 2020/21 financial year.

Another highlight on the road to Net-Zero involves the improvements to data recording processes and the further detailing of calculation methods to achieve higher data quality in carbon accounting.

All categories of the Greenhouse Gas Protocol relevant for the Zumtobel Group are presented in full.

The Zumtobel Group submitted its short-term and long-term goals to SBTi. They will be validated by SBTi during the 2024/25 financial year.



GUIDING LIGHT

1.2 CIRCULAR ECONOMY

How we apply the principles of the circular economy to the entire value chain

PATHS THAT LEAD US IN CIRCLES AND STILL TAKE US FORWARD.

With the development of circular business models, we are linking the circular economy to our entrepreneurial core. For this, we develop special expertise in areas such as product design according to the Circular Design Rules, the refurbishment and reuse of our products, the establishment of the necessary logistics and partner networks as well as the high-value recycling of the materials used in our products. A circular economy is not only a vision but also a goal that we aim to meet – through the procurement of sustainable resources, Circular Design Rules, interdepartmental strategies, trainings and pilot projects which have an impact on the entire production process. We think in cycles and implement this approach in the many areas of our company.

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

Sustainable products and applications
Material & consumption
Circular economy & -models
Waste
The design of our products and the quality of materials must meet sufficiently high standards to allow for their use as raw materials in the next product generation.

Commitment on the road to circular economy

A circular economy offers the Zumtobel Group a model in which products and materials can move within a cycle, e.g. through reuse, refurbishment or recycling. The use of primary raw materials is reduced and waste is minimised.

The circular economy is viewed as a future-oriented form of business in which products are understood to be 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 transitioning from a linear to a circular economy through the introduction of Circular Design Rules and the development of circular business models. In this respect, the European Green Deal will pave the way. Future legal regulations, for example the Ecodesign for Sustainable Product Regulation (ESPR), are reviewed and new requirements are integrated directly in the Circular Design Rules. Pilot projects, the creation of circular business models, cooperation with partners as well as the development of processes and business models represent further measures on our road to a circular economy.

The achieved Cradle to Cradle Certified® certifications demonstrate our success in establishing a circular economy. Synergies between the opportunities arising from digitalisation and a circular economy will also be unlocked.

Highlights on the road to circular economy

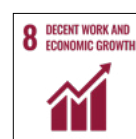
The procurement process was further aligned with a circular approach in 2023/24. Improvements were made in the availability and quality of data for environmentally critical materials, recyclability and the recycling content of input materials.

A milestone on the road to the Circular Economy goal was set with the successful implementation of a pilot project together with carla Vorarlberg, SPAR and Voestalpine. The project focused on the reuse and high-value recycling scenarios: During the EUROSPAR Lustenau refurbishment, existing TECTON installations were carefully dismantled, examined, measured and readied for reuse, while the tracks were used for a second generation by the steel supplier. The project backgrounds and results were published in a white paper.

The development of standardised refurbishment kits for the modernisation of existing luminaires was intensified during the reporting year. The kits are designed to extend the products' lifetime of already installed luminaires directly at the customer's location. This high-quality, standardised solution gives customers an opportunity to significantly reduce their energy consumption and provides a low-effort solution in regards to the prohibition on fluorescent lighting. The refurbishment kit portfolio was extended, above all for the linear luminaire and, in connection with renovation efforts, is growing to become a fixed part of our product portfolio. The development of standardised refurbishment kit solutions and replacement components represents an inherent part of many new product developments.

Zumtobel's ARTELEA free standing luminaire became one of the first products worldwide to be Bronze Cradle to Cradle Certified® under the new 4.0 certification standard in 2023/24. This project involved the development and use of a PTFE-free lacquer. As part of a light-as-a-service contract, the product is offered with a remanufacturing option.

At the Light + Building trade fair in 2024, Zumtobel presented an example of sustainable material selection and circular design with the IZURA concept luminaire, alongside the draft of a new product passport (Digital Product Passport, DPP). A Digital Product Passport creates a unique digital identity, and includes technical data, information on environmental aspects as well as circularity.



GUIDING LIGHT

1.3 PARTNER OF CHOICE

How we are a partner of choice

THE PATHS WE CHOOSE THAT ENCOURAGE OTHERS TO JOIN US.

We create good and fulfilling conditions for everyone who accompanies us on the road to the future. As an employer and business partner, we develop sustainable strategies, programmes, sets of measures and systems that foster a fair, transparent, motivating and healthy environment. As a Partner of Choice, we challenge and encourage our employees as well as our suppliers, and help our customers reach their sustainability goals. Through our transparency on emissions, the development of a circular economy and an offering of comprehensive solutions, reliable data, know-how transfer and process innovations.

The material topics for reporting on our road to becoming the Partner of Choice are:

Human rights
Employee satisfaction
Training & continuing education
Diversity & equal opportunity
Occupational safety, health and well-being
Product quality & safety
Customer health & safety
Customer satisfaction
Social standards in the supply chain
Supplier management
Our due diligence responsibilities cover the entire value chain. We meet our goals together with our employees and our suppliers, partners and customers.

Commitment on the road to becoming the partner of choice

The sustainable, ecological and inclusive transformation of the economy requires close cooperation above and beyond corporate boundaries. Climate protection, growth and competition must be combined, and socially just transformation of the economy made possible. New rules and regulations establish requirements for the recording and exchange of reliable data by all stakeholders. In this connection, digital processes and networked thinking are the keys to success. The Zumtobel Group involves business partners along the entire value chain to jointly create solutions for the upcoming challenges.

Central elements for the cooperation with suppliers are transparency, protecting human rights and upholding high social standards. A recently introduced digital solution (Digisus) makes supplier management more efficient and, together with other elements like the code of conduct for business partners and the internal whistle-blower system, builds a framework for compliance with diligence responsibilities.

Through the continuous improvement of its people strategy, the Zumtobel Group wants to be the employer of first choice for all those who want to develop their potential and drive the future of light.

To reach their sustainability goals, customers are increasingly seeking out comprehensive solutions, including extensive evidence and data at the corporate, solution and product.

The Zumtobel Group therefore engages in a dialogue to precisely meet these requirements at both the content and systematic levels. As a true partner, the company offers targeted solutions that meet customers' needs.

Highlights on the road to becoming the partner of choice

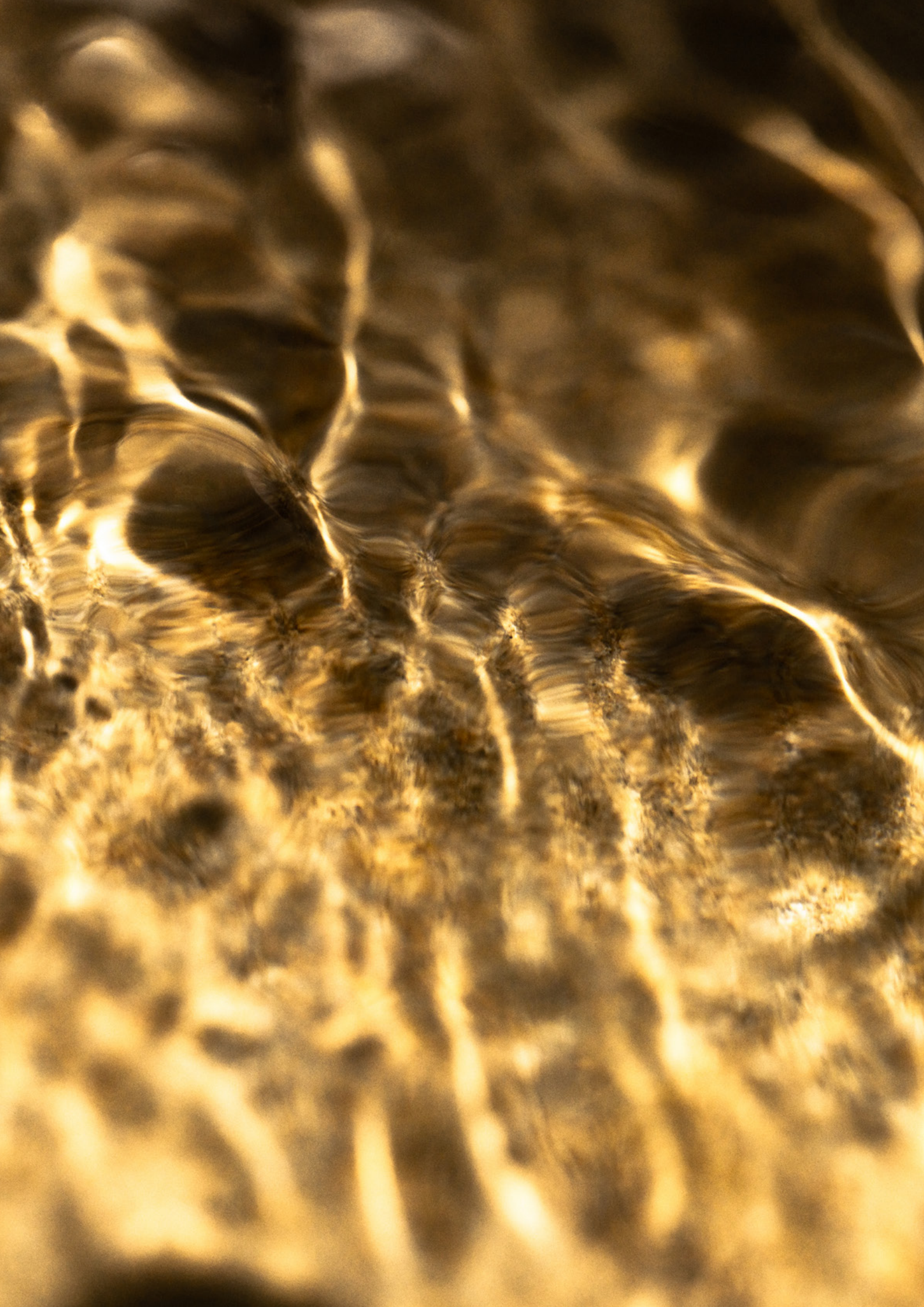
A digital platform introduced during the reporting year allows the Zumtobel Group to monitor the sustainability performance of its suppliers.

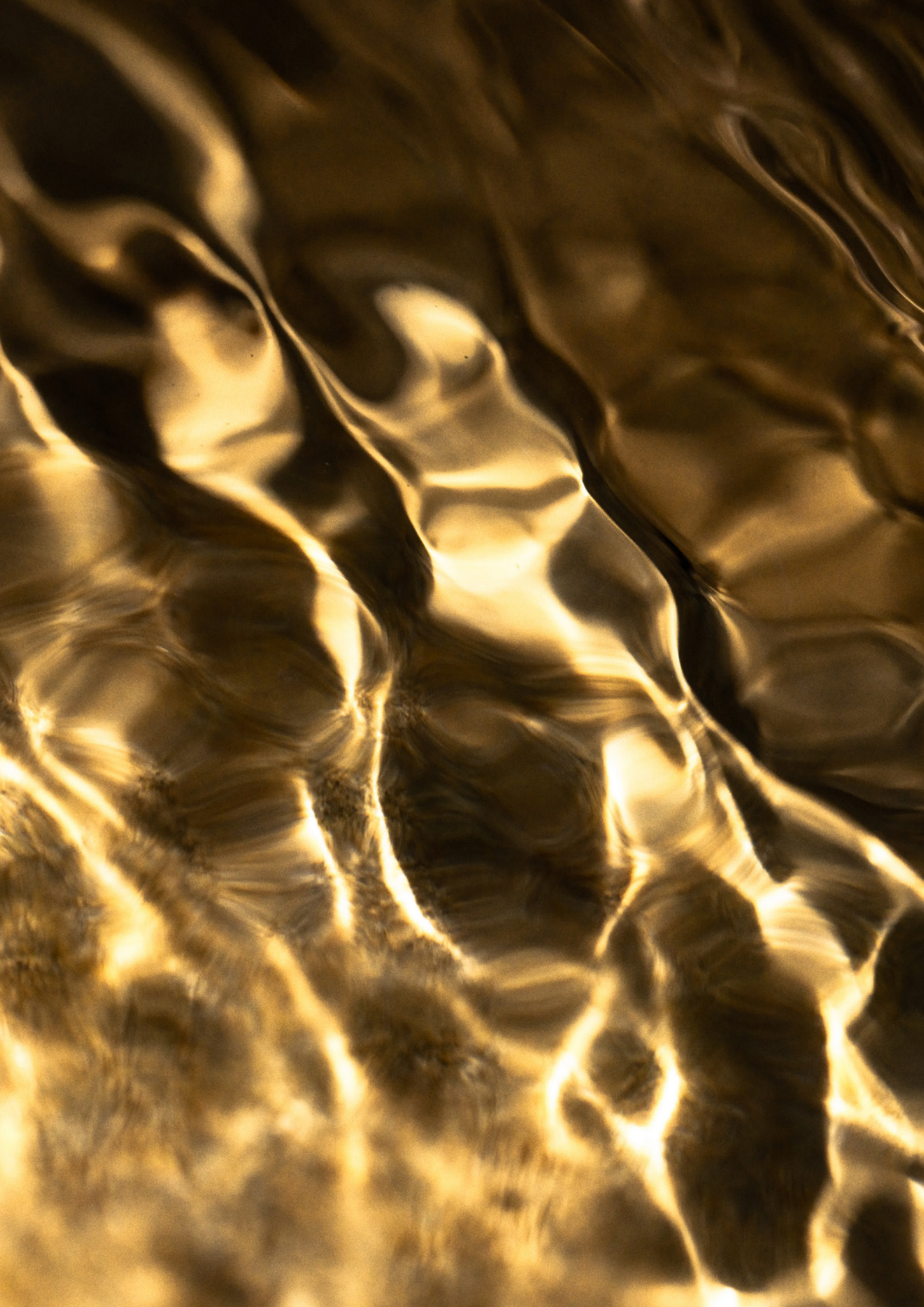
Employee retention is underscored by the recently implemented system of lifecycle surveys, ad-hoc surveys and surveys of the global workforce.

The lighting plants in Les Andelys and Lemgo were certified under the ISO 45001 occupational safety and health protection management systems standard. All European production locations now meet these strict requirements.

A worldwide customer survey provided positive feedback on the Zumtobel Group's sustainability performance. To provide customers with sparring and implementation support and offer targeted solutions, a dedicated training programme was introduced to the sales team.







02 CORPORATE GOVERNANCE

THOSE WHO KNOW WHAT'S COMING,
CAN TAKE THE INITIATIVE.

New requirements and evolving sustainability goals demand collaboration. Across functions within the company and beyond. In cross-company co-operation with suppliers and customers. We create a common understanding as the basis for suitable processes and forward-looking data management. In this way, we successfully implement individual measures that help us achieve our economic, ecological and social goals as a whole.



Zumtobel Group on the road to of sustainability

Fulfilling disclosure and due diligence requirements and utilising opportunities presented by new regulations. Further develop structures for effective cooperation and data exchange with partners. We fulfil this and more to create awareness: Awareness of how our solutions can help customers and users achieve their goals.

Goals for 2024/25

- Implement and anchor the requirements of the upcoming sustainability regulations in the organisation
- Further development of the EcoVadis score

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2.1 GENERAL

How we actively integrate sustainability into corporate management

„FOR ME, RESPONSIBLE AND SUSTAINABLE CORPORATE GOVERNANCE MEANS NOT ONLY PURSUING SHORT-TERM SUCCESS, BUT ALSO TAKING INTO ACCOUNT THE LONG-TERM IMPACT ON THE ENVIRONMENT, SOCIETY AND EMPLOYEES. A BALANCED RELATIONSHIP BETWEEN SOCIAL, ECONOMIC AND ECOLOGICAL ASPECTS IS CRUCIAL.“

Hannah Moschen, Sustainability Manager,
Group Sustainability

Management approach & due diligence processes

DSustainability reporting requirements will be expanded significantly in the coming years, among others through the Corporate Sustainability Reporting Directive (CSRD). The disclosure of data on the impact on the environment, social aspects and governance creates a new level of transparency and permits the comprehensive comparison of various companies. From this perspective, it can be expected that sustainability aspects will grow to become new disciplines and play a more decisive role in competition. An active commitment and well-founded management are essential to continuously improve sustainability performance along the value chain.

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 stakeholders' requirements. 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 and the related goals are defined in line with the context analysis, a review of the company's strategic orientation, its strategy and the related adjustments. Progress on the defined measures and target attainment 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 stakeholder dialogue often leads to the identification of various possible approaches to sustainability. The United Nations Sustainable Development Goals (SDGs), as a global compass, are often a suitable starting point for describing the Zumtobel Group's sustainability performance. The dialogue with stakeholders is designed to reflect the different ESG viewpoints and to always return to the underlying material topics.

The material topics for sustainability reporting are positioned in the core and linked with the above mentioned approaches – SDG, value chain. Connections to the internal specialist departments are 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.

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. With this statement, 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.

This non-financial statement applies to the 2023/24 financial year and reflects all principles defined by the Global Reporting Initiative (GRI 2001). It was prepared in agreement with the GRI standards, applicable to the period from 1 May 2023 to 30 April 2024. 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 orientation on GRI standards and the related expansion of reportable data reflects 2020/21 as the base year. This ensures the comparability of data with the following years.

In preparation for the introduction of mandatory reporting under European Sustainability Reporting Standards (ESRS), the Zumtobel Group deals, as in the previous year, with sustainability based on the principle of double materiality in this report. Double materiality covers two dimensions, namely the materiality of the impact on society and the environment (“inside out”) and financial materiality (“outside in”). Impacts, risks and opportunities along the Zumtobel Group’s value chain are identified and assessed: This depends on the nature of the activities concerned, business relationships, geographical circumstances or other risk factors.

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. The supplementary content in this non-financial statement is intended to provide a better understanding for the Zumtobel Group’s stakeholders.

Goal attainment in 2023/24

The Zumtobel Group was successful in meeting the goals set for 2023/24. Monthly meetings between the finance and Group sustainability departments set the stage for process networking, the desired EcoVadis score was reached, and the first steps were taken to implement the ESRS requirements.

CORPORATE GOVERNANCE

2.2 SUSTAINABLE MANAGEMENT

How sustainability is anchored in the company

Organisational anchoring & 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 the assignment of material topics to the ESG structure and their connection with the Sustainable Development Goals (SDGs) of the Zumtobel Group.

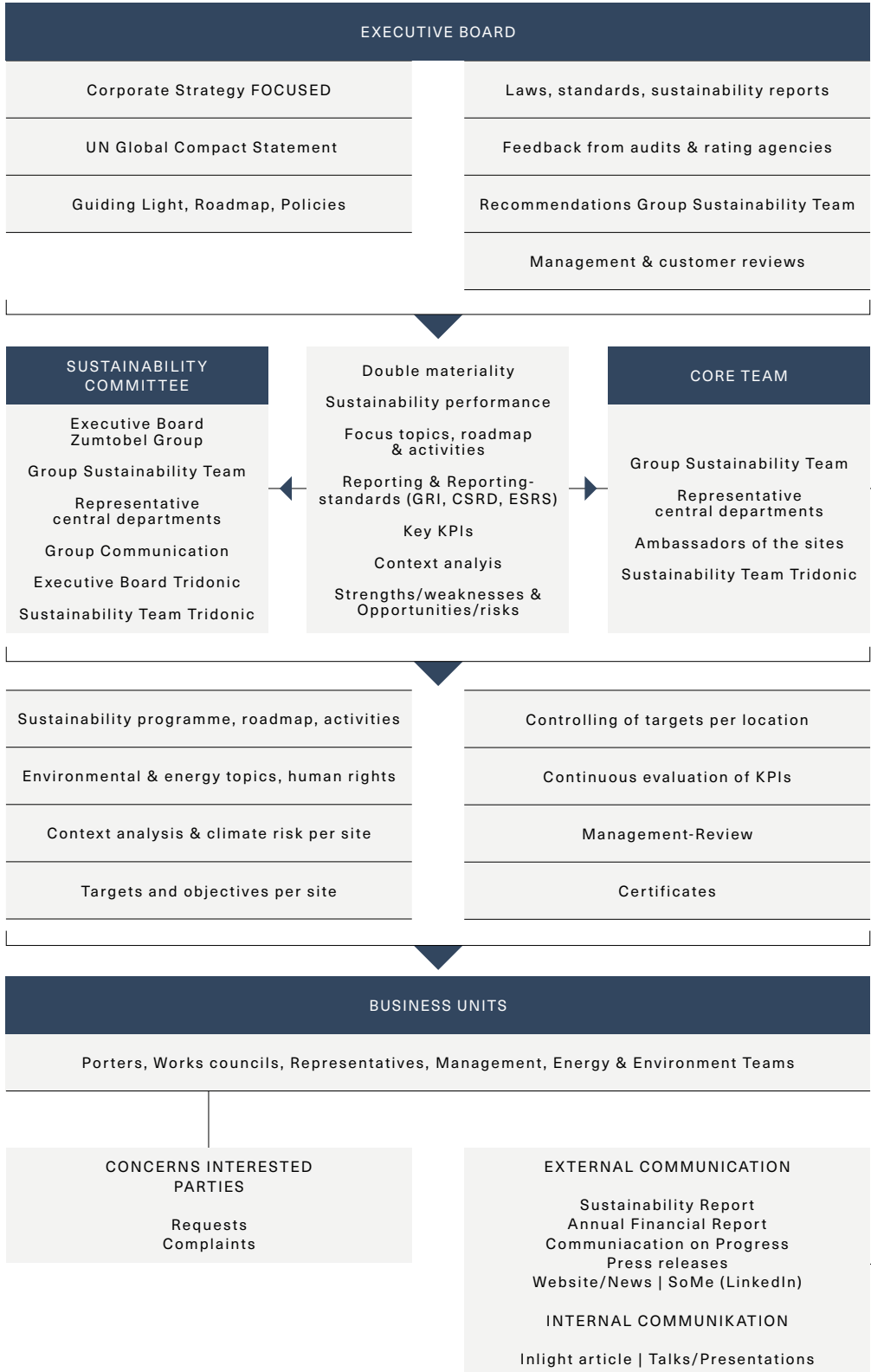
The material topics identified as part of the materiality update 2023/24 are viewed along the value chain and flow into the focal points:

Net-Zero
Circular economy
Partner of choice

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

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 departments like global human resources management, global procurement, brand & portfolio management, R&D, sales and the Group sustainability team.

The sustainability steering committee 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 to monitor indicators, goals and actions



Group Sustainability Team



Foto: Nina Bröll

from left to right: Wolfgang Bechter, Ines Göbel, Sebastian Gann, Hannah Moschen

The Group sustainability 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, together with the Group sustainability director, provides the Supervisory Board with regular information on financial, operating, and 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.

2.3 STAKEHOLDER MANAGEMENT

How we engage with our stakeholders

„IN OUR PURSUIT OF SUSTAINABLE PRACTICES, WE ACKNOWLEDGE THAT OUR ACTIONS RESONATE FAR BEYOND OUR IMMEDIATE SPHERE. EFFECTIVE STAKEHOLDER MANAGEMENT IS NOT MERELY A STRATEGY; IT'S A COMMITMENT TO INCLUSIVE DECISION-MAKING, TRANSPARENCY, AND ACCOUNTABILITY. BY ACTIVELY ENGAGING WITH STAKEHOLDERS - FROM LOCAL COMMUNITIES TO GLOBAL PARTNERS - WE FOSTER TRUST, COLLABORATION, AND COLLECTIVE OWNERSHIP OF OUR SUSTAINABILITY JOURNEY. TOGETHER, WE NAVIGATE COMPLEXITIES, ADDRESS CONCERNS, AND HARNESS DIVERSE PERSPECTIVES TO DRIVE MEANINGFUL CHANGE AND CREATE LASTING VALUE FOR ALL.“

Laila Salvaing Torres,
International Account Manager

The Zumtobel Group maintains an open dialogue with its interest groups 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, direct and personal interaction, above all with a wide range of interest groups in the project business, advances the development of pioneering and sustainable lighting solutions.

The following table provides an overview of the most important stakeholder groups and platforms for the Zumtobel Group.

Stakeholder groups Zumtobel Group

STAKEHOLDER	PLATFORMS / COMMUNIKATION INSTRUMENTS
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
NGOs/NPOs	Joint projects in support of corporate citizenship
Politics/public authorities	Producers' associations, standardisation committees, employer associations
Employees/contract workers	Employee reviews, events, social media
Neighbouring residents/neighbours	Direct personal contacts, meetings on construction projects
Works councils/AK/trade unions	Works council meetings, employee associations, collective agreement negotiations

The customer and supplier surveys carried out in 2023/24 brought more than 4,500 responses for an analysis of sustainability-related issues. The completeness and rating of the material topics were also evaluated via open feedback and included in the double material analysis for the reporting year. The issue of sustainability is important for

the Zumtobel Group's international customers. Many of these customers have already developed an ESG roadmap and place high demands on their business partners.

The Zumtobel Group contributes at the strategic level and also offers numerous proven lighting solutions for implementation.

2.4 DOUBLE MATERIALITY ANALYSIS

How we define our material topics

The materiality analysis is the central instrument for the identification and prioritisation of the most important sustainability issues. The Zumtobel Group carried out regular materiality analyses in the past, which were always based on the standards applicable at the respective time: the 2021 standards of the voluntary Global Reporting Initiative (GRI) for the 2021/22 financial year and the “double materiality” for the 2022/23 financial year as described in the draft of the European Sustainability Reporting Standards (ESRS). The latest revision to the materiality analysis continues this process with adjustments to reflect the finalised ESRS which becomes mandatory in 2025 in connection with the implementation of the CSRD (Corporate Sustainability Reporting Directive).

The materiality analysis covers activities, relationships and dependencies along the entire value chain. It leads to a better understanding of the actual and potential impact of a company on people and the environment as well as the financial opportunities and risks associated with sustainability issues.

The goal is to identify, prioritise and further develop the most important issues for the company and its stakeholders. In the sense of continuity, the necessary processes are fully integrated in management processes.

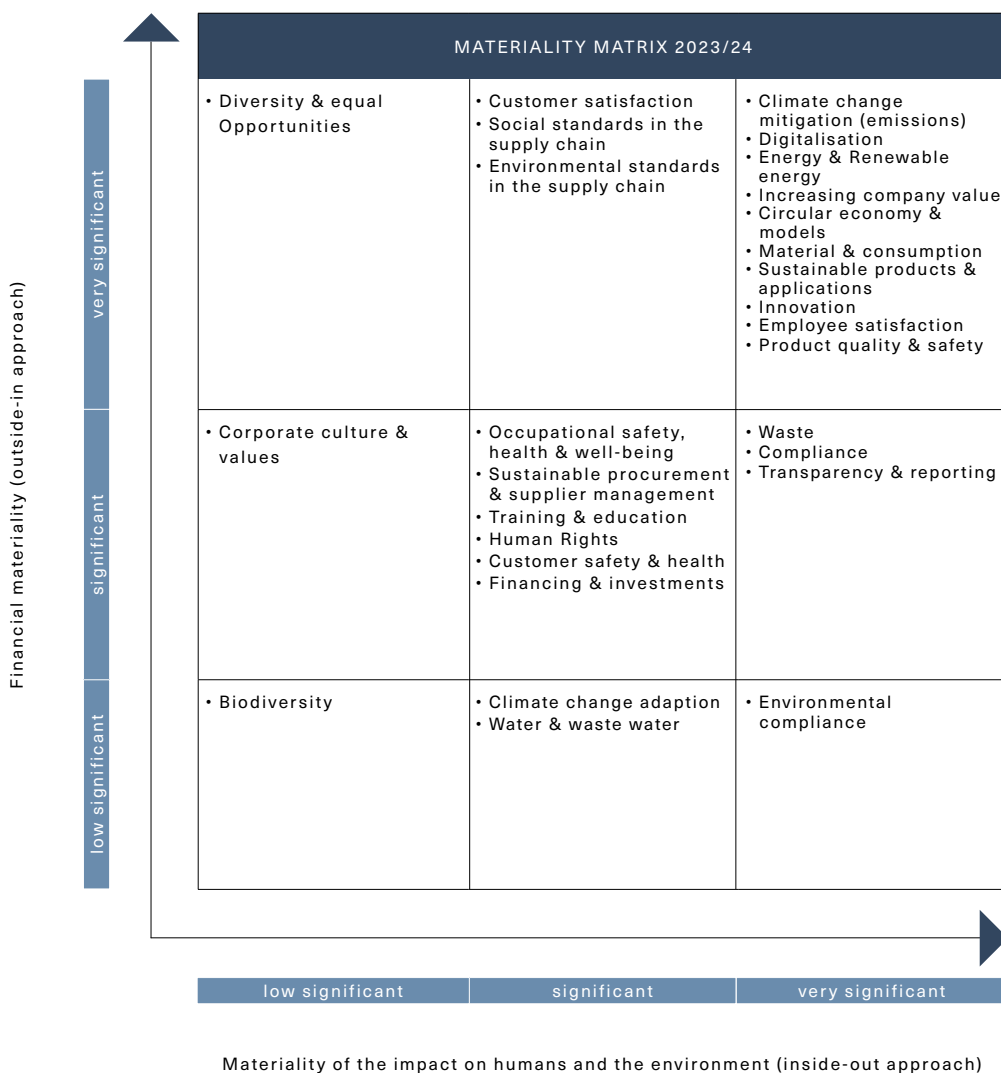
Implementation of the double materiality principle

The starting point for the materiality analysis 2023/24 was formed by previous analyses, the context analysis from the management system, and the environmental aspects matrix. A “long list” of issues was examined in two dimensions in the sense of “double materiality”: the impact on society and the environment (impact analysis, inside-out) and financial opportunities and risks (financial materiality, outside-in). The material topics for reporting were then defined as threshold values, and the results were validated by feedback from external and internal stakeholders. External stakeholders were involved via surveys, while supplementary interviews provided detailed information on selected issues. The respective specialist departments were responsible for the internal evaluation and confirmation of results.

All issues previously designated as material remained material after the analysis was updated in 2023/24. No additional material topics were identified.

The process to define the material topics for reporting was evaluated and approved by the chief governing bodies, the Management Board and Supervisory Board.

Following is a structured list of the material topics for the Zumtobel Group in 2023/24 and their connection with issues related to the Austrian Sustainability and Diversity Improvement Act ("NaDiVeG"), material topics, ESG criteria and SDGs:



List of material topics 2023/24

ESG	MATERIAL TOPIC	FOCAL POINTS	NaDiVeG*	SDGs
	Increase in the value of the company			8
	Financing & investments			8
	Transparency & reporting			8
-	Sustainable products & applications		Environmental issues	12
	Digitalisation			8
	Innovation			9
	Climate change mitigation	Net-Zero	Environmental issues	13
	Energy & renewable energy	Net-Zero	Environmental issues	7
E	Sustainable procurement	Net-Zero	Environmental issues	12
	Material & consumption	Circular Economy	Environmental issues	12
	Circular economy & models	Circular Economy	Environmental issues	7, 12, 13
	Waste	Circular Economy	Environmental issues	12
	Employee satisfaction	Partner of Choice	Employee issues	8
	Training & education	Partner of Choice	Employee issues	4, 8
	Diversity & equal opportunities	Partner of Choice	Employee issues	5
S	Occupational safety, health & well-being	Partner of Choice	Employee issues	3
	Product quality & safety	Partner of Choice	Social issues	12
	Customer safety & health	Partner of Choice	Social issues	12
	Customer satisfaction	Partner of Choice	Social issues	12
	Compliance		Fight against corruption	16
			Employee issues	16
	Human rights	Partner of Choice	Respect for human rights	16
	Environmental compliance		Environmental issues	16
G	Environmental standards in the supply chain		Environmental issues	12
	Social standards in the supply chain	Partner of Choice	Social issues	8
	Supplier management	Partner of Choice	Social issues	12
			Respect for human rights	12
			Fight against corruption	12

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

ESG = Environment, Social, Governance

CORPORATE GOVERNANCE

2.5 REVIEW & OUTLOOK

What we have achieved

Sustainable actions are firmly anchored in the Zumtobel Group's corporate strategy. Based on the core business, the objective is – and has been for slightly over 70 years – to make the best possible contribution to a liveable future.

The Zumtobel Group documents its sustainability performance according to the areas covered in the report and the respective material topics:

Cluster:	E = Environment, S = Social, G = Governance
Material topic:	Takes into account the material topics for reporting and the topics that are relevant to the company.
Status:	● completed ● in progress

AREA	MATERIAL TOPIC	GOAL	MEASURES, ACTIVITIES, RESULTS	STATUS	SDG
CORPORATE GOVERNANCE					
		Updating the double materiality according to ESRS criteria	Update of the assessment of double materiality (in accordance with ESRS); no additional topics or changes to the assessment; stakeholder surveys conducted for this assessment	●	8
		Publication of progress report (COP)	Ongoing commitment to the UN Global Compact for FY 2022/23; link to the COP available on the Zumtobel Group website	●	16, 17
		Corporate goals for the klimaaktiv Pact 2030	The corporate targets set were achieved; further improvements through annual updating of the monitoring documents	●	17, 13
		Active membership of IPC	The Tridonic technology brand is a member of the IPC Association Connecting Electronics Industries	●	16, 17
		EcoVadis awards	Zumtobel Group: Gold medal 2024 Tridonic: Gold medal 2024	●	16,17
Stakeholder management					
		Stakeholder engagement	Survey of customers, suppliers, business partners and investors on the Zumtobel Group's sustainability performance	●	17
Increase in the value of the company					
		Positive sustainability indices	The Zumtobel Group is included in sustainability indices (e.g. VÖNIX and Sustainalytics) on an annual basis	●	8
Financing & investments					
		Implement regulatory requirements of the EU Taxonomy Regulation	Recording taxonomy conformity in reporting	●	8
Transparency & Reporting					
		Reporting in accordance with the GRI framework (2021) and in preparation for CSRD	Reporting structure is adapted to GRI requirements; report content is prepared in accordance with GRI; gap analysis on ESRS carried out with the specialist departments	●	8
Sustainable products & applications					
		Marketing the topic of environmental product declarations EPDs after 10 years of use	Defined new products receive an EPD; over 5,000 environmental product declarations generated	●	11, 13
		Improving the energy efficiency of luminaires	The average energy efficiency of the luminaires placed on the market improved by 3.15 %	●	11, 13

AREA	MATERIAL TOPIC	GOAL	MEASURES, ACTIVITIES, RESULTS	STATUS	SDG
	Innovation				9
		Increase in the number of patents and property rights	Active number of industrial property rights 8,966 and 4,151 patents	●	9
		Investigating new and sustainable solutions	Predictive maintenance; presentation of Smart Outdoor Lighting with Sensor X	●	9
	Digitalisation & digital transformation				
		Strategy development	Definition and implementation of the digital transformation strategy	●	9
ENVIRONMENT					
		All major locations in the group of companies are ISO 14000 and ISO 50001 certified	Obtaining certification in accordance with the requirements of ISO 14001 and ISO 50001 at all certified locations	●	13
E	climate change mitigation				13
		Scope 1 & 2 emissions according to Greenhouse Gas Protocol & GRI	Scope 1 reduced from 7,892 tonnes to 7,451 tonnes, reduction of 6 % Scope 2 reduced from 2,644 tonnes to 2,129 tonnes, reduction of 19 %	●	13
		Scope 3 emissions according to the Greenhouse Gas Protocol & GRI	11 of the 15 upstream and downstream processes according to the Greenhouse Gas Protocol are relevant for the Zumtobel Group and are recorded	●	13
		Continuous improvement	Target achievement of less than 9,950 tonnes of CO ₂ e emissions in Scope 1 & 2 CO ₂ e reduction of 9 % compared to the previous year	●	7, 13
		Net-Zero	Submission of SBTi targets for validation	●	13
E	Energy & renewable energy				
		Continuous increase in the share of renewable energy	All European locations obtain electricity from renewable energy sources; share of renewable energy increased from 59 % to 60.5 %	●	7, 13
		Reduction in energy consumption	Energy consumption was reduced by 4 %	●	7, 13
		Reducing the energy consumption of products sold	Further improvement in the intensity of the light works by 10 %	●	7, 9, 12, 13
		Continuous improvement	Conversions and increases in the proportion of district heating; biogenic heat generation	●	13
E	Water & waste water				
		Optimisation of water consumption	Reduction in water consumption of 9 %	●	6
		Continuous improvement	Multiple use in the area of coating and fewer layers; reduction of flow times; new cooling towers	●	6

AREA	MATERIAL TOPIC	GOAL	MEASURES, ACTIVITIES, RESULTS	STATUS	SDG
E	Material & consumption				12
		Transparency with regard to ingredients per product group	Ongoing review of product groups for compliance with the Restricted Substances List	●	12
		Optimisation of the material ingredients	Continuous survey of recyclability & recycling share of purchased materials; increase in recyclable material share of key product groups	●	12
		Product group strategy: integration of sustainability aspects	Regular review of main suppliers for sustainability requirements and continuous further development	●	8, 12
		Preparation for CSDDD	Preparation by creating transparency via the digital platform: DigiSus	●	8, 13
		Greening the company car fleet	Procurement policy in accordance with the company car policy; share of e-mobility: 10.3 %	●	13
E	Circular economy & models				8, 12
		Circular Design Rules & Digital Product Passport	CDRs further intensified in new product developments	●	8, 12
		Digital Product Passport (DPP)	First draft for a digital product passport (IZURA pendant light) developed	●	12
		Circularity in the procurement of materials	Procurement processes geared towards circularity; conspicuous ingredients identified and removed, e.g. use of PTFE-free paint for the ARTELEA floor lamp	●	8, 12
		Establishment of circulation systems	Examples of successful projects: Maintenance & Upgrade: Launch of standard refurbishment kit solutions for MIREL/MIRAL and CLEAN Reuse & High-Value Recycling: Implementation of pilot project Spar & CARITAS Vorarlberg Remanufacturing: Development of Circular Light-as-a-Service models for ARTELEA floor lamp	●	8, 12
		Cradle to Cradle Certified®-certified products	Tridonic LED-Module der Produktgruppen LLE, QLE und CLE (Bronze – Zertifizierungsstandard 3.1); Zumtobel Lighting mit der Stehleuchte ARTELEA (Bronze – Zertifizierungsstandard 4.0)	●	12
E	Waste				
		Waste optimisation	Reduction of waste by 2 %	●	12
		Continuous improvement	Optimisation of production planning; separation of plastic waste by type; optimisation of maintenance cycles leads to a reduction in waste; optimal use of blanks; grinding and reuse of sprue materials	●	12
		Improving the recycling rate	Recycling rate: 91.02 %	●	12

AREA	MATERIAL TOPIC	GOAL	MEASURES, ACTIVITIES, RESULTS	STATUS	SDG
SOCIAL					
S		Strengthening the employer brand: WE LIVE LIGHT	Development of an Employee Value Proposition (EVP) which is part of the LIGHT UP HR strategy	●	3
		Employee satisfaction			8
		Employee surveys	Introduction of Viva Glint as a survey tool for system-supported life-cycle surveys, ad-hoc surveys and global employee surveys	●	3, 8
S		Continuous improvement in satisfaction	All measures from employee surveys were assigned to responsible persons using action tracker tools; over 60 % of the measures decided upon have already been implemented	●	8
		Work-Life-Balance			8
S		Promotion of a healthy work-life balance	Award of the "Excellent family-friendly company 2024-2025" seal of approval	●	8
		Training & education			4
S		Management development programme	The Leadership Excellence Programme consists of two modules: the "Leadership Base" (Leaders Summer Camp) and "Leadership Excellence"	●	4
		General further training	Newly revised training catalogue with over 120 new soft skills e-learning	●	4
		Apprenticeship programmes	Introduction of a new apprenticeship: surface technician specialising in powder coating and hand painting	●	4
		Trainee programmes	Roll-out of the trainee programme	●	4, 8
		Diversity & equal opportunities			5, 10
S		Promotion of women in the company	Increase in the proportion of women in management positions to 22.4 %	●	5, 10
		Equal opportunities, elimination of discrimination, diversity & inclusion	Employee survey and strategy development on diversity, equity & inclusion	●	5, 10
		Diversity & inclusion	Vocational support programme for young people with physical or mental disabilities	●	5

AREA	MATERIAL TOPIC	GOAL	MEASURES, ACTIVITIES, RESULTS	STATUS	SDG
S	Occupational safety, health & well-being				3
		Continuous further development of the health programme	Introduction of annual targets at the Occupational Health Review Meeting; Zumtobel Group well-being calendar (e.g. health day with various stations)	●	3
		Implementation of ISO 45001 within the group of companies	2 additional locations are ISO 45001-certified	●	3
		BGF pilot project	Implementation of pilot project at the Dornbirn site: duration of three years, partnership with the Austrian Health Insurance Fund for workplace health promotion; detailed action plans for target achievement were drawn up	●	3
		Accidents at work	LTI-Rate: 4.8 (2022 23: 3.7) TRI-Rate: 6.7 (2022 23: 4.7)	●	3
S	Customer satisfaction				
		Carrying out a customer satisfaction survey	4,500 customer feedbacks on positive experiences and suggestions for improvement	●	7, 9, 11, 12, 13, 17
GOVERNANCE					
G	Compliance				16
		Whistleblower system	Addition to the recording of possible human rights violations in the user interface	●	16
		Internal Control Check	24 sales companies have undergone the annual self-assessment; assessment includes questions relating to the existence and implementation of local guidelines with the aim of preventing fraud	●	8, 16
		Revision of the Code of Conduct 2023	Updating the version of the Code of Conduct	●	8, 16
		Employees are trained in compliance topics	Mandatory training on the Code of Conduct (new employees) and Code of Conduct Refresher 2023 (for existing employees; new in this financial year) - Module 1	●	8, 16
		Fraud prevention	The Fraud Prevention Policy introduced serves to prevent, detect and respond to fraudulent activities within the Zumtobel Group	●	4, 16
		Data protection	Mandatory data protection training via company-wide learning platform - Module 2	●	4, 16

AREA	MATERIAL TOPIC	GOAL	MEASURES, ACTIVITIES, RESULTS	STATUS	SDG
G	Due diligence - human rights				
		Compliance with due diligence obligations	Requirements from the due diligence obligations are taken into account in internal documents and processes	●	16
		Preparation for CSDDD / human rights	Declaration of principles on human rights is written into Group policy & communicated internally	●	16
G	Environmental & social standards in the supply chain				8, 12
		Carrying out sustainability audits for new and existing suppliers	219 QA audits and 123 sustainability audits were conducted with suppliers	●	5, 8, 12, 16
		Evaluate suppliers from risk countries for sustainability performance	Based on industry and country risk ratings	●	5, 8, 12, 16
		Obligation of suppliers to comply with RoHS, REACH and observance of conflict minerals	CMRT report is available for download on the website	●	8, 12, 16
		Independent validation of commitment to sustainable procurement	Validation of sustainability performance through maturity analysis (EcoVadis)	●	8, 12
G	Sustainable procurement & supplier management				12
		Transformation of supplier management	Introduction of DigiSus (Digital Sustainability) - enables a more efficient overview of suppliers, their ESG performance and compliance	●	8, 12,
			Due diligence requirements are taken into account in the supplier onboarding process	●	12, 16
		Integrate requirements from the	Continuous revision and adaptation of the Code of Conduct for Business Partners	●	16
			Diversity & inclusion noticeable along the value chain through specific supplier relationships	●	5, 10
		Evaluation of upstream Scope 3 emissions	Strategic suppliers: screening already covered by EcoVadis assessment	●	13

2.6 SUSTAINABILITY ROADMAP

What lies ahead

The roadmap was prepared for the Net-Zero, Circular Economy and Partner of Choice focal points and translated into a working programme with voluntary commitments. These commitments are related to the mate-

rial topics 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.

This roadmap serves as a guideline for the continuous improvement in the sustainability performance of the Zumtobel Group:

Area:	E = Environment, S = Social, G = Governance
Material Topic:	Takes into account the material topics for reporting and the topics that are relevant to the company.

AREA	MATERIAL TOPIC	COMMITMENT	MEASURES, ACTIVITIES	STATUS	GOAL
NET-ZERO					
E	Climate change mitigation (emissions)				
		Reduction of emissions (Scope 1 & 2)	Reduce emissions (despite planned growth) to below 9,500 t CO ₂ e		2024
		Net-Zero	Prepare medium- and long-term reduction plans in agreement with the Paris Climate Agreement	Active SBTi membership 2023 SBTi goal submitted for validation in 2024 Development of measures to reach SBTi goals	2025
E	Energy & renewable energy				
		Increase the share of renewable energy to 65 %	Conversion from natural gas to biogas in Les Andelys and technical optimization of power coating in Spennymoor		2024
CIRCULAR ECONOMY					
E	Material & consumption				
			Recyclate content in all new product developments is increased to 50 %	Systematic recording of recyclate content in products	2028
		Use of materials for the circular economy	Continuous increase of recyclable material content in products	70 % recyclable materials are used in product portfolios	2024
			Management and integration of environmental data (e.g. CO ₂ , recycled content)		2025
		Packaging material from recyclable sources	Evaluation of packaging material from renewable resources	Use of packaging based on cellulose from industrial potatoes. Components Segment: fully converted to recyclable cardboard	2024
E	Circular economy & models				
			Systematic implementation of Design for Disassembly for simplified reparability and upgradeability of product	The design concept for the OMEGA luminaire module line is based on modularity and interchangeability	2024
		Development of products for the circular economy	Increase availability of spare parts & refurbishment kits	Refurbishment kits available for MIREL / MIRAL luminaire family	2024
			Remanufacturing option for 10 % of the product families (Lighting Brands)	The ARTELEA free-standing luminaire is offered with a Light-as-a-Service contract	2030
			All premium products are Cradle to Cradle Certified® (components)	LED modules of the LLE, QLE, CLE product groups in Niš – Bronze	2030
		Establish circular systems	Implementation of projects for circular economic systems: maintenance & upgrade, remanufacturing, high-value-recycling	Pilot project: implemented with Spar, CARITAS Vorarlberg and VOESTalpine	2025

AREA	MATERIAL TOPIC	COMMITMENT	MEASURES, ACTIVITIES	STATUS	GOAL
E	Sustainable products & applications				
		Expand the availability of environmental product declarations	Target for availability of EPDs in number, % per product family, % of all products and new products	Continuous increase in automation of EPDs generation to improve availability	2024
PARTNER OF CHOICE					
E, S	Environmental & social standards in the supply chain				
		Expand evaluation of suppliers according to social criteria	Further develop sustainability questionnaire based on expected EU due diligence regulation	Basis created by new digital platform "DigiSus"; numerous suppliers already evaluated	2025
		Encourage suppliers to conduct independent audits and assessments	Inquiry/survey on ISO 45001 with TOP suppliers	Supplier questionnaire takes into account queries for ISO certifications and SBT	2023
		Sustainability evaluation of all key suppliers with strategic relevance (high revenue volume)	Introduction of DigiSus platform in 2023 and continuous supplier onboarding		2024
S	Employee satisfaction				
		Action tracker tool	Over 80 % of the measures from the employee survey will be implemented	Over 60 % of the measures already implemented	2024
		Conduct an employee survey	Follow-up on global employee survey via Viva Glint		2024
S	Training & education				
		360° feedback tool	Roll out the feedback tool in the Zumtobel Group	Use of Viva Glint: introduction of Viva Glint in FY 2023/24	2024
		Apprenticeship training	Introduction of a new apprenticeship: operating logistics	Introduction in autumn 2024	2024
S	Diversity & equal opportunities				
		Promotion of women in the company	Increase in the share of women in management positions to 22.4 %		2024
		Equal opportunities, elimination of discrimination	Development of strategy for diversity, equity & inclusion		2024

AREA	MATERIAL TOPIC	COMMITMENT	MEASURES, ACTIVITIES	STATUS	GOAL
S	Occupational safety, health & well-being		Certification of all major European sites according to ISO 45001	Successful certification of Lemgo and Les Andelys; all European locations are ISO 45001-certified	2024
	Promoting employee health & well-being	Prepare overall concept for health management and implement key elements at the major European locations	Pilot location in Dornbirn, implementation of various measures to promote occupational health	2024	
		Develop programme to record and identify main causes and duration of lost working days		2024	
		Standardised BGM basis structure at all locations	Continuous data collection: status of BGM structure in all countries	2026	
S	Product quality & safety		Planning for future standards through committee work and innovative hard- and software development in own laboratories	Simulation software (thermal calculation, FEA, Moldflow) for linking with risk analyses	2024
	Compliance with the highest product safety standards	Screening of new requirements for measurements and tests from the Circular Economy topic		2025	
S	Customer satisfaction		Conduct regular brand equity monitoring	4.500 responses from customers	2024
	Monitoring and improvement of customer satisfaction	Programme for continuous improvement of customer satisfaction	Conduct workshops to improve and further develop customer satisfaction	2024	

CORPORATE GOVERNANCE

2.7 INCREASE IN THE VALUE OF THE COMPANY

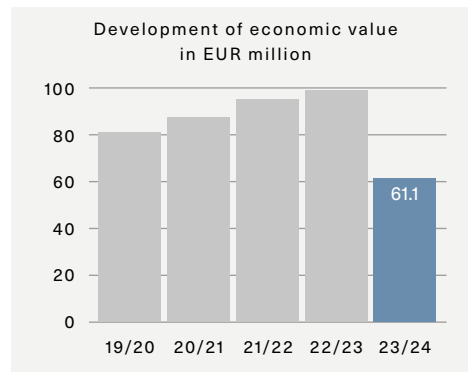
What we have generated

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 Group's sustainability performance is evaluated externally each year, for example in connection with its listing in the Vönix sustainability index. The ESG risk rating carried out by Sustainalytics in April 2024 brought the Zumtobel Group 12.6 points. It represents an improvement of 0.6 points since November 2023 and clearly categorises the Zumtobel Group as a "low risk" company.



Financial flows to stakeholders

The Zumtobel Group generated economic value of EUR 1,137.2 million in the 2023/24 financial year. After the deduction of expenses and payments to equity and debt providers and to governments, the residual economic value equaled EUR 61.1 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	2019/20	2020/21	2021/22	2022/23	2023/24
Corporate revenues ¹	1,144.4	1,061.9	1,158.6	1,215.2	1,137.2
Operating expenses ²	(666.8)	(594.3)	(675.9)	(695.1)	(629.2)
Personnel expenses	(375.3)	(357.4)	(365.5)	(387.7)	(406.5)
Payments to shareholders	(0.0)	(4.3)	(8.6)	(15.1)	(17.3)
Payments to providers of borrowed capital	(7.2)	(5.7)	(5.4)	(6.9)	(11.6)
Payments to public bodies ³	(14.7)	(13.1)	(8.6)	(11.8)	(11.5)
Residual economic value	80.4	87.1	94.6	98.5	61.1

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.

CORPORATE GOVERNANCE

2.8 FINANCING & INVESTMENTS

How sustainability and financing are linked

The greening of the economy creates significant opportunities for the investor stakeholder group. This is reflected in a key goal of 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”.

At the same time, the share of sustainable financing in companies is increasing.

Sustainable financing is no longer a fleeting trend, but plays an increasing role in corporate financing. Sustainability-linked loans, for example, focus on the company as a borrower and evaluate the development and improvement of the company's sustainability goals. The Zumtobel Group converted the EUR 125 million consortium credit agreement concluded in December 2021 to an ESG linked loan in June 2023. It is connected to the sustainability strategy and performance, and the financing costs reflect the target attainment for the EcoVadis sustainability rating and the reduction of Scope 3 CO₂e emissions.

CORPORATE GOVERNANCE

2.9 TRANSPARENCY & REPORTING

How we implement the EU taxonomy

Reliable criteria for the areas of environmental, social and governance (ESG criteria) are becoming increasingly important for companies and their stakeholders. This development is being driven by new regulatory requirements and harmonised reporting standards (Corporate Sustainability Reporting Directive, European Sustainability Reporting Standards, Corporate Sustainability Due Diligence Directive), which are aimed at both greater transparency and better comparability.

The requirements of customers and the capital market are constantly increasing and, for example, the stakeholder group of investors is paying more and more attention to the ESG profile of their investments in equity and debt capital.

Basically, it is equally important whether the aim is to promote climate protection, strengthen sustainable production patterns across all sectors or align the economy as a whole with the circular economy model: Sustainability only works with proven transparency. Sustainability issues are no longer just about transparent external reporting, but about actively integrating the topic into relevant management processes within the

company. The financial and non-financial world of information collection and its transparent communication will continue to merge.

Transparency of financial and non-financial aspects has therefore been a necessary requirement in the Zumtobel Group in order to safeguard trust in the company's sustainability performance. Transparency also promotes the opportunity to set goals for critical ESG issues and to continuously develop them further. The Zumtobel Group is committed to coordinating its sustainability performance in the Steering Committee set up for this purpose and to communicating the annual successes and required information transparently to its stakeholders in accordance with the GRI 2021 reporting structure in the „comprehensive“ option.

In this sustainability report, the Zumtobel Group presents and reflects on its sustainability strategy and performance. In particular, it focuses on the impact of its own actions along the entire value chain on people and the environment as well as the organisation of corporate responsibility. Being at the cutting edge also means being able to hold your own against the competition.

Today, this is more demanding than ever, as companies are not only thinking economically, but also ethically and no longer only bear responsibility for their customers, but also for the world in which these customers live.

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

The Taxonomy Regulation defines three conditions that must be met for an economic activity to be classified as sustainable:

- a) An economic activity contributes substantially to at least one of the following environmental goals as defined in Art. 9 (EU) 2020/852 and meets the respective technical screening criteria:
 - 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
- b) An economic activity is only qualified as sustainable when it makes a substantial contribution to at least one environmental objective but, at the same time, does not significantly harm any of the other objectives (“do no significant harm”, DNSH).
- c) The economic activity must meet minimum social objectives (Minimum Social Safeguards, MSS) to be classified as sustainable.

Based on this regulation, the EU Commission issued two delegated acts to define the technical screening criteria and publication methodology.

Data collection for the 2023/24 financial year covered the taxonomy eligibility of the six above-mentioned environmental objectives as well as the taxonomy alignment of the revenues, capital expenditure (CapEx) and the proportional share of operating expenses (OpEx) attributable to the climate change mitigation and climate change adaptation objectives.

This year's reporting, similar to the previous year, was the responsibility of a project team that included Corporate Accounting & Tax, Group Sustainability, Controlling Lighting Brands, Controlling Tridonic and Global Quality. In individual tasks, the economic activities were first evaluated based on the IT tool established by the EU Commission (“Taxonomy Compass”) and the criteria for each economic activity were analysed.

Based on this analysis, taxonomy eligibility was then analysed at the Group level.

Economic activities connected with the Zumtobel Group's value creation process were identified as including activities directly related to revenues generated by the Zumtobel Group or activities involving individual CapEx or OpEx measures.

Review of taxonomy alignment

An internal platform was installed to support knowledge building and communication. It contains all information materials, links to the related legal frameworks as well as documents and training videos on the EU Taxonomy and individual economic activities. The examination and verification process included a particular focus on verifiability and the dual control principle for data analysis. All economic activities relevant for the assessment of taxonomy alignment have been analysed regarding potential significant harm of other environmental goals (Do no significant harm, DNSH). For example, Global quality is responsible for the examination and documentation of results from the climate risk and vulnerability analysis. Physical climate risks were evaluated according to a risks analysis of all plant locations.

On Group level, a materiality analysis was prepared. All potential risks out of these two analyses were identified and evaluated, and appropriate measures for reduction were defined and implemented. All plant locations are certified for ISO 14001 and ISO 45001.

According to our assessment, the taxonomy eligible economic activities do no significant harm to other environmental goals.

The OECD guidelines for multinational companies, the UN Guiding Principles on Business and Human Rights including the eight fundamental conventions of the Declaration by the International Labour Organisation (ILO) on Fundamental Principles and Rights

at Work, and the International Human Rights Charter are achieved in full.

The Zumtobel Group's code of conduct and the code of conduct for business partners serve as central instruments for compliance with the social minimum standards.

The definitions used by the EU Taxonomy and the related delegated acts permit different interpretations as seen from the Zumtobel Group's point of view, and the interpretation of certain economic activities as of the reporting date did not identify any "prevailing theory". In a limited number of cases, third parties were unable to provide proof for conformity of the economic activity and the related position was therefore classified as not taxonomy aligned (e.g. the external computing centres).

The Zumtobel Group maintains contacts with other stakeholders in the lighting industry (e.g. participation in the Joint Taskforce Taxonomy of the European Lighting Industry Association) to standardise reporting and to improve its scope and comparability.

Overview of the identified taxonomy eligible economic activities

The following table provides an overview over the identified economic activities whose description reflects the EU Regulation and its interpretation by the Zumtobel Group. The interpretation was based on currently available information.

Taxonomy eligible business

BUSINESS ACTIVITY AS PER REGULATION	DESCRIPTION OF BUSINESS ACTIVITY AS PER REGULATION	INTERPRETATION AND BASIS FOR TAXONOMY ELIGIBILITY
CCM-3.5 Manufacture of energy efficiency equipment for buildings	(g) Light sources rated in the highest two populated classes of energy efficiency in accordance with Regulation (EU) 2017/1369 and delegated acts adopted under that Regulation	Light sources in the sense of the Regulation include the LED modules as well as the luminaires and related equipment (tracks, mountings etc.) produced by the Zumtobel Group. Also included here are the luminaires produced by third parties on behalf of the Zumtobel Group which are marketed under a Zumtobel Group brand.
	(j) Presence and daylight controls for lighting systems	Presence detection and daylight controls for lighting systems include sensors together with hardware and software for light management systems.
	(m) Energy-efficient building automation and control systems for residential and non-residential buildings	This category includes LED ballasts which regulate the current flow between the electricity network and the LED light source. Emergency lighting is also classified as CCM-3.5 (m) because it represents an exemption to the regulations for energy labelling defined by Annex IV of the delegated regulation (EU) 2019/2015.
CCM-6.4 Operation of personal mobility devices, cycle logistics	Selling, purchasing, financing, leasing, renting and operation of personal mobility or transport devices where the propulsion comes from the physical activity of the user, from a zero-emissions motor, or a mix of zero-emissions motor and physical activity	E-bicycles purchased as job bikes and general ebicycles are assigned to this category.
CCM-6.5 Transport by motorbikes, passenger cars and light commercial vehicles	Purchase, financing, renting, leasing and operation of vehicles designated as category M1, N1, both falling under the scope of Regulation (EC) No 715/2007 of the European Parliament and of the Council, or L (2- and 3-wheel vehicles and quadricycles)	Neither motorcycles nor light utility vehicles are in use. This category includes leased automobiles whose maintenance is the responsibility of the leasing company as well as purchased passenger vehicles.

Taxonomy eligible business

BUSINESS ACTIVITY AS PER REGULATION	DESCRIPTION OF BUSINESS ACTIVITY AS PER REGULATION	INTERPRETATION AND BASIS FOR TAXONOMY ELIGIBILITY
CCM-7.3 Installation, maintenance and repair of energy efficiency equipment	Individual renovation measures consisting in installation, maintenance or repair of energy efficiency equipment	Service contracts with our customers are assigned to CCM-7.3 (d).
CCM-7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)		The corresponding digital services of the Zumtobel Group are included here.
CCM-7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	(a) Motion and day light control	The corresponding digital services of the Zumtobel Group are included here.
	(b) Lighting control systems and energy management systems	The corresponding digital services of the Zumtobel Group are included here.
CCM-7.6 Installation, maintenance and repair of renewable energy technologies		Installation and maintenance as described in the Regulation are included here for the Austrian locations.
CCM-7.7 Acquisition and ownership of buildings		This covers, above all, the Zumtobel Group's leasing expenses for buildings.
CCM-8.1 Data processing, hosting and related activities		The internal computing centre is included here.
CE-4.1 Provision of IT/OT data-driven solutions		Investments in new IT solutions as described in the Regulation are included here.

Double counting of the relevant key performance indicators is not possible, as each economic activity is assigned to only one environmental goal.

Zumtobel Group does not conduct any economic activities related to fossil gas or nuclear energy and therefore does not publish the additional templates on fossil gas and nuclear energy.

Changes versus the previous year

In comparison with reporting on the 2022/23 financial year, data was collected on the taxonomy eligibility of the four additional environmental objectives and the existing data collection and reporting approaches for revenues, CapEx and OpEx were improved and made more transparent through automation steps. With CE-4.1 a new economic activity becoming relevant for reporting was identified. The approach to calculate capital expenditure (CapEx) and operating expenses (OpEx) did not change materially.

Key performance indicators (KPIs)

A specific approach was developed to analyse the taxonomy aligned share of the KPIs for revenues, capital expenditure (CapEx) and operating expenditures (OpEx) as a component of the respective economic activity.

Revenues

Revenues in the denominator of TEUR 1,126,975 (2022/23 1,209,200) include revenues from the sale, installation and repair of luminaires and from the sale, installation and repair of LED modules, ballasts, hardware and software for light management systems. These revenues are allocated to economic activities CCM-3.5 (g) (j) (m) and CCM-73 (d).

The quantitative distribution of revenues to the various economic activities can be found on the notification form. Our evaluation of revenues is based on the consolidated Group amounts, whereby a breakdown is provided in the notes to the consolidated financial statements (see note 2.6.4.1 Revenues).

Taxonomy aligned revenues of TEUR 260,473 (2022/23 304,137) in the numerator represent the share of revenues that meet the technical screening criteria.

The technical screening criteria for business activity CCM-3.5 (g) define lighting sources as taxonomy aligned when they are classified in the two highest energy efficiency categories under Regulation (EU) 2017/1369 of the European Parliament and of the Council on Energy Labelling and delegated acts issued on the basis of this Regulation. The European Product Registry for Energy Labelling (EPREL) lists energy efficiency classes A and B as having the highest energy efficiency for lighting sources. Therefore, only luminaires in energy efficiency class A or B are recorded as taxonomy aligned. Emergency lighting does not carry an energy efficiency class under the EU Regulation and, consequently, there is no technical screening criterion here.

CapEx

Capital expenditures in the denominator of TEUR 64,164 (2022/23 69,409) represent the additions to tangible assets, assets under construction and intangible assets, including IFRS 16 rights of use as described in the IFRS consolidated financial statements (see note 2.6.6.2 Other intangible assets and note 2.6.6.3 Property, plant and equipment). Capital expenditures are allocated to economic activities CCM-3.5, CCM-6.4, CCM-6.5, CCM-7.3 to 7.7, CCM-8.1 and CCM-4.1. Our evaluation of CapEx is based on the consolidated Group amounts.

Taxonomy eligible CapEx includes the investments in category (a) (b) or (c) of the delegated act to Art. 8.1.1.2.2. Examples are:

- Investments in machinery and tools for the production of energy-efficient luminaires or LED Components
- Investments in the development of products for energy-efficient luminaires or LED components as well as hardware and software for light management system

Taxonomy aligned CapEx of TEUR 17,634 (2022/23 22,048) are determined according to the same procedure applied to revenues, i.e. taxonomy conformity results from compliance with the technical screening criteria. In financial year 2022/23, a CapEx plan was prepared and approved for the development of a product family that is particularly energy efficient (Energy Efficiency Class A or B), contributes to climate protection, and whose development will cover several years up to 2025/26.

The related taxonomy eligible capital expenditures are reported as 100 % taxonomy aligned in economic activity CCM-3.5 and environmental goal climate change mitigation.

Taxonomy aligned CapEx is assigned to the below economic activities:

IN TEUR	CCM-3.5	CCM-6.4	CCM-6.5	CCM-7.3	CCM-7.4	CCM-7.5	CCM-7.6
Additions to tangible assets	8,843	387	723	196	54	181	116
Internally produced and purchased intangible assets	7,133	0	0	0	0	0	0
Rights of use to assets	0	0	0	0	0	0	0
Total	15,976	387	723	196	54	181	116
thereof as part of a business combination	0	0	0	0	0	0	0
thereof part of a CapEx Plan	7,438	0	0	0	0	0	0

OpEx

OpEx covers all direct, non-capitalised costs for research and development, building refurbishment measures, maintenance and short-term leases. The evaluation of OpEx is based on the consolidated Group amounts.

Taxonomy eligible OpEx are operating expenses classified under category (a) or (c) of the delegated act to Art. 8.1.1.3.2.

Examples are:

- Directly allocated operating expenses for taxonomy eligible economic activities (production of energy efficient luminaires etc.)
- Proportional share of OpEx for taxonomy eligible projects in research
- Other operating expenses necessary to ensure the continued and effective functioning of relevant assets

OpEx in the denominator of 29,079 TEUR (2022/23 36,630 TEUR) are assigned to economic activities CCM-3.5, CCM-7.3, CCM-7.5 and CCM-8.1. Taxonomy aligned OpEx in the numerator of 4.963 TEUR (2022/23 3.335 TEUR) are determined according to the same procedure and assigned to the following economic activities:

IN TEUR	CCM-3.5	CCM-7.4
Tools and machinery for internally produced products	2,241	6
R&D activities for internally produced products	2,716	0
Total	4,957	6

Overview

REVENUES	2022/23		2023/24	
	in TEUR	in %	in TEUR	in %
Absolute revenues	1,209,200	100.0	1,126,975	100.0
thereof taxonomy eligible	1,201,135	99.3	1,124,703	99.8
thereof taxonomy aligned	304,137	25.2	260,473	23.0

CAPEX	2022/23		2023/24	
	in TEUR	in %	in TEUR	in %
Absolute capital expenditures	69,409	100.0	64,164	100.0
thereof taxonomy eligible	59,888	86.3	53,394	83.2
thereof taxonomy aligned	22,048	31.8	17,634	27.5

OPEX	2022/23		2023/24	
	in TEUR	in %	in TEUR	in %
Absolute operating expenditures	36,630	100.0	29,079	100.0
thereof taxonomy eligible	22,966	62.7	28,924	99.5
thereof taxonomy aligned	3,335	9.1	4,963	17.1

Turnover

Fiscal year	2023/24			Substantial Contribution criteria					
	Code	Turnover	Proportion of Turnover, year 2023/24	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity
Economic Activities									
Text		TEUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1 Environmentally sustainable activities (Taxonomy-aligned)									
Manufacture of energy efficiency equipment for buildings	CCM-3.5	260,140	23%	Y	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of energy efficiency equipment	CCM-7.3	333	0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		260,473	23%	23%	0%	0%	0%	0%	0%
Of which Enabling		260,473	23%	23%	0%	0%	0%	0%	0%
Of which Transitional		0	0%	0%					
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL
Manufacture of energy efficiency equipment for buildings	CCM-3.5	832,850	74%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of energy efficiency equipment	CCM-7.3	31,379	3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		864,230	77%	77%	0%	0%	0%	0%	0%
A. Turnover of Taxonomy-eligible activities (A.1 + A.2)		1,124,703	100%	100%	0%	0%	0%	0%	0%
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
Turnover of Taxonomy-non-eligible activities		2,272	0%						
TOTAL		1,126,975	100%						

	Proportion of turnover/Total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	23%	77%

DNSH criteria ('Does Not Significantly Harm')									
Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy aligned (A.1) or eligible (A.2) Turnover, year 2022/23	Category enabling activity	Category transitional activity
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
Y	Y	Y	Y	Y	Y	Y	25%	E	
Y	Y	Y	Y	Y	Y	Y	0%	E	
Y	Y	Y	Y	Y	Y	Y	25%		
Y	Y	Y	Y	Y	Y	Y	25%	E	
Y	Y	Y	Y	Y	Y	Y	0%		T
							72%		
							2%		
							74%		
							99%		

CapEx (Capital Expenditure)

Fiscal year	2023/24			Substantial Contribution criteria					
	Code	CapEx	Proportion of CapEx, year 2023/24	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity
Economic Activities									
Text		TEUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1 Environmentally sustainable activities (Taxonomy-aligned)									
Manufacture of energy efficiency equipment for buildings	CCM-3.5	15,976	25%	Y	N/EL	N/EL	N/EL	N/EL	N/EL
Operation of personal mobility devices, cycle logistics	CCM-6.4	387	1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL
Transport by motorbikes, passenger cars and light commercial vehicles	CCM-6.5	723	1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of energy efficiency equipment	CCM-7.3	196	0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM-7.4	54	0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM-7.5	181	0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of renewable energy technologies	CCM-7.6	116	0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		17,634	27%	27%	0%	0%	0%	0%	0%
Of which Enabling		16,524	94%	94%	0%	0%	0%	0%	0%
Of which Transitional		723	4%	4%					
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL
Manufacture of energy efficiency equipment for buildings	CCM-3.5	13,216	21%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Transport by motorbikes, passenger cars and light commercial vehicles	CCM-6.5	4,505	7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of energy efficiency equipment	CCM-7.3	1,206	2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM-7.5	160	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Acquisition and ownership of buildings	CCM-7.7	9,334	15%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Data processing, hosting and related activities	CCM-8.1	225	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Provision of IT/OT data-driven solutions	CE-4.1	7,114	11%	N/EL	N/EL	N/EL	N/EL	EL	N/EL
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		35,760	45%	45%	0%	0%	0%	0%	0%
A. CapEx of Taxonomy-eligible activities (A.1 + A.2)		53,394	72%	72%	0%	0%	0%	0%	0%
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
CapEx of Taxonomy-non-eligible activities		10,770	17%						
TOTAL		64,164	89%						

	Proportion of CapEx/Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	27%	72%
CE	0%	11%

DNSH criteria (Does Not Significantly Harm')									
Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy aligned (A.1) or eligible (A.2) CapEx, year 2022/23	Category enabling activity	Category transitional activity
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
Y	Y	Y	Y	Y	Y	Y	30%	E	
Y	Y	Y	Y	Y	Y	Y	1%		
Y	Y	Y	Y	Y	Y	Y	0%		T
Y	Y	Y	Y	Y	Y	Y	0%	E	
Y	Y	Y	Y	Y	Y	Y	0%	E	
Y	Y	Y	Y	Y	Y	Y	0%	E	
Y	Y	Y	Y	Y	Y	Y	0%	E	
Y	Y	Y	Y	Y	Y	Y	32%		
Y	Y	Y	Y	Y	Y	Y	31%	E	
Y	Y	Y	Y	Y	Y	Y	0%		T
							23%		
							9%		
							3%		
							0%		
							11%		
							8%		
							0%		
							55%		
							86%		

OpEx (Operating Expenditure)

Fiscal year	2023/24			Substantial Contribution criteria					
	Code	OpEx	Proportion of OpEx, year 2023/24	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity
Economic Activities									
Text		TEUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1 Environmentally sustainable activities (Taxonomy-aligned)									
Manufacture of energy efficiency equipment for buildings	CCM-3.5	4,957	17%	Y	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM-7.4	6	0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		4,963	17%	17%	0%	0%	0%	0%	0%
Of which Enabling		4,963	17%	100%	0%	0%	0%	0%	0%
Of which Transitional		0	34%	0%	0	0	0	0	0
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL
Manufacture of energy efficiency equipment for buildings	CCM-3.5	22,528	77%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of energy efficiency equipment	CCM-7.3	178	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM-7.5	1,255	4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		23,961	82%	82%	0%	0%	0%	0%	0%
A. OpEx of Taxonomy-eligible activities (A.1 + A.2)		28,924	99%	99%	0%	0%	0%	0%	0%
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
OpEx of Taxonomy-non-eligible activities		155	1%						
TOTAL		29,079	100%						

	Proportion of OpEx/Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	17%	99%

DNSH criteria ('Does Not Significantly Harm')									
Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy aligned (A.1) or eligible (A.2) OpEx, year 2022/23	Category enabling activity	Category transitional activity
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
Y	Y	Y	Y	Y	Y	Y	9%	E	
Y	Y	Y	Y	Y	Y	Y	0%	E	
Y	Y	Y	Y	Y	Y	Y	9%		
Y	Y	Y	Y	Y	Y	Y	9%	E	
Y	Y	Y	Y	Y	Y	Y	0%		T
							53%		
							0%		
							0%		
							54%		
							63%		

2.10 INITIATIVES, RATINGS & SOCIAL COMMITMENT

How we are involved in societies, associations and committees

UN Sustainable Development Goals

The Zumtobel Group actively supports the 17 Sustainable Development Goals (in short: SDGs), including the 169 subgoals. However, it is clear that not all of these 17 goals are equally relevant for the company. Their relevance for the Zumtobel Group was therefore reviewed, and the positive and negative effects on the relevant goals were analysed along the entire value chain. The purpose was to strengthen the positive effects and minimise the negative effects of our actions.

Thirteen goals have a clear connection with the business activities of the Zumtobel Group.

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 10 Reduced inequalities

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

SUSTAINABLE DEVELOPMENT GOALS

Good health and well-being

- Two additional locations are ISO 45001-certified and therefore 100 % of the European sites
- Partnership with the Austrian Health Insurance Fund for workplace health promotion
- Defined annual targets for sickness absence rate



Quality education

- Management development programme
- General and free (digital) learning programmes, which are available in the Group's own learning management system
- Individual development plans and programmes for professional and personal development

Gender equality

- Increase the proportion of women in management positions to 22.4
- Strategy development: Diversity, Equity & Inclusion
- Declaration of principles on human rights

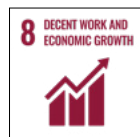


Clean water and sanitation

- Short flush facilities in the sanitary area
- Optimisation of water consumption: Reduction of 9 %
- Multiple use in the area of coating and reduced number of layers

Affordable and clean energy

- Share of renewable energy 60.5 % at all locations in Europe
- Further reduction in energy consumption
- Further reduction in energy requirements for products sold by 10 %



Decent work and economic growth

- Due diligence obligations are an integral part of the Code of Conduct: commitment to living wages and salaries, ensuring safe working environments, rejection of forced and child labour, etc.
- Sustainability targets (E,S,G) are part of the Bonus & Incentive Programme

Industry, Innovation und Infrastructure

- Active number of 4,151 patents and 8,966 industrial property rights
- R&D expenditure amounts to 6.5 % of sales
- Investigation of new and sustainable solutions: e.g. presentation of Smart Outdoor Lighting with Sensor X



Weniger Ungleichheiten

- Compliance with due diligence obligations along the value chain
- Declaration of principles on human rights
- Strategy development: Diversity, Equity & Inclusion
- Vocational development programme for young people with physical or mental disabilities

Sustainable cities and communities

- Offering intelligent and networked lighting solutions
- Improving the average energy efficiency of products placed on the market products placed on the market by 3.15 %
- More than 5,000 EPDs already generated since the introduction of the EPD system



Responsible consumption and production

- Products are manufactured with a high proportion of renewable energy and help to reduce energy consumption,
- First draft for a digital product passport
- Successful re-use & high-value recycling pilot project with SPAR & caritas Vorarlberg
- Transparency of ingredients per product group

Climate action

- Reduction in Scope 1 & 2 emissions by 9 % compared to the previous year; 11 of 15 Scope 3 categories are relevant and recorded
- Submission of SBTi targets for validation
- Further improvement in the intensity of the lighting plants by 10 % in 2023/24
- Reduction of energy consumption by 4.0 %



Peace, justice and strong institutions

- Due diligence processes to protect human rights and ensure due diligence obligations
- Code of Conduct covers the following topics, among others: Bribery, corruption and conflict minerals, human rights
- 24 sales companies undergo self-assessment with the aim of preventing fraud

Partnerships for the goals

- Active memberships including EcoVadis, Klimaaktiv Pact 2030, IPC
- Renewed commitment to the UN Global Compact
- Partnership-based cooperation with various international bodies
- Active stakeholder engagement



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 thereby confirmed its intention to comply with the ten principles on human rights, labour standards, environmental protection and the fight against corruption. The Zumtobel Group and Tridonic are also members of RespACT, Austria's leading corporate platform for responsible business activity, where they are represented on the management board. This commitment to responsible management was renewed in 2023/24 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 Österreich

klimaaktiv Pakt 2030 was established as the successor to the klimaaktiv Pakt 2020 and is one of the most important CSR awards in this country. Twelve companies, including the Zumtobel Group, have voluntarily committed to developing and implementing individual climate protection concepts for the years up to 2030.

The Zumtobel Group joined the klimaaktiv Pakt 2030 in October 2021. The defined targets were met in 2023 with a 57 % reduction in CO_{2e} emissions versus the 2015 base year.

The company also committed to submitting an annual report to the klimaaktiv Pakt office on the current status of target attainment and is working on continuous improvements to meet the targets by 2030 as best as possible.



TARGET ACHIEVEMENT (REPORT JUNE 2023)	UNIT	BASEYEAR 2015/16	REPORTING YEAR 2023	SAVINGS IN %	TARGET VALUE 2030 IN %
Greenhouse gas emissions (tCO _{2e})	tons / a	5,032	1,924	62	50
Improvement of energy efficiency	weighted Index	100	76	24	14
Energy efficiency Schweizerstraße	kWh / piece	6.45	4.73	27	26
Energy efficiency Schmelzhütterstraße	kWh / m ²	3,266	561	83	78
Energy efficiency Tridonic	kWh / piece	0.59	0.61	(3)	(49)
Share of renewable energy	in %	54	75		73

Hotspot

As a participant in the HOTSPOT project carried out by klimaaktiv, the climate protection initiative of the Austrian Federal Ministry, and in close cooperation with the Austrian Energy Agency, the Zumtobel Group took part in a pioneering initiative to analyse Scope 3 emissions based on the GHGP and to identify the major sources of emissions and opportunities for reduction. The Zumtobel Group, as the project's pilot operation, contributed its expertise and experience to develop innovative approaches for the reduction of greenhouse gas emissions. The approaches developed by the Zumtobel Group to reduce GHG emissions were published on the klimaaktiv website, where they will serve as a source of inspiration for other companies.

IPC – Association Connecting Electronics Industries

The technology brand Tridonic relies, among others, on its membership in IPC – the Association Connecting Electronics Industries – to remain on the leading edge of new and changed norms and guidelines for product reliability and standardisation as well as the latest insight into innovative solutions in the electronics industry. This platform is actively used as a source of information, above all on the requirements for the design and production of electronic components. It enables the fast processing of branch information and subsequent integration in corporate structures.

Sustainability performance in 2023/24 rated by EcoVadis

EcoVadis again evaluated the Zumtobel Group's sustainability performance in 2024. The company received a gold medal for the third year in succession and was also able to improve its overall score. This latest evaluation placed the Zumtobel Group in the top 2 % of all rated companies (rank 98 %). These results again place the Zumtobel Group in the upper 1 % of the companies rated by EcoVadis in the electrical lighting and luminaire branch.



Participation in organisations, associations and committees

The employees of the Zumtobel Group actively participate in lighting industry organisations, associations and committees that develop standards, drive innovation and establish best practices. These platforms also serve as opportunities to exchange know-how and drive technological progress.

Through this work, the Zumtobel Group not only benefits from the development of the lighting industry but also from a broad network of experts. Employees are delegated to all major committees along the value chain to cover the broadest possible range of

activities. The commitment ranges from national associations to global organisations. Following is a partial list of organisations with participation by Zumtobel Group employees:

- IEC – International Electrotechnical Committee
- ISO – International Standards Organisation
- CIE – International Commission on Illumination
- CEN – European Committee for Standardisation
- CENELEC – European Committee for Electrotechnical Standards
- Lighting Europe – company membership (European Union)
- ZVEI – Zentralverband Elektrotechnik- und Elektroindustrie e. V. (Germany)
- LIA – Lighting Industry Association (Great Britain)
- FEEL – Fachverband der Elektro- und Elektronikindustrie (Austria)
- Lux Europe
- National lighting organisations (z. B. LTG, LiTG, SLG)
- ZHAGA consortium
- consortia on the subject of data exchange and communications technology (e. g. DiiA, Thread, Zigbee, Bluetooth, Matter, CSA)



CORPORATE GOVERNANCE

2.11 PRODUCT RESPONSIBILITY

How our products contribute to sustainability

Management approach & due diligence processes

The Zumtobel Group's brands rely on different product development processes. Product development for the Zumtobel and Thorn lighting brands follows a specific process landscape in the areas of portfolio management, product and service development, the product lifecycle and customer-specific projects. The respective processes for Zumtobel and Thorn are documented in a knowledge database that is generally accessible.

Portfolio management involves several levels beginning with the collection of product ideas and future issues to the description, selection and decision over the appropriate portfolio items, and transparent presentation of a roadmap. Product responsibility was reorganised in 2023/24 to safeguard the competitive product portfolio of luminaires and lighting solutions over the long term and to strengthen the Lighting Segment brands.

Brand-specific portfolios form the focal points for defined brand and portfolio management for the two areas and are arranged in a roadmap together with product management. The stronger separation of

the project management office (PMO) and research and development (R&D) for these brands helps to improve the efficiency of new and maintenance product development.

In the Zumtobel Group's Components Segment, product marketing is responsible for the development of hardware, software, system and service roadmap. Regular coordinating meetings take place between product marketing and R&D. Longer term development and technology activities are synchronised over joint product, development and technology roadmaps. The Business Foundry works closely with the technology area and stakeholders on the market to place future issues on the agenda at an early stage.

The individual market segments are managed by a team of segment managers, product managers, solution architects and project portfolio managers. In that way, a comprehensive solution and system approach is followed. Product marketing is responsible for the management of the complete product lifecycle. The project portfolio managers coordinate new developments together with the respective development locations.

Product development for all Zumtobel Group brands follows a multiple stage gate process, in which the gates are secured and reviewed after every phase based on specific checklists, quality and release criteria. The necessary releases, depending on the project classification, are presented to a steering committee and approved by key stakeholders.

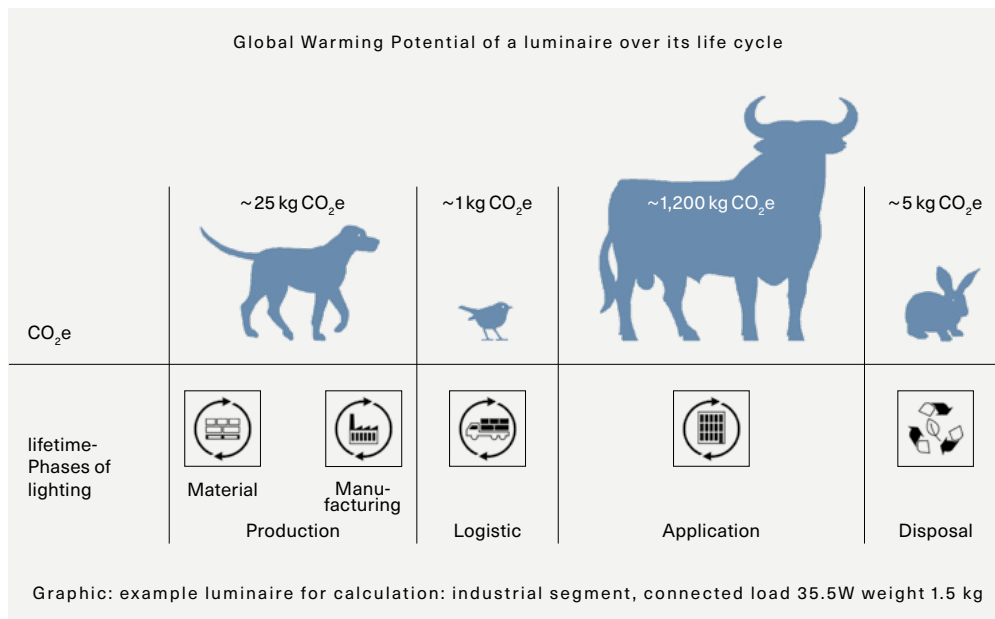
The processes surrounding product responsibility in the Zumtobel Group are closely intertwined and coordinated by project managers. They are structured in steps and continuously developed and adapted to meet the current situation.

For all three brands, the PMO is responsible for processes related to the execution of development projects, including the

respective monitoring and evaluation of economic feasibility.

Well-equipped internal and external laboratories examine the results for compliance with standards and the application fit and accompany both the development phase and entire lifecycle.

Competitors' products are regularly analysed for all of the Zumtobel Group's brands. Product concepts are discussed at an early stage with selected customers (so-called "lead users"), and customer-specific solutions are realised with leading architects, planners and business partners. Applications that receive comments or criticism from customers are examined on site to identify the source of errors, which are then eliminated through feedback loops.



Sustainable products & applications

The Zumtobel Group's commitment to sustainability is closely related to the core business due to the important role played by energy-efficient, intelligently managed lighting technology in reducing worldwide resource consumption. This trend is underscored by the continuous increase in the efficiency (lumens/Watt, lm/W) 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 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 integrating sustainability aspects throughout the product lifecycle.

Calculation of 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 is a purely physical measurement quantity and shows the potential for improvement independent of the service life of the sold products. The necessary global efforts to reduce CO₂e emissions combined with rising energy costs have made the issue of energy efficiency more relevant than ever. Intelligently controlled, LED-based lighting solutions can realise significant energy savings compared with conventional lighting.

Energy efficiency in lm/W is calculated as the ratio of 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 rated connected load).

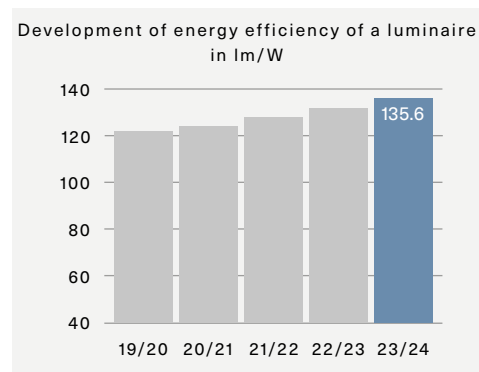
Zumtobel Lighting

Class	Entries	%
A	0	0,0
B	39	2,5
C	311	19,6
D	765	48,2
E	382	24,1
F	83	5,2
G	6	0,4

Tridonic

Class	Entries	%
A	0	0,0
B	130	7,7
C	558	33,1
D	539	32,0
E	339	20,1
F	106	6,3
G	13	0,8

as per 30.04.2024



2.12 INNOVATION

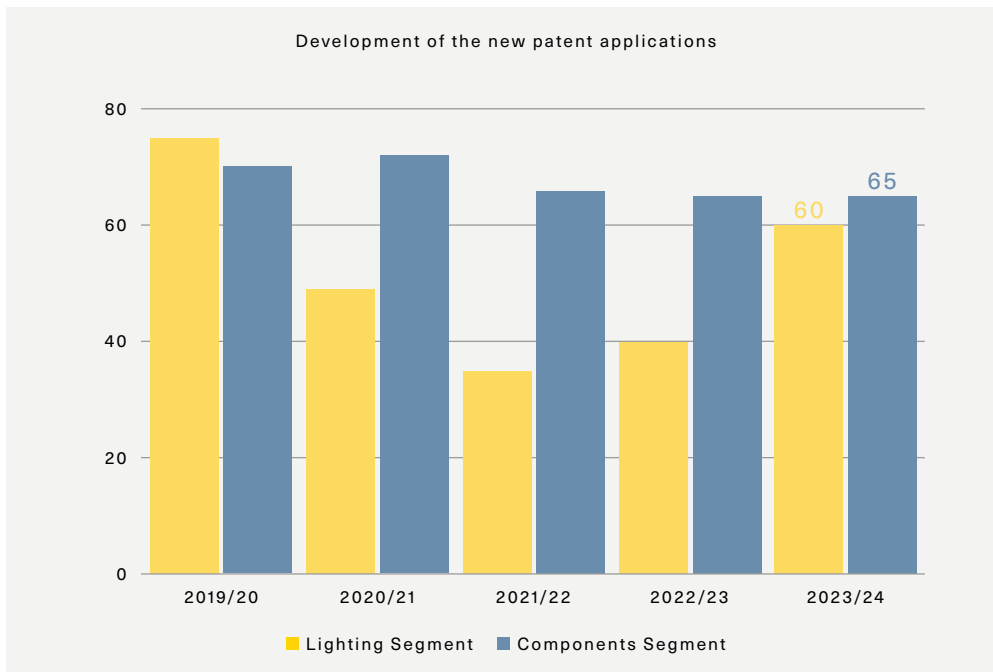
How we drive new ideas

Intellectual property rights and patents

Research and development (R&D) play 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 2023/24, the Lighting Segment registered 60 patents (2022/23: 40) and the Components Segment 65 patents (2022/23: 65) which underscore the growing importance of intelligent components.

The number of active commercial property rights – currently 8,966, including 4,151 patents – speak for the Zumtobel Group's exceptional innovative strength.



NUMBER OF PATENTS	2019/20	2020/21	2021/22	2022/23	2023/24
Number of patents total	4,846	4,820	4,875	4,568	4,151
Number of trademarks total	8,379	9,027	9,260	9,134	8,966
Patents Lighting Segment	75	49	35	40	60
Patents Components Segment	70	72	66	65	65

Synergy effects through platforms

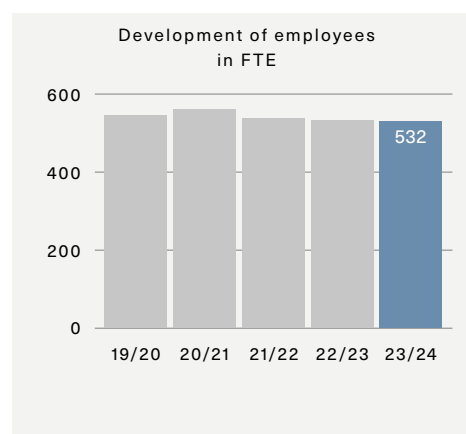
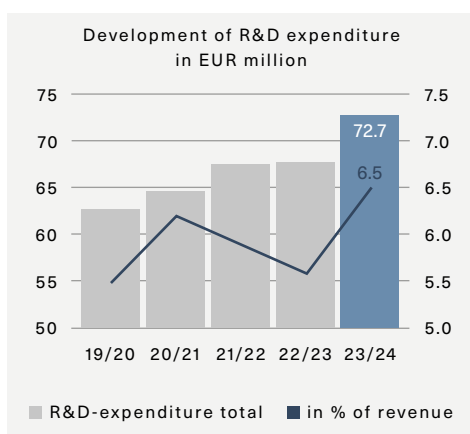
Additional synergy effects were also realised during the past financial year through the increased use of product configuration and variant management and the continued development of component and product platforms for multiple product families. R&D expenses totalled EUR 72.7 million in 2023/24.

The expansion of technology partnerships is an important tool for protecting the competitive product portfolio. The Zumtobel Group's 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, the roll out of the latest generations of LED control gears and LED modules as well as new operating concepts for LEDs. The acquisition of the Siteworx technology and its integration in the new Keyture product brand together with partnerships with Siemens and Enlighted for sensor-based lighting solutions are some of the highlights from the past financial year.

The latter is characterised by a special focus on wireless solutions for the integration of environmental and presence sensors that make the monitoring of building usage possible via Bluetooth.

RESEARCH & DEVELOPMENT	UNIT	2019/20	2020/21	2021/22	2022/23	2023/24
Development costs	EUR mio	59.2	61.8	63.4	63.4	68.0
Research expenditure	EUR mio	3.5	3.0	4.1	4.4	4.7
R&D expenditure total	EUR mio	62.7	64.8	67.5	67.8	72.7
in % of turnover	in %	5.5	6.2	5.9	5.6	6.5
R&D employees	FTE	551	563	538	533	532



Energy efficiency through light management systems

The increase in the efficiency of 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 efficiency of electronic luminaire components has reached the limits of today's technology. In contrast, a lighting management system that intelligently reacts to its environment through the lighting creates substantial opportunities for energy savings. The Zumtobel Group's Components Segment offers wireline and wireless system solutions for the intelligent management of individual luminaires up to entire building and road lighting equipment.

The easiest and most effective way to save energy – in addition to professional lighting – is to use intelligent lighting management with motion and daylight sensors. Time-based lighting controls can also ensure that the light produced at any time and at any location reflects the actual demand. Studies show that this saves up to 75 % of lighting energy compared to non-dimmable lighting.

Tridonic offers a broad portfolio of intelligent sensors for luminaires and ceiling installation that can be integrated in a lighting system or used as the main controls for a smaller system. Flexible solutions like Tridonic's sceneCOM evo wireline system as well as the basicDIM wireless system have intelligent functions and properties that contribute to minimising energy consumption in individual or across multiple systems. Standardised interfaces allow other systems like heating, cooling, jalousies etc. to interact with the lighting system and, for example, react to sensors. System data, e.g. from lumDATA-compatible LED drivers, are also available through a central interface. That helps to fully utilise the data-driven potential for lighting optimisation. Every luminaire delivers valuable information on its usage behaviour in real time, which leads to conclusions on opportunities for energy savings. The data can also be used to project future energy consumption.

The use of intelligent lighting management systems – wireline, wireless or as a hybrid combination of the two – are becoming increasingly important for a safe and sustainable future.

Investigation and innovation of new and sustainable solutions

An important aspect of innovation is the Investigation and innovation of new and sustainable solutions. Activities in this area during the past financial year included the following:

The studies of UVB light sources to activate vitamin D: Sunlight contains spectral components in the ultraviolet range (UVB) which are essential for the production of vitamin D. Since vitamin D can only be absorbed to a limited extent from food and many people spend most of their time indoors, these types of light sources could help to regulate vitamin D balance in the human body. This project is currently at the pre-study level to evaluate the potential for increasing human health. Preparations are currently in progress for the implementation in prototypes, which will then be demonstrated in real applications.

Studies to extend product lifetime and predictive maintenance are dealing with the aging and failure mechanisms of LED drivers and light modules. The goal is to direct technological expertise to meet the needs of customers. The findings can be used to optimise the design of new luminaires and to help producers and users in deciding when to reuse, refurbish or recycle their products. A

lifecycle indicator was introduced in 2023/24 which provides customers with information on the condition of an LED driver.

This information forms the basis for using products more sustainably and to allow for a circular approach. Utilising such information represents an important step towards a more sustainable use of our products.

Smart Outdoor Lighting with Sensor X was introduced at the world's leading Light + Building trade fair in 2024. This system uses AI and can distinguish between pedestrians, bicycles and vehicles in order to optimise outdoor lighting control based on the respective scenarios. This ensures a balance between energy savings and user safety. The sensor processes all data locally, allowing privacy to be protected. In addition to minimising energy consumption, the advantages include the elimination of image transmission, which minimises the carbon footprint and maximises the potential for energy savings.

Participation in EU-wide research projects

This cooperation is deepened at the EU level through various research projects. Examples include the PHABULOUS project, which was concluded in 2023/24 and led to the development of production processes for microstructures on freeform surfaces. Near-time application in one of the Zumtobel Group's projects is planned for 2025. As announced at the Light + Building trade fair, LED drivers with lifetime analytics functionality will be available beginning in autumn 2024. The required algorithms resulted, among others, from the AI-TwiLight project. The continuation of this project involves the development of digital twins for recording the aging process of LED light sources and electronic components.

2.13 DIGITALISATION

How we shape the digital transformation

The Zumtobel Group sees digitalisation as the intelligent, data-driven connection between people, data, processes and digital technologies as a means of creating added value for the company and its stakeholders. The vision of the Zumtobel Group is to drive the digital transformation in and beyond the lighting industry by digitalising all processes and maximising customer benefits.

Through digitalisation, the Zumtobel Group wants to increase (“optimise & scale”) process and resource efficiency as well as effectiveness along the entire value chain. Digital products and services also lead to new earnings and business models and contribute to sustainable corporate growth (“create”).

Digital transformation in the Zumtobel Group is a strategic obligation for the entire corporation to facilitate the continuous and necessary cultural and technological change in order to benefit from digitalisation. The digital transformation strategy has four central directions of impact in which it affects the organisation:

Customer centricity
Operational effectiveness
Employee experience
Lighting & beyond

The digital transformation also plays a decisive role in supporting the sustainability goals of the Zumtobel Group, as demonstrated by the following examples:

- **Energy management:**

The digital transformation contributes to the reduction of CO₂e emissions through the monitoring and optimisation of energy consumption from production processes by the Group and by customers.

- **Data analysis and resource management:**

The digital recording and analysis of data makes it possible for the Zumtobel Group to effectively follow, optimise and transparently communicate its sustainability goals. This can range from the optimisation of supply chains to the monitoring of energy consumption in its buildings.

- **UrbaSens and DarkSky:**

Intelligent lighting solutions minimise light pollution and, consequently, also protect the nighttime environment.

- **Smart products and services:**

The future of lighting lies in intelligent, integrated system solutions. The Zumtobel Group develops products equipped with sensors which can detect their surrounding environment. Lighting systems can then, for example, react automatically to the time of the day or the presence of persons (Human Centric Lighting).

- **Innovation and research:**

The Zumtobel Group invests in research and development to find innovative solutions that improve ecological as well as economic sustainability. New technologies like artificial intelligence, the Internet of Things and Blockchain have substantial potential.

Particular highlights in the context of “lighting & beyond“ are the Zumtobel Group’s new Keyture product brand and the Zumtobel Group’s strategic ecosystem partnership with Siemens and Enlighted.

Keyture

The Zumtobel Group's Keyture product brand, which was introduced at the world's leading Light + Building trade fair, is a new cloud-native connectivity and IoT ecosystem. It offers intelligent key functions that supplement the full potential of Thorn and Zumtobel luminaires for the decarbonisation of buildings and the creation of cost-efficient and intelligent building operations. This modular, multifunctional software suite is based on intelligent sensors and covers solutions to maximise energy reduction, to collect the necessary information for maintenance and the monitoring of sustainability goals, to optimise room use in real time, to identify and track objects, and to monitor environmental and operational quality. The focal point here is on applications in "Industry & Retail".

The Keyture product brand will be available for the Zumtobel Group's customers starting in calenderyear 2025 and will form the core portfolio for smart building solutions. The Zumtobel Group acquired the rights to the SiteWorx IoT software developed by Digital Lumens (with exclusive rights for Europe) in autumn 2023 and has successfully integrated it in the product offering for its smart building solutions.

Partnership with Siemens

The future focus on IoT underscores the ecosystem partnership signed in February 2024 by the Zumtobel Group with Siemens and Enlighted. The goal of this strategic partnership is to bundle the know-how for intelligent buildings and to jointly offer innovative solutions. The main focus is on the following application areas: commercial buildings, universities and intelligently managed hospitals.

Cybersecurity

As part of its commitment to sustainability, the Zumtobel Group recognises the decisive role played by cybersecurity in the digital age. This approach goes beyond conventional IT security and also covers the protection of production systems and products. The background is formed by relevant legal frameworks and intentions, including the NIS2 Directive, the Cyber Resilience Act, the EU Data Act and the EU AI Act.

The Zumtobel Group's security strategy emphasises "security by design" and "security by default" to ensure that security aspects are integrated in business activities. Employees receive training to create a greater awareness for cybersecurity and to promote a culture of vigilance and responsibility.

The Zumtobel Group is convinced that a secure digital environment is essential for sustainable growth, continuous innovation and the long-term confidence of its customers. Through the protection of systems, products and data, the company contributes to a resistant and secure future.

Light Talks Podcast

LIGHT IS LIFE, LIGHT INSPIRES, LIGHT CREATES EMOTIONS, LIGHT CHANGES THE WORLD.

'Light Talks', the Zumtobel Group's podcast, illuminates what light can do and how light brings people, nature and innovation together. The podcast's guests are international personalities from a wide range of disciplines as well as experts from the Zumtobel Group. For example, the ninth episode of Light Talks focussed on the topic of artificial intelligence and its areas of application. Marcus Frantz, Chief Digital Transformation Officer of the Zumtobel Group, shares his views on how artificial intelligence can change the world of work and what influence it will have on corporate culture.



Link for listening:

<https://lighttalks.simplecast.com/>





03 ENVIRONMENT

THE BEST ANSWER TO CLIMATE CHANGE: CHANGE.

The reduction of around 1,000 tonnes of CO₂e in Scope 1 & 2 compared to last fiscal year, the expansion of Scope 3, the ongoing increase in the proportion of renewable energy by 1.5 %, the reduction of waste from non-renewable materials in the production process from 10.9 % to 9.45 % (this corresponds to a saving of 250 tonnes of valuable resources), the successful implementation of a high-value recycling pilot project and a recycling rate of 91 % of operational waste, are milestones achieved on our path to Net-Zero.

The monthly Environmental Review Meeting provides us with a regular and frequent overview of our sustainability performance in the plants, progress on further measures and we share our ideas for continuous improvement and experiences from implemented measures.



Zumtobel Group on the road to sustainability

On our way to Net-Zero, CO₂e emissions are continuously reduced in accordance with SBTi. This is supported by the development of a transition plan.

In the coming year, the focus will be on the environmental aspect of energy consumption.

Goals for 2024/25

- Reduction of CO₂e emissions to at least 9,500 t
- Increase in the share of renewable energy to 65 %
- Energy consumption of less than 82,000 MWh
- Maintaining the existing ISO 14001 certification and ISO 50001 certification of the production sites
- Systematic survey of recycled content of products
- Expanding availability of spare parts and refurbishment kits
- Expansion of packaging made from renewable resources
- Waste volume of less than 5,170 tonnes
- Reduction of the production waste volume of non-renewable materials in relation to material consumption to 9.1 %
- Non-recyclable waste volume of less than 426 tonnes

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ENVIRONMENT

3.1 ENVIRONMENTAL PROTECTION

How we systematically implement environmental protection

„FOR ME, ENVIRONMENTAL PROTECTION MEANS CAREFUL AND EFFICIENT USE OF RESOURCES AS WELL AS THE AVOIDANCE AND REDUCTION OF EMISSIONS AND WASTE: AND THIS ALONG THE ENTIRE LIFE CYCLE OF OUR PRODUCTS AND ALL SERVICES. THE SUSTAINABLE PROTECTION OF OUR ENVIRONMENT AND OUR CORPORATE GOALS ARE EQUALLY IMPORTANT.“

Philipp Magritsch,
Head of Global Quality & HSE Management

In order to change our planet for the better, we are changing the way we look at it: we do not see climate change, the protection of ecosystems and the use of resources as separate, independent areas, but as interrelated aspects that interact with our business activities. We have long gone beyond mere formulation and define our goals on the basis of rigorous scientific findings, implement effective measures and measure their impact using clearly verifiable figures and data sets.

Management approach & due diligence processes

Environmental protection is an essential element of the integrated management system.

The Zumtobel Group's environmental management concept is based on three elements:

Environmental and energy management systems that are certified under the international ISO 14001 and ISO 50001 standards

Strict compliance with internal and external environmental protection guidelines

Efforts to continuously improve the company's environmental and energy-related performance

Quality Austria, an accredited certification partner, confirms the Zumtobel Group's use and continuous improvement of effective environmental and energy management systems by issuing ISO 14001 and ISO 50001 certificates. The main goals of this integrated management system are to improve environmental performance, to meet the goals for the reduction and prevention of negative effects on the environment, and to ensure compliance with legal, governmental 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 improve 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.

A context analysis is carried out annually at all production locations locally as well as globally for the Lighting Brands und Tridonic to identify the major internal and external issues, stakeholder requirements, and related opportunities and risks. The assessment of these opportunities and risks and the prioritisation of issues is followed by the definition, planning and implementation of measures. This ensures the attainment of environmental and all other corporate goals.

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 assists with the strategy implementation.

Environmental goals are defined on a global basis and then broken down to the individual Zumtobel Group locations. Progress is monitored with transparent, periodical and global reporting based on the standards set by the Global Reporting Initiative. The most important indicators for this reporting are energy consumption, CO_{2e} emissions, water consumption, waste and the recycling rate. Absolute values as well as output-based statistics 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 after the publication of the sustainability report. 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 procedures 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.

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


The continuous improvement process in the production network (global operations) defines clear standards and helps the Zumtobel Group to effectively and efficiently use the available resources and meet the high expectations and demands of customers.

The environment and energy are also becoming increasingly important issues for

customers and are frequently a central factor for the product selection process. Continuous improvement involves the optimisation of production and the underlying processes as well as the responsible use of resources and raw materials.

Other important elements are the responsible use of raw materials and resources. Energy efficiency, the protection of employees' health, and efforts to prevent the negative influence of processes on the environment represent additional focal points for continuous optimisation.

ISO CERTIFICATE	ISO 9001:2015	ISO 14001:2015	ISO 45001:2018	ISO 50001:2018
Head Office Dornbirn, AT	X	X	X	X
Lighting Segment Dornbirn, AT	X	X	X	X
Lighting Segment Lemgo, DE	X	X	X	X
Lighting Segment Spennymoor, UK	X	X	X	X
Lighting Segment Niš, RS	X	X	X	X
Lighting Segment Les Andelys, FR	X	X	X	
Lighting Segment Highland, US		X		
Components Dornbirn, AT	X	X	X	X
Components Niš, RS	X	X	X	X
Components Spennymoor, UK	X	X	X	X
Components Shenzhen, CN	X	X		
Share of certified European locations in %	100 %	100 %	100 %	98 %
Share of all certified locations in %	91 %	100 %	82 %	73 %
total	10	11	9	8

 New certificates

The Zumtobel Group not only stands for the continuous improvement of supply chain processes, but also for the continuous improvement of its own business processes, products and services. Procedures have been implemented to identify and evaluate opportunities for improvement as regards the environment, energy, safety and health at work, and quality. The identified opportunities are recorded, documented in structured form and subsequently addressed.

These opportunities are recorded in action programmes, documented in structured form and handled. The effectiveness and further development of the integrated management system are ensured by regular internal and external audits, management reviews, strategic improvement projects, and continuous improvement activities.

Competence and awareness

The employees 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 emphasised in numerous communication channels.

Introductory folders and welcome training for new staff, info screens in the break-time areas and Intranet websites that are available to all employees provide wide-ranging information on a variety of environmental issues. 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 environmental projects planned and implemented throughout the entire Zumtobel Group.

Activities in 2023/24 again focused on the issues of waste and energy consumption. Employees received training on the major, high volume non-renewable materials used in production. Appropriate steps were also taken to create a greater awareness among employees in areas with significant energy consumption.

ENVIRONMENT

3.2 CLIMATE-RELEVANT RISKS, OPPORTUNITIES & IMPACT

How we determine climate-related impacts, risks and opportunities

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

A climate risk and vulnerability assessment was prepared for all lighting and components plants in connection with the EU Taxonomy and European Sustainability Reporting Standards (ESRS). All current potential environmental conditions that could influence the Zumtobel Group were evaluated at each location, previously implemented measures were reviewed and new measures were defined where necessary. Environmental conditions that could influence the Zumtobel Group in the future were also evaluated based on two climate scenarios (Representative Concentration Pathways 4.5 and 8.5; scenarios that outline long-term climate

changes). At the time this report was prepared, the evaluation of the Group's locations did not identify any notable risks. The increased intensity of precipitation, flooding and hailstorms currently represent low potential risks that are also covered by insurance.

These risks are addressed through appropriate measures, whereby the potential effects of damage to assets and the interruption of procurement or production were also considered. All ISO 14001 certified locations have prepared a hazard prevention plan which includes procedures to manage climate and other risks.

An analysis of climate scenarios showed an increase in the number of heat waves, potential dry periods and an increase in the number and intensity of extreme weather events, but did not identify any major risks or need for short-term actions. The analysis of the physical risks at all locations showed that the Zumtobel Group is only marginally 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 and assessed in the context and impact analysis of the management system and followed by the timely implementation of appropriate measures. Goals were formulated to reduce emissions, and reduction measures to reach net-zero were defined and implemented.

In the context analysis, the Zumtobel Group identified the competitive ability of its products with regard to sustainability as a potential technological risk. The product development process therefore includes tools like the lifecycle assessment and Circular Design Rules to provide customers with sustainable and highly energy efficient products and services as well as product-related information like environmental product declarations.

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-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. Consequently, 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 – and the Zumtobel Group is optimally positioned to utilise these opportunities

Environmental aspects at the Group level

The most important environmental aspects related to products and activities have been identified for all 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.

The value-creating business processes and all downstream and upstream processes in the Zumtobel Group's environmental matrix were updated in 2023/24. The matrix was also modified to meet the requirements of the European Sustainability Reporting Standards.

This matrix is used to derive the most important direct environmental factors for the production locations.

For example: electrical current, CO₂e emissions, liquid and fossil fuels, raw materials and packaging. The major processes with the greatest environmental impact are automated production (soldering processes, automated assembly), plastics processing, coating and metal processing.

The upstream processes with the greatest environmental impact are the procurement of raw materials and packaging, the transport of goods and travel by employees to and from work, and here the environmental aspects related to fossil fuels and CO₂e emissions are significant. The main downstream processes involve the use of the sold products with electricity as the significant environmental aspect. The end-of-life handling of the products is another relevant factor, whereby the resulting waste is important.

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.

Environmental product declarations (EPD)

Environmental product declarations (EPDs) are classified as Type III and issued on the basis of ISO 14025 and lifecycle assessments (LCA) according to ISO 14040 and ISO 14044. They provide all relevant environmental effects to customers and partners in a transparent and neutral form.

These declarations cover the entire lifecycle: from raw material extraction to production, transportation, installation and operation in buildings up to the end of the service life with recycling and disposal possibilities. The reported environmental indicators include, among others, greenhouse gas effects, destruction of the ozone layer, the over-fertilisation of soil and acidification of water. IBU (Institut für Bauen und Umwelt) serves as the programme operator for EPDs in the Zumtobel Group. Environmental product declarations must therefore be prepared in accordance with EN 15804 (Sustainability of construction works - Environmental product declarations - Core rules for the product category of construction products) and the IBU product category rules (PCR) for lighting and luminaire components.

EPDs must be verified by an independent party before release. This verification is organised by the EPD programme operator and carried out by independent (re)verifiers.

The wide variety of the Zumtobel Group's products and the continuous expansion of the product portfolio led to the introduction of a system in 2011 which automatically generates EPDs for the products in the Tridonic, Thorn and Zumtobel brands – and after the conclusion of reverification – also for ThornEco. Renewed verification under the new EN15804 +A2 was one of the focal points for upgrading the Zumtobel Group's EPD system in 2023/24. Following the planned conclusion of an audit at the end of the reporting year, the EPD system is not only state-of-the-art but also reflects the format defined by IBU. The Zumtobel Group's EPDs now appear in the typical IBU layout. Based on these recurring verifications, over 5,000 EPDs have been prepared since the system was introduced. They create added value for the customers and partners of the Zumtobel Group.

EPDs can be used in many different ways. Internally, they flow into development to continuously improve products from the

viewpoint of the lifecycle assessment and to enable the evaluation of products with the internal tools that represent part of the Circular Design Rules.

The age of digitalisation has not stopped at environmental product declarations, a situation that is reflected in a standard digital EPD (ILCD+EPD) co-developed by IBU. This digital EPD twin ensures that all EPDs are prepared according to the same format and enable the use of suitable software tools for further processing. Central databases with digital EPDs are currently available and include, among others [IBU.Data](#), [ÖKOBAUDAT](#) and [Eco Platform](#). The Zumtobel Group is currently working on the implementation of a digital EPD based on ILCD+EPD, which will then be integrated in these databases. This data also creates a basis to determine the emissions from purchased goods according to Scope 3 of the Greenhouse Gas Protocol (GHGP).

Goal attainment in 2023/24

In line with the management process, environmental goals for the coming financial year are based on the context analysis and a review and adjustment of the strategic focus and strategy. The indicators and improvement measures are monitored in monthly environmental review meetings, and a management review at the end of each financial year studies and analyses the goal attainment and, if necessary, identifies optimisation measures. Most of the goals defined by the environmental and energy programmes were met in 2023/24.

The goal to retain certification under ISO 14001 and to implement ISO 50001 certification for the production facilities was met. The Zumtobel Group successfully passed all external audits without any variances. The lighting plant in Niš as well as the components plant in Niš were successfully ISO 50001 certified. Environmental and energy reporting was again prepared according to GRI standards in 2023/24. Data is collected monthly, and the indicators are monitored by the local organisations together with the Global Quality department as part of the monthly management review.

All plants, together with Global Quality and the Management Board, monthly present data on their environmental and energy-

related performance as well as current actions for improvement. These meetings strengthen the focus on environmental issues as well as the transfer and expansion of best practice approaches within the Zumtobel Group.

- **Emissions**

A further step was taken during the reporting year towards Net-Zero. The goal of 9,950 tonnes CO₂ was achieved and CO₂e emissions were reduced by 9 % compared with the previous year.

- **Renewable Energy**

The share of renewable energy was increased from 59 % to 60.5 %, the target of 62 % therefore was not completely met.












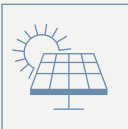





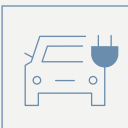

- **Waste**

The goal to reduce the total volume of waste was met. The lighting plants and the components plants met their goals in both absolute and relative terms based on produced volumes.

- **Recycling-Rate**

The recycling rate equalled 91.02 % in 2023/24, therefore the target of 92 % was not met.

A detailed evaluation of the individual indicators is provided under the respective subjects.

SCOPE 2	SCOPE 3	SCOPE 1	SCOPE 3
	 <p>Leased Assets</p>		
	 <p>Employee commuting</p>		
	 <p>Business travel</p>		
	 <p>Waste in operations</p>		
	 <p>Transportation & distribution</p>	 <p>Diesel (emergency power & sprinkler systems)</p>	 <p>Investments</p>
 <p>Electrical Energy</p>	 <p>Fuel & energy related activities</p>	 <p>Natural gas</p>	 <p>End-of-Life treatment</p>
 <p>Photovoltaics</p>	 <p>capital goods</p>	 <p>fugitive emissions</p>	 <p>Use of sold products</p>
 <p>Local/district heating</p>	 <p>Purchased goods & services</p>	 <p>Motor vehicle pool</p>	 <p>Transportation & distribution</p>
UPSTREAM EMISSIONS		ZUMTOBEL Group	DOWNSTREAM EMISSIONS

ENVIRONMENT

3.3 CLIMATE CHANGE MITIGATION

How we continuously reduce emissions along the entire value chain

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.

Greenhouse gas emissions result from both energy consumption and the specific energy sources.

Emissions factors for the various energy sources used by the Zumtobel Group are evaluated, verified and documented at regular intervals. Production processes and the upstream and downstream processes make CO₂ the significant greenhouse gas for the Zumtobel Group and, accordingly, the focus was placed on the reduction of CO_{2e} emissions.

In accordance with the requirements of the Science Based Target initiative (SBTi), the Zumtobel Group wants to reduce Scope 1 & 2 CO_{2e} emissions by 65 % compared to the 2020/21 base year by 2030 and to reach net-zero by 2050.

In order to reduce Scope 1 & 2 greenhouse gas emissions, the reduction of these emissions continues to be a focal point for the production and administrative locations as well as the vehicle fleet.

The goal is to continuously reduce emissions along the entire value chain in agreement with the SBTi requirements. In connection with SBTi, Scope 3 CO_{2e} emissions were reduced by 42 % compared to the (new) reference year 2022/23.

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3.4 GHG GROSS EMISSIONS ALONG THE VALUE CHAIN

How we determine CO₂e emissions

The Zumtobel Group measures greenhouse gas emissions according to a standardised process based on the GHG Protocol. This creates a better understanding of the entire emission profile, identifies opportunities for reduction and increases the focus on measures to realise the greatest reductions. Compliance with this standard is decisive for the Zumtobel Group to develop a comprehensive climate protection strategy and achieve a positive influence on the environment. The Zumtobel Group has submitted its documentation to the Science Based Target initiative as a means of externally verifying this goal.

Direct GHG emissions (Scope 1)

The Zumtobel Group uses natural gas for the production processes of heating and coating. The company vehicles and emergency power generators operate with liquid fossil fuels. Various refrigerants are also used in the cooling systems.

The 2021/22 financial year was defined as the reference year because the full scope of data on the production locations has been recorded since that time.

The applied emission factors are 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 CO₂e emissions totalled 7,451 t in 2023/24, which means an absolute reduction of 6 % below the previous year (7,892 t).

Indirect GHG emissions (Scope 2)

Electricity is the largest energy carrier in the Zumtobel Group and, consequently, has a substantial influence on Scope 2 emissions. Biogenic generated district heat is used primarily for heating and is now also used for pre-treatment in the coating process. The emission factors are provided by the energy suppliers. All production sites in Europe use 100 % electricity from renewable energy sources for which they have a corresponding certificate from their electricity suppliers.

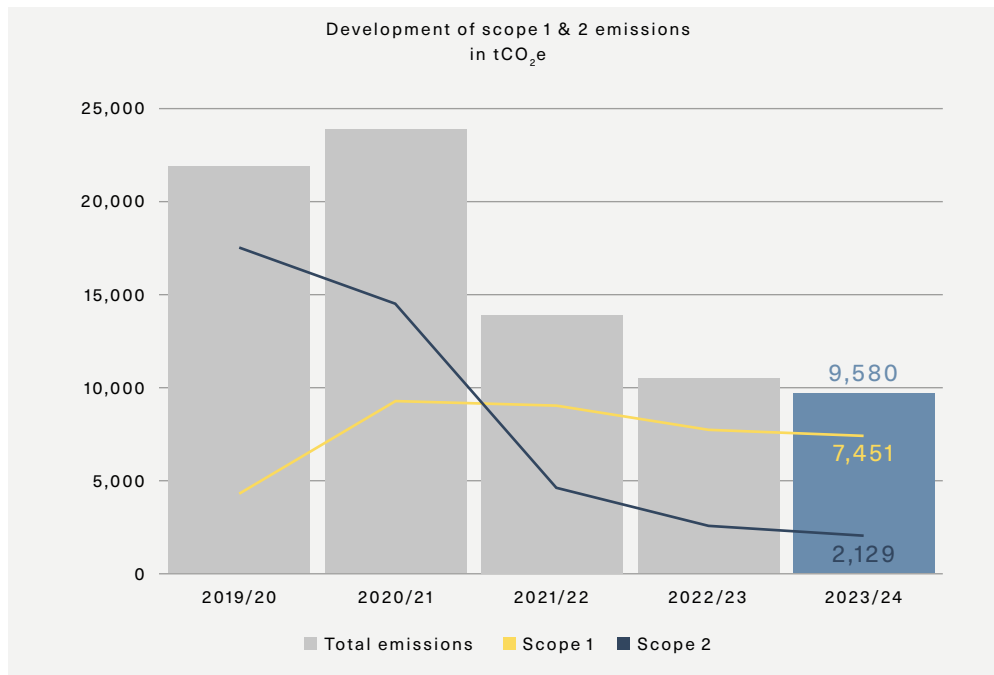
Scope 2 CO₂e emissions totalled 2,129 t in 2023/24, which represents an absolute reduction of 19 % compared with the previous year (2,644 t).

Intensity of GHG emissions (Scope 1 & 2)

Actual greenhouse gas emissions are exclusively related to energy consumption and the type of energy used. Therefore, 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 units produced or sold. Total emissions (Scope 1 & 2) correspond to the greenhouse gas emissions from process and heating energy at the production locations as well as the emissions from the motor vehicle pool and administrative locations.

The intensity of greenhouse gas emissions (Scope 1 & 2) in the Zumtobel Group equalled 0.226 t per 1,000 units in the financial year 2023/24. Due to the lower volume of production in the components plants, the 2022/23 goal of 0.213 per 1,000 units was not completely met.

The intensity in the lighting plants declined from 0.439 to 0.395 t per 1,000 units, which results in a reduction of 10 %. The intensity in the components plants equalled 0.073 t per 1,000 units (year 2022/23: 0.072).



EMISSIONS IN tCO ₂ e SCOPE 1 & 2	2019/20	2020/21 ¹	2021/22 ²	2022/23	2023/24	2023/24 ³
Scope 1	4,295	9,285	9,064	7,892	7,451	7,459
Oil	0	0	0	0	0	0
Diesel	N/A	93	93	19	134	134
Natural gas	4,248	5,099	4,920	4,150	3,877	3,884
Fugitive emissions	47	142	100	80	238	238
Motor vehicle pool	N/A	3,499	3,499	3,353	3,202	3,202
Scope 2	17,486	14,586	4,698	2,644	2,129	11,736
Electricity	17,066	14,098	4,485	2,583	2,076	10,355
Photovoltaics (100 % own use)	0	0	0	0	0	58
Local/district heat (biomass)	85	93	86	61	53	833
Local/district heat (supplier mix)	335	395	127	0	0	490
Scope 1 & 2 total	21,781	23,871	13,762	10,536	9,580	19,195

¹ New base year for assessing future consumption trends: the data not yet recorded when the 2020/21 report was prepared was subsequently added.

² The forecast data still partially used when preparing the 2021/22 report has been replaced by actual data.

³ These figures are based on a location-based calculation method, all others are based on a market-based calculation.

OTHER EMISSIONS IN tCO ₂ e SCOPE 3 ¹	2019/20	2020/21	2021/22	2022/23 ³	2023/24
upstream scope 3 emissions	N/A	661,810	837,070	686,320	504,470
3.1 Purchased goods & services	N/A	633,000	808,000	658,000	475,000
3.2 Capital goods	N/A	1,900	2,200	2,100	2,000
3.4 Transportation & distribution ²	N/A	8,400	8,400	8,100	9,500
3.5 Waste generated in operations	N/A	710	670	620	670
3.6 Business travel ²	N/A	4,400	4,400	4,200	4,200
3.7 Employee commuting ²	N/A	4,600	4,600	4,500	4,300
3.8 Leased assets ²	N/A	8,800	8,800	8,800	8,800
downstream scope 3 emissions	N/A	4,956,300	4,539,500	5,359,100	4,149,080
3.9 Transportation & distribution ⁴	N/A	N/A	N/A	N/A	350
3.11 Use of sold products	N/A	4,924,000	4,499,000	5,324,000	4,118,000
3.12 End-of-Life treatment sold products	N/A	32,300	40,500	35,100	30,700
3.15 Investments ⁴	N/A	N/A	N/A	N/A	30
Scope 3 total	N/A	5,618,110	5,376,570	6,045,420	4,653,550

¹ Rounding rules: 2/3-digit numbers rounded up to the nearest 10, 4/5-digit numbers rounded up to the nearest 100, all larger numbers rounded up to the nearest 1,000.

² Values for 2020/21 were taken from the following year.

³ Base year for assessing the emissions trend for Scope 3.

⁴ In the 2023/24 reporting year, two new categories were determined in the course of the SBTi submission for emissions.

Other indirect GHG emissions (Scope 3)

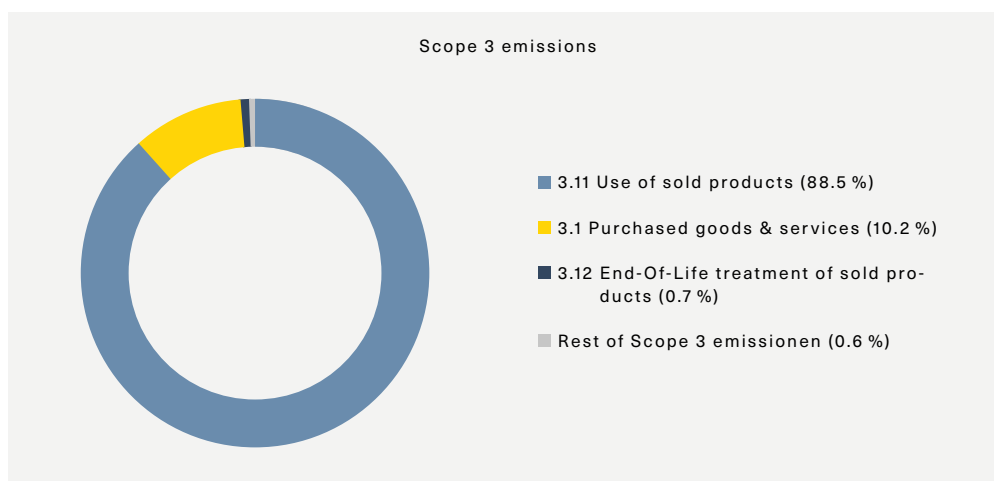
The upstream emissions include values for seven categories. Purchased goods and services comprise all product and non-product related goods and, as expected, represent the largest share of upstream emissions at over 90 %. Downstream emissions also include the data for transportation and distribution as well as investments. Recording currently covers all relevant categories for the Zumtobel Group. Based on the Zumtobel Group's products, the emissions resulting from the "use of sold goods" are responsible for over 90 % of total emissions.

The methodology was improved to increase transparency and data precision. Factors from recognised sources and databases were used to calculate the emissions. Examples include the SPHERA LCA database von, the World Resources Institute (WRI) and the Environment Agency Austria.

Reduction of greenhouse gas emissions

A further step towards Net-Zero was made in 2023/24. Various continuous improvement projects and a focus on energy savings, above all heating energy and the process energy required for laminating, were responsible for an absolute year-on-year reduction of 956 t, representing a reduction of 9 %, in Scope 1 & 2 greenhouse gas emissions in the reporting year. In comparison with the 2020/21 reference year, the absolute reduction equalled 14,291 t and the percentage reduction 60 %.

The measures described in the section on "renewable energy" also contribute to the reduction of greenhouse gas emissions. Further contributions to the reduction of greenhouse gas emissions are reported under "reduction of energy consumption" and related to natural gas as an energy carrier. Additional activities and measures to reduce greenhouse gas emissions are listed below.



Projects and continuous improvement

LIGHTING PLANTS

Dornbirn, AT:

Analysis to expand photovoltaic equipment; analysis of the electrification of the dry-off oven and the curing oven in the powder coating aggregate.

Lemgo, DE:

Analysis of an electrification or hybrid solution (natural gas and electricity) for the dry-off oven, the wet paint dry-off ovens for hand painting and the wet painting aggregate; planning for the substitution of district heat for natural gas in the ventilation equipment for the painting aggregate.

Les Andelys, FR:

Installation of a charging station for e-vehicles; reduction of the pre-processing temperature in der for degreasing in the powder coating aggregate; conclusion of a one-year contract for biogas.

Niš, RS:

Recovery of the compressor heat from warm water processing; optimisation of compressor loads.

Spennymoor, UK:

Project to reduce natural gas consumption in the powder coating aggregate: reduction of the size of the curing oven, optimisation of the thermal efficiency of the curing oven, new efficient gas burners, increase in the number of air nozzles in the drying oven, completion in June 2024.

Highland, US:

Introduction of low-temperature coating powder made from recycled plastic bottles, the curing temperature can be reduced by 10 degrees Celsius; conversion of the pre-treatment for degreasing in the powder coating process to a cold water system.

COMPONENTS PLANTS

Dornbirn, AT:

Installation of an energy efficient cooling aggregate with fresh air cooling > 6° Celsius and refrigerants with very low global warming potential.

Niš, RS:

Finalisation of project for the recovery of compressor heat and use in warm water processing.

Shenzhen, CN:

Increase in share of renewable energy from 26 % to 29 %; analysis of options to further increase the share of renewable energy.

Spennymoor, UK:

Replacement of old warm water heater with new energy efficient equipment that has low NOx emissions.

Administrative buildings CIT

Schmelzhütterstraße + Höchsterstraße, AT:
Installation of a charging station for e-vehicles; optimisation of pump controls for heating.

3.5 ENERGY & RENEWABLE ENERGY

How we reduce overall energy consumption

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 are essential issues for all producing locations. The largest locations in the Zumtobel Group, i.e. eight of the eleven plants, also operate with certified energy management systems. 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. An energy management system provides a structured approach to identify savings opportunities and to develop and evaluate improvement measures. The continuous implementation of these energy efficiency measures helps to ensure the efficient use of energy.

Energy consumption inside the organisation

Energy consumption data is collected monthly from all production locations in the Zumtobel Group. The use of heating and process energy is based on real-time consumption as calculated by the respective suppliers. The energy consumption of the Zumtobel Group's motor pool is based on the tanked litres of fuel/kilowatt hours of electricity used by the vehicles.

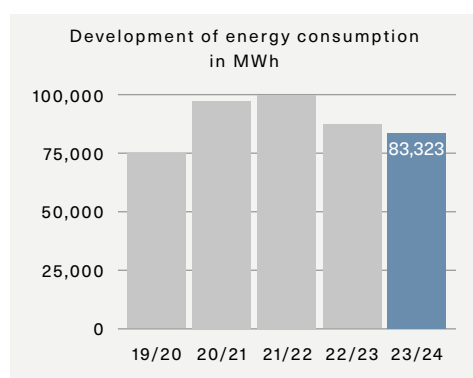
The major energy consumers in the lighting plants are the plastic injection moulding machines, coating equipment, cooling aggregates and the generation of space heat. Since the proportion of plastic in the luminaires is growing and specific colours and durable coating are increasingly requested by customers, 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 are a focal point for the implementation of improvement measures.

Most of the energy in production is used in Europe (93 %). Energy consumption totalled 83,323 MWh in 2023/24. Compared with the previous year (87,178 MWh), that represents an absolute reduction of 4 %.

ENERGY CONSUMPTION IN MWh	2019/20	2020/21 ¹	2021/22 ²	2022/23	2023/24
Process energy	59,591	66,457	69,584	65,134	61,425
Electricity	48,260	50,885	51,455	48,898	46,282
Electricity from photovoltaics (100 % own use)	N/A	319	1,231	1,266	1,164
Diesel	N/A	70	366	58	403
Process heat (natural gas)	10,316	14,013	15,455	13,915	12,567
Local/district heat (supplier mix)	399	478	436	522	898
Local/district heat (biomass)	616	692	641	475	111
Heating energy	15,268	16,860	16,012	11,683	12,209
Thermal heat (natural gas)	9,597	10,490	10,097	7,014	6,290
Local/district heat (supplier mix)	2,061	2,423	2,255	1,768	1,669
Local/district heat (biomass)	3,610	3,947	3,660	2,901	4,250
Motor vehicle pool	N/A	13,849	13,849	10,361	9,689
Energy total	74,859	97,166	99,445	87,178	83,323

¹ New base year for assessing the future development of consumption; the data not yet recorded when the 2020/21 report was compiled was added later.

² The forecast data still partially used in the preparation of the 2021/22 report was replaced by actual data.



Energy consumption outside the organisation

The major environmental aspects are identified along the value chain and across the entire product lifecycle. The related data are collected and, where necessary, translated into energy consumption. The necessary conversion factors are drawn from various sources like myClimate, World Resources Institute or the Sphera LCA environmental database. These calculated values show the influence of the processes on energy consumption.

In addition to improving data collection, actions in this area concentrate on reducing the amount of energy used. Increasing the energy efficiency of luminaires, LED modules and LED drivers has the greatest influence on total energy consumption. The improvement of total energy consumption is discussed in the paragraph "reduction of energy consumption for products and services".

Energy intensity (Scope 1 & 2)

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 and/or produced units. Total energy consumption within the organisation for the calculation of energy intensity includes process and heating energy as well as consumption by the motor pool.

Energy intensity in the Zumtobel Group during the 2023/24 financial year equalled 1.963 MWh per 1,000 units. Energy intensity deteriorated by 6 % in the components plants due to the decline in production, but improved by 3 % in the lighting plants.

Reduction of energy consumption (Scope 1 & 2)

The components plants recorded a year-on-year reduction of 12 % in energy consumption, which resulted from a decline in the production volume. Energy consumption per 1,000 units increased slightly from 0.366 to 0.389 MWh.

In the lighting plants, energy consumption was reduced by 2 %. Energy consumption per 1,000 units improved from 6,609 to 6,411 MWh. The improvement in energy performance versus the new reference year 2020/21, which is required by ISO 50001, was also met.

The measures implemented in 2022/23 to deal with the sharp rise in energy prices that was triggered by the Ukraine conflict generally continued in 2023/24 and were also integrated in the continuous improvement process. Energy prices remained high throughout the reporting year and had a significant influence on costs at all Zumtobel Group locations. Energy consumption as a material environmental topic remains a focus issue.

Energy consumption in the office buildings and in production was cut to a minimum over weekends and on all other work-free days. The base energy load was reduced to the optimal minimum at all producing locations.

Office areas and production halls are optimally heated and lit during working days/hours. The energy consumption for heating was held near the unusual 2022/23 level and reduced by 28 % compared to the 2020/21 reference year. In addition to numerous energy savings measures, the milder winter made an important contribution.

Projects and continuous improvement

LIGHTING PLANTS

Dornbirn, AT:

Conversion of the curing oven for injection moulding, individual control of each chamber, reduction of pre-heating time from 24h to 3h; replacement of four old injection moulding machines with new energy efficient equipment; optimisation of batch sizes, standstill times for injection moulding; optimisation of base energy load on standstill days, nighttime shutdown of advertising lighting.

Lemgo, DE:

Replacement of old pressure generators with two new energy efficient machines; optimisation of load profile for pressure supply; installation of LED lighting in the injection moulding area.

Les Andelys, FR:

Installation of speed controls on the motors in the powder coating aggregate; no production on older machines; installation of LED lighting in the production hall; installation of SMART metres for gas and electricity; automatic shutdown of electricity and ventilation during production-free times.

Niš, RS:

Successful introduction and certification of an energy management system under ISO 50001; installation of sensors for temperature control; definition of optimised shutdown times for injection moulding machines; continuous improvement measures in all significant energy user (SEU).

Spennymoor, UK:

Further optimisation of the energy base load on standstill days; increase in the temperature from 19° to 22° Celsius in the IT server room; continuous improvement measures in all significant energy user (SEU).

Highland, US:

Successful introduction and certification of an energy management system under ISO 14001.

COMPONENTS PLANTS

Dornbirn, AT:

Joint use of a reflow oven by two SMT lines; reduction of operational air pressure; replacement of two old placement machines with a new energy efficient line.

Niš, RS:

Successful introduction and certification of an energy management system under ISO 50001; installation of sensors for temperature control; continuous improvement measures in all significant energy user (SEU).

Shenzhen, CN:

Replacement of two old air compressors by an efficient air compressor; Improvement of the controls in the test chamber for HASS tests; optimisation energy base load for all standstill days; reduction of operational air pressure; reduction of time in the heating chamber from 48 to 45 hours; fresh air cooling > 15° Celsius; joint use of a reflow ovens by two SMT lines.

Spennymoor, UK:

Integration and installation of intelligent controls for the air conditioning system in the office area; purchase of a new efficient compressor; installation of sensors for efficient lighting in the warehouse; energy efficient controls for all ventilation motors.

Administrative buildings CIT und Office Schmelzhütterstraße Dornbirn, AT:

Installation of heat recovery equipment; optimisation of parking area lighting.

Renewable Energy

In the 2023/24 business year, 60.5 % of the total energy consumption was covered by renewable energy. That represents an increase of 1.5 % in the share of renewable energy, however the set target of 62 % was not completely met.

All European lighting and components plants purchase their total electricity requirements from renewable sources.

The share of renewable energy remained constant or increased at all locations in 2023/24. This improvement was achieved through a reduction in energy consumption for heating, the full effect of energy savings measures implemented in 2022/23, and new improvement measures implemented in 2023/24 that are already partially effective.

Biogenic generated heat covers 48 % of heating requirements and 27 % of total gas requirements.



Projects and continuous improvement

LIGHTING PLANTS

The lighting plant in Dornbirn met its entire heating requirements with biogenic generated heat during the past financial year.

At the lighting plant in Lemgo, gas consumption was reduced by the conversion to district heat for pre-processing and temperature conditioning in the wet painting process. As a result, the share of district heat in production processes rose from 27 % to 46 %.

The largest plant, the lighting plant in Dornbirn, increased the share of renewable energy to 94 % with a mixture of electricity from hydropower, electricity from photovoltaic equipment installed on site and the use of biogenic generated heat.

COMPONENTS PLANTS

At the components plant in Dornbirn, 45 % of the energy required for heating is now covered by district heat.

The components plant in Shenzhen increased the share of renewable energy from 26 % to 29 % based on an improved energy mix in 2023/24.

A photovoltaic system was installed on an office building at the location in Niš.

The administrative building in the Schmelzhüterstraße was converted to district heat that covered its entire winter heating requirements starting in September 2023.

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3.6 AIR & GROUND POLLUTION

How we measure air and soil pollution

Ozone-depleting substances (ODS)

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

Nitrogen oxides, sulphur oxides and other significant air emissions

Nitrogen oxide emissions were calculated based on measurements at the lighting plants in Dornbirn, Lemgo and Niš. Since nitrogen oxide emissions are basically dependent on the firing process and only natural gas is used for heat generation and production processes at these locations, the resulting emissions are substantially lower than carbon dioxide emissions. Nitrogen oxide emissions are closely related to the firing process and on the quality of the natural gas.

These three locations represent roughly 45 % of energy consumption and were therefore used to derive the mean value, which was subsequently used to calculate nitrogen oxide emissions for the other producing locations.

The producing locations which use natural gas for process and heating energy were

responsible for nitrogen oxide emissions totaling 1.024 t. A comparison of this value with the previous year shows a reduction of 21 % in natural gas consumption (previous year: 1.303 t). This improvement was reached through the reduced and optimised use of natural gas and the conversion from natural gas to district heat at the Dornbirn location.

The measurements also showed no significant quantities of sulphur oxide at these locations, and these emissions will not be recorded for the time being.

The formation of volatile organic materials (VOMs) is dependent on the volume flows from the aggregates (volumes and operating hours). Consequently, the calculation cannot be based on natural gas consumption. Determination is planned for the next financial year and will be preceded by an evaluation of how these emissions can be calculated or determined.

The production facilities principally meet or remain below local thresholds. Compliance is controlled and monitored by internal or external measurements in accordance with legal requirements. The legal and municipal requirements are met at all production locations. Emission measurements are carried out by external specialists, and no conspicuous measurements were recorded.

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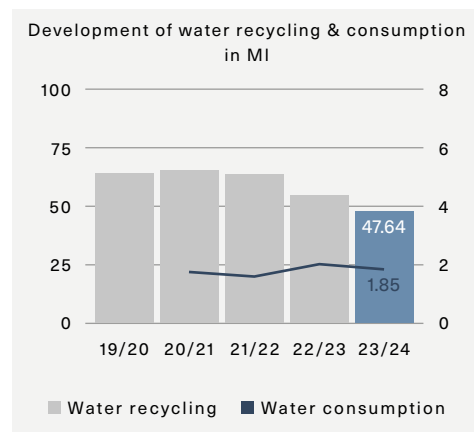
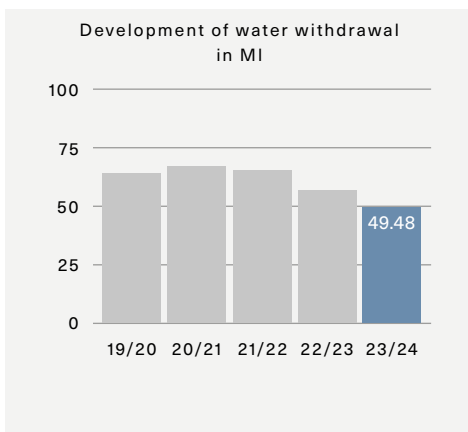
3.7 WATER & WASTEWATER

How we reduce water consumption

Water means life and is a vital resource that plays an important role in connection with advancing climate change and global warming. 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, but the responsible and economical use of water is a primary concern. The Zumtobel Group has implemented procedures to make sure wastewater meets municipal requirements before it is discharged into

WATER IN MEGA LITRE	2019/20	2020/21	2021/22	2022/23	2023/24
Water withdrawal	64.18	67.08	65.23	56.69	49.48
Water from third party sources	63.31	66.18	64.61	56.18	48.90
Groundwater	0.87	0.90	0.63	0.52	0.58
Surface water	0.00	0.00	0.00	0.00	0.00
Water recycling	64.18	65.33	63.63	54.66	47.64
Water consumption	0.00	1.75	1.60	2.04	1.85



local treatment plants and to see that the related indicators remain clearly below the permissible limits wherever possible. These indicators are monitored and confirmed internally and externally on a regular basis.

Water use

Water is used mostly for sanitary facilities, for drinking and for air humidification. In production, water is used primarily in cleaning for the coating process, for cooling, air humidification and sprinklers.

Coating is a key production process at 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 painting.

The volume of water used was reduced by roughly 13 %, but increased by nearly 1.5 % per 1,000 produced units due to the decline in production volumes. A description of various improvement projects is provided below.

Water recycling

Water is generally recycled, apart from the water used for drinking, cooling, irrigation or air humidification in critical production areas. These unrecycled volumes are recorded at selected production locations and deducted from wastewater volumes. The recycled water meets the highest local legal standards and is clearly below all permissible limits. Sewerage systems transport the wastewater to local treatment plants.

Data on the volume of water recycled is collected and reported by the locations each year. Water that is not recycled is considered part of wastewater and is deducted for the calculation. 47.64 megalitres of water were recycled in 2023/24, compared with 54.66 megalitres in 2022/23, for a year-on-year decline of roughly 13 %.

Water withdrawal

The water used by the Zumtobel Group is drawn primarily from local waterworks. Groundwater is used by the lighting plant in Les Andelys for part of its supplies, but this equals only about 1 % of the total withdrawal.

At the present time, none of the producing locations uses surface water from rivers or similar bodies of water.

The production locations and the corporate headquarters of the Zumtobel Group drew approximately 49.48 megalitres of water in 2023/24, compared with 56.69 megalitres in the previous year. That represents a 13 % decline in the volume of water drawn and was achieved through various improvement measures.

Water consumption and water stress

Water consumption is understood to mean the volume of water that is not recycled by the Group's locations. The previous sections describe the purposes for which water is used.

Water consumption by the Zumtobel Group's production and administrative locations equalled 1.85 megalitres in 2023/24, compared with 2.04 megalitres in the previous year. That represents 4 % of the total water drawn. As reported, water usage in the Zumtobel Group declined in 2023/24.

The Zumtobel Group monitors and evaluates the water stress at its production locations that is connected with water consumption, which means the ratio of total water requirements to the available, renewable surface water and groundwater supplies. One important factor here is the inclusion of the available, renewable water supplies in the respective regions. An analysis of the individual locations by the Zumtobel Group in preparation for the CSRD showed increased water stress at the Serbian location in Niš. The location in Lemgo has a median value. The Zumtobel Group realises the importance of the careful use of the resource water in these regions and includes this in its considerations and evaluations. However, water consumption at these two locations is low and is currently viewed as non-critical.

Projects and continuous improvement

LIGHTING PLANTS

Dornbirn, AT und Spennymoor, UK:
Due to the careful use of water as a resource, the significant reduction in water consumption at the lighting plant in Dornbirn and Spennymoor was roughly maintained.

Les Andelys, FR:
The lighting plant in Les Andelys achieved a reduction of nearly 9 %. This was achieved by reducing the number of layers in the coating process from the original five to three, made possible by optimised work planning and adjustment.

COMPONENTS PLANTS

Shenzhen, CN:
Shenzen reported the greatest savings with up to 27 % for the reporting year. This level was reached with the replacement of six only water cooling towers with two effective new cooling towers, whereby basically only one is in operation.

Lighting and component plant Niš, SR:
At the site in Serbia, the amount of water was reduced by reducing flow times and installing aerators. This resulted in savings of around 18 %.

other locations:
Water quality is continuously monitored at the sites in order to optimise the use of water in production/coating. Furthermore, technical installations such as evaporators and optimisation of filter systems are planned and are already being tested. This will have a further positive impact on water consumption and utilisation.

ENVIRONMENT

3.8 BIODIVERSITY

How we protect the night sky

For the Zumtobel Group, biodiversity means preserving the diversity of life and assistance in three major areas:

- diversity in ecosystems,
- diversity of species and genetic diversity all of which are closely connected.

There was no construction activity in 2023/24, and no green areas were sealed. Every location does its best to minimise the impact on flora and fauna and to avoid air and soil emissions as well as noise

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 nearly 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 very high legal as well as social significance. 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 and assess and, as a final step, 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 want to feel safe and prefer bright, well-lit streets and areas. However, lighting can impair biodiversity, especially by attracting insects.

The Zumtobel Group's Components Segment offers special LED modules with a minimum blue content to reduce these effects and minimise light pollution. That lessens the impact on the natural day-night rhythm of people and animals. The Zumtobel Group also uses NightTune technology to optimise night lighting and reduce the impact on the environment.

In addition to the colour temperature, the distribution of light is an important factor for preventing light pollution. The International Dark-Sky Association (IDA) is an advocate for the protection of the nighttime sky. It offers objective, independent certification for luminaires that minimise glare and light incidence and do not pollute the nighttime sky. The Zumtobel Group offers a range of IDA-certified luminaires that protect the nighttime ecosystem and, at the same time, increase people's comfort and security. NightTune and IDA-certified luminaires again represented a focal point of the product portfolio in 2023/24.

These technologies in combination with intelligent lighting controls create safe, energy efficient and environmentally friendly outdoor lighting that makes an active contribution to preserving biodiversity while limiting light pollution and reduces light pollution.

ENVIRONMENT

3.9 SUSTAINABLE PROCUREMENT

Which supply chain success factors we track

„FOR ME, SUSTAINABLE PROCUREMENT MEANS ENSURING MINIMUM SOCIAL AND ENVIRONMENTAL STANDARDS ALONG THE SUPPLY CHAIN, WITH A PARTICULAR EMPHASIS ON DUE DILIGENCE. THIS INCLUDES ECONOMIC SUSTAINABILITY WITHOUT COMPROMISING ETHICAL RESPONSIBILITY.“

Miro Ardan,
SVP Global Purchasing Zumtobel Group

Management approach & due diligence processes

As a producing company, sustainable procurement plays an important role for the Zumtobel Group. 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:

- Ethics along the entire supply chain (code of conduct, self-declaration via IntegrityNext, sustainability evaluation by EcoVadis, internal sustainability audits)
- Global procurement with local areas of influence (organisational structure)

- Safety of employees and suppliers (code of conduct, self-declaration on sustainability via IntegrityNext, sustainability evaluation by EcoVadis, internal sustainability audits, training)
- CO₂-footprint of the supply chain (concrete, resp. targeted inquiries)
- Evaluation of suppliers' environmental and social standards (code of conduct, self-declaration via IntegrityNext, sustainability evaluation by EcoVadis, internal sustainability audits)
- Respect for human rights and all employee and social issues (code of conduct, self-declaration via IntegrityNext, sustainability evaluation by EcoVadis, internal sustainability audits)

The Zumtobel Group relies more than ever 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 686 suppliers from 38 countries (2022/23: 708 suppliers from 36 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.

Goal attainment in 2023/24

The goals defined for sustainable procurement were met in full during the past financial year. The Zumtobel Group's sustainability performance was validated by at least one third party as part of the maturity analysis with EcoVadis (in addition to the audit).

In addition, the share of recyclable materials in the products was increased continuously. This goal is long-term and, therefore, remains a focal point for 2024/25.

SUPPLIER DATA	UNIT	2019/20	2020/21	2021/22	2022/23	2023/24
Suppliers (99,9 % Annual volume)	Number	692	674	659	708	686
New suppliers	Number	N/A	N/A	8	11	20
Share of new suppliers	in %	N/A	N/A	1.2	1.6	2.9
Suppliers from Europe	Number	N/A	N/A	545	555	554
Share of suppliers from Europe	in %	N/A	N/A	82.7	78.4	80.8
Suppliers from other regions	Number	N/A	N/A	114	153	132
Share of suppliers from other regions	in %	N/A	N/A	17.3	21.6	19.2
Top suppliers	Number	N/A	N/A	89	93	83
Suppliers from risk countries	Number	N/A	N/A	109	139	143

The local plants and their procurement teams are also integrated in the procurement structure. These teams can react on location to current requirements and contribute 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 2023/24, the share of the procurement volume from Asia was over 50 % (2022/23: 51.8 %) in the Components Segment and roughly 8 % (2022/23: 8.4 %) in the Lighting Segment.

PROCUREMENT VOLUMES	UNIT	2019/20	2020/21	2021/22	2022/23	2023/24
Procurement volumes (total)	EUR mio	357	305	395	390	346
Share of revenues	in %	N/A	N/A	34.4	32.2	30.4
Procurement volumes Europe	EUR mio	N/A	N/A	263	276	259
Procurement volumes Asia	EUR mio	N/A	N/A	130	113	86
Procurement volumes Rest	EUR mio	N/A	N/A	2	1	1
Procurement volumes Europe Lighting Segments	in %	N/A	N/A	89.5	91.1	91.7
Procurement volumes Asia Lighting Segments	in %	9.0	8.2	9.9	8.4	8.1
Procurement volumes Rest Lighting Segments	in %	N/A	N/A	0.6	0.5	0.2
Procurement volumes Europe Components	in %	N/A	N/A	41.3	48.1	49.4
Procurement volumes Asia Components	in %	63.0	58.9	58.2	51.8	50.5
Procurement volumes Rest Components	in %	N/A	N/A	0.5	0.1	0.1

E-mobility in fleet management

Mobility is another important issue for the Zumtobel Group's sustainable procurement. The focus of fleet management is shifting to find the right balance between environmental protection and economy. The demand and usage profile of the Zumtobel Group's motor vehicle pool was examined in detail during the previous financial year.

This analysis resulted in an updated global policy for company vehicles based on

sustainable criteria, which was updated and rolled out in 2023/24. This initiative also creates an opportunity to gradually direct the company fleet towards environmental compatibility and includes four categories of hybrid and electric vehicles. Of the company vehicles purchased during the reporting year, over 20 % are electric vehicles.

Investments were also made in the local charging infrastructure to expand the charging options for company and private vehicles – and a public charging station was also installed for visitors.

VEHICLE FLEET	UNIT	2019/20	2020/21	2021/22	2022/23	2023/24
Diesel	Number	N/A	N/A	581	546	524
Petrol	Number	N/A	N/A	50	65	51
Gas	Number	N/A	N/A	0	0	0
Hybrid	Number	N/A	N/A	1	3	16
Electric car	Number	N/A	N/A	7	27	50
Vehicles total	Number	N/A	N/A	639	641	641
Share of e-mobility	in %	N/A	N/A	1.3	4.7	10.3
CO ₂ e	Tonnes	N/A	N/A	3,499	3,353	3,181

Geopolitical challenges on the procurement market

The global procurement market has changed significantly over the past four to five years. The changes initially became visible – influenced by the Covid-19 pandemic – in well-known structures for availability and pricing. As the market started to recover, the Ukraine conflict began. Further geopolitical events like the war in the Near East and repeated attacks by Houthi rebels in the Red Sea had a negative effect on the markets which, nevertheless, have stabilised. Many of the procurement markets have still not reached equilibrium and continue to drive the high inflation in many core areas. Neither prices nor availability have returned to the pre-corona level – a standing that is no longer expected due to the above events and the ongoing influence on production costs.

In addition to the above success factors, a greater focus was placed on developing a better understanding and clearer picture of the economic and ecological influence of suppliers in the largely localised supply chain. The recently implemented sustainability platforms (EcoVadis and IntegrityNext) will create greater transparency for sustainability in the active procurement portfolio. The groundwork has also been completed for conformity with the Due Diligence Directive for 2025. This added transparency also forms an excellent basis to work with suppliers on their energy autonomy and the resulting increase in green energy components. The positive effects include a reduction in costs as well as an increase in supply security and lower emissions.

In addition to compliance with geopolitical requirements, e.g. the various Russia-sanction packages, activities in 2023/24 focused on the implementation of a CBAM (Carbon Border Adjustment Mechanism) process.

Various success factors that increased the resilience of the supply chain and stabilised or reduced prices have been decisive for the Zumtobel Group in recent years:

Long-standing partnerships with suppliers
Local supply chains
Increased authorisation of local suppliers
Regular coordination with local plants
Continuous, close coordination with suppliers
Continuous monitoring of supply plans
Ad-hoc changes in established transport routes
Authorisation of multiple procurement sources where possible
Implementation of the external sustainability platforms "DigiSus" (EcoVadis/IntegrityNext) for even greater transparency in various areas of the supply chain

COMPLIANCE

3.10 MATERIAL & CONSUMPTION

How we increase the materials' recycled content

The further strengthening of sustainability in purchasing activities and supplier onboarding are important objectives for the procurement department. To address these 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.

The "DigiSus" sustainability platform which is described in the supplier onboarding process sets a new status quo for transparency, which then forms the basis for continuous improvement. As soon as all suppliers have a valid rating (or valid assessment), the platform will also be used to further optimise sustainability performance in general and the supply chain in particular.

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: For example: The major plants were converted to 100 % green electricity

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.

In line with the sustainability strategy, 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). This information is included in this report for the first time. 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 procurement is increasingly concentrating on circularity and represents a fundamental element of the Circular Design Rules in the development process.

The procurement team in the Zumtobel Group is working continuously with suppliers to record and increase the recycling share of production materials.

The constituent substances of materials are another central point of sustainability efforts. The Zumtobel Group exceeds legal requirements by following the strict constraints of the Cradle to Cradle Certified® restricted substances list. Conspicuous substances are identified and immediately removed.

The recyclability of the materials used to produce lighting and components is also an important criterion for the Circular Design Rules. Materials that are well-suited for recycling are given priority in product development processes.

MATERIALS BY PROCUREMENT GROUP	UNIT	2019/20	2020/21	2021/22	2022/23	2023/24
Starting materials	Tonnes	N/A	N/A	17,200	17,936	18,455
Semi-finished goods	Tonnes	N/A	N/A	7,963	8,927	9,039
Operating equipment	Tonnes	N/A	N/A	1,265	1,481	1,965
LED/samps	Tonnes	N/A	N/A	444	971	967
Supplies	Tonnes	N/A	N/A	717	971	547
Packaging	Tonnes	N/A	N/A	3,848	4,184	3,955
Merchandise	Tonnes	N/A	N/A	2,071	1,268	3,223
Rest	Tonnes	N/A	N/A	1,472	646	355

SHARE OF RECYCLATE BY TOP PROCUREMENT GROUP	UNIT	2019/20	2020/21	2021/22	2022/23	2023/24
Steel	in %	N/A	N/A	30	32	32
Cardboard packaging	in %	N/A	N/A	90	90	90
Cast components	in %	N/A	N/A	85	98	98
Plastic granulate	in %	N/A	N/A	5	5	5
Aluminium profiles	in %	N/A	N/A	70	75	75
Aluminium	in %	N/A	N/A	45	45	45

ENVIRONMENT

3.11 CIRCULAR ECONOMY & MODELS

How we put the circular economy into practice

HOW WE ANCHOR CIRCULAR ECONOMY PRINCIPLES IN THE COMPANY.

The issue cluster "product responsibility" and the circular economy as a material topic stand for the responsible handling of material resources and a sustainable change in the product development process for the Zumtobel Group. Circular economy aspects therefore form a focal point of activities in the earliest phase of this process.

Circular Design Rules (CDR) were introduced as a tool to ensure the full integration of a circular economy in production processes and position the Zumtobel Group to develop products for various cycles. This also includes the systematic minimisation of waste and optimisation for circular processes.

The CDR 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 created by this segment is identified and integrated with a view towards a circular economy.

The Lighting Segment uses a scoring concept in the product development process

to evaluate and optimise the suitability for a circular economy.

The model consists of three building blocks:

Circular Sourcing
Circular Design
Circular Systems

The Circular Design Rules are continuously updated and adapted. They serve as a tool for the development of operating solutions for future strategic issues. The inclusion of Circular Design Rules also helps to prepare for the content of future legal regulations which are currently under discussion on a European level as part of the European Green Deal (Circular Economy Action Plan) and the strategy papers of European countries, e.g. Austria, on the road to a circular economy.

The CDR requirements already address, for example, the content of the new Ecodesign for Sustainable Product Regulation (ESPR) which is expected to take effect in 2025.

The Circular Design Rules create a well-founded information basis to anchor circularity aspects at product, brand and corporate levels.

Increasingly circular product characteristics provide the Zumtobel Group's customers with better information and assistance to reach their own sustainability goals.

Maintenance & upgrade

The longest possible service life for luminaires at the customer's location helps to conserve resources. The Zumtobel Group is continuously expanding its selection of modernisation kits to extend the customer's use of the lighting but also offers modernised, energy-efficient lighting technology for upgrades. The availability of spare parts will be increased to reinforce these efforts. Many products in the Zumtobel and Thorn lighting brands, e.g. TECTON, SLOTLIGHT, PANOS and OMEGA, include uncomplicated modernisation options due to their modular construction.

The Zumtobel lighting brand has developed and implemented customer-specific refurbishment kits for numerous projects. For example: Zumtobel equipped the [New York Times building](#) with project specific T5 LED modernisation inserts

in 2023, which enabled 80 to 90 % of the original aluminium and steel casing to remain intact. At the [German Patent Office](#) in Munich, 20,000 luminaires were modernised with refurbishment kits from Zumtobel.

State-of-the-art LED lighting solutions can save roughly 78 % of the primary energy requirements for light in the building's offices.

Thorn has been responsible for lighting 55 km of roads in the [Sarajevo canton of Bosnia and Herzegovina](#) since 2023. A total of 1,770 ISARO PRO lighting heads were installed on existing light poles, and energy consumption was subsequently reduced by 60 %. UrbanSens Civic Connect technology makes it possible to record and, ideally, to reduce the energy consumed by the lighting infrastructure in a city over time. Smart technology is also an integral part of operations, maintenance and updates.

Standard refurbishment kits were launched for the numerous MIREL and MIRAL linear luminaire families during the past year. Only a very limited number of producers has been able to offer attractively priced refurbishment solutions for their regular portfolio to date. This modernisation option allows the old luminaire casing and surrounding ceiling architecture to remain in use, which saves assembly time, costs, resources and emissions.

FACTBOX

The circular systems concept used for ARTELEA addresses the following usage cycles in agreement with the Zumtobel Group's circular economy strategy:

Maintenance & upgrade / Refurbishment-Kits:

Longest possible product service life for the customer through the availability of replacement and upgrade components.

Remanufacturing:

Return and remanufacturing service a part of an LaaS contract.

Controlled return to the WEEE recycling system:

Return and controlled WEEE recycling within the framework of the LaaS contract when the product is no longer suitable for reprocessing.

The refurbishment kits are accompanied by extensive information.

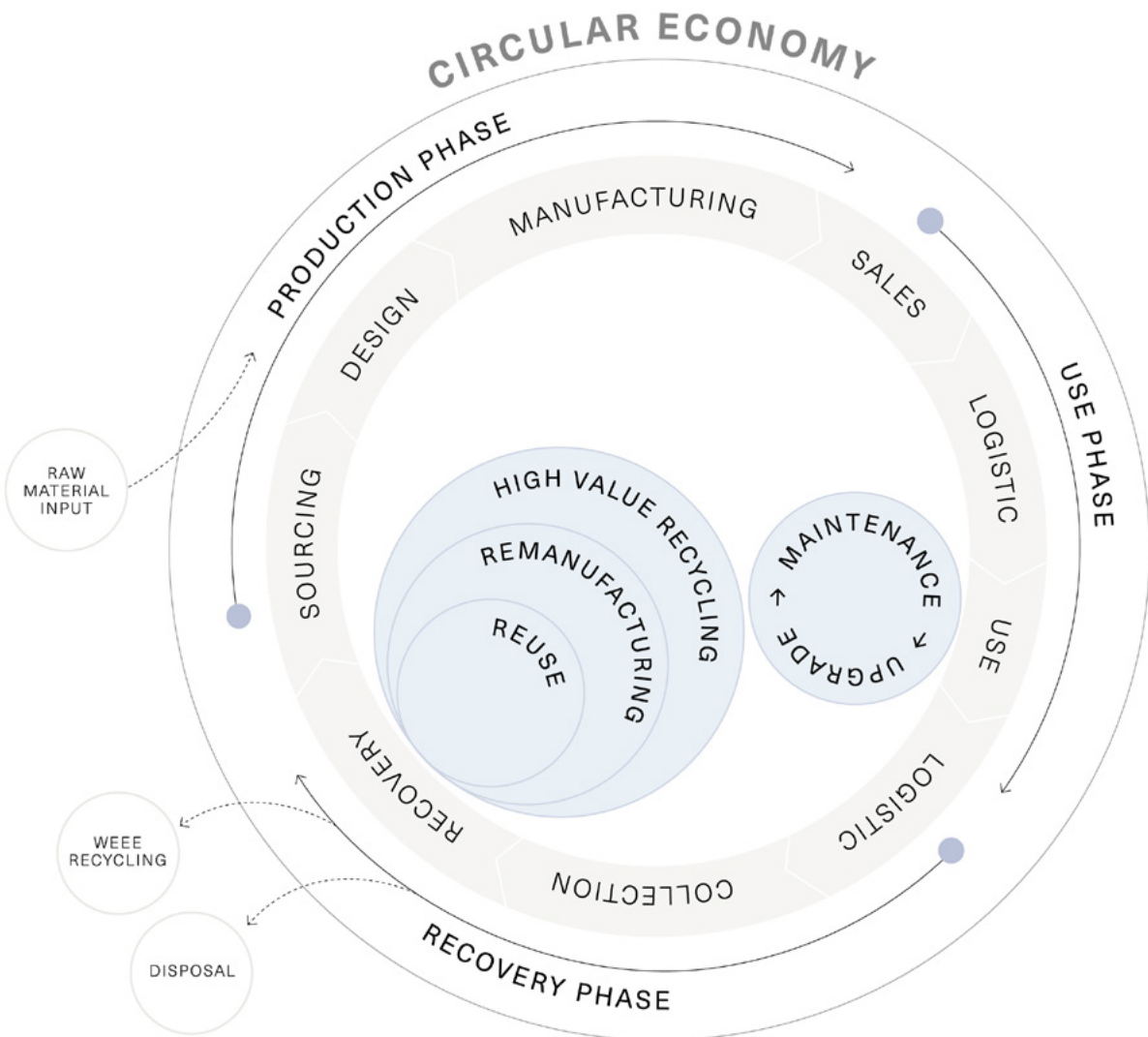
In addition to the significant energy and CO₂ savings resulting from the modernisation of the luminaire's lighting source, most of the luminaire remains in use. A standard refurbishment kit was also purchased for the CLEAN luminaire.

The availability of share parts and refurbishment kits will be further expanded in 2024/25.

Reuse & Remanufacturing

The Zumtobel Group is working to expand processes and offers for the recycling of luminaires after the end of the first usage phase. Pilot projects were carried out to develop the process know-how for return logistics and recycling, and to develop first partnership networks.

These projects analysed the recycling opportunities for various products in the Zumtobel lighting brand.



**Circular Design Rules –
an innovation tool to implement the circular economy**

Circular Design Rules (CDR) give the Zumtobel Group an effective, operative tool to gradually improve circularity in all new lighting brand products. The CDRs include four performance levels that can be reached with a product, whereby each performance level is tied to the attainment of various goals. The Circular Design Rules cover the following three main topic fields which are described in detail below:

**Circular Sourcing
procurement and use of materials to support a circular economy**

Material procurement is increasingly focused on circularity and represents an integral part of the Circular Design Rules. The Zumtobel Group's global procurement team works continuously with suppliers to identify and increase the recycling share of the materials used. Data was improved substantially during the reporting year and a gradual increase in the recycling share was verified together with the suppliers. Special attention was given to the material ingredients. The Zumtobel Group follows the strict requirements of the Cradle to Cradle Certified® Restricted Substances List, which far exceed legal regulations. Suspicious content is identified and immediately eliminated. The recycling capability of the materials used in the luminaires and components is an important criterion for the CDRs. Materials that are well-suited for recycling are given priority. The cooperation with suppliers will be evaluated in the coming year to identify the sources (pre- or post-consumer) for the recyclate component of materials. The search for suitable materials from renewable sources will be intensified. The goals for the 2024/25 financial year include the systematic recording of the recycling component of products.

**Circular Design
design based on the principle of 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 usage phase. The section on Circular Design in the Circular Design Rules explains the consistent 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:

- Interfaces for technical updates are integrated in the product
- Components can be easily and quickly disassembled and replaced (maintenance & upgrade) to extend the service life of a product for the customer, and
- The product can be separated into its individual parts at low cost for recycling (remanufacturing) or the materials can be completely separated for high-quality recycling

The Thorn lighting brand launched the [OMEGA Moduline](#) luminaire in 2023/24. Its design concept is based on modularity and the ability to interchange the individual components. This luminaire marks the start of the brand's holistic design strategy, which explicitly addresses circular design aspects: modularity, easy assembly and disassembly, simple separation in individual components, the uncomplicated availability of spare parts and options for upgrades.

**Circular Systems
establishment of circular systems**

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 through a network of collaboration partners:

Maintenance & upgrade, Reuse & remanufacturing, High-value recycling

Pilot project for reuse & high-value Recycling

Zumtobel set a milestone in the implementation of the circular economy together with the SPAR supermarket chain and carla Vorarlberg, a social enterprise which is part of Caritas, during the past year. In connection with the [revitalisation of the EUROSPAR](#) in Lustenau, the TECTON luminaires and tracks were carefully removed. The luminaires had been in use for three to eleven years, while supermarkets are modernised every eight to ten years. The lighting is generally broken during conventional disassembly and subsequently discarded. One project goal was to rescue as many luminaires as possible for reuse through careful dismantling and recycling logistics. Another goal was to dismantle the carrier rails and return them to the supplier for use in the next product generation (high-value recycling).

Re-Use

The luminaires at carla were tested for their functionality and safety according to ÖVE/VDE standards, in part repaired and cleaned – and are again in use. In total, 425 of 431 luminaires were recovered and readied for a second usage phase.

A sample of the luminaires was measured at the lighting lab in Dornbirn, where the loss of luminous flux was determined. Depending on the type of luminaire, the decline in luminous flux over many years of use equalled 3 % to 17 %.

The research findings from this successful pilot projects provide valuable know-how and experience on processes, the development of partnerships, measurement values for used luminaires and the first calculation bases for circular business models.



Remanufacturing

The ARTELEA free standing luminaire represents the first product by the Zumtobel brand to include a return for remanufacturing option at the end of a light-as-a-service (LaaS) contract to permit an additional usage phase.

The remanufacturing process includes the following:

Disassembly of the luminaire
Cleaning of the components
Replacement of used components
Function and safety test

Plans call for the availability of an active remanufacturing option for 10 % of the Zumtobel Group's product families by 2030.

High-value recycling

A number of luminaires and luminaire components cannot be recycled through remanufacturing after a long service life. However, these products contain valuable materials that can be recovered for use in the next product generation.

As part of the above-mentioned pilot project, the high-value recycling process was tested based on the carrier rail materials for the TECTON continuous row system. The coated carrier rail steel is separated via a multi-stage process in cooperation with several project partners and transported back to the Zumtobel Group's regional steel supplier.

Suppliers cannot reuse coated steel from conventional recycling because the different and unknown composition of the coating (e.g. PVC coating) could release pollutants during the melting process. In the case of high-value recycling materials, the coating formula is known and the steel can then be returned to the production process. That closes the material cycle. The pilot project returned 576 of post-consumer steel to production. With the development of a high-value recycling system, the Zumtobel Group and its project partners are taking new directions to reuse high-quality materials in the next product generation.

Circular Design Rules – application examples

The application of Circular Design Rules in new product development was intensified during the past year. CDR analyses were carried out and integrated in the product information portfolios for a number of existing products like the Zumtobel TRAMAO and VIVO luminaires.

The Circular Design Rules support the development of an information and functional basis for circular attributes and pave the way for a future digital product passport.

Digital Product Passport

The digital product passport (DPP) is part of the upcoming Ecodesign for Sustainable Product Regulation (ESPR) in the European circular economy strategy and is seen as an operating tool for the implementation of the circular economy. It makes necessary information along the lifecycle available to various participants. The DPP facilitates and enables the circular management of products and materials.

A digital product passport includes the following information:

Materials and components used in the product (incl. information on potential environmentally critical materials)
Construction and separation
Production and useful life, location
Reuse, reparability, availability of spare parts and recyclability
Energy efficiency and CO ₂ e emissions

Digital product passports are expected to become mandatory for electronic products in the EU starting in 2027.

At the Light + Building trade fair in 2024, Zumtobel presented the first lighting industry draft of a DPP for the IZURA concept luminaire based on the previously known requirements. The required content information on the luminaire was obtained with the help of Circular Design Rules.

Cradle to Cradle certified

In 2023, products in the Tridonic and Zumtobel brands were Cradle to Cradle Certified®: Zumtobel received a Cradle to Cradle Certified® rating in Bronze for its modular ARTELEA free standing luminaire under the challenging version 4.0 valuation standard. PTFE-free paint was developed and used for the certified luminaire.

Tridonic expanded its Cradle to Cradle Certified® product portfolio with further accreditations during the past year: LED modules from the latest generation as well as LED drivers from the Gen4 product line were certified for the first time as more complex electronic lighting components according to the Cradle to Cradle Certified® standard 3.1.



Sustainable packaging

Materials that are particularly well-suited for recycling will be used for product packaging in the future. The recycling capability of the materials as well as the available infrastructure will be decisive for maximising the volume of packaging materials recycled in the region. Long distances for material recycling will be avoided.

The Zumtobel Group's packaging suppliers for cardboard and paper currently have a recycle content of up to 90 %. One good example is the use of packaging tapes made of paper, which do not require separation for disposal.

The production location in Lemgo uses packaging based on cellulose from industrial potatoes for the Zumtobel VIVO and PANOS spotlights. This packaging can be disposed of with wastepaper recycling.

The Components Segment launched a pilot project for sustainable packaging. Its goal is to increase the share of recyclable packaging material and reduce packaging waste. The packaging for LED drivers was, for the most part, converted to paper alternatives several years ago. Following the LLE 24 mm modules, the packaging for other modules was also converted to 100 % recyclable cardboard. The Components Segment is challenged to develop suitable packaging that guarantees both ESD and mechanical protection for the LED modules and also minimises both volume and weight.

The recycling content of the used cardboard in the components segment ranges from 80 % to 90 %. The changeover from polystyrene to cardboard has a positive influence on the recycling capability and reduces the CO₂ intensity of the packaging. A significant contribution to lowering GHG emissions was made with a reduction of 6 kg CO₂e to only 0.3 kg CO₂e per kilogramme of packaging material. Efforts to convert packaging have led the Components Segment to concentrate primarily on cardboard, which means over 90 % of the packaging materials are now recyclable. The goal is to convert the remaining non-recyclable materials by the end of 2024.

The passage of the Packaging and Packaging Waste Regulation (PPWR) by the European Union indicates that further criteria for the design of packaging can be expected.

The Zumtobel Group has set a goal for 2024/25 to increase the use of packaging from renewable resources.



ENVIRONMENT

3.12 WASTE

How we reduce waste

The environmental aspects matrix shows the importance of waste for the Zumtobel Group. Waste arises during production processes as well as in the downstream end-of-life treatment of the sold products. The Zumtobel Group therefore places special emphasis on the economical use of resources and the recycling of materials. Key factors include the efficient use of materials, the minimisation of production scrap and the avoidance of unnecessary waste. Valuable materials are recycled as best as possible or, if possible, reused to conserve resources.

Waste management is an important part of the environmental management systems. 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 components

plants. Goals are defined in the individual 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 innovations. 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, coating, automated production lines and the manual assembly of products are the major production processes which cause most of the waste in the Zumtobel Group. Metal processing, plastics processing and coating as well as the automated production lines result in stamping waste, adjusting nuts and scrap which can generally be recycled.

The water used in pre-treatment for the coating process is subsequently cleaned, which means a concentrated 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, separated by type and recycled by disposal firms.

Smaller quantities of hazardous waste like waste oil, refrigerants and lubricants result from metal processing, residual adhesives from mounting processes, and residual paint from coating processes. Waste also includes tools, machinery, production lines, raw materials, purchased products and finished products which are no longer needed.

Management of significant waste-related effects

The most important levers to reduce the volume of waste in the Zumtobel Group include the above-mentioned activities in the best interests of the circular economy and sustainable procurement as well as the optimisation and recycling of the packaging from purchased raw materials and components together with the avoidance of waste in production. In all European countries, the disposal partners for the sales organisations are responsible for the correct disposal and utilisation of the luminaires.

In addition to the many activities in support of the circular economy and sustainable procurement that will have a significant influence on waste volumes in the coming years, the Zumtobel Group has undertaken projects and many other continuous improvement measures.

Waste generated

The Zumtobel Group recorded roughly 5,141 t of waste from its production processes in 2023/24, which represents a reduction of 2.4 % compared with the previous year (5,269 t). A total of 476 t was classified as hazardous, for an increase of 4 % in the volume of hazardous waste. The lighting plants in Spennymoor installed a vaporisation system in the coating aggregates to significantly reduce the hazardous waste resulting from the coating process.

The components plants reduced the volume of waste both in absolute terms and based on the number of produced products in 2023/24. Reduced demand in the components plants led to an absolute reduction of 240 t in waste and a relative reduction of 3.3 % based on the number of produced products.

The lighting plants met the targets for the absolute reduction of waste and the relative value based on the number of produced products, but there was a slight increase compared to the previous year.

Waste diverted from disposal/directed to disposal

Of the total non-hazardous waste, 91.3 % is diverted from and 8.7 % directed to disposal, whereby 96 % of the non-hazardous waste directed to disposal is incinerated with energy recovery and the remaining 4 % is transferred to a landfill. Of the total hazardous waste, 88 % is diverted from and 12 % is directed to disposal, whereby 98 % of the hazardous waste directed to disposal is incinerated with energy recovery and the remaining 2 % is transferred to a landfill.

Projects and continuous improvement

A particular focus of the lighting plants in 2023/24 covered the issues related to the efficient use of non renewable materials. Non-renewable materials include plastics, steel, copper and aluminium. The indicator represents the waste generated from these materials in relation to their consumption. Extensive analyses were conducted at all European locations and numerous improvement measures were defined and implemented. The indicator "waste from non-renewable materials in production" for the lighting plants declined significantly from 10.9 % to 9.45 %, which means the defined goal of 10 % was clearly exceeded.

LIGHTING PLANTS

Dornbirn, AT:

Implementation of waste walks and waste walls and the consequent execution of the related measures; strict, expanded separation of plastic waste; optimisation of the length of purchased aluminium profiles to have standard lengths for the luminaires ready with minimal scrap; grinding of plastic scrap, sprue material and recycling in the production of plastic parts.

Lemgo, DE:

Sprue material from plastic injection is ground and recycled; optimisation of batch sizes and colour changes in plastic injection moulding; increased focus on the recycling of containers and drums from purchased components.

Les Andelys, FR:

Optimisation of production planning and management strategies to minimise the waste from obsolete purchased parts and finished products; recycling of cardboard boxes to store semi-finished goods; optimisation of the use of steel boards in metal processing

Niš, RS:

Sprue material from plastic injection is ground and recycled; optimisation of the use of steel boards in metal processing; optimal use of aluminium profile lengths in shaping luminaires.

Spennymoor, UK:

Material from start-up of injection moulding machines and sprue material from plastic injection is shredded, ground and recycled; optimal use of sheet steel plates in stamping processes through the combination of production orders with fast-moving Kanban article numbers and the optimised combination of article numbers; installation of a vaporisation system to reduce hazardous waste in the coating aggregates; use of recyclable packaging for components from the lighting plant in Dornbirn.

COMPONENTS PLANTS

Dornbirn, AT:

Strict separation of all plastic waste and clean separation of PCBs and PCB clippings to improve the recycling rate; conversion of packaging from parts purchased from suppliers to cardboard or other recyclable materials; conversion of packaging for finished products to 100 % recyclable materials.

Niš, RS:

Processing and recycling of tin waste from production; separation of plastic foils and spools; recycling of wood pallets by suppliers.

Spennymoor, UK:

Conversion of packaging for parts purchased from suppliers to cardboard or other recyclable materials; conversion of packaging for finished products to 100 % recyclable materials; analysis of waste in the production processes.

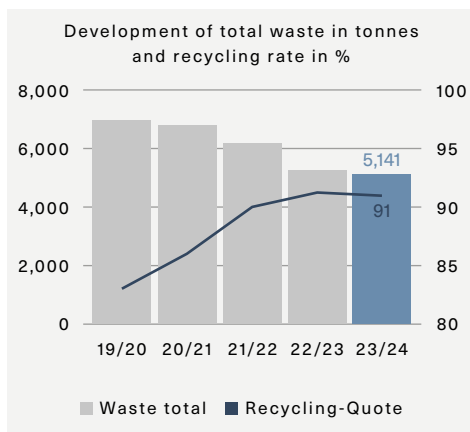
Shenzhen, CN:

Conversion of the packaging of purchased parts with suppliers to cardboard or other recyclable materials; Conversion of the packaging of finished products to 100 % recyclable materials.

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.

Recycling rate

The Zumtobel Group sees the recycling rate as an important indicator to evaluate the handling of waste in product development, production industrialisation, production processes and administrative processes. The challenging goal to reach a recycling rate of 92 % was not completely met with 91.02 % in 2023/24, but the outstanding prior year result of 91.3 % was nearly matched. The focus on the reduction of waste from non-recyclable materials in the production process, which represents a significant component of recycling waste, had a contrary effect on the recycling rate. However, continuous improvement measures led to a high recycling rate of over 91 % and made an important contribution to the protection of essential raw materials.



WEEE recycling

The Zumtobel Group, as a producer of electronic equipment, is subject to the European Waste Electrical and Electronic Equipment Directive (WEEE) and carries the related financial product responsibility for disposal of the electronic equipment placed on the market. With an annual financial contribution, the Zumtobel Group helps to finance an infrastructure for the collection, treatment, recycling and utilisation of electronic equipment. This applies to used luminaires as well as their electronic components. The Zumtobel Group is registered with the responsible national authorities in all countries where it sells luminaires and electronic components. Regular reports are filed on the volume of luminaires and electronic components sold in accordance with legal requirements. This information forms the basis for determining the financial contribution.

The provision of an appropriate infrastructure for the correct collection of used electronic equipment requires environmentally compatible, controlled disposal as well as the recovery of valuable resources by specialised recycling technicians.



WASTE	UNIT	2019/20	2020/21	2021/22	2022/23	2023/24
Recyclable waste	Tonnes	5,826	5,840	5,213	4,410	4,218
Preparation for recycling	Tonnes	N/A	N/A	412	327	251
Recycling	Tonnes	N/A	N/A	4,722	4,079	3,772
Other utilisation procedures	Tonnes	N/A	N/A	79	4	195
Residual waste	Tonnes	679	463	569	403	446
Other utilisation procedures	Tonnes	N/A	N/A	24	26	41
Incineration with energy recovery	Tonnes	N/A	N/A	531	374	390
Incineration without energy recovery	Tonnes	N/A	N/A	0	0	0
Landfill	Tonnes	N/A	N/A	14	2	15
Hazardous waste	Tonnes	476	489	401	456	476
Preparation for recycling	Tonnes	N/A	N/A	11	12	12
Recycling	Tonnes	N/A	N/A	22	40	21
Other utilisation procedures	Tonnes	N/A	N/A	274	321	386
Incineration with energy recovery	Tonnes	N/A	N/A	87	78	56
Incineration without energy recovery	Tonnes	N/A	N/A	7	4	0
Landfill	Tonnes	N/A	N/A	0	0	1
Total non-hazardous waste diverted from disposal	Tonnes	N/A	N/A	5,237	4,436	4,259
Total non-hazardous waste directed to disposal	Tonnes	N/A	N/A	545	377	405
Total non-hazardous waste	Tonnes	N/A	N/A	5,782	4,813	4,664
Total hazardous waste diverted from disposal	Tonnes	N/A	N/A	307	373	419
Total hazardous waste directed to disposal	Tonnes	N/A	N/A	94	82	57
Total hazardous waste	Tonnes	N/A	N/A	401	456	476
Total waste	Tonnes	6,981	6,792	6,183	5,269	5,141
Recycling Rate	in %	83	86	90	91	91





04 SOCIAL

A HEALTHY ENVIRONMENT NEEDS HEALTHY SURROUNDINGS.

As a company, we see ourselves not only as an employer and partner, but also as part of healthy social and cultural change. With this in mind, we are expanding our area of responsibility and taking on an even greater obligation. We want to take people with us and create a good and healthy environment together. This starts with extensive measures to protect and promote our employees within the company, but also includes the labour force at partners along the entire value chain and extends to our customers and the people who use our lighting solutions every day and communities that are involved in various ways.



Zumtobel Group on the road to sustainability

The Zumtobel Group deals intensively with the subject of diversity, both in its dealings with customers and partners and within the organisation. A strategy for 'Diversity, Equity & Inclusion' will be developed and implemented in the 2024/25 financial year. At the same time, the Zumtobel Group will drive forward measures to combat the shortage of skilled labour and strengthen its attractiveness as an employer by establishing a clear employer brand and launching a cultural transformation project. These initiatives are key to promoting adaptability to change, increasing competitiveness and creating a positive working environment. This, in turn, should promote employee performance, sustainability and the long-term success of the organisation.

Goals for 2024/25

- Strategy development for "Diversity, Equity & Inclusion"
- Further roll-out of the internally developed EVP and positioning on the external applicant market
- Start of a cultural transformation project
- Creation of an overall concept for health management & implementation of cornerstones for European locations
- Continuous reduction of the LTI rate to 3.9

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„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, WE WANT OUR EMPLOYEES TO REALISE THEIR POTENTIAL AND CREATE VALUE WITH PASSION.“

Petra Steiner, SVP Global HR

Those who take people into the future also bear responsibility for them.

The employees who work for the Zumtobel Group for an average of almost eleven years experience 'employer branding' not just as a clever way of recruiting employees, but rather as a professional perspective that is given to them. The result is a long-term relationship that creates a great deal of trust. In the team, towards managers and not least towards this endeavour to be an innovative and sustainably good employer.

In the past financial year, the Human Resources team achieved significant milestones that emphasise the continuous development of the company. The strategic goals were clearly defined and successfully realised through dedicated and coordinated efforts. One key success was the Group-wide introduction of a survey tool that provides valuable insights into employee satisfaction and commitment and forms the basis for targeted improvement measures.

Another important goal was to integrate the trainee concept into four areas of the company: Talented employees were selected and trained to take on a significant new role in their respective areas. The successful integration of the trainee programme not only strengthened the development of employees, but also contributed to the diversity and qualification of the workforce.

Another focus was on the creation and implementation of a Human Rights Policy, which emphasises the commitment to human rights and a respectful working environment. The clear communication and implementation of this policy has raised awareness of the importance of human rights in the workplace and established a framework for ethical behaviour and responsible business practices. These achievements have been made possible through the dedicated co-operation of all employees and help to position the company as an employer of choice, ensuring long-term success.

Management approach & due diligence processes

The Zumtobel Group has a workforce of over 5,300 employees at numerous locations worldwide. These employees form the basis for success and are a key factor for the successful development of the company. Satisfied, competent and committed employees create the foundation for outstanding lighting solutions, components and services and, in turn, for satisfied customers. Their support makes it possible for us to build lasting customer relations and sustainably strengthen our productivity and profitability.

Global human resources teams (HR) comprising HR business partners, people services and central HR functions assist 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 company intends to place even greater value on a culture of trust in the future – a culture with open and respectful interaction where feedback is given and accepted. Employees will be offered even more development opportunities so they can reach their full potential and, at the same time, managers will be strengthened in their role.

The Zumtobel Group is committed to equal opportunity – not only in view of the global job market of the future but also with a look inside. The basis for all this is fair remuneration, realistic working time models and processes that are flexible enough to meet employees' individual needs.

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, employees are made to shine (LIGHT UP) at work through:

- L** Leaders who trust, challenge and empower their teams and set an example
- I** International perspectives, local roots and equal opportunities for all
- G** Growth opportunities enfolding our employees' full potential
- H** High performance culture marked by self-responsibility and open, two-way feedback
- T** Teams that create real value with passion and purpose
- U** Uncomplicated fair payment and performance recognition
- P** Practical flexible working models which meet individual needs

4.1 CORPORATE CULTURE

Which values we pursue

The core values “passion, performance and partnership” are not only empty words but real principles that are actively followed in daily activities. These values are anchored in the “LIGHT UP” people strategy and in core HR processes like talent acquisition, performance & talent management, people and organisational development, total rewards and employee & labour relations to align the Zumtobel Group’s DNA with future challenges and contribute to the corporate culture. “We live light” is the claim that expresses the company’s passion for light. It is a passion that unites all employees and inspires top performance every day, a passion that bonds and is a source of pride.

Other aspects that have defined the corporate culture and played an important role ever since the company’s founding are the continued pursuit of top performance and sustainability.

Employees are proud of their important contribution to creating a better future for coming generations with their products and processes.

As an international company with locations in many different countries, the Zumtobel Group has continued to preserve its strong local roots. This is reflected in close ties and a sense of family. Teamwork with colleagues from a wide range of cultures and beyond national borders promotes mutual learning and, at the same time, drives the development of innovative and high-quality products and lighting solutions.

The Dr. Walter Zumtobel Value Award, which carries the name of the Group’s founder, was also presented in 2023/24. It is given to persons who demonstrate the corporate values in their everyday actions and, in this way, keep the founder’s values alive.

Strengthening the employer brand: WE LIVE LIGHT

Dr. Walter Zumtobel founded the company in Vorarlberg, Austria, in 1950. Over the years, the family business has developed into an international group of companies, with people working together in over 90 countries. The Zumtobel Group is proud of this heritage, its regional roots and the family atmosphere. People are there for each other and are united by a strong team spirit. At the same time, the company operates as a global player and has international opportunities to grow and realise its full potential. Work is carried out in multinational teams and an environment is created in which diversity and the assumption of responsibility are encouraged and welcomed. In order to counteract the prevailing shortage of skilled labour and to promote its attractiveness on the labour market, the Zumtobel Group has committed itself to developing an Employee Value Proposition (EVP), which should subsequently lead to a clear positioning as an employer. A strong employer brand is intended to promote employee loyalty in the long term. It strengthens the common identity and clearly communicates the Zumtobel Group's corporate values both internally and externally. In addition, a positive employer brand helps to improve the company's reputation on the labour market and thus increase the quality of job applications.

The employer brand is part of the LIGHT UP HR strategy and the positioning as an employer is based on the corporate strategy and corporate values.

This is also reflected in the Zumtobel Group's guiding principle: 'We work together as a strong team, achieve real added value with passion and are proud of our results.' In addition, the LIGHT UP HR strategy emphasises: 'We want to be the employer of choice for those who want to drive the future of light.'

The corporate strategy, corporate values, people strategy, the results of the global employee survey and external data points and studies were among the factors taken into account when developing the positioning (EVP). The first draft of the summarised data was validated in interviews with the Management Board and global managers as well as in global employee workshops and resulted in the following core statement of the Zumtobel Group's employer brand:

"THROUGH LIGHT WE IMPROVE
THE FUTURE OF PEOPLE
AND THE EARTH."

This positioning is supported by the three core messages of the new employer brand:

We are united by a passion for light

We are pleased to offer
innovative lighting solutions
for a sustainable future

We are international and personal
at the same time

Goal attainment in 2023/24

All goals set by the Zumtobel Group for this area in 2022/23 were successfully met. A feedback tool was expanded throughout the company with the use of "Viva Glint" in 2023/24. Educational programmes for trainees were actively pursued in five different corporate areas, which exceeded the original goal of four. In addition, the Fundamental Declaration of Human Rights was anchored as an internal policy in the Zumtobel Group.

SOCIAL

4.2 EMPLOYEE SATISFACTION

How we actively involve the workforce

The satisfaction of employees has high priority in the Zumtobel Group. An employee survey was carried out during the 2022/23 financial year and brought responses from 82 % of the workforce.

The survey covered the following eight topics:

Team
Work organisation & processes
Design freedom & assumption of responsibility
Management
Communication, strategy & innovation
Personal & professional development
Culture & values
Digitalisation

Global events and the efforts by top management to increase employee satisfaction and improve the work environment were communicated to employees. Managers received the results for their respective departments and discussed this information with their staff. Over 500 individual reports were prepared for managers in 2023/24 and over 700 Zumtobel Group managers have received a report.

Follow-up actions after an employee survey are decisive to ensure that the employees' feedback is not only heard but also results in concrete changes. A dialogue with employees, the definition of clear goals and the active inclusion of the workforce can promote a culture of continuous improvement and safeguard long-term success.

The main focus of the subsequent workshops was to define concrete goals and improvement measures for each team. This ensures that the right priorities are set.

The active inclusion of the workforce in this process was particularly important to integrate their perspectives and ideas. Over 150 workshops were held to discuss the survey results, and at least three improvement measures were defined to drive change.

An action tracker tool developed especially for this process was used to collect the measures defined by the workshops for all teams and to assign responsibilities and deadlines. A single global survey generated over 600 improvement measures that should lead to an improvement in employee satisfaction.

The current status of the initiatives and implementation of these measures are discussed in regular feedback loops with the Management Board and top management – and over half of the implemented measures have already been successfully completed.

Change is a continuous process, and it is therefore even more important to regularly evaluate how well the measures are working for the company and to make necessary adjustments. A pulse survey will be carried out in 2024/25 as a follow-up to the global employee survey to gauge the success of the improvement measures. This will ensure that the Zumtobel Group remains on the right track with its efforts to provide a positive and productive working environment.

Aim of the surveys: Increase satisfaction

Employee surveys are essential for companies who want to strengthen ties with employees, increase employee satisfaction and create a positive working environment. The Microsoft survey tool Viva Glint was introduced in 2023/24 as system support for lifecycle, recurring and ad-hoc surveys. The reasons for regular employee surveys are diverse: They promote a feedback culture, enable the early identification of problems, improve employee ties, identify opportunities for improvement and contribute to a positive corporate culture.

The first measure – so-called lifecycle surveys – was initiated with the survey tool. They cover continuous exit and onboarding surveys which give the Zumtobel Group valuable insight into the employee experience from the beginning to the end. The company received detailed information on the reasons for the resignation of employees and valuable feedback to improve hiring and integration processes.

A survey was also carried out on the issues of diversity, equity & inclusion (DEI). The Zumtobel Group is committed to a diverse, fair and inclusive working environment. The survey collected the employees' valuable information on the perception and experience with DEI issues. It will facilitate the development of targeted measures to strengthen diversity, equity and inclusion at the workplace so all employees feel equally respected and inspired. This survey was the starting point for the development of a diversity, equity & inclusion strategy.

Work-life balance

As an appealing employer, the Zumtobel Group wants to provide an effective work-life balance for its employees in their various stages of life and gives high priority to offering models to meet these different stages. This includes 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.

To further increase its attractiveness as an employer, the Zumtobel Group offers various working time models that help 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 assisted by the company in their reintegration. The Zumtobel Group also accommodates individual wishes to find the best solution for the employee, the team and management

The options offered by the Zumtobel Group were recognised by the state of Vorarlberg with the quality seal "Outstanding family-friendly company". Additional confirmation for the company was the recertification of ZG Lighting Austria as a family-friendly employer. At the end of 2023/24, 63 employees in Austria were on parental leave (2022/23: 55).

PARENTAL LEAVE IN AUSTRIA IN FTE	2019/20	2020/21	2021/22	2022/23	2023/24
Employees entitled to parental leave	N/A	N/A	N/A	N/A	N/A
Employees on parental leave	69	58	60	55	63
Male	5	1	0	3	5
Female	64	57	60	52	58
Return to work after the end of parental leave	N/A	N/A	N/A	N/A	N/A

Free-time option

A works agreement gives employees the option to reduce their working hours in exchange for waiving a salary or wage increase and to receive paid time-off. This option can be used, for example, in connection with 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. This free-time option has been selected by 314 employees.

Collective agreement

The Zumtobel Group encourages the open and regular exchange of information between the Supervisory Board, employees and employee representatives like the Works 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 anchored in the code of conduct and are binding for all companies in the Zumtobel Group.

4.3 TRAINING & EDUCATION

How we support our employees

The Zumtobel Group is continuously developing, and it is essential that its employees also continue their target-oriented development. Employee development, including systematic professional advancement, is, consequently, a key element of sustainable business success. A dual-focus training and continuing education concept was prepared 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. These plans 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.

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 expected performance and technical expertise, LIGHT provides a framework for the human resources development processes. Additional strategic initiatives based on the dual-focus strategy were developed and implemented globally in 2023/24. One example is the new management development programme (Leadership Excellence Program) that begins with a one-week leaders' summer camp of intensive training for roughly 60 managers. Its goal is to internalise basic knowledge of the processes and management principles in the Zumtobel Group.

Managers as well as all other employees in the Zumtobel Group benefit from an extensive catalogue of interdisciplinary training courses with content that covers, among others, change management, resilience and various IT topics. Parallel to the interdisciplinary offering, specialist training was improved and implemented.

The content now includes brand-specific training units, for example roughly 80 core knowledge modules with product and application know-how on the Zumtobel portfolio. The Tridonic training camp provides employees with comparable content for individual instruction. The training and continuing education offering for the global workforce was again significantly expanded in 2023/24.

Employees have access to over 120 new soft skills e-learning courses, which were developed by the company together with the external learning provider GoodHabitz. It provides access to practical and entertaining training in areas like business skills, management, personal effectiveness, productivity, communication, positive psychology and much more.

These e-learning courses are free of charge for all employees, can be booked over the myCAMPUS internal learning management system and are available in several different languages (e.g. German, English, French and Mandarin).

Country-specific offers for individual training are also available depending on the employee's location. In Austria, for example, employees can take an educational sabbatical.

Specific training courses to qualify for and master specific duties can be agreed as part of the employee's annual performance review to maintain employability (see Pillar II).

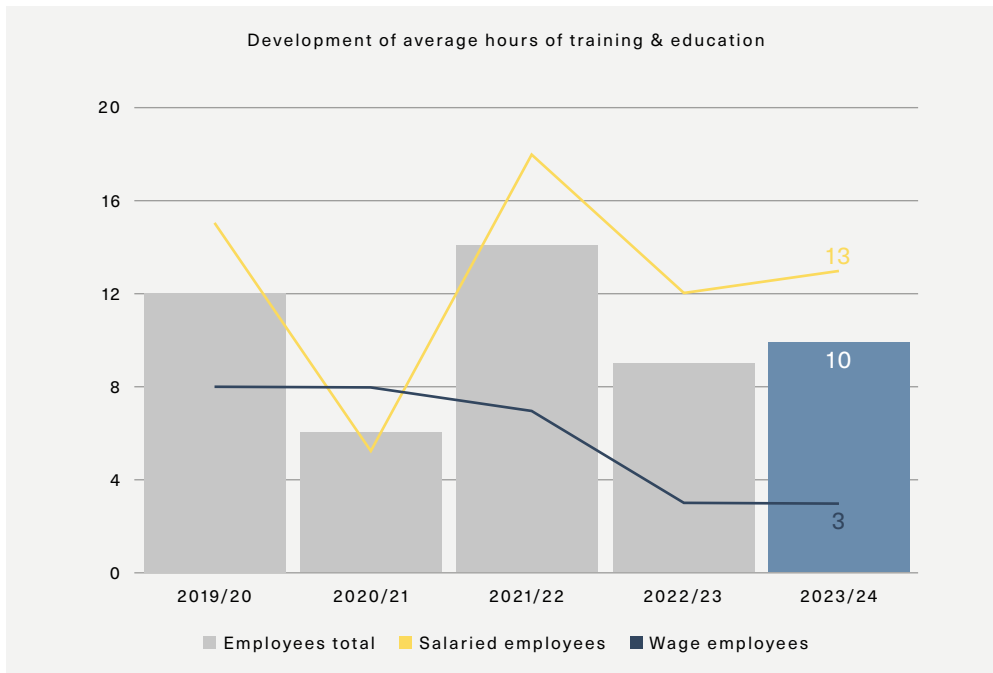
New: Mentoring programme

The opportunity for personal and professional development is an important part of the Zumtobel Group's personnel strategy and was identified by the global employee survey as one of the main activity areas. A new mentoring programme was, consequently, introduced to provide employees with assistance from experienced advisers along their personal development path. Mentoring is a process under which a mentor (an experienced internal manager) supports a younger and/or less experienced employee and offers advice for their professional career.

This offering creates an understanding and enriching environment for both the mentors and mentees. It utilises specialised know-how and experience in the company to advance employees in their professional development. Mentees are Zumtobel Group employees who want to further their development in the company. The requirements are compatibility between the mentoring programme and the employee's development goals as well as an approval by the direct supervisor and HR business partner.

Country-specific options like partial retirement are available in preparation for possible retirement. Based on country specifics and in special circumstances involving termination, outplacement with an external consulting agency is arranged to facilitate the transition.

AVERAGE HOURS OF TRAINING & EDUCATION	UNIT	2019/20	2020/21	2021/22	2022/23	2023/24
Employees total	Hours	12	6	14	9	10
Male	Hours	N/A	N/A	16	10	10
Female	Hours	N/A	N/A	12	8	8
Salaried employees	Hours	15	5	18	12	13
Male	Hours	N/A	N/A	19	12	13
Female	Hours	N/A	N/A	17	12	13
Wage employees	Hours	8	8	7	3	3
Male	Hours	N/A	N/A	8	4	3
Female	Hours	N/A	N/A	7	3	2
Online share of internal training	in %	N/A	N/A	66.6	56.0	56.0



Management in the light of our corporate culture

The management of a company has a substantial influence on its culture and success. For this reason, managers who trust, challenge and enable represent one of the central pillars of the Zumtobel Group's LIGHT UP personnel strategy. It is particularly important to support these managers by creating a transparent framework that explains their role and the principles to be followed.

The Zumtobel Group is convinced that managers carry the corporate values throughout the company by serving as role models and ambassadors. They are also the key to designing the lived culture. But what behaviours can be derived from the three corporate values – passion, performance and partnership – for managers? To make this more tangible, the values in the Zumtobel Group's management model were translated into three core management principles: inspiration, contribution and humanity. These three key terms form the framework for the behaviour of all managers in the Zumtobel Group and for the desired management culture.

The LIGHT competence model was developed to link the skills and behaviour of the

Zumtobel Group's employees with the company's desired performance results. Each of the five dimensions of the model contains a section entitled "leader's plus" where the expectations on managers are explained and the importance of management for the company is emphasised. The management principles are derived from the Zumtobel Group's corporate values, while the LIGHT competence model provides detailed behavioural guidelines for managers to define the level for desired management behaviour.

Meeting this goal is a continuous challenge, and leadership excellence training is therefore directed to strengthening this behaviour in daily management activities and aligning it with the management principles.

With the leadership excellence programme, the people development department offers numerous training alternatives in a global framework for managers in the Zumtobel Group. This offer consists of two modules:

- Leadership Base und
- Leadership Excellence.

Leadership base follows a strictly standardised approach and is essential for all Zumtobel Group managers, while leadership excellence is individually focused on experienced managers.

Apprenticeship training

The Zumtobel Group views training for young people as part of its social responsibility. As of 30 April 2024, 78 apprentices in Austria (89 globally) were employed by 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. The apprentices are given the opportunity to gain experience and to learn from their mistakes. The trainers serve as coaches, mentors and supervisors.

Apprentices are currently training in the following fields:

- 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
- Information technology with a focus on systems engineering
- Surface technician with specialisation for power coating and hand painting (since autumn 2023)
- Operating logistics (beginning in autumn 2024)



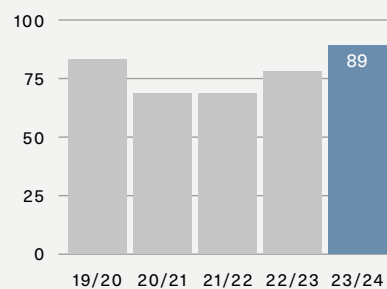
The Zumtobel Group is passionate about supporting young people in becoming highly trained specialists. A special focus is placed on well-founded professional education and the improvement of social skills. In 2023, these efforts were recognised by the province of Vorarlberg for the tenth time in succession with the “Excellent Apprenticeship Company” seal.

The portfolio of apprenticeship training programmes was further expanded in autumn 2023 to include surface technician with specialisation for power coating and hand painting.

The field of surface technology is also characterised by a growing lack of specialists, and this trend led to a decision by the Zumtobel Group to offer an apprenticeship in this area beginning in 2023/24. It is intended to specifically increase technical know-how and safeguard the long-term development of specialists. Surface technology deals with the processing and refinement of metal, aluminium and plastic surfaces, whereby the main objective is surface preservation for the luminaires (against rust corrosion, protection against mechanical and chemical damage).

A sustainability workshop for these young people was also held in 2023/24 to convey an understanding of the importance of sustainability and to merge this understanding with daily work.

Development numbers of apprenticeship



Trainee programmes

The trainee programme is an important component of internal human resources development and a central lever to counter the lack of specialists. It also helps to strengthen essential skills. The Zumtobel Group is proud that many former trainees now hold key positions in the company and can make an important contribution to designing the sustainability strategy. The success of these programmes has strengthened plans to increase the use of this channel – and the offering was expanded accordingly in 2023/24. A framework was created to allow the various units and corporate areas to implement trainee programmes. The initiative follows a push-to-pull approach, is focused on specialised trainee programmes and ranges from semi-standardised to specially tailored programmes. Global HR is responsible for the management and organises the content design and coordination with the respective business areas.

The trainee programme is directed to talented university graduates in order to give them the capabilities and experience they need to take on responsible positions in the company. In addition to content focal points, the programme includes interdisciplinary exchanges and cooperation between the trainees and various departments.

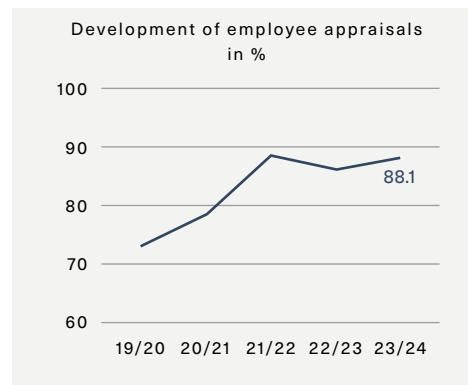
Trainee programmes were offered for the following areas in the 2023/24 financial year:

Corporate IT
Brand & portfolio management for the lighting brands
Research & development for the lighting brands
Research & development for the software competence centre Tridonic
Corporate finance

Employee reviews

The annual employee reviews are an important building block in the interaction between employees and their supervisors. These discussions form the basis for the identification of targeted, individualised training and continuing education measures and create a common understanding for corporate values, behavioural standards and importance of the corporate strategy.

These reviews also provide an opportunity for employees and their supervisors to openly reflect on the employment relationship. In addition to operating issues, the trusting cooperation between managers and their staffs is strengthened.





Mutual expectations are coordinated, honest feedback is provided and the future cooperation is precisely defined. Transparency and meeting “at the same eye level” are the focus here. The importance of the employee reviews is underscored by the high number of discussions which were planned for 2023/24: This goal was not only met but exceeded. Documented annual reviews were held with 4,918 employees (88.1 %; 2022/23: 5,023 employees or 86.2 %).

Employee development

The above-mentioned annual employee reviews are an important part of the human resources development process. This global process with annual talent review meetings and focal point conferences provides an opportunity to define potential and performance at all levels of the Group and ensures that all employee evaluations are objective, consistent and fair.

EMPLOYEE REVIEWS	UNIT	2019/20	2020/21	2021/22	2022/23	2023/24
Employee reviews	Number	4,416	4,507	5,171	5,023	4,918
Share of total employees	in %	73.1	78.4	88.6	86.2	88.1
Salaried employees	Number	2,863	2,882	3,296	3,420	3,350
Male	Number	2,073	2,072	2,362	2,432	2,394
Female	Number	790	810	934	988	956
Wage employees	Number	1,553	1,625	1,875	1,603	1,568
Male	Number	732	786	914	812	732
Female	Number	821	839	961	791	836

The objective of the process is to identify employees' inactive potential and to develop this potential through appropriate measures. In this way, employees are given an opportunity to develop their full potential. Top talents and ambitions for a higher role in the company are identified and the next career step can then be prepared. This process also forms the basis for succession planning. Another focal point of the HR development process is the identification and reduction of the exit risk associated with key persons and high performers through specific retention measures. The HR development process makes it possible to systematically identify and continuously develop idle potential in the company.

This benefits the entire organisation as well as individual employees. The process is intended to identify, develop and sponsor talents within the organisation. Through specially designed training measures, the company wants to create an environment in which talents can flourish to safeguard its long-term success.

Employment and employment trends

Employee turnover (excluding contract workers) in the Zumtobel Group declined substantially from 17.4 % in 2022/23 to 13.2 % in 2023/24, which means 734 employees left the company during the reporting year. The positive, declining trend in employee turnover can be attributed to various measures such as the implementation of measures from the employee survey, leadership training and exit and onboarding surveys.

A total of 603 positions (FTE, excluding contract workers), above all in the operating areas and sales, were filled with external candidates in 2023/24. Various human resources development measures made it possible to fill 78 % of the management positions internally.

Labour productivity – calculated as adjusted EBIT in relation to personnel expenses – improved from 21.7 % in the previous year to 12.2 % in 2023/24 due to the increase in operating results. Average revenues per employee (including contract workers) rose year-on-year to EUR 210,662 in 2023/24 (2022/23: EUR 219,731).

EMPLOYEE TURNOVER ¹	UNIT	2019/20	2020/21	2021/22	2022/23	2023/24
Number of terminations ²	FTE	1,014	977	1,059	954	734
Male	FTE	646	618	730	629	310
Female	FTE	368	360	328	326	424
< 30 years	FTE	324	291	293	260	148
30 - 50 years	FTE	533	509	593	535	392
> 50 years	FTE	157	177	173	159	194
Europe	FTE	551	574	712	617	552
Asia	FTE	430	367	313	301	146
Australia & New Zealand	FTE	14	16	17	18	23
America	FTE	19	18	17	19	13
Africa	FTE	1	2	0	0	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

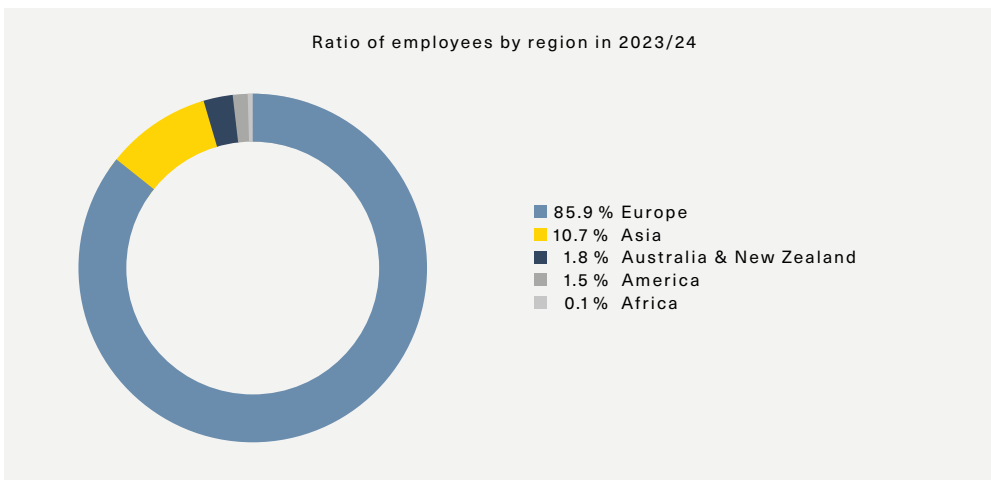
The average length of employment with the Zumtobel Group equalled 10.9 years in 2023/24. This high average service time reflects the trust of employees and high employee satisfaction. This length of service is also evident in the age structure as shown in the respective table:

EMPLOYMENT DATA - AGE STRUCTURE	UNIT	2019/20	2020/21	2021/22	2022/23	2023/24
Employees' total	HC	N/A	5,862	5,797	5,651	5,531
< 30 years	HC	N/A	843	786	676	649
	in %	N/A	14.4	13.6	12.0	11.7
30 – 50 years	HC	N/A	3,251	3,231	3,164	3,022
	in %	N/A	55.5	55.7	56.0	54.6
> 50 years	HC	N/A	1,768	1,780	1,811	1,860
	in %	N/A	30.2	30.7	32.0	33.6

¹ Including apprentices, excluding contract workers

Roughly 85 % of the employees work in Europe, followed by 11 % in Asia, 2 % in Australia and New Zealand, 1.5 % in America and 0.1 % in Africa.

EMPLOYEES BY REGION	UNIT	2019/20	2020/21	2021/22	2022/23	2023/24
Europe	in %	82.7	83.2	82.8	84.9	84.9
Asia	in %	13.5	12.9	13.4	11.3	11.5
Australia & New Zealand	in %	2.2	2.2	2.1	2.1	1.8
America	in %	1.7	1.6	1.6	1.6	1.5
Africa	in %	N/A	0.1	0.1	0.1	0.1

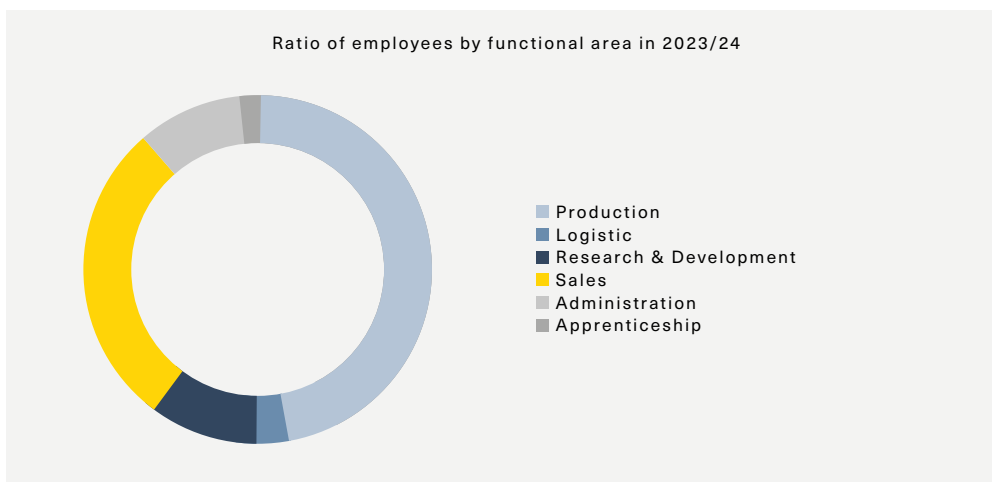


NEW EMPLOYEES	UNIT	2019/20	2020/21	2021/22	2022/23	2023/24
New employees ¹	FTE	1,080	679	1,048	823	603.8
Male	FTE	674	433	699	512	367.8
Female	FTE	406	246	349	311	236
< 30 years	FTE	445	290	394	280	223.7
30 - 50 years	FTE	592	339	585	470	309.8
> 50 years	FTE	43	50	68	72	70.3
Europe	FTE	621	381	735	558	479
Asia	FTE	438	273	288	237	110.8
Australia & New Zealand	FTE	9	11	13	10	3
America	FTE	11	14	11	18	11
Africa	FTE	1	0	1	0	0

¹ Excluding contract workers

The Zumtobel Group had a workforce of 5,349 employees (full-time equivalent, FTE, including contract workers) as of 30 April 2024. This represents a year-on-year decline of 2.8 % (30 April 2023: 5,503). 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 8.1 % in the previous year to 8.5 % in 2023/24.

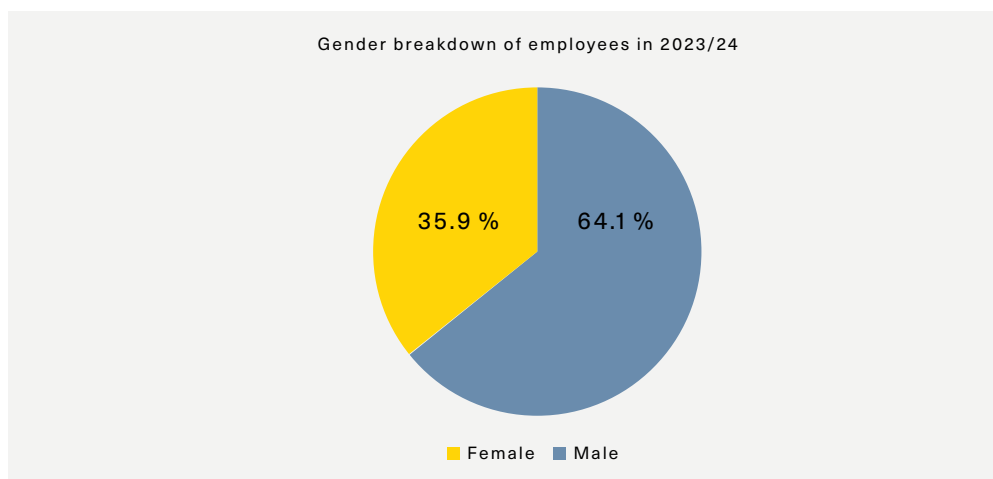
Approximately 50 % of the employees work in operational areas like direct production, quality management, procurement or logistics. A further 30 % are active in sales and roughly 10 % in research and development. The remaining employees include nearly 9 % in administrative functions and 2 % of contract workers.



EMPLOYEES BY FUNCTIONAL AREA	UNIT	2019/20	2020/21	2021/22	2022/23	2023/24
Employees' total	FTE	6,039	5,813	5,782	5,503	5,349
Change	in %	2.7	(3.7)	(0.5)	(4.8)	(2.8)
Contract employees	FTE	170	184	222	101	85,7
	in %	2.8	3.2	3.8	1.8	1.6
Production	FTE	3,018	2,860	2,861	2,725	2,562
Research & Development	FTE	551	563	538	533	532
Sales	FTE	1,829	1,733	1,714	1,671	1,521
Administration	FTE	472	473	447	473	486

¹ Excluding apprentices

The flexible use of temporary workers enables the Zumtobel Group to manage volatile phases of capacity utilisation and order peaks more effectively. Temporary workers are deployed in the Zumtobel Group in production or production-related areas. The type of work performed by temporary workers relates primarily to manual support activities in the assembly of luminaires and components, as well as simple transport work in the area of in-plant logistics.



EMPLOYMENT DATA	UNIT	2019/20	2020/21	2021/22	2022/23	2023/24
Employees' total	HC	6,177	5,862	5,797	5,651	5,531
Full-time	HC	5,664	5,423	5,345	5,192	5,060
	in %	91.7	92.5	92.2	91.9	91.5
Male	HC	3,786	3,651	3,586	3,447	3,400
	in %	66.8	67.3	67.1	66.4	67.2
Female	HC	1,878	1,772	1,759	1,745	1,660
	in %	33.2	32.7	32.9	33.6	32.8
Part-time	HC	513	439	452	459	471
	in %	8.3	7.5	7.8	8.1	8.5
Male	HC	146	116	123	135	143
	in %	28.5	26.4	27.2	29.4	30.4
Female	HC	367	323	329	324	328
	in %	71.5	73.6	72.8	70.6	69.6

¹ Including apprentices, excluding contract workers

EMPLOYMENT DATA BY GENDER	UNIT	2019/20	2020/21	2021/22	2022/23	2023/24
Employees' total	HC	6,177	5,862	5,797	5,651	5,531
Male	HC	3,966	3,767	3,709	3,582	3,543
	in %	64.2	64.3	64.0	63.4	64.1
Female	HC	2,211	2,095	2,088	2,069	1,988
		35.8	35.7	36.0	36.6	35.9

¹ Including apprentices, excluding contract workers

EMPLOYMENT DATA SALARIED/WAGE		UNIT	2019/20	2020/21	2021/22	2022/23	2023/24
Employee ¹ total		HC	6,347	6,051	6,022	5,754	5,619
Salaried employees total		HC	3,924	3,752	3,731	3,723	3,767
		in %	61.8	62.0	62.0	64.7	67
Male		HC	2,809	2,707	2,683	2,644	2,669
		in %	71.6	72.1	71.9	71.0	70.9
Female		HC	1,115	1,045	1,048	1,079	1,098
		in %	28.4	27.9	28.1	29.0	29.1
Wage employees total		HC	2,170	2,042	1,997	1,850	1,674
		in %	34.2	33.7	33.2	32.2	29.8
Male		HC	1,073	1,007	977	881	808
		in %	49.4	49.3	48.9	47.6	48.3
Female		HC	1,097	1,035	1,020	969	866
		in %	50.6	50.7	51.1	52.4	51.7
Apprentices total		HC	83	69	69	78	89
		in %	1.3	1.1	1.1	1.4	1.6
Male		HC	64	54	49	57	65
		in %	77.1	78.3	71.0	73.1	73.0
Female		HC	19	15	20	21	24
		in %	22.9	21.7	29.0	26.9	27.0
Contract employees total		HC	170	188	225	103	88
		in %	2.7	3.1	3.7	1.8	1.6
Male		HC	N/A	125	151	59	59
		in %	N/A	66.5	67.1	57.3	67.0
Female		HC	N/A	63	74	44	29
		in %	N/A	33.5	32.9	42.7	33.0

¹ Including apprentices and including contract workers

SOCIAL

4.4 DIVERSITY & EQUAL OPPORTUNITIES

How we ensure diversity along the entire value chain

Diversity management in the Zumtobel Group is responsible for creating an inspiring working climate for employees and for its important contribution to protecting the Group's competitive position along the entire value chain.

The goal is to establish an organisational culture in which people and the company can develop and progress. The Zumtobel Group develops long-term relationships with many different groups of people, within the company and also along the entire value chain. The men and women employed by the Zumtobel Group come from 79 different nations, whereby the staff at the corporate headquarters in Dornbirn, Austria, represent roughly 61 nations.

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.

Diversity & and equal opportunity along the value chain

The Zumtobel Group sees its efforts in the interest of diversity and equal opportunity not only in relation to its own workforce, but also along the entire value chain. All suppliers and customers are treated equally. The implementation of due diligence requirements along the entire value chain marked the first step on the path to greater supplier diversity. The International and Labour Social Standards issued by the International Labour Organization (ILO) represent a legal instrument that was developed by the member groups (governments, employers and workers) to define universal labour principles and rights. The guidelines for the commitment to Convention 100 (equal remuneration for work of equal value) and Convention 111 (prevention of discrimination) are anchored in the Zumtobel Group's code of conduct and in the code of conduct for business partners.

Diversity and inclusion make a central contribution to the success of the Zumtobel Group and to the creation of innovative solutions along the supply chain. Existing and future partnerships with different suppliers and customers give the Zumtobel Group a clear competitive advantage. The expansion of business relations with diverse business partners contributes to a more inclusive and diverse world.

Support for women in the company

The share of women in the Zumtobel Group's workforce declined slightly to 36 % in 2023/24 (2022/23: 36.6 %). The share of women in management positions equalled 22.4 % and increased over the previous financial year (22.2 %).

The Zumtobel Group promotes the staffing of management positions with women through internal and external recruiting and human resources development measures. Job vacancies, including positions with management responsibility, are also advertised as part-time positions where possible to create part-time entry opportunities and management functions. The Zumtobel Group recognises that the continuation of existing initiatives and an open approach to new initiatives requires a greater share of women in higher qualified positions.

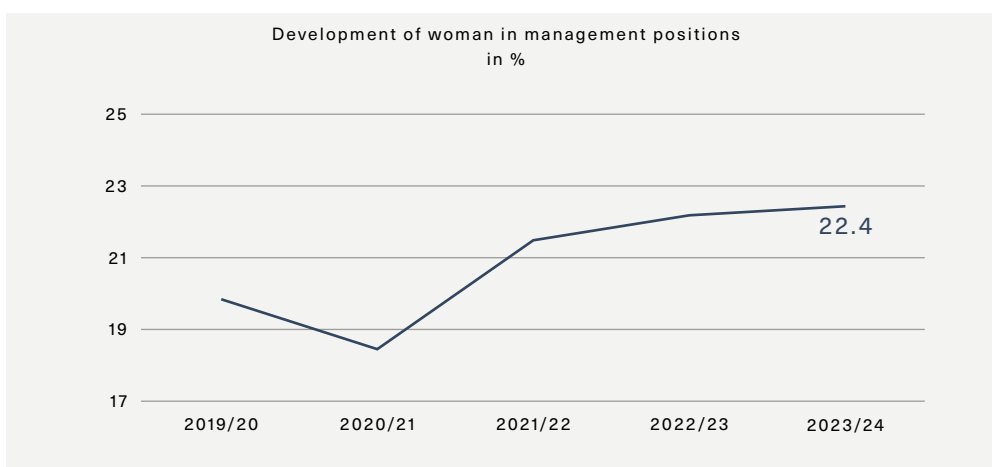
In order to safeguard its competitive ability and benefit from a wide range of different viewpoints, the Zumtobel Group has set a goal to increase the share of women and, accordingly, their representation in the Group each year.

WOMEN BY FUNCTIONAL AREA	UNIT	2019/20	2020/21	2021/22	2022/23	2023/24
Woman ¹ total	HC	2,192	2,143	2,142	2,092	1,993
Female contract workers	in %	N/A	2.9	3.5	2.1	1.5
Production	in %	N/A	58.6	58.4	57.8	55.0
Research and Development	in %	N/A	4.0	3.8	4.2	4.5
Sales	in %	N/A	22.1	22.6	23.1	22.6
Administration	in %	N/A	12.4	11.8	12.8	14.0

¹ Excluding apprentices

WOMEN IN MANAGEMENT POSITIONS	UNIT	2019/20	2020/21	2021/22	2022/23	2023/24
Management positions (total)	HC	824	818	813	802	794
Women in management positions	HC	163	151	175	178	178
	in %	19.8	18.5	21.5	22.2	22.4
Top management (managing director/board member)	HC	0	0	0	0	0
Senior Management (division manager)	HC	5	5	5	7	7
	in %	8.9	8.5	9.4	13.0	14.0
Middle Management (e.g. department head)	HC	25	29	39	37	39
	in %	10.9	12.6	16.4	15.5	16.9
Others (e.g. team leader, overseer)	HC	133	117	131	134	132
	in %	24.8	22.2	25.2	26.5	25.8
Supervisory Board ¹	HC	2	3	3	3	3

¹ The women on the Supervisory Board are not included in the total number of management positions or the number of women in management positions.



Diversity & inclusion

The inclusion of employees with physical or mental impairment has high priority for the Zumtobel Group as an employer, and these employees are actively assisted in their everyday work routine. The Zumtobel lighting plant in Dornbirn has operated a career support programme for over 30 years that helps young people with physical or mental impairment in taking their first steps on the employment market. The aim of this two-year training course is to make the participants fit for the labour market.

The Zumtobel Group also employs people with physical, mental or cognitive limitations in other areas, administration as well as production, who make an important contribution in their respective functions. Appropriate adjustments are made wherever possible (e.g. additional breaks, seated activities etc.) to help employees with special needs. Managers receive special awareness training and preparation for these situations and are assisted by external persons – for example at the Spennymoor plant, where the Zumtobel Group also employs persons with autism.

The Zumtobel Group is currently working on the preparation of a global strategy for diversity, equity and inclusion to optimise diversity within the corporation. Recent months included an extensive evaluation of the current status, with employees participating as part of the process. The results of this evaluation will represent an important component for the development of the strategy.

The overriding goal is to design and implement a global diversity strategy for the Zumtobel Group in the coming financial year as the basis for a clearly defined schedule of measures and actions.

The Zumtobel Group has implemented various measures in support of women, diversity and inclusion.

Following are a few examples:

- Personal skills, experience, know-how and capabilities form the basis for evaluating qualifications during the recruiting process and in personnel decisions. The equal treatment of genders is strictly observed.
- The Zumtobel Group uses a standardised remuneration structure that is based on job descriptions and appraisals to ensure transparent and performance-based remuneration in line with equal opportunity (equal opportunity employer).
- The Zumtobel Group puts measures in place to improve the work-life balance. Part-time employment, educational leave, sabbaticals, parental leave for fathers, home office options or other models are arranged where needed.
- The Zumtobel Group received the quality seal as a family friendly company ("Ausgezeichneter familienfreundlicher Betrieb 2024–2025") from the province of Vorarlberg and ZG Lighting Austria was re-certified as a family-friendly employer
- The headquarters has organised co-operation programmes with local day-care centres in Dornbirn which give preference to the children of Zumtobel Group employees.
- The Zumtobel Group creates a greater awareness for gender equality with campaigns on International Women's Day.
- A Group policy on human rights underscores the Zumtobel Group's commitment to the respect for and advancement of human rights in all business activities.
- The first steps to create a greater awareness for bias were taken during the past year in connection with management training.

Partnerships with diverse/various suppliers

The Zumtobel Group maintains partnerships with suppliers that meet the defined diversity and equal opportunity criteria.

One example is the partnership with “Geschützte Werkstätte Integrative Betriebe Tirol GmbH” (gwtirol), which is a member of “die integrativen betriebe österreich” (dib). Of the 300 employees in the gwtirol workforce, 84 % are people with disabilities. The Zumtobel Group has an annual framework agreement with gwtirol for the production of pallets and wooden interlayers for internal transport logistics. Roughly 11,000 pallets and 70,000 wooden interlayers were ordered for the production facilities in 2023.

The Zumtobel Group also maintains business relationships with the local “Kaplan Bonetti gemeinnützige GmbH”. This company supports people in crisis situations and accompanies them into a stable life with participation in society. The Zumtobel Group orders various services from the company, among others, cleaning for work clothing, the processing of protective edgings and assistance for bicycle campaigns (for example, bicycle cleaning). Through these many different partnerships, the Zumtobel Group makes an important contribution to strengthening social cohesion and to improve diversity and equal opportunity.

Employee rights and remuneration programme

The Zumtobel Group follows a uniform approach for the design of remuneration structures, processes and systems. This ensures transparent and performance-based compensation based on equal opportunity (equal opportunity employer).

- The wages and salaries paid by the Zumtobel Group generally exceed the legally required minimum in all countries.
- In Austria, the remuneration paid by the Zumtobel Group largely reflects the legal level, respectively the level set by the collective agreement for the electrical and electronics industry.
- 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.
- 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.

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 central financial goals for the Zumtobel Group together with an individual component.

This includes the explicit inclusion of ESG targets: This emphasises the Zumtobel Group's focus on long-term, sustainability-oriented action.

- The ESG goals for the 2023/24 financial year include, among others the reduction of CO₂e emissions, an increase in the internal recycling rate, follow-up on the employee survey and the introduction of reporting standards.
- The EBIT margin (formerly: adjusted EBIT) serves as a central financial performance criterion.
- The performance criterion "free cash flow" still has high priority for the Zumtobel Group and therefore remains in the STI.

For top management employees who are covered by the LTI (Long-Term Incentive, LTI), a performance cash plan with a standard market performance period of four years was introduced. Similar to the Executive Board, for which this was already introduced in 2022/23.

- Relative total shareholder return (TSR) remains part of the performance criteria. However, the Supervisory Board decided to use the STOXX® Europe 600 Industrial Goods & Services in place of the previous comparative group to place the evaluation of capital market performance on a broader and more stable base of relevant,

similar companies which is easier to calculate and can be publicly verified.

- In addition to the relative TSR, revenue growth was implemented as a second performance criterion to strengthen the focus on capital market performance and on the attainment of the Zumtobel Group's long-term strategic goals.

The ratio between the annual total remuneration of the highest paid person in the organisation (CEO) and the average of the annual total remuneration of all employees in Austria is 19:1. In the calculation for the ratio of the annual total remuneration, the average rather than the median was used. The Austrian workforce had a median percentage increase in pay of 11 % in 2023/24 compared to 2022/23, while the CEO's pay remained constant.

Income levels between men and women

The Zumtobel Group is committed to ensuring fair and gender-equitable payment. To meet this goal, compensation structures are regularly reviewed to identify and eliminate possible inequalities.

The Zumtobel Group recognises that income levels between men and women represent a worldwide problem that can have a negative influence on the workplace culture, employee satisfaction and, in the end, organisational performance. Reporting on the income ratio between men and women is based on aggregated data and an analysis of the remuneration structure by gender.

In view of the internal efforts to promote gender equality and eliminate discrimination at the workplace, the Zumtobel Group is undertaking additional measures.

They include the development of a comprehensive diversity, equity & inclusion (DEI) strategy which is directed to creating an inclusive and fair working climate in which diversity is valued and respected. Through concrete measures and guidelines, the strategy aims to fight discrimination, promote equal opportunity and establish a culture of inclusion. The Zumtobel Group believes in creating a diverse and integrative working environment in which all employees are able to develop their potential.

The Zumtobel Group is committed to working continuously to eliminate gender inequality at the workplace and in society. The corporation strives to report transparently on its progress and challenges relating to the income ratio between men and women, while protecting the principles of gender equality and fairness. For Austria, the Zumtobel Group has an income difference of 16.21 % for women

Social dialogue – employees & employer

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 to improve responsible working conditions.

The Zumtobel Group encourages the open and regular exchange of information between the Management Board, employees and employee representatives like the Works Council. In addition to the local employee representatives, the works councils in the European Union have established a European Works Council.

A European forum is held each year, and the European Works Council Committee meets every six months. These meetings set the stage for a dialogue between employers and employee representatives based on cooperation in good faith and the exchange of information on economic and social issues. Compliance with the legal participation rights of employees and the principles and standards defined by the International Labour Organisation (ILO) is anchored in the Zumtobel Group's code of conduct.

SOCIAL

4.5 OCCUPATIONAL SAFETY, HEALTH & WELL-BEING

How we promote occupational health and safety

Management approach & due diligence processes

The success of the Zumtobel Group is based, last but not least, on qualified, committed and motivated employees. The occupational safety, health and well-being of the employees was identified as a material topic for the Zumtobel Group. It has high priority and is the focus of continued improvement as part of the global "LIGHT UP" HR strategy.

Work accidents, illness and voluntary turnover are addressed with targeted measures for prevention, healthcare and reintegration through projects, initiatives, tools and processes. Specially designed measures are implemented to continuously improve occupational safety and employees' physical and mental health. Central and local structures are established for this purpose and integrated in existing organisations based on a "health in all policies" approach. 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 three pillars: worker protection legislation, workplace health promotion and integration management. Leadership and management behaviour play an important role in the implementation of the related measures, where they can rely on the integrated "ZG Health" central health management system.

In connection with the ISO audit in November 2023, the BGM's three pillar model was identified as one of the most important strengths. These three pillars cover:

PROTECT: worker protection
SUPPORT: workplace health promotion
RESTORE: integration management

The plants regularly exchange information to evaluate and analyse current issues, define goals and exchange their experience with previously implemented measures to protect, maintain, support and restore employees' health and working ability.

The meetings in 2023/24 defined indicators for sick leave rates, absence days and incidents, whereby each plant set annual goals for sick leave rates A (with long-term sickness absence) and B (without long-term sickness absence).

A base-year survey was carried out to establish a global standard for workplace health management in the Zumtobel Group ("ZG Health") in which the respective contact persons were asked to report their activities in all three of the above pillars. The goal is to develop a standardised basic structure at all locations for the regular implementation of specific measures to maintain, improve and promote health and work ability as part of the continuous improvement process.

The production locations in the Zumtobel Group have defined processes to ensure compliance with legal regulations that include the Austrian Labour Protection Act, standards like ISO 45001, and internal directives like the guidelines on occupational safety and health policy, workplace instructions and workplace evaluations. A global reporting system regularly evaluates and analyses occupational safety and health protection indicators, which are subsequently reflected in the definition, implementation and assessment of measures.

Two further lighting brand plants received ISO 45001 certification in 2023/24 for work and health protection: the Lemgo plant in Germany and the Les Andelys plant in France. All producing plants in the Lighting Segment are now certified and part of the matrix. The number of ISO 45001 certifications for Tridonic also increased during the reporting year, while the plant in Spenny-moor started the process and received certification.

Worker protection

Specific environmental, health and safety guidelines are regularly evaluated by local safety and fire prevention officers at all producing locations. This is done through regular inspections by the safety officer, but also on an ad hoc basis when machinery is relocated or new and adapted workplaces are created in order to evaluate potential occupational safety risks. The primary goal is to prevent accidents and identify work-related risks or dangerous situations.

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 reports through their managers. Concerns can also be entered anonymously via the whistle-blower system, via the safety officer or the safety confidant. Employees are required and have the right to immediately interrupt activities, tasks and work processes if they do not appear to be safe or do not meet safety requirements.

Work will only continue after the safety officer has examined the situation and safety is ensured.

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 discussions in regular formal employee safety committees (ASA). In Austria, this covers 100 % of the workforce; globally, this is part of the survey of basic standards for occupational health and safety management.

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 are evaluated and, if feasible, implemented.

All employees and contract workers receive occupational safety instructions for machines, workplaces and activities at the start of employment as well as specific directions for their respective positions and the handling of machinery and equipment. 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 released every two months under the name "Lighti". Management introduces every new release at one of the daily stand-up meetings. "Lighti" creates an awareness for dangers and preventive measures with non-verbal means and can be understood by all employees regardless of their native language.

These safety rules also apply to non-company personnel such as external service providers, visitors, etc., who receive instructions on entering the site. In addition, protective clothing such as safety shoes and high visibility waistcoats must be worn in all production and storage areas. External service providers are informed of the need to comply with legal requirements and confirmations are obtained on an ad hoc basis.



In the financial year 2023/24, a 'Lighti' was published on the topic of mental health / dealing with stress.

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. Consistent with the commitment to equal treatment, contract workers in the Zumtobel Group have the same access to occupational medical services and health protection programmes as regular employees.

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.

Regular coordination meetings are held by the prevention team at the lighting brands location in Dornbirn. This interface allows for better coordination between

the occupational physician, safety officers, Works Council and health management. Representatives from quality management, plant management or other experts are included as needed.

Ergonomics represented a special focus of on-site inspections in 2023/24. The correct ergonomic positioning of work equipment and the correct posture of employees was examined in all production areas and office workstations during this process. The occupational physician and security personnel in Dornbirn then issues instructions for employees and equipment technicians. As part of the occupational health and safety programme, an ergonomic project was implemented and rolled out globally.

Activities in the area of worker protection during 2023/24 also covered the legally required evaluation of mental stress at all locations in Austria. In Dornbirn, the evaluation was combined with a survey on workplace health promotion. Industrial psychologists then formed ABS groups to develop appropriate measures. The survey to evaluate mental stress in the other Austrian locations was carried out online, and the necessary measures will be implemented in the individual locations.

Operational reintegration management

A reintegration process helps employees return to work after a longer illness, 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.

In addition to reintegration discussions after longer sick leave, the location in Dornbirn introduced “health talks” as a pilot project to assist employees after brief or recurring illnesses. In the European plant locations, health talks are held after absence. Managers receive special training in preparation for these conversations. The goal is to positively influence employees' health and working capability and to jointly evaluate measures to increase employees' health, work satisfaction and motivation and, in the end, to prevent long-term sick leave.

Plans call for the roll out of this process as part of the global leadership programme after completion of the pilot phase in Dornbirn. The guideline for these health talks (H-I-L-F-E-concept) was prepared together with managers and representatives of the Works Council together with an external consultant.

- H** Hinsehen/be aware
- I** Initiative ergreifen/Take the initiative
- L** Leitungsfunktion wahrnehmen/provide leadership
- F** Führungsverantwortung übernehmen/Accept management responsibility
- E** Experten hinzuziehen/Call in the experts

The project “health promotion dialogue” was transferred to the health management system in 2023/24. It notifies managers of the need for a health promotion discussion under defined circumstances. The project will be rolled out globally after a pilot phase in Dornbirn (Group AG, Lighting GmbH and Tridonic) and the related training will be included in the basic leadership programme.

Discussions with employees on their return to work after an illness have followed different methods in the European plants up to now. The number of discussions held together with the defined sick leave indicators are reported at the monthly occupational health review meetings.

The number of lost time cases rose from 22 to 26, but the goal of 27 lost time cases was met. In the components plants, the number of lost time cases rose from seven to nine, but remained below the goal of 11. The LTI rate in the components plant increased to 3.9 (2022/23: 2.5) and also failed to meet the goal (3.1).

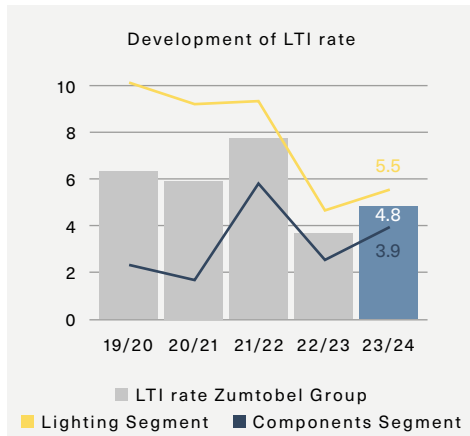
Work accidents, injuries & lost time due to illness

The LTI rate is calculated monthly at all plants (Lost Time Injury: number of work accidents with lost time >8 hours x 1,000,000 / Total hours worked). In the Zumtobel Group, the LTI rate increased from 3.7 in the previous financial year to 4.8 in 2023/24 and failed to completely reach the LTI goal of 4.0.

In the lighting plants, the good result of the previous year was not quite matched; the number of lost time cases was 17, two more than in the previous year, but in line with the defined target. The LTI rate equalled 5.5 (2022/23: 4.6) and met the 5.0 goal. The accident severity indicator (number of days lost x 1,000,000 / Total hours worked) increased from 42 in the previous year to 119 in 2023/24. In total, six lost time cases were responsible for more than 24 days lost but all employees were able to return healthy to work after their recovery.

OCCUPATIONAL SAFETY/ACCIDENT RATE	UNIT	2019/20	2020/21	2021/22	2022/23	2023/24
Number of hours worked by employees	Hours	5,990,381	5,405,699	5,963,163	6,021,128	5,404,264
Number of recorded accidents ¹ Lighting Segment	Number	59	29	34	15	17
Number of recorded accidents ¹ Components Segment	Number	6	4	16	7	9
LTI rate Lighting Segment		10.1	9.2	9.3	4.6	5.5
LTI rate Components Segment		2.3	1.7	5.8	2.5	3.9
LTI rate Zumtobel Group		6.3	5.9	7.7	3.7	4.8
TRI rate Lighting Segment		18.6	9.5	10.6	5.9	8
TRI rate Components Segment		6.0	4.0	5.8	3.2	4.8
TRI rate Zumtobel Group		10.9	6.1	8.4	4.7	6.7
Number of fatal accidents	Number	0	0	0	0	0
Accident severity Lighting Segment		N/A	N/A	101	66	92
Accident severity Components Segment		N/A	N/A	71	15	154
Accident severity Zumtobel Group		58	69	87	42	119

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;



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, the necessary steps are taken to improve the safety of employees. There were no fatal accidents in 2023/24 or in earlier years.

The reduction in the number of work accidents and, accordingly, the improvement in the accident rate is the result of a structured and sustainable approach to improving occupational safety. Through the FOCUSSED strategy, the health of the workforce is anchored as a key factor in the Zumtobel Group.

The development and successful external certification of an occupational and health management system according to the international ISO 45001 standard created the necessary structure to continuously improve occupational safety in the Zumtobel Group. The lighting plants in Lemgo and Les Andelys implemented an occupational and health management system which was successfully certified under ISO 45001 in 2023/24.

The four major building blocks of occupational safety in the company are the establishment of a safety culture, workplace evaluations under the STOP principle, the near miss system, and the continuous improvement process:

- S** Substitution: elimination of all risks
- T** Technical solutions to minimise risk
- O** Organisational measures to minimise the effects of dangers and threats
- P** Personal protective equipment and employee training

Workplace evaluations ensure that the workstations are professionally set up and safe. The near miss system, which is installed in all European production locations, systematically identifies and eliminates potential risks for work accidents. The participation of all employees is important to enable the identification of such risk situations in all areas. In the lighting brands plants in Europe alone, 533 near accidents were identified, documented and systematically eliminated by employees. The continuous improvement process represents a structured method to analyse the identified potential dangers, pinpoint the causes, take immediate action, and implement sustainable corrective and preventive measures. The technical safety equipment at various machines, aggregates and manual workstations was improved, a lockout/day-out procedure was introduced for machinery and aggregate maintenance, the personal protective equipment for employees working in metal processing and coating was optimised, a safety first campaign was carried out and special training programmes on occupational safety were held.

Workplace health promotion

The Zumtobel Group is committed to an active occupational safety and health policy. Good management has a significant influence on health and the ability to work:

- Managers are responsible for the implementation of health management in the company.
- Through their (management) behaviour, managers influence the health and well-being of their employees.
- Managers are, themselves, exposed to substantial mental stress.
- Managers serve as a role model: They must demonstrate their commitment to health.

Pilotproject Dornbirn

The Zumtobel Group and the Austrian state health insurance company have started a three-year pilot project for workplace health promotion at the location in Dornbirn. The goal is to create a greater awareness among management and employees for issues related to health in the company.

The project will include an employee survey on issues like work assignments, the organisational climate, work organisation, the working environment, management, cooperation, work satisfaction, rest and recuperation, nutrition, exercise and the evaluation of mental stress. Target values were defined for the respective subject areas in the follow-up survey, and measures were developed to reach these goals – in part, detailed for each department. Detailed action plans were prepared for Zumtobel Lighting, Zumtobel Group AG and Tridonic.

Various measures were implemented at the Zumtobel Group's locations in 2023/24 to improve occupational health and include, for example, the pilot project in Dornbirn:

- Courses for **first aid helpers**
- **Exercise:** Company sport club with various sections, backing for participation in runners and cycling competitions, reduced membership fees in local fitness studios and sport courses
- **Communication ZG Health:** A separate page was installed on the "INlight" Intranet for communication on ZG-Health; it explains the principles of occupational health management and provides reports on surveys, results and individual measures.
- **Industrial psychology:** The industrial psychology offering on issues involving mental health was expanded in November 2023 to include a greater number of consultation hours with an industrial psychologist and appointments for stress measurement; all available appointments have been booked to date. From January to April 2024, 59 persons registered for stress measurements at the pilot project location in Dornbirn (Schweizerstraße). Regular stress measurements as part of industrial psychology activities are also offered at Tridonic's Färbergasse location
- **Vision test:** In September 2023, 24 persons took advantage of an industrial medicine offer for eye examinations in the Schweizerstraße.
- **Vaccination campaigns:** 60 persons took advantage of the influenza vaccination in autumn 2023, and 30 persons registered for the FSME vaccination in spring 2024.
- **Movement and relaxation:** Two yoga courses, each with 15 participants, were in progress during the winter semester 2023 and the summer semester 2024 (60 participants in total since the beginning).
- **Health day:** On the occasion of World Health Day, the Zumtobel Group held a health day on 9 April. Health-related activities took place at many of the

company's international locations. The health day at the location in Dornbirn included different stations (body check, addiction prevention, lung function tests, workshops on nutrition, exercise, relaxation and giving up smoking).

- **Optimisation of the canteen:** QR codes were added to the rating buttons to improve the quality of and satisfaction with the lunch offering. Detailed feedback and suggestions for improvement to the menus are now possible. This feedback is collected regularly by the chef and incorporated where possible.
- **Upgrade to the company physician's office:** New furnishings/equipment and redesign of the office to create a more pleasant atmosphere.
- **Ergonomics:** The occupational physicians gave instructions on ergonomically correct posture and the correct adjustment of workstations during their on-site workplace inspections. Courses were also held on ergonomical posture for office and production workplaces and their adjustment.
- **Videos with movement exercises:** In cooperation with students at the Tyrol Technical College, short videos with simple exercises for break times were produced. They were posted in the internal communications network and also run on screens in the production area. To familiarise employees with the exercises, the health manager held a demonstration in each department.

Global measures resulting from the local measures implemented in connection with the Dornbirn pilot project:

- Zumtobel Group well-being calendar with global tips and campaigns in the INlight internal communications network
- Short videos on exercise breaks produced and posted in INlight and the screens in the production area

Measures at other locations:

- Local initiatives, e.g. information on stress reduction, high blood pressure, men's health and breast cancer, tips to improve mental health and relaxation as well as blood donation campaigns and throat examinations for smokers.
- The following activities took place at the Spennymoor plant: an employee commitment survey, absence reports, sports and socials (quarterly townhall meetings, team-building events by the sport and social club, friendly get-together after work) as well as training and development.
- The following activities were offered at the Les Andelys plant: prevention of musculoskeletal disorders (identification of risks to employees as the basis for preventive measures) and psychosocial risks (establishment of a working group together with an occupational psychologist), support for relaxation (project to set up a relaxation room for use during lunch-time breaks).
- The following activities were offered at the plant in Niš: dermatological examinations by a health provider, blood donation day, hiking, company running event, tree planting campaign.
- The following activities were offered at the Lemgo plant: Subsidies for participation in fitness and sport courses, bicycle campaign.

Monthly safety review meetings are held by the lighting brand plants and at the Tridonic plants. They are attended by a member of the Management Board, all plant managers and the designated occupational safety officers from the plants. Key indicators for the locations are presented, work accidents and near accidents are explained, the related improvement measures are shared, and ideas for further improvements are exchanged.

The company's clear goal is to continuously reduce the LTI rate over the coming years, to establish a pronounced safety culture, and to emphasise preventive training and the near miss system in order to prevent work accidents. The goal for the LTI rate in 2024/25 has been set at 3.9.

Information on sick leave trends is collected on an anonymous basis at all major Zumtobel Group locations (in Europe) and

documented according to the underlying illnesses and sick leave rates.

The Zumtobel Group has set a goal for the Lighting Segment in 2024/25 which calls for sick leave rates of 3.37 % (sick leave rate A) and 2.06 % (sick leave rate B, excluding long-term illnesses).

A pilot project for workplace health promotion is currently in progress at all locations in Dornbirn in cooperation with the Austrian state health insurance company. It includes in-depth analyses (employee surveys and workshops) to record work-related stress and illnesses. Appropriate preventive measures will then be developed and implemented to counter work-related illness.

As part of workplace health management, a sick leave analysis was carried out at all Austrian locations for the 2022 calendar year under the direction of the Austrian state health insurance company. The following illnesses were evaluated:

NUMBER OF DAYS ABSENT	UNIT	2019/20	2020/21	2021/22	2022/23	2023/24
Respiratory system	Days	N/A	N/A	N/A	2,599	3,001
	in %	N/A	N/A	N/A	14.1	17.96
Musculoskeletal and connective tissue	Days	N/A	N/A	N/A	4,718	5,312
	in %	N/A	N/A	N/A	25.5	31.80
Injuries and poisoning	Days	N/A	N/A	N/A	1,991	1,549
	in %	N/A	N/A	N/A	10.8	9.27
Digestive system	Days	N/A	N/A	N/A	546	393
	in %	N/A	N/A	N/A	3.0	2.35
Mental and behavioural disorders	Days	N/A	N/A	N/A	2,548	2,025
	in %	N/A	N/A	N/A	13.8	12.12
Circulatory systems	Days	N/A	N/A	N/A	338	499
	in %	N/A	N/A	N/A	1.8	2.99
other diseases ¹	Days	N/A	N/A	N/A	5,738	3,927
	in %	N/A	N/A	N/A	31.1	23.51

¹ Diseases that have been grouped together for data protection reasons.

SOCIAL

4.6 DIGITALISATION IN HUMAN RESOURCES

How we ensure transparency and data quality in HR

HR transformation and HR dashboard

The HR transformation project to digitalise all HR processes is another building block in the Zumtobel Group's LIGHT UP HR strategy. Consequent digitalisation in this area will make faster and more effective operations possible and allow the Zumtobel Group to better meet the continuously changing requirements of the modern labour market.

Digitalisation will also enable the faster and more precise analysis of HR indicators for data-driven decision-making. Preparatory activities to introduce the SAP Success

Factors are accompanied by a series of decisive requirements that are directed to improving HR processes and overall business results.

The transparency of HR data through the newly introduced HR dashboard in the SAP Analytics Cloud was essential to create the necessary transparency and accessibility for relevant stakeholders.

This transformation also represents an important step to meet the future requirements of the ESRS.

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4.7 PRODUCT USE, CONSUMERS & END USERS

What added value our solutions create for customers

Management approach & due diligence processes

The European Green Deal together with the new disclosure requirements created by the EU Taxonomy Directive and further expected directives are creating a stronger link between capital and sustainability criteria. For institutional investors like banks, insurance companies and pension funds as well as planners and construction firms, sustainability is becoming a progressively more important issue. Projects viewed as less sustainable will find it more and more challenging to find investors.

These trends pose substantial challenges for the construction branch: In addition to proven sustainable solutions, data administration and use must also be guaranteed. The goal to increase resource conserving construction has raised questions over new construction, and the usage of existing buildings is becoming more important.

In this environment, companies along the value chain have implemented sustainability programmes and defined ambitious goals which often support differentiation and go far beyond the legal framework expected today – and to reach these goals, they need the right partners.

Further development of the product and service offering

The lighting industry is in a process of change that has increased the importance of the LED business and led to a stronger focus on intelligent, integrated lighting and services. The result has been a rapidly growing demand for innovative LED-based lighting solutions with comprehensive connectivity and IoT solutions together with 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 involves the expansion of conventional light planning and turnkey solutions, where the Zumtobel Group offers a one-stop shop solution for customers. Tridonic has also developed a wide-ranging portfolio of integrated components in recent years that makes it possible to collect and evaluate energy consumption and make this data available to customers.

The upper end of these services is the Lighting-as-a-Service model, 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 or her individual needs.

Integrated components and light management systems

The wired, connectivity standard DALI which has been used in light management for decades was expanded in recent years to include protocols for data transmission from end devices. Wireless interconnected lighting components based on the leading proprietary Casambi standard have also been offered for many years. The first components based on the new wireless standard matter were introduced in 2023/24 to develop new markets. This new open source communications standard builds a bridge between a smart home ecosystem and intelligent end devices from different producers. As a pioneer for interoperability, the Zumtobel Group was one of the first lighting component producers to offer equipment for this standard. Matter is expected to achieve a dominant position due to the backing of leading technology companies. Cooperation in standardisation committees helps to drive the development of more complex solutions for office and industrial buildings.

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4.8 PRODUCT QUALITY & SAFETY

How our products are tested and certified

The Zumtobel Group's quality and testing standards exceed legal and normative requirements and are backed and expanded through comparative measurements and procedural validations in cooperation with testing institutes. The Zumtobel Group cooperates with national and international testing institutes that include OVE (Österreichischer Verband für Elektrotechnik), TÜV (Technischer Überwachungsverein), BSI (British Standard Institution), and UL (Underwriters Laboratories). Activities also focus on the increasing use of simulation software (thermal calculations, FEA, Moldflow) which can also be linked to risk analyses.

This helps to reduce the number of hardware tests, while ensuring compliance with the Zumtobel Group's high safety standards. All production facilities in the Zumtobel Group's worldwide network are certified according to the ISO 9001 international standard for quality management systems and ISO 14001 for environmental management systems. All European plants in the Zumtobel Group are certified under ISO 45001 for first-class management systems that cover health and safety at the workplace. The internal testing laboratories for photometry, product safety and electromagnetic compatibility are certified under ISO 17025 and audited by external certification partners. Tridonic's worldwide testing laboratories

have received IECEE CTF Stage 3 approval from the Austrian Electrotechnical Association.

REACH conformity and products are evaluated twice each year based on the "substances of very high concern" (SVHC) lists published by the European Chemicals Agency (ECHA). This is accompanied by a continuous evaluation of newly purchased and alternative components (100 % raw materials) according to the Restriction of Hazardous Substances Directive (RoHS).

CE conformity is also evaluated for every luminaire family and includes a risk analysis for health and safety. Product testing and classification are based on protection classes for luminaires (EN 61140), on the lamp control gear series for components (EN 61347 Serie) and on general lighting for LED modules (EN 62031).

Testing and certification are carried out in the Zumtobel Group's laboratory, which was SMT audited and certified. The company remains on the leading edge of new and changed norms and guidelines for product reliability and standardisation as well as the latest findings on innovative solutions in the electronics industry, among others through its membership in IPC – the Association Connecting Electronics Industries.

This platform is actively used as a source of information, for example on the latest requirements. It enables the fast processing of branch information and subsequent integration in corporate structures.

The standardised, centrally defined selling processes are also certified and regulated in management systems. The primary goal is to continuously improve the quality of production and selling processes and product documentation and, in this way, increase customer satisfaction and confidence in the Group's products.

The wide range of technical documentation (data sheets, manuals, assembly instructions etc.) includes references to the dangers connected with installation or the use of products.

4.9 CUSTOMER HEALTH & SAFETY

How our solutions contribute to health and wellbeing

The health and safety of its customers has top priority for the Zumtobel Group. The effects of all major categories of products and services on customers' health and safety are the subject of a continuous process that includes the evaluation of opportunities for product improvements and documentation as well as processes. The Zumtobel Group is evaluating and preparing for the changes to standard EC 62471-7 (Photobiological safety of lamps and lamp systems – Part 7: Light sources and luminaires primarily emitting visible radiation).

The changes involve the emission of the UV and blue light components included in the light source and, subsequently, danger and damage to the human eye and the thermal danger for human skin.

The Zumtobel Group's LED modules generally represent risk groups 0 or 1 (in special applications, also risk group 2) and, therefore, do not pose a risk for the human eye.

The emotional impact of light

The term Human Centric Lighting (HCL) covers lighting concepts that focus on the non-visual and emotional effects of light. The project "Activating Light" deals with this subject and offers an LED module that is precisely adapted to the daytime phase of the circadian rhythm. Through a higher component of the spectral energy curve at approximately 480 nm (melatonin suppression), the light has a positive influence on concentration and on the health and well-being of the end consumers. Preliminary studies are working on the optimisation of these lighting solutions with regard to energy efficiency and the scope of the physiological effects.

With Zumtobel SPECTRUM, the Zumtobel Group has created a unique light quality in which the non-visual components reflect the perceptible cooler daylight in a continuous spectral profile. This ensures that actual individual sensitivities are equally considered.

People of all ages, especially older generations, can now receive the light that supports and synchronises their circadian rhythm in indoor rooms without sufficient daylight. That helps to improve sleep and works as prevention against illnesses.

In contrast to LED light with maximum visual light yield, the Zumtobel SPECTRUM offers additional radiated power that directly assists the natural simulation of melanopsin-containing ganglion cells without overly burdening the visible spectrum with hardly perceptible deep red and potentially damaging violet components. Zumtobel equipped numerous additional luminaires – for example, LANOS, MIREL, CLEAN II, ONDARIA II and LIGHT FIELDS III – with this pioneering technology during the past financial year as proof of our continuous innovation strength and our commitment to excellent light design.

Improving the well-being of people

Parallel to its commitment to optimise light quality with the Zumtobel SPECTRUM, the Zumtobel Group extended its innovation strength in other areas to further improve the well-being of people in indoor rooms. One example is the TRAMA sound-absorbing pendant luminaire, which provides an effective solution to reducing background noise. The LIGHT FIELDS III product also improves the indoor atmosphere by absorbing sound and, in that way, improving the speech and sound experience.

The integration of solutions like DALI and Bluetooth gives these products the ability to flexibly adjust to individual needs and

ensure stress-free indoor communication and concentration.

A further important factor for productive work is good air quality. Technologies are under investigation to measure the quality of the air and integration in the sensors of building management systems as a means of automatically adjusting ventilation. This technology will become a component of future standards for building certification (e.g. WELL).

An important focal point of the previously mentioned innovations is the contribution of sunlight to the production of vitamin D. These light sources offer possibility to regulate the vitamin D household and are particularly relevant for people who spend a great deal of time in closed rooms. Prototypes for real applications are currently under development, after initial studies have shown their potential to improve health.

These examples underscore the Zumtobel Group's commitment to holistic well-being and optimised room design.

Disclosure of incidents:

No violations related to the effects of products and services on customer health and safety were identified during the reporting year.

No violations of regulations that would have resulted in a penalty, sanctions or a warnings were identified during the reporting year.

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4.10 CUSTOMER SATISFACTION

How we help customers achieve their sustainability goals

Customer satisfaction has high priority for the Zumtobel Group, and regular customer surveys are carried out to collect key information. More than 4,500 customers responded to a global online survey in 2023/24, clearly more than in the previous years.

This year's focus was again on loyalty and the "customer's voice" to strengthen the two lighting brands and identify opportunities for improvement. The Zumtobel Group's sustainability performance was also analysed.

The survey results show a substantial improvement in brand loyalty for both brands: A good 50 % of the customers surveyed would recommend the Zumtobel and Thorn brand. The over 2,500 customer responses provide even more exact information. An analysis of the "customers' voices" showed that the reasons for recommendation are based, above all, on the product (quality, performance).

Opportunities for improvement primarily involved process issues in sales and operations. These findings apply to both brands.

The Tridonic customer survey brought positive results and indicated that the brand is associated especially with high quality and good customer service. 84 % of the customers surveyed who purchased and/or specified products within the past three years would recommend the component company.

The survey results were again communicated this year to all central areas and the sales regions to give everyone an opportunity to take further actions to improve customer satisfaction.

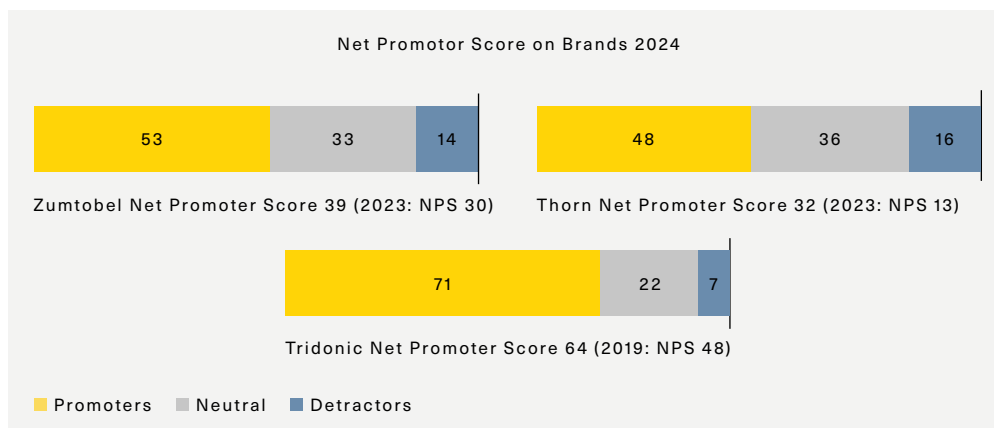
Numerous trees were planned in connection with these customer surveys. The Wald4Leben project received a donation of €1 for each survey participant, and over 500 trees were planted in Austria during the past financial year alone.



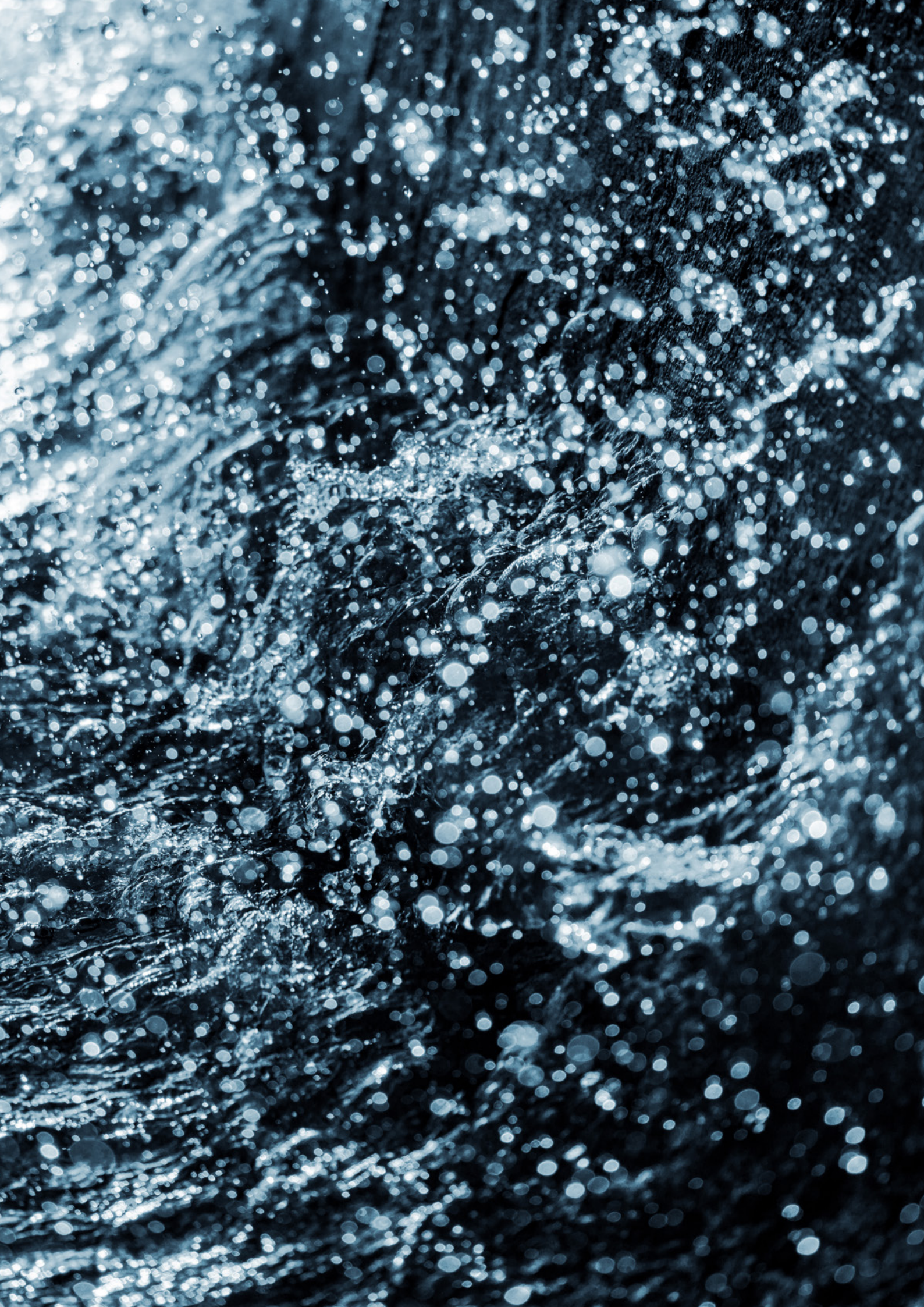
Feedback on the Zumtobel Group’s sustainability activities was also collected as part of the surveys. The responses confirmed the selection of the prioritised issues and the related performance was viewed as essential. The Zumtobel Group supports the sustainability activities of its customers with suitable products, services and data. The dialogue with customers and business partners reflects the evolution of the sustainability frameworks as well as upcoming disclosure and due diligence requirements. Central elements in the dialogue include, above all, transparency over current emissions, possible approaches for future decarbonisation and the circular economy. This dialogue has been accompanied by a steady increase in inquiries from customers for comprehensive solutions, including certificates and extensive data at the corporate, solution and product levels. These questions often anticipate – and frequently go beyond – upcoming legal regulations at the customer’s request.

Digitalisation also plays an increasingly important role as a scaling factor and is being gradually improved through process innovation and automation in the sense of customer satisfaction. One example of this is interfaces for the transfer of product-specific information. The Zumtobel Group is extensively committed to digitalisation at both the content and systemic level to help its customers reach their sustainability goals. This takes place through extensive cooperation with leading customers and business partners and with the provision of effective solutions, information, data and processes.

Specially developed training programmes help the sales force serve as sparring and implementation partners for demanding customers and to offer targeted solutions that meet customers’ needs.







05 GOVERNANCE / COMPLIANCE

WHERE THERE IS LIGHT,
THERE IS ACTION.

Whether it's us or other companies in the value chain, we only measure diligence with one yardstick. How we treat the environment and people is crucial to our business activities, which we constantly review and improve. This includes Group guidelines and risk assessments as well as a code of conduct for business partners and a whistleblower system that is rolled out across the board. We want clarity about the specific actions we need to take as a company in order to fulfil the high standards we set for ourselves and our partners.



Zumtobel Group on the road to sustainability

Challenging, promoting and developing our business partners with regard to human rights and environmental aspects. In addition, the transition from the German Supply Chain Due Diligence Act to the European Due Diligence Directive with extended due diligence and the Group-wide training of the correspondingly extended Code of Conduct

Goals for 2024/25

- Adaptation of the requirements from the ESRS
- Renewal of the training package on the topics of policy, CoC, compliance for sales and data protection
- Continuous exchange and sensitisation of employee representatives on data protection
- Evaluation of the sustainability performance of all key suppliers with strategic relevance

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5.1 GENERAL

How we meet compliance requirements

„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 AND FULFILLS A PREVENTATIVE FUNCTION 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 and 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. Corporate audit and compliance is a staff department which reports directly to the Audit Committee of the Supervisory Board and to the full Management Board. This ensures the department's independence within the organisation.

The responsibilities of the corporate audit and compliance department include all precautionary measures to prevent violations and criminal acts. Compliance does not cover the identification or prosecution of criminal acts and violations.

Together with the responsible corporate governance and compliance organisation, the Zumtobel Group coordinates the comprehensive management and monitoring of all business activities. The framework for the design of the corporate governance system

is provided by the Austrian Corporate Governance Code in its latest version.

This code has been implemented in the Zumtobel Group through the corporate values, the recently revised code of conduct for the Zumtobel Group and the code of conduct for business partners as well as 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. The exchange of information with the Audit Committee was regular and ongoing during the reporting year. This Supervisory Board subcommittee guarantees the necessary independence of corporate governance and compliance.

Goal attainment in 2023/24

The Zumtobel Group met the goals set for compliance in 2023/24. The defined milestones were successfully reached with preparations for the CSDDD, training on the code of conduct (refresher) and training on data protection.

Continuous review and evaluation of risks

The audit plan for 2023/24 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. Audit activities during the reporting year focused primarily on legal entities, the sales companies and organisational units. International audits concentrated on the introduction and implementation of the internal control system (ICS) as one of the focal points. The compliance charter of the Zumtobel Group (GP 219) defines compliance as the observance of legal regulations, norms and internal rules of conduct. Compliance risk, consequently, is the risk arising from the failure to comply, for example, with the following points:

Applicable laws which include among others:

- (I) legal/regulatory risk
- (II) Fraud risk
- (III) Money laundering risk
- (IV) Reputation risk
- (V) Financial risk

Corporate compliance is also responsible for identifying, evaluating, monitoring and reporting on the compliance risks to which Zumtobel Group is exposed. The identified risks were mapped in the Zumtobel Group's compliance management system and preventive measures were implemented through guidelines, work instructions and training to minimise these risks.

Of the Zumtobel Group's policies, 87.5 % have been revised and recorded in the internal communications network. The ongoing revision of the remaining 12.5 % is managed by the respective departments.

Code of conduct

„GUIDELINES FOR BEHAVIOUR ARE A SOURCE OF ORIENTATION FOR OUR EMPLOYEES.“

In its code of conduct (CoC), the Zumtobel Group defines basic guidelines and procedures. These requirements represent general standards for behaviour in social, legal and ethical matters. They provide the members of the Management Board, management and company employees with a binding orientation and regulatory framework for their interaction with each other and with external persons.

Based on the widespread introduction and training on the code of conduct in 2021 (95 % of all salaried employees have completed this training), a revised version was prepared in 2022/23. It is available to all salaried employees in the Zumtobel Group for refresher training as a compulsory eLearning course. This training has already been completed by 85 % of the salaried employees, and the remaining 15 % are currently in process or will be assigned in the coming weeks. For teaching purposes, there should be a three-month period between the code of conduct basic training and the e-learning refresher course.

The current version of the code of conduct includes supply chain due diligence requirements as well as a commitment to observe and implement all requirements of the Austrian Act on Corporate Due Diligence in Supply Chains (“Lieferkettensorgfaltspflichtengesetz”). The process for the introduction and related obligations was prepared together with internal specialist departments and specified in the code of conduct for business partners of the Zumtobel Group.

Contents of the code of conduct:

Basic behavioural requirements

- (I) Individual responsibility
- (II) Management and management behaviour
- (III) Behaviour in conflict situations
- (IV) Compliance with legal regulations
- (V) Respect and fairness

Due diligence requirements along the entire value chain

- (I) Compliance with due diligence requirements
- (II) Human rights
- (III) Discrimination and working conditions
- (IV) Child labour
- (V) Forced labour
- (VI) Freedom of association
- (VII) Right to collective negotiations
- (VIII) Occupational safety and health
- (IX) Sustainability and the environment

Interaction with business partners and third parties

- (I) Prohibition of corruption, acceptance of gifts
- (II) Donations and sponsoring
- (III) Fight against money laundering
- (IV) Export controls
- (V) Business relations with suppliers
- (VI) Fair competition

Avoidance of conflicts of interest

Handling of information

- (I) Prohibition of insider trading
- (II) Commitment to data protection and security
- (III) Protection of trade secrets – confidentiality obligations
- (IV) Information security
- (V) Social media and external communications

Handling of company property

The code of conduct for business partners is designed to ensure that due diligence principles and rules are applied and shared across the entire value chain, above and beyond the own organisation. This code of conduct is an integral part of all contracts between the Zumtobel Group (with all its business units) and its business partners. The Zumtobel Group expects its business partners and their employees to acknowledge and observe the due diligence principles and rules included in the code of conduct, and to share these principles and rules with their direct business partners and employees.

Fight against corruption

„WE NEVER ACCEPT CORRUPTION AND REPORT ANY CORRUPT BEHAVIOUR BY THIRD PARTIES.“

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, preventing 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.

The systematic, standardised risk analysis for compliance risks represents an important element of the CMS. 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 compliance software.

The corporate audit and compliance organisation 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 organises 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. This analysis is repeated annually, its development is analysed and measures to minimise risk are implemented if necessary.

Twenty-four sales companies underwent an Internal control check as part of the annual self-assessment for global sales in 2023. As part of the self-assessment process, questions were added to determine the existence and implementation of local policies to prevent fraud.

Code of conduct training was successfully completed by 85 % of all salaried employees in 2023.

The focus topics included fair competition, conflicts of interest, the handling of invitations and gifts, and processes and procedures to combat corruption. This training is mandatory and automatic for all new hires. The course content is currently under revision, the code of conduct will be adapted accordingly and will be followed by mandatory employee training.

Disclosure of incidents:

There were no confirmed incidents of corruption or bribery during the financial year 2023/24.
There were no convictions or fines for violations of the laws governing corruption or bribery.
There were no confirmed incidents involving the termination or disciplinary action of company employees for corruption or bribery.
There were no confirmed incidents involving contracts with business partners that were cancelled or not extended due to violations related to corruption or bribery.

Conflicts of interest

„WE ALWAYS ACT IN THE COMPANY’S INTEREST.“

Loyalty and actions in the best interest of the company represent fundamental values for the employees of the Zumtobel Group. Employees are required to report any activities or secondary employment that could lead to a conflict of interest or influence decisions. In this connection, a supplementary guideline was issued for buyers (ethical charter for buyers) which must be confirmed in writing.

Fraud

„OUR BEHAVIOUR IS CHARACTERISED BY RESPECT, HONESTY, TRANSPARENCY AND RELIABILITY.“

The Zumtobel Group takes preventive steps to detect and manage misconduct, fraud and white-collar crime as well as violations of organisational rules. Any type of violation in this connection is strictly rejected.

The Zumtobel Group aims to create and maintain 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, bribery and fraud.

The integrated compliance management system installed by the Zumtobel Group covers the prevention of criminal offenses involving corruption, fraud and bribery as well as the granting of advantages to or bribery of public officials.

Disclosure of incidents:

There were no confirmed incidents of fraud during the financial year 2023/24.
There were no confirmed incidents involving the termination or disciplinary action of company employees for fraud.

Money laundering

“WE ARE DECISIVELY OPPOSED TO THE MISUSE OF THE FINANCIAL MARKET.”

The Zumtobel Group is committed to the active fight against the improper use of the financial market and financial system. Clear rules have been issued for the initiation of business transactions and the settlement of payments to prevent the possible concealment or shift of assets with a potentially illegal origin and the possible financing of malicious actions.

The preventive measures implemented by the Zumtobel Group include the following:

- Exclusion, prohibition of cash transactions
- Identification and verification of the identity of business partners
- Especially for customers in countries outside Europe: Review of the business partner (countries and persons) by global customs & export control before the conclusion of any business transactions to identify possible inclusion in sanction lists
- Special audits by corporate finance and corporate compliance of implausible constellations between the customer/delivery location/source of payment

The Zumtobel Group's business model is based on business to business (B2B), i.e. our business partners are companies.

These companies are subject to similar or the same legal disclosure obligations for their own business activities. This situation facilitates the implementation of precautionary measures to prevent money laundering.

Any suspected cases are logged and reported to the Zumtobel Group's financial organisation and examined together with group compliance. If the existing doubts cannot be clarified, the business transaction or payment is rejected.

Disclosure of incidents:

No violations or legal proceedings over money laundering were identified during the reporting year.

Anti-competitive practices

“WE ARE COMMITTED TO FAIR COMPETITION.”

The Zumtobel Group's compliance management system (CMS) covers the prevention of corruption, in particular criminal offences involving corruption and bribery. The CMS guidelines related to anti-trust law cover the prevention of agreements and coordinated practices that could restrict competition.

The Zumtobel Group strives to establish and maintain competitive advantages over other market participants. We realise these advantages through the continuous improvement of our products and services – and reject prohibited agreements in any form.

Disclosure of incidents:

No violations or legal proceedings involving legal disputes over anti-competitive behaviour or the creation of cartels or monopolies were identified during the reporting year.
No new findings or legal proceedings over non-compliance with legal regulations or requirements in the economic field were identified during the reporting year.

Data protection

„DATA PROTECTION GIVES US A COMPETITIVE ADVANTAGE.“

The Zumtobel Group's compliance organisation supported the subsidiaries and affiliates which process personal data and are therefore subject to the General Data Protection Regulation (GDPR; "Datenschutz Grundverordnung"), among others with training and the preparation of corporate guidelines in 2023/24. The data protection coordinator actively assists the local data protection officers in implementing the necessary measures.

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

- Updating the production registers for the leading companies in the Zumtobel Group
- Transfer of processing activities from the management companies to local unit registers (LEs)
- Introduction of a legally compliant content management system for marketing and sales
- Inclusion of changes in the data protection toolbox

- Implementation of new legal requirements and training for the involved departments
- Advising on technical issues
- Continuous adaptation of the data protection manual to reflect new legal requirements
- Exchange of information with local units in non-EU countries

All major process descriptions relating to data protection and the handling of personal data in the Zumtobel Group are described in the updated data protection manual. In addition to these process descriptions, the manual also includes a list of 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 and maintained during the reporting year.

Compliance training software was purchased to further improve training activities. This tool makes it possible to incorporate the needs of the individual organisations and to develop attractive training on relevant subjects. Several training courses on compliance and data protection have been prepared and rolled out. The data protection policy is available to all Zumtobel Group employees in the INlight internal communications network.

Disclosure of incidents:

A data protection incident was identified in 2023/24. It was reported to the compliance department by the Works Council and was halted as soon as the report was received. The effects were limited and the circle of involved persons was in the low double-digit range. The incident was reported to the Austrian data protection agency, which did not take any follow-up actions.

Critical concerns and the whistle-blower system

„ANONYMITY REDUCES FEAR AND PROTECTS AGAINST NEGATIVE CONSEQUENCES.“

The Austrian Parliament passed a new whistle-blower protection act (“HinweisgeberInnenschutzgesetz”) and an accompanying legislative amendment on 1 February 2023. This finalised the implementation of an EU Directive in Austrian national law.

The Zumtobel Group’s whistle-blower system is a safe reporting and communication tool that is available to all stakeholders (employees, suppliers, customers, shareholders etc.) to submit information on potentially serious violations of compliance and due diligence issues and issues involving data security. Technical support for the Zumtobel Group’s whistle-blower system is provided by the BKMS (Business Keeper Management System) which is used worldwide. The whistle-blower system meets all legal requirements of the EU Whistle-blower Directive and the Austrian Whistle-blower Protection Act.

The 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. Confidentiality is always ensured – it is one of the basic requirements of the EU Whistle-blower Directive which took effect on 16 December 2019 and its implementation in Austrian national law. The access options were optimised and adapted in 2023/24.

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.

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 Zumtobel Group’s 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
- Human rights
- 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. The requirements were re-evaluated during the reporting year and integrated in organisational instructions. Possible violations or non-compliance with due diligence requirements can also be reported over the external whistle-blower system.

Disclosure of reports:

There were seven reports over minor concerns in 2023/24. All of these concerns were resolved or refuted after internal investigations.

Training on compliance issues

„ALL NEW EMPLOYEES RECEIVE COMPLIANCE TRAINING.“

The code of conduct implemented by the Zumtobel Group many years ago was revised during the reporting year to include refresher courses for all employees. These regular courses and updates help employees to act with integrity in all types of business situations and to minimise risks for the company.

All new employees are required to register for online training on compliance and data protection during their introduction phase. The modules – compliance (module 1) and data protection (module 2) – are offered on a Group-wide learning platform. The invitation to online training is sent via email and is a fixed part of the onboarding process for new employees. These modules must be completed within 30 days. Three months after this period, the new employees take the code of conduct refresher course.

GOVERNANCE / COMPLIANCE

5.2 DUE DILIGENCE REQUIREMENTS

How we uphold due diligence obligations along the value chain

„DUE DILIGENCE IS CRUCIAL TO ENSURE THAT OUR PROCUREMENT AND CONTRACTING CRITERIA TAKE INTO ACCOUNT ALL RELEVANT ASPECTS AND ACTIVELY PROMOTE SUSTAINABILITY.“

Miro Ardan, SVP Global Purchasing
Zumtobel Group

The Zumtobel Group's commitment to sustainability and due diligence extends across the entire value chain and is an integral part of the corporate strategy. Through its commitment to responsible management and due diligence, the Zumtobel Group demonstrates its position as an advocate for human rights, labour standards and environmental protection.

The respect for and compliance with human rights and compliance with the principles of labour law, occupational safety and the protection of health all over the world are essential elements and form the basis for cooperative partnerships.

The Zumtobel Group also supports and complies with the following international standards which cover the respect for and observance of human rights and fair working conditions:

Universal Declaration of Human Rights
OECD Guidelines for Multinational Enterprises
UN Guiding Principles on Business and Human Rights
10 principles of the UN Global Compact
ILO Declaration on Fundamental Principles and Rights at Work

The Zumtobel Group documents its commitment to responsible management and compliance with international social standards through active membership in the UN Global Compact. Regular reports are published in connection with this membership (COP – Communication on Progress) to document the activities and progress in implementing the ten principles of the UN Global Compact.

The code of conduct forms the basis for daily actions by the workforce in order to ensure honesty in all business situations. To meet the requirements of the Supply Chain Due Diligence Law ("Lieferketten sorgfaltspflichtengesetz", LkSG) in Germany and the EU's Corporate Sustainability Due Diligence Directive (in short: CSDDD), the Zumtobel Group is taken active steps through regular exchanges with suppliers, the adaptation and signing of the code of conduct for business partners, and supplier audits and sustainability audits. Possible violations of human rights and environmental standards received by the whistle-blower system are systematically processed and reduced.

Human Rights

The "slavery and human trafficking statement" for Great Britain is renewed annually. Compliance with human rights, labour rights, occupational safety and health protection is regularly reviewed by a third party at all locations in connection with ISO 14001 certification, in particular to prevent child labour and forced labour. These reviews are based on the international labour and social standards issued by the Internationalen Labour Organisation (ILO).

The following agreements are anchored in our code of conduct and in the whistle-blower system:

- Freedom of association and protection of the right to organise (Conventions 87, 98)
- Forced labour (Conventions 29, 105)
- Minimum age for employment and child labour (Conventions 138, 182)
- Discrimination and fair working conditions (Conventions 100, 111)
- Occupational safety & health (Conventions 155, 187)

The Zumtobel Group's declaration of principle on human rights was issued as a separate group policy (GP 237). It underscores the commitment to and support for human rights in all business activities. The code of conduct designates this group policy as an important reference point for employees and business partners. The whistle-blower system of the Zumtobel Group was also expanded to include the category "human rights" to allow for even more comprehensive reporting.

The Zumtobel Group's human rights policy covers the following main areas:

- Prohibition of child labour
- Prohibition of forced labour
- Freedom of association and the right to collective bargaining
- Equal opportunity and protection against discrimination
- Fair and appropriate remuneration
- Working conditions (incl. working times)
- Protection of health & occupational safety

Disclosure of incidents:

No reports were received or processed by the Zumtobel Group's whistle-blower system in 2023/24 involving possible knowledge, proceedings or violations of human rights or environmental regulations.

No discrimination incidents were reported in 2023/24.

GOVERNANCE / COMPLIANCE

5.3 ENVIRONMENTAL COMPLIANCE

How we fulfil legal and voluntary binding obligations

Compliance not only covers the observance of legal regulations, but also includes the voluntary binding obligations resulting from the integral approach derived from ISO standards 14001, 45001 and 50001 as a fixed part of the global and local processes in the Zumtobel Group's integrated management system. The determination, observance and evaluation of all legal and voluntary obligations take place according to fixed global processes in this system.

All production locations have established a legal database to document, evaluate and monitor the relevant local obligations. New requirements and any related changes are recorded and assessed, and the necessary measures to ensure compliance are defined and implemented.

External legal consultants and service providers help the production locations to identify and interpret the relevant legal obligations and are responsible for the annual evaluation of compliance. Compliance with these obligations is also monitored by internal and

external audits and by specific compliance audits.

They also included a review of compliance with one-time and recurring obligations in the various areas. External audits are carried out on-site at regular intervals. These processes include annual evaluations by the Quality Austria certification agency and on-site inspections by local authorities. The focus is generally on compliance with relevant environmental and labour protection obligations. No issues involving non-conformance were identified in connection with these on-site inspections.

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

Non-compliance with environmental laws and regulations

The Zumtobel Group implemented a whistle-blower system in 2017. This platform is available to interested parties, both internal and external, for all types of reports. The information is independently processed and reviewed. No reports or complaints involving environmental compliance were received during the reporting year.

External reports and inquiries from local residents or other interested parties are recorded and investigated by the local staff. If the reports are justified, measures are implemented immediately to identify, minimise or, when possible, to eliminate the causes.

There were no fines, other sanctions or legal proceedings involving non-compliance with environmental protection rules and regulations in 2023/24.

Internal and external audits and, in part, on-site inspections by government authorities on environmental compliance were carried out at all relevant production locations, and no issues involving non-conformance were identified.

GOVERNANCE / COMPLIANCE

5.4 ENVIRONMENTAL & SOCIAL STANDARDS IN THE SUPPLY CHAIN

How we take care of transparency and due diligence along our supply chain

Every potential supplier must confirm compliance with the code of conduct for suppliers in writing before the possible start of business relations with the Zumtobel Group. This code was expanded in 2022/23 to add various due diligence content and, following the inclusion of the latest EU due diligence requirements, now reflects the latest standards. Approval as a supplier is then followed by the monitoring, improvement and measurement of environmental and social standards in the supply chain based on the newly established platform "DigiSus" (with EcoVadis and IntegrityNext). Environmental and social standards play a central role in the evaluation of suppliers' sustainability performance by EcoVadis (major supply partners) as well as IntegrityNext.

The content entered by the suppliers on the sustainability platforms is sampled in connection with voluntary on-site or online sustainability audits. The audits also query, verify and document additional sustainability related content.

The Zumtobel Group renewed its commitment to a responsible and sustainable procurement process in 2023/24 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 for business partners

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 of the code from the 2020/21 financial year with its general behavioural rules was substantially expanded to include, above all, rules covering corruption, violations of human rights, forced labour and child labour as well as the environment and sustainability. As previously mentioned, this document was also supplemented in 2022/23 by various due diligence content and, following the inclusion of the latest EU due diligence requirements, now reflects the latest standards. Diversity and inclusion aspects were also fully integrated and, in a first step, rolled out to suppliers in risk countries. By signing the code, the partners agree to fight all indicated risks concerning violations in the supply chain under all circumstances and to eliminate these risks in their sphere of influence. Based on volume, 97.8 % of suppliers have signed the code of conduct (2022/23: 97.4 %).

Content of the code of conduct for business partners:

Whistle-blower system and recording of reports

Due diligence requirements

General principles of conduct and expectations of business partners

Principles and guidelines for due diligence requirements

- (I) Compliance with human rights
- (II) Environment and sustainability
- (III) corruption and the fight against money laundering
- (IV) Criminal activities in dealing with public officials and in business transactions (in general)
- (V) Conduct in dealings with competitors (anti-trust law)
- (VI) IT security
- (VII) Intellectual property and confidential information
- (VIII) Social media
- (IX) Data protection
- (X) Controls and partnership

GOVERNANCE / COMPLIANCE

5.5 SUPPLIER MANAGEMENT

How we establish efficient supplier management

The implementation of a sustainable procurement concept, including 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 meet 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 and social aspects in recent years.

NUMBER OF SUPPLIERS TO RISK COUNTRIES	2019/20	2020/21	2021/22	2022/23	2023/24
TOP supplier Lighting Segment	N/A	N/A	N/A	54	59
China	N/A	N/A	N/A	21	25
Serbia	N/A	N/A	N/A	31	30
Thailand	N/A	N/A	N/A	1	1
Turkey	N/A	N/A	N/A	1	1
TOP supplier Segment	N/A	N/A	N/A	85	84
China	N/A	N/A	N/A	74	72
Serbia	N/A	N/A	N/A	8	9
Thailand	N/A	N/A	N/A	2	1
Malaysia	N/A	N/A	N/A	1	1

Goal attainment in 2023/24

Supplier management relating to information on CO₂ emissions, ISO certifications achieved and the commitment to SBTi has been intensified with the new "DigiSus" platform. In future, the exchange of information on relevant, sustainability-related data is to be further expanded in order to create more transparency in the supply chain.

The Zumtobel Group assesses its top suppliers annually with regard to potential risks such as the risk of child labour and forced or compulsory labour.

Following the implementation of a sustainable procurement rating through the EcoVadis platform (see the detailed description in the section on the onboarding process), 193 Zumtobel Group suppliers for direct materials and merchandise – with a focus on top suppliers – were audited and rated by EcoVadis. A total of 1,143 suppliers for direct materials and merchandise were evaluated by the IntegrityNext platform (see the detailed description in the section on the onboarding process) to obtain an abstract rating based on the respective country and industry risk. This combination of critically classified suppliers includes a component of 40 % in the People's Republic of China.

A large number of other critically classified suppliers are located in the Republic of Serbia and the United Kingdom due to the two major plants located in these countries. The self-evaluation on the IntegrityNext platform was actively completed by 153 suppliers for direct materials and merchandise.

Supplier onboarding process

The basis for business relations is formed by a systematic supplier evaluation and release process (supplier onboarding). It begins with the signing of the code of conduct for business partners and continues with the screening of economic factors through a self-evaluation questionnaire and a detailed assessment of the potential supplier's sustainability performance by EcoVadis (supplier rating, preferred for suppliers with strategic relevance) or IntegrityNext (supplier self-evaluation, preferred for suppliers with lower strategic relevance).

A later step includes an agreement over the commercial and quality aspects of the contract, which ends with an audit 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 long-term, sustainable partnerships. New suppliers are also carefully evaluated for compliance with legal regulations like the REACH/ROHS guideline or conformity with conflict minerals prevention.

DigiSus (Digital Sustainability) – the digital solution for supplier management

Efforts were undertaken in 2023/24 to transform supplier management. The use of new tools allows the Zumtobel Group to monitor suppliers more efficiently and to also follow their performance and compliance online. The EcoVadis platform evaluates business partners based on an individually designed questionnaire which always reflects the respective region and industry. EcoVadis also requires proof of the content provided through the upload of various documents and certificates. The evaluation also covers the supplier's sustainability performance with regard to the environment, labour and human rights, ethics and sustainable procurement. A certificate for ESG performance is then awarded on the basis of the information and documents provided by the supplier.

The IntegrityNext platform is based on self-declarations by the suppliers and is designed to ensure that all Zumtobel Group suppliers meet the requirements of the Supply Chain Act and, in the future, also the EU Due Diligence Directive. This platform also makes it possible to collect a variety of additional information on the business partner's sustainability performance. An abstract risk assessment can also be carried out based on the region or industry where the supplier is located or active. This data leads to a priority ranking for the further investigation and possible development of specific suppliers.

The Zumtobel Group's short-term goal is to arrange for the evaluation of all major suppliers with strategic relevance (high revenue volume). This evaluation will be performed by EcoVadis or with the extensive individualised IntegrityNext questionnaire for strategic suppliers. IntegrityNext will also help to meet the requirements of the Supply Chain Act and EU Due Diligence Directive by obliging all suppliers (also the non-strategic) to submit a self-declaration on compliance issues. In the future, IntegrityNext will also be used to query or verify REACH/ROHS conformity and, for example, compliance with conflict minerals prevention.

In addition to the implementation of EcoVadis and IntegrityNext, substantial efforts were undertaken in 2023/24 to adapt the Celonis process mining tool to process and support the visualisation of large volumes of data from these two platforms. User-friendly analyses will also be presented digitally and in real time.

The implementation of DigiSus and the EcoVadis and IntegrityNext sustainability platforms as well as the visualisation options for results in Celonis represent a milestone in the Zumtobel Group's sustainability evaluation of suppliers. This applies to existing business partners as well as new suppliers scheduled for release.



Sustainability evaluation & supplier audits

In 2023/24, 219 quality system, process and/od control plan audits (2022/213: 175) were carried out. These audits were adapted, where necessary, to reflect the requirements for the respective suppliers. A special focal point of the QS audit is the implementation of the selected quality management system (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 all 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 action by the supplier as well as a new audit that evaluates and documents the implementation of the measures and improvements. Business relations are not started with suppliers who have not completed a positive QS audit. Of the total audits carried out in 2023/24, 123 (2022/23: 114) also represented sustainability audits. The related activities covered QS/process issues and included a special focus on ethics, health and safety, work and worker protection, and environmental management. A threshold was also defined for a positive sustainability audit in this area.

Audits with less than the necessary points require immediate action by the supplier by mutual consent.

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 environmental and social risks in the

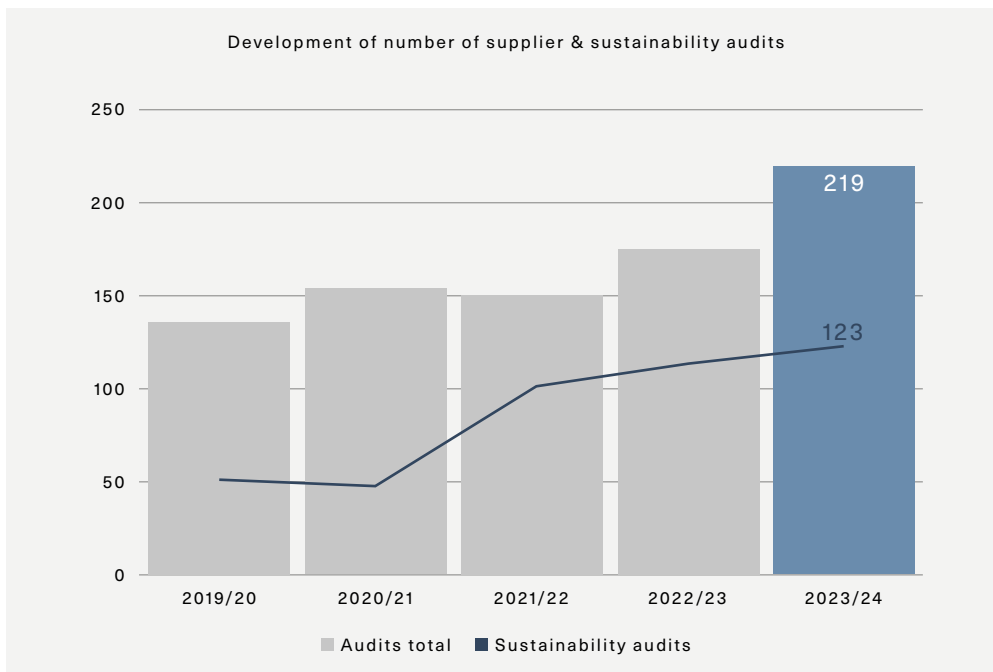
supply chain – and their exclusion from the supply chain.

Additional risks are listed below:

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
Conformity with the EU Corporate Sustainability Due Diligence Directive
Conformity with the standards of the German Supply Chain Due Diligence Law

The internal definition of risk countries was replaced in autumn 2023 by the abstract risk assessment by IntegrityNext in connection with the introduction of the sustainability platform. Far more than 90 % of all suppliers of direct materials and merchandise as well as an increasing number of indirect material suppliers were covered by this abstract risk rating based on their location and industry.

SUPPLIER AUDITS/ SUSTAINABILITY AUDITS	UNIT	2019/20	2020/21	2021/22	2022/23	2023/24
Suppliers (99.9 % annual volume)	Number	692	674	659	708	686
New suppliers	Number	N/A	N/A	8	11	20
Total audits	Number	136	154	150	175	219
	in %	19.7	22.8	22.7	24.9	31.9
Sustainability audits	Number	51	48	101	114	123
	in %	37.5	31.2	67.3	65.1	56.2
Audits of new potential suppliers total	Number	N/A	N/A	32	45	52
Sustainability audits of new potential suppliers	Number	N/A	N/A	9	27	28
	in %	N/A	N/A	28.1	60.0	53.8
Suppliers with negative impact	Number	N/A	N/A	14	15	30
Suppliers with negative impact and termination of supplier relationship	Number	N/A	N/A	0	0	0
New suppliers with negative impact	Number	N/A	N/A	6	4	7
New suppliers with negative impact & termination of supplier relationship	Number	N/A	N/A	0	0	0



IntegrityNext combines an abstract risk with the supplier's self-evaluation to develop an overall ESG rating for the respective business partner. Suppliers for the Zumtobel Group with a lower abstract rating are invited to provide a self-evaluation. As described above, the major suppliers with significant volumes are generally given priority. Suppliers with a critical ESG rating are given priority for sustainability audits.

The integration of emissions and the requirements of the Due Diligence Directive in the supplier self-evaluation and the direct roll out to the most important suppliers in risk countries during 2022/23 led to the following ratings:

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 independent third parties, e.g. ISO 14001 and ISO 45001.

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 or external certification to ensure greater transparency over sustainability issues.

Sustainability training for the procurement staff

„ALL EMPLOYEES INVOLVED IN PROCUREMENT RECEIVE SUSTAINABILITY TRAINING“

The training initiative "sustainability for the procurement organisation" was planned and carried out during the reporting year. Four scheduled courses were held for 94 employees in the global procurement organisation on the issues of sustainability and due diligence along the value chain.

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 Components Segment under the menu point “Sustainability”.



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Reference to the audit opinion in the annual financial report 2023/24

The contents of the consolidated non-financial reporting were audited and confirmed with limited assurance by PwC as part of the 2023/24 consolidated financial statements.

https://z.lighting/documents/3153/Zumtobel_Group_-_Annual_Financial_Report_2023-24_zQ04MsK.pdf

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. Non-individually named groups such as 'customers', 'suppliers' or 'shareholders' are also referred to using their generic masculine form. In these cases, the chosen formulations apply without restriction to all genders. Contact information

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We want to operate sustainably while protecting the environment in the best possible way. In this sustainability report, the beauty of nature is expressed through photographs on the theme of water in combination with light. The images were captured on our doorstep, at our founding location in Vorarlberg. From an initially holistic perspective, the images turn into close-ups of water droplets and waves. This photographic series reflects, among other things, our entrepreneurial approach - from the overall view to the details.



ZUMTOBEL Group