# Corporate Responsibility
## Report 2022-2023

# Contents

# Preface

> " Social responsibility starts with a robust, competitive company and is an essential part of our actions.

**Dear Readers,**

The past years have shown how crucial it is to make sustainability and responsibility awareness the focus point of our corporate actions. The Zollner Group of companies is aware of its role as a globally active Mechatronics service provider, and we understand that our success is not only based on technological innovation and outstanding quality but just as much on our contribution toward economic, ecological and social responsibility.

In a time of increased societal and climatic challenges, we set clear priorities as a family-owned company: We do not only want to be economically successful but actively contribute to improvement of the life quality of our employees, business partners and the communities in which we are active. We pursue this approach along the entire value added chain, whether it is with the promotion of fair working conditions, environmental protection or fortifying our regional networks.

Our responsibility is spread across three central pillars: responsible economic activity, ecological sustainability and social responsibility. In this report, we show you how with targeted measures progress can be achieved in these areas - from reduction of emissions through continuous improvement of working conditions to support for local communities and educational projects.

Recent years were also characterized for us by great changes and challenges. Nevertheless, with innovative power and adaptability we have established a stable basis upon which we will grow in the future. We contribute actively to the achievement of global sustainability goals with every new project or new initiative we implement. Our goal is to continue to be a reliable partner for our customers and a responsible employer for our employees.

This report should give you a clear and transparent insight into our actions and illustrate how our company fulfills its legal obligations to contribute to sustainable development.

We wish you an informative read.

Zandt, June 2024

Ludwig Zollner
Board Spokesman

## About this report

**Reporting period**

This report refers to the fiscal years of 2022 and 2023, whereby a fiscal year goes from 01/01 to 12/31.

The key indicators refer, if not otherwise marked, to the key date of 12/31/2023 and is depicted for the current reporting period as well as the two prior ones and two subsequent periods of time (if figures/data and plan numbers/data exist):

2020 ⟵ 2022-2023 ⟶ 2025

It will be identifiably marked where statements only apply to a lesser time period.

The Zollner Group of companies originally selected a reporting cycle of two years. According to that, the next report will be published in 2026. After that, this will switch to annual reporting in accordance with changes to European legislation regarding the Corporate Sustainability Reporting Directive (CSRD).

**Report contents**

This report was created in compliance with 2016 GRI standards: "Core" option.

The information in the report refers to Zollner Elektronik AG and its subsidiaries (as stated in Chapter 1.3 Locations) and thus cover this part of the Zollner Group of companies. If only individual companies or locations are addressed, this will be marked accordingly.

# 1. The Zollner Group of companies

## 1.1    Company profile

Complex mechatronic systems - from research and development to after-sales service: As a partner to globally acting top-level companies as well as smaller and medium-size companies, the Zollner Group of companies offers technology and sector-crossing system solutions along the entire product life cycle.

We are technical service providers for customer-specific products from research and development and consultation through production and supply chain management to after-sales service. Zollner does not develop its own products and does not bring products to the market.

At 24 global locations we rely on quality, an optimal price-performance ratio, technological prominence and a Best-Country-Strategy along the entire value added chain. It makes no difference whether we are dealing with single parts, modules, devices or complex systems: The customer decides on process depth.

| | | | |
|---|---|---|---|
| **100 %**<br>of the AG is owned by the family | **~ 13,000**<br>employees worldwide | **∞**<br>individual system solutions | **No. 1**<br>EMS provider in Europe |
| **24**<br>locations worldwide | **2.9**<br>billion Euros revenue in 2023 | **7**<br>different sectors | **No. 12**<br>worldwide |

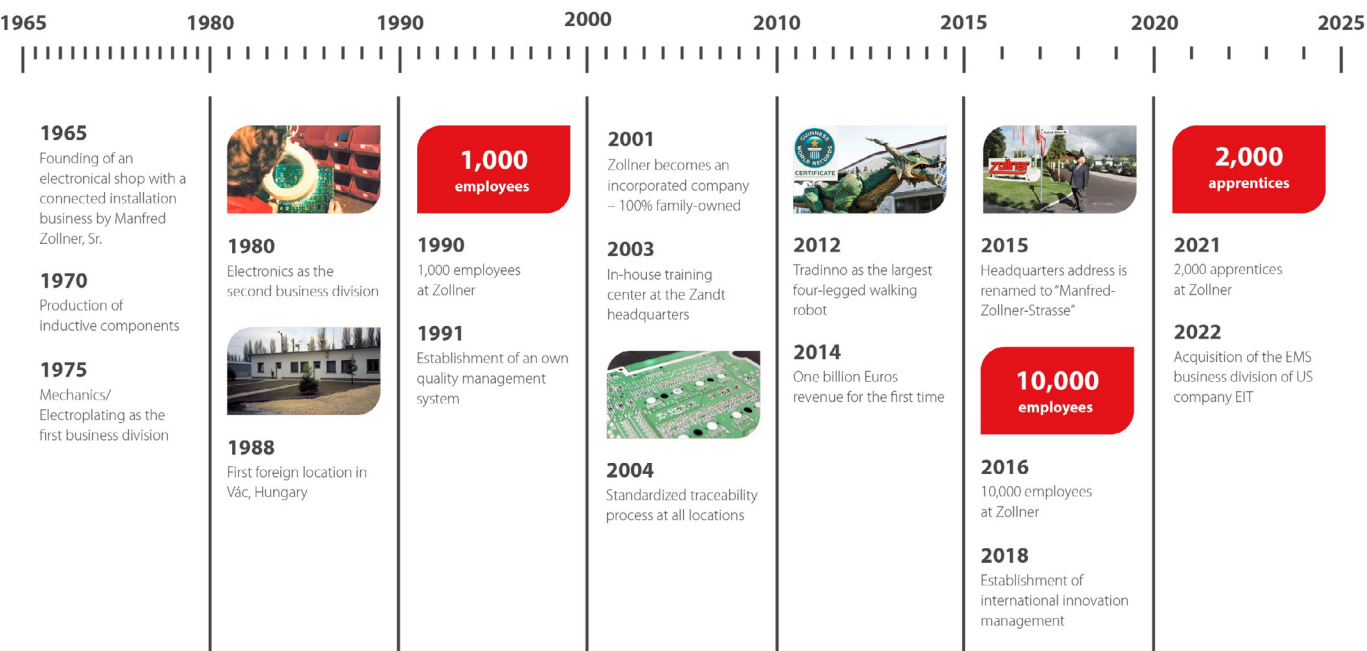*Zollner at a glance Figures, data and facts*

## 1.2 History

**From a one-man-operation to the market leading EMS provider in Europe:**

More than five decades ago, in 1965, Manfred Zollner laid the cornerstone in Zandt, Bavaria, for today's Zollner Elektronik AG. Since then, the company has developed into a Group of companies with over 13,000 employees worldwide. The company today is an incorporated company, which is 100% family-owned. With continuous, organic growth, the Zollner Group of companies has established itself as a Mechatronics Service Provider under the Top 15 EMS[1] providers in the world.

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Zollner is both a Mechatronics Service Provider and a flexible family-owned company.

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Success story: Milestones since 1965

1965    1980    1990    2000    2010    2015    2020    2025

**1965**
Founding of an electronical shop with a connected installation business by Manfred Zollner, Sr.

**1970**
Production of inductive components

**1975**
Mechanics/ Electroplating as the first business division

**1980**
Electronics as the second business division

**1988**
First foreign location in Vác, Hungary

**1,000 employees**

**1990**
1,000 employees at Zollner

**1991**
Establishment of an own quality management system

**2001**
Zollner becomes an incorporated company – 100% family-owned

**2003**
In-house training center at the Zandt headquarters

**2004**
Standardized traceability process at all locations

**2012**
Tradinno as the largest four-legged walking robot

**2014**
One billion Euros revenue for the first time

**2015**
Headquarters address is renamed to "Manfred-Zollner-Strasse"

**10,000 employees**

**2016**
10,000 employees at Zollner

**2018**
Establishment of international innovation management

**2,000 apprentices**

**2021**
2,000 apprentices at Zollner

**2022**
Acquisition of the EMS business division of US company EIT

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[1] Electronics Manufacturing Services: EMS companies are complete service providers and provide end-to-end solutions for Original Equipment Manufacturers (OEMs). The spectrum of services in the area of electronics stretches from research, development and prototyping through procurement and logistics to production and testing of PCBAs, modules, devices and complete electronic systems and encompasses after-sales service as well.

## 1.3    Locations

We realize system solutions for our customers' products at a total of 24 locations. You can find us in Germany, Hungary, Romania, China, Tunisia, the USA, Switzerland and Costa Rica.

**Zollner expands its market presence in the US**
In July or 2022, Zollner took over the EMS business division of US company Electronic Instrumentation & Technology (EIT). The takeover, founded on a long standing business relationship between EIT and Zollner - the two companies entered into a partnership already in 2009. EIT and Zollner are bound together by many commonalities - family-owned companies, similar mix of technologies, mutual established customer base, serves similar sectors and is also obligated to a high standard of quality. With this takeover, three additional locations were added on the East Coast of the US, in Salem, NH, Leesburg, VA and Danville, VA, to the Zollner production network.
Investment in EIT supports our strategic orientation of being able to serve local markets and strengthens to global market presence of our company.

**New location in Enfidha, Tunisia**
Founding of the electronics location in Tunisia is another step in our Best-Cost-Country-Strategy for the  competitive production of PCBAs and modules for Europe. The location of the new plant is on the East Coast of Tunisia in Enfidha.

Retooling measures for the leased building for electronics production started already in 2022. The start of production was at the beginning of 2023. The focus in the first part was in relocation of existing products with selected customers from the industrial sector. Close collaboration exists between the production plants in Germany, Romania and Tunisia.

**Zollner triples its space in Taicang**
On the 12th of October, 2023, Zollner Electronic Taicang opened the Plant Phase II in Taicang, Jaingsu Province, China in a celebratory way. The new plant represents an important milestone for Zollner because the company is expanding its production capacity in China to meet the growing demand there. The modern and intelligent facility will fortify the competitiveness of Zollner on the global market and at the same time contribute to local economic development.

*Plant development: Zollner relies on globalization*

**1965** Company founding
**1974** Zandt I (GER)
**1986** Lam (GER)
**1988** Untergschwandt (GER)
**1988** Vác (HU)
**1991** Neukirchen (GER)
**1998** Altenmarkt I (GER)
**2000** Altenmarkt II (GER)

**2001** Satu Mare I (RO)
**2002** Altenmarkt III (GER)
**2002** Furth im Wald (GER)
**2002** Szügy (HU)
**2004** Taicang (CN)
**2007** Satu Mare II (RO)
**2007** Beja (TN)
**2011** Milpitas (US)

**2013** Hombrechtikon (CH)
**2014** Cartago (CR)
**2015** Hongkong (CN)
**2018** Zandt II (GER)
**2019** Fremont (US)
**2022** Danville (US, EIT)
**2022** Leesburg (US, EIT)
**2022** Salem (US, EIT)

**2022** Enfidha (TN)

## 1.4 Leadership Structure, Risk and Opportunity Management

The Zollner Group of companies is structured according to a divisional organization matrix with staff functions. The Managing Board of Zollner Elektronik AG consists of five members, the Supervisory Board has four members. Subsidiaries outside of Germany are managed by General Managers on-site.

There are 13 central divisions for four strategic business areas (SBA) in the whole organization. The first management level in the central divisions and strategic business areas is disciplinarily subordinate to corporate leadership.

*Corporate Leadership*

From left to right:
Christian Zollner
Managing Board Member

Markus Aschenbrenner
Managing Board Member

Ludwig Zollner
Board Spokesman

Manfred Zollner
Supervisory Board Chairman

Thomas Schreiner
Chief Financial Officer (CFO)

Manfred Zollner, Jr.
Managing Board Member

Corporate responsibility is a component part of our management processes and closely tied to many strategic corporate goals. Responsibility for decision-making on economic, ecological and social topics lies with the Managing Board and General Managers of the respective subsidiaries.

In fulfillment of its full responsibility, the Managing Board of Zollner Elektronik AG has established efficient risk management through corporate-wide specifications. Direct responsibility for early recognition and communication of significant risks lies with the managers of the respective organizational units.

In order for them to fulfill their monitoring and control responsibilities, the Zollner Elektronik AG Managing Board and the management of companies in the corporation are routinely informed within the scope of periodic risk reporting about opportunities and risks in the organizational units. Suddenly occurring risks or significant damages that have occurred are reported applicable to the situation and applicable measures are introduced.

| | | |
|---|---|---|
| Automotive Technology | Rail Technology | Data Technology |
| Healthcare & Life Sciences | Industrial Electronics | Aerospace & Defense |
| Test & Measurement | | |

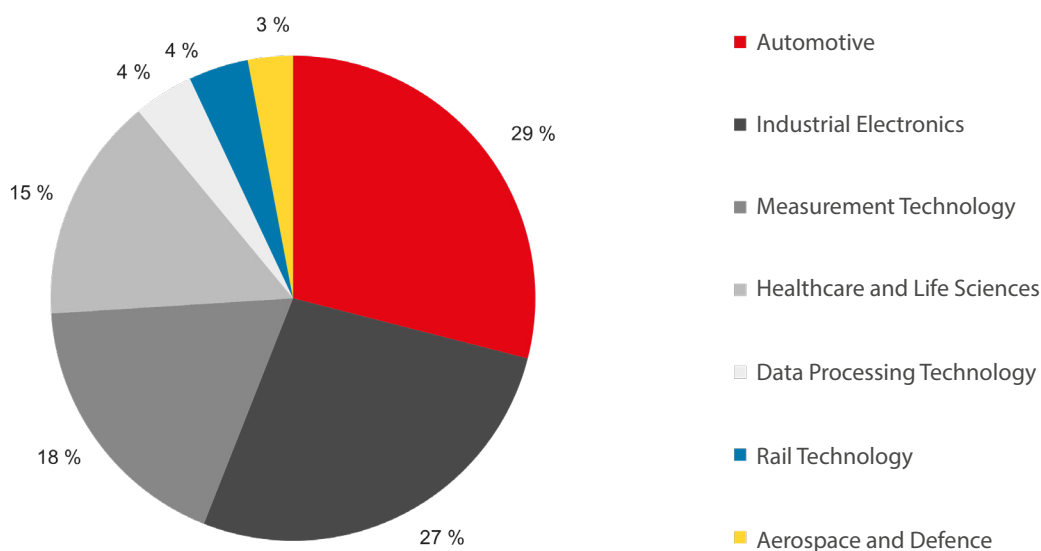*Broadly positioned in various sectors*

## 1.5 Sectors

We are at home in many sectors for which we also possess the necessary certifications[2]. Our customers exploit our expertise in the divisions of Automotive Technology, Rail Technology, Data Processing Technology, Healthcare & Life Sciences, Industrial Electronics, Aerospace and Defense and Measurement Technology.

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[2] https://www.zollner-electronics.com/en/about-us/certificates-honors-and-awards

We are able to react flexibly to market fluctuations with our broad sector positioning. Modern machining facilities and equipment are available to us for this, which is always state-of-the-art. Thus, we are able to exploit synergies from various different areas. As an EMS provider without its own products, we deliver many single electronic parts, modules, devices and systems with our technological know-how.

## Sector distribution by customer revenue



- ■ Automotive
- ■ Industrial Electronics
- ■ Measurement Technology
- ■ Healthcare and Life Sciences
- □ Data Processing Technology
- ■ Rail Technology
- ■ Aerospace and Defence

Pie chart values: 29 %, 27 %, 18 %, 15 %, 4 %, 4 %, 3 %

## Customer references

ADVANTEST · AESCULAP® · Agilent · AKG by HARMAN · ALSTOM · AW botics · ASK Automotive Industries Group · ASML

Atos · AL AUTOMOTIVE LIGHTING · AVL DITEST · BDT · Berlin Heart® · Besi · BIT BUILD INNOVATION TOGETHER · BMW

BRUKER · BRUSA · COLDPLASMATECH · curetis · Dallmeier · Dentsply Sirona · DIEBOLD NIXDORF · DIEHL Aerospace

DISRUPTIVE TECHNOLOGIES · Dräger · emz smart solutions · eos · erbe power your performance. · ERT Getting It Done. Right. · gerresheimer · G+D Currency Technology

HARMAN · HELLA · HIRSCHMANN A BELDEN BRAND · IBM® · ifm · imm photonics · KAVO Dental Excellence · KEYSIGHT TECHNOLOGIES

KID SYSTEME · Knick › · KNORR-BREMSE · KUKA · LELY · LOXONE · Miele · MinebeaMitsumi Passion to Create Value through Difference

MOOG · Nemera we put patients first · OTIS · QIAGEN · RICHARD WOLF spirit of excellence · SAFRAN · SARTORIUS · Schölly EXCELLENCE INSIDE

SEMIKRON innovation+service · SHAPE TECHNOLOGIES GROUP · SICK Sensor Intelligence. · SIEMENS · SIEMENS Healthineers · SMA · smiths detection bringing technology to life · somfy.

STIHL® · STORZ MEDICAL · stratec•• · TERADYNE · THALES · TRUMPF Hüttinger generating confidence · TRÜTZSCHLER · VANDERLANDE
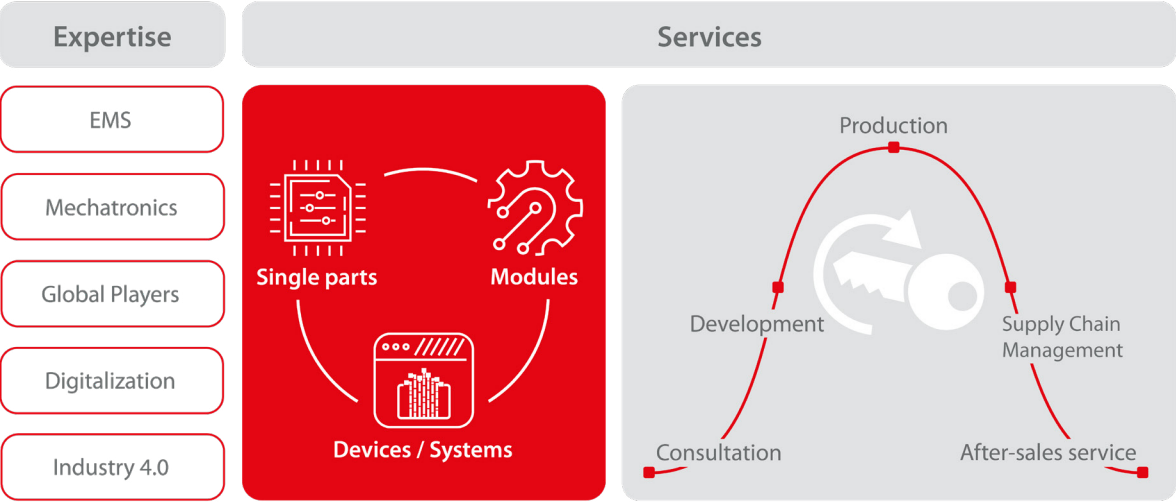
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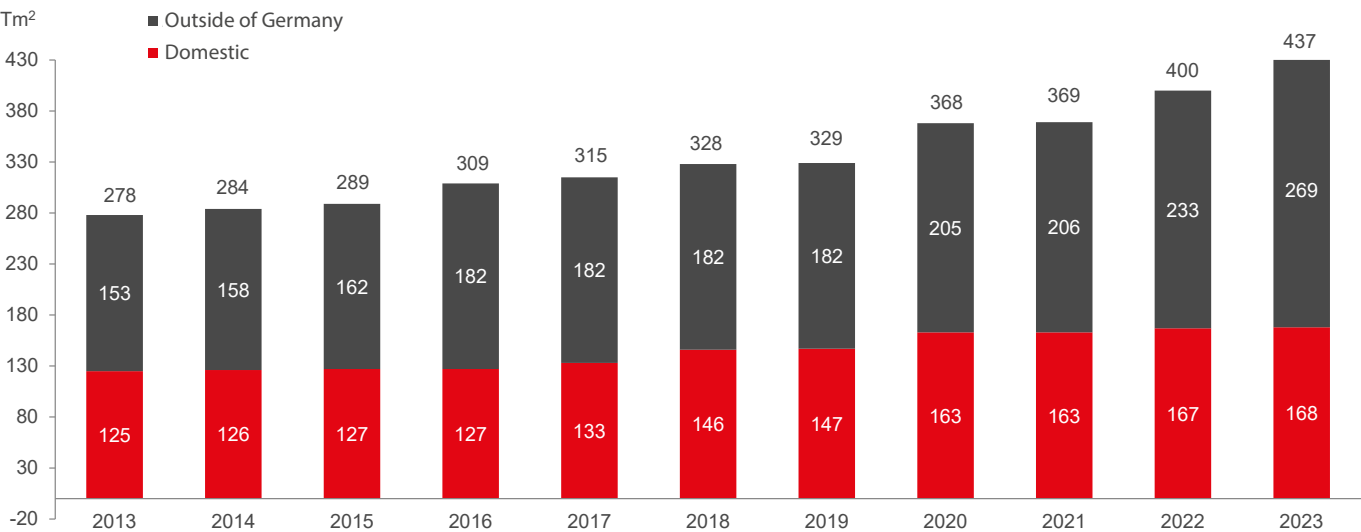
## 1.6 Services and Product Life Cycle Management

The Zollner Group of companies globally offers a broad pallet of services: research and development, NPI/engineering, materials management, obsolescence management, production, analysis and materials technology, worldwide delivery, repair, refurbishment and after-sales support.

We work internationally with standardized processes. At all of our locations, we not only have the same systems, machines and processes but also offer a high level of quality, flexibility and security.

| Expertise | Services | |
|---|---|---|
| EMS | Single parts — Modules — Devices / Systems | Production, Development, Supply Chain Management, Consultation, After-sales service |
| Mechatronics | | |
| Global Players | | |
| Digitalization | | |
| Industry 4.0 | | |

*Production space development*

Tm²

- ■ Outside of Germany
- ■ Domestic

| Year | Domestic | Outside of Germany | Total |
|---|---|---|---|
| 2013 | 125 | 153 | 278 |
| 2014 | 126 | 158 | 284 |
| 2015 | 127 | 162 | 289 |
| 2016 | 127 | 182 | 309 |
| 2017 | 133 | 182 | 315 |
| 2018 | 146 | 182 | 328 |
| 2019 | 147 | 182 | 329 |
| 2020 | 163 | 205 | 368 |
| 2021 | 163 | 206 | 369 |
| 2022 | 167 | 233 | 400 |
| 2023 | 168 | 269 | 437 |

**Business development**

At all of our locations, we act as a company under the premises of economic viability and job security. We always take ecological and social aspects in our economic decisions to secure the long-term competitiveness of the company and with that our responsibility as a reliable employer. A high equity factor of 57.7% in the fiscal year of 2023 (2020: 51.9%, 2021: 48.3%, 2022: 50.7%) reflects a balanced capital structure and underscores the stability of the company. Continuous increase in revenue (2020 corporate revenue development: 1.68 billion €, 2021: 2.33 billion €, 2022: 3.53 billion €, 2023: 2.89 billion €) makes investments in infrastructure and innovation possible. Because Zollner pays taxes where the value creation occurs, the company has an immediate influence on future-oriented development in the regions and the people there.

The Zollner Group of companies will continue in the next years to consequently pursue their embarked strategic orientation. Internationalization will be expanded in doing so. Altogether, now as in the past, organic growth is at the forefront. Supplemental to that, the technological spectrum will be expended as needed with smaller acquisitions or partnerships. The quality of services offered and the focus on attractive customers remain at the center of Zollner's efforts.

In partnerships built on mutual trust we offer our customers a high level of process depth relative to the complete product life cycle and solutions in the stages of delivery which reach from single parts to complete systems.

## 1.7 Supply Chain

As a globally active company, we know the different requirements of our customers' markets. Thus, our purchasing (Global Procurement) is set up internationally and binds regional strengths and market insights into a global organization. Global Procurement employees at our global locations take care of the setup and development of vendor/supplier relationships and with that ensure availability, quality and economic viability.

Our Global Procurement is oriented toward commodities and divided into the following main areas responsible for procurement-specific topics:
- Electronics,
- Electromechanics,
- Mechanics,
- PCB,
- Indirects/Investment.

*Purchasing volume overview per cluster*



- Electronics
- Electro-Mechanics
- Mechanics
- Indirect / Invest
- PCB

7 %
10 %
16 %
47 %
20 %
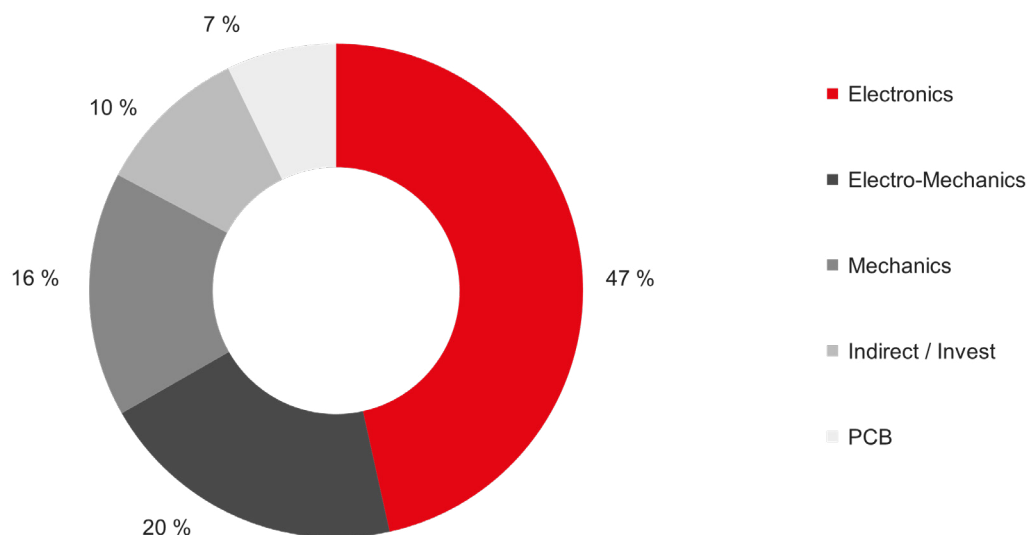
Additionally, supporting divisions have been established, who possess expert knowledge regarding supplier quality, purchasing processes, logistics, contract management and cost analysis (value engineering) and continuously further develop it. With bundling our purchasing volume and exploiting global procurement markets and sources, we pursue a significant reduction of material costs. Beyond that, the setup of long-term relationships with preferred vendors/suppliers, ensuring consistently high quality of purchased products and the implementation of logistics models are the goals of Global Procurement. Eventually we ensure with the reduction of the Total Cost of Ownership (TCO) a decisive competitive advantage for our customers.

### Sourcing in the best Region for world wide Business
### Local for Global & Local for Local



America
Europe
Central
Asia

Our local Purchasing divisions pull the needed materials and products from local and international vendors/suppliers defined by Global Procurement. The supplier base encompasses more than 7,400 vendors/suppliers from various countries. We purchase over 90% of our entire purchasing volume from around 15% of those suppliers.

*Purchasing volume development in €*

Sales in million €
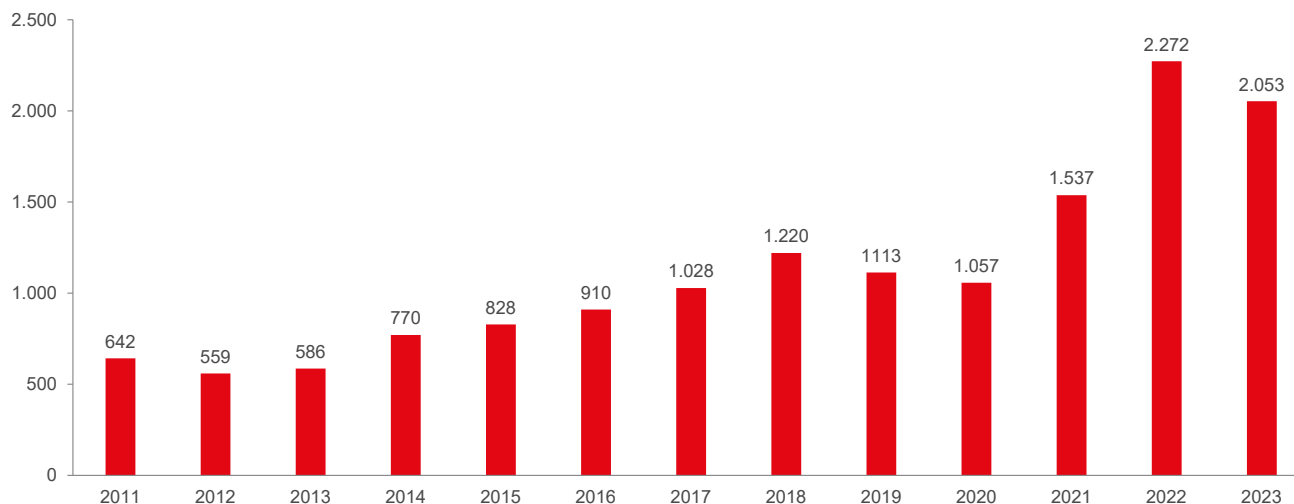


We work closely with our worldwide supplier network to reduce the negative impacts of our business activities. Social aspects play an important role in the selection of and collaboration with the suppliers in doing so. Written acknowledgment of the Zollner Code of Conduct is necessary to be approved as a qualified vendor/supplier to the Zollner Group of companies. We demand from our business partners to forward our human rights and environment-related expectations in the supply chain and to monitor its

adherence in an ongoing fashion. Adherence to the Zollner Code of Conduct will be reviewed as needed in supplier audits. If violations of a human rights or environmental obligation is discovered in a direct supplier, appropriate corrective action is taken to end or minimize the violation. Every corrective action has a concrete time schedule and can be assigned intermediate goals. An applicable vendor/supplier development program will be started upon determination of significant deficiencies.

## 1.8    Partner Network

With our international network of expertise we promote new perspectives, potential and insights. Worldwide synergies, innovative ideas, concepts fit for the future and strategic thinking make up the pillars of our efforts. Brisk technological and specialized exchange with institutes, universities and high schools as well as our work in trade associations belong to daily business for us. We are also partners of global networks and innovation platforms. In this way we combine our innovation and consultation expertise with the highest production standards and with that, together, we can bring sustainable solutions into new and existing markets.

*Our Partners*



The use of artificial intelligence is a fixed part of the Zollner digitalization strategy. In order to stay a step ahead in this area, the company has been working in close collaboration since 2021 with TIKI Technologisches Institut für angewandte Künstliche Intelligenz GmbH in Weiden. Through the merger with Zollner Elektronik AG, which was completed in 2023, TIKI has the opportunity of working realistically on further cross-sector solutions. The institute is very well networked at an international level with applied AI research and keeps close contact with universities seeking the practical relationship to their fundamental theoretical work.

## 2. Corporate Responsibility at Zollner (CR@Zollner)

As a globally active company, we acknowledge our full Corporate Responsibility. It is an essential component part of our corporate culture. Our activities in the areas of Responsible Business, Ecological Sustainability and Social Responsibility are anchored in our integrated management system.

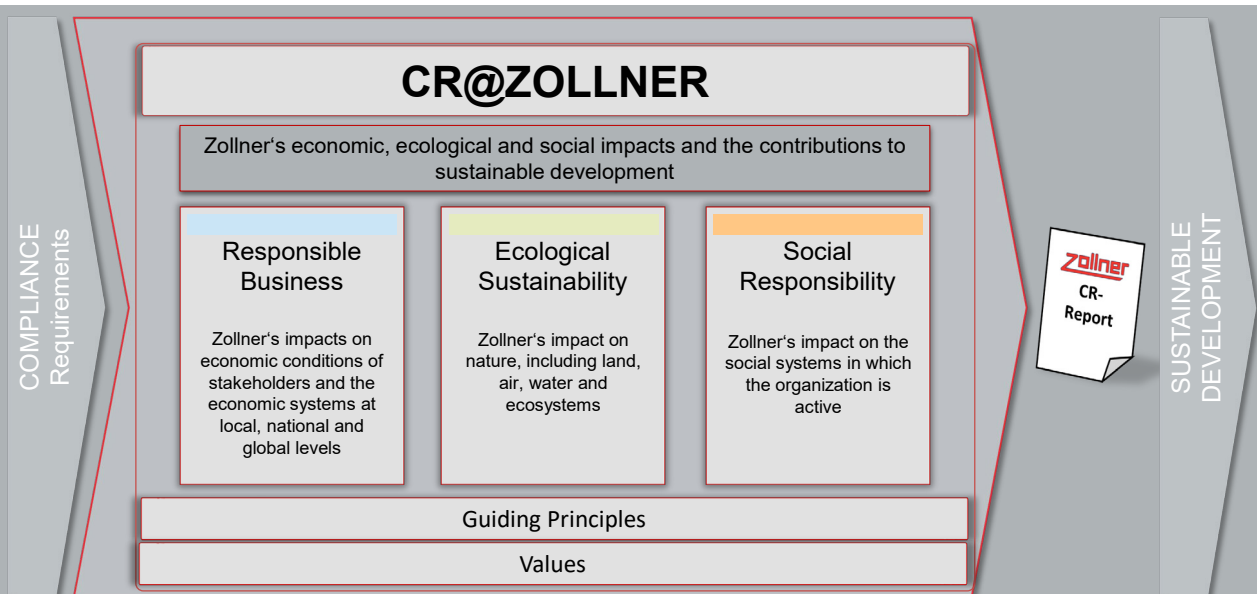### 2.1 Definition of "CR@Zollner"

Corporate Responsibility (CR) is a comprehensive term for us: we carry responsibility for every influence our business activities have on society and the environment.

With that we not only mean the social but full societal responsibility (economic, ecological and social)

In a nutshell, it means for us
**to act as holistically and sustainably as possible.**

Our Corporate Responsibility activities in economic, ecological and social regard are divided into the following areas:

- **Responsible Business** ,
- **Ecological Sustainability** and
- **Social Responsibility**.



CR@ZOLLNER

Zollner's economic, ecological and social impacts and the contributions to sustainable development

**Responsible Business** — Zollner's impacts on economic conditions of stakeholders and the economic systems at local, national and global levels

**Ecological Sustainability** — Zollner's impact on nature, including land, air, water and ecosystems

**Social Responsibility** — Zollner's impact on the social systems in which the organization is active

Guiding Principles

Values

COMPLIANCE Requirements

SUSTAINABLE DEVELOPMENT

Zollner CR-Report

Under **Responsible Business**, we understand in general the way in which we do business with our partners (customers, suppliers) in order to earn adequate profit so we can remain financially independent and can continue to organically grow.

Observed here, among other things: business integrity, transparent economic performance, fair procurement practices as well as fair competition, battling corruption, responsible location policy, our indirect economic impact, adequate investment policy (organic growth) and wage levels.

Belonging to **Ecological Sustainability**, among other things, are our contributions to environmental and climate protection as well as resource use (energy and water consumption), the use of renewable energy, determination and minimization of greenhouse gases and waste management (generation, handling and disposal of waste).

Under **Social Responsibility** we understand how we handle our employees, their working conditions, maintenance and promotion of health through occupational safety and health measures and, last but not least, our social responsibility toward the society of the regions of our locations.

Here we also look at our Corporate Citizen activities, which is our donation, sponsoring and charitable activities as well as the funding of volunteer charitable activities of our employees.

With our CR activities, we want to promote creativity, innovative spirit and entrepreneurship in our employees as well as improve employee retention and the company asset. Alongside that, CR@Zollner makes a contribution to fulfillment of the compliance requirements of our stakeholders.

## 2.2     Ethics and Integrity

Corporate Responsibility is an essential component part of our corporate culture.
The three pillars of our CR activities are based on our values and our guiding principles.

### 2.2.1 Our Values

To which values do we feel obligated as employees and members of leadership?

| Trust, respect and honesty | We can depend on each other and interact with mutual appreciation. |
|---|---|
| Holistic responsibility | We keep the corporation in mind as a whole and are proud of our collective achievements. |
| Professionalism | Our work is goal oriented, and we take advantage of our strengths and capabilities. |
| Adaptability | We embrace change, are innovative and possess the courage to face the unknown and continuously further develop ourselves. |
| Efficiency | We concentrate on what is most important, and we continuously improve our quality, time and cost. |
| Performance | We are implementation experts and place results for our customers and Zollner at the forefront. |

### 2.2.2 Our Guiding Principles

What is the purpose of the company, and what convictions do we have?

| |
|---|
| We are a professional mechatronics service provider and offer individual sector solutions along the entire value-added chain. |
| We deliver customer benefit and competitive advantages across the complete life cycle of products and services. |
| We bank on long-term, good faith partnerships. |
| We are continuously improving our innovative performance, quality and sustainability. |
| We continuously improve ourselves, which ensures productivity and process excellence. |
| We are fast, uncomplicated and utilize the synergies between our business areas and functions. |
| We count on qualified and motivated employees, on responsibility, initiative and team spirit. |
| We generate an adequately high profit to remain financially independent and be able to invest in the future. |
| As a family-owned company, our orientation is long-term, and we put our faith in organic, healthy growth while committing ourselves to our social responsibility. |

### 2.2.3 Zollner Code of Conduct

Our Zollner Code of Conduct[3] imparts the content of our compliance activities to relevant interest groups (employees and partners). It describes the essential legal and business policy basic principles to which we orient our relationships with business partners as well as our internal collaboration. It described standards to ensure that working conditions in the supply chain are safe, that employees are handled with respect and dignity and that manufacturing processes are ecosensitive and responsible.

The Zollner Group of companies obligates itself to adherence to the rules listed in the Zollner Code of Conduct. In all of our activities, we handle in full compliance with applicable laws, rules and regulations in the countries in which we are active. We expect adherence to these basic principles of conduct from our partners as the basis for our business relationship.

The Zollner Code of Conduct was created based on the basic principles of conduct of the Responsible Business Alliance (RBA), DIN ISO 26000 guideline for social responsibility and the Global Compact of the United Nations.

The managing Board carries responsibility for the creation, implementation, monitoring and reporting of the Zollner Code of Conduct.

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[3] https://www.zollner-electronics.com/en/about-us/zollner-code-of-conduct

*Zollner Code of Conduct contents (our standard)*

**A. Human rights and working conditions**
1) Free choice of employment
2) Ban on child labor, young employees
3) Working Times
4) Wages and social contributions
5) Humane handling, use of security forces
6) Ban on discrimination and unequal treatment
7) Freedom of association and a right to collective bargaining
8) Diversity
9) Rights of local communities

**C Environmental and climate protection**
1) Environmental permits and reporting
2) Conserving resources and recycling economy
3) Hazardous substances
4) Waste and wastewater
5) Air emissions
6) Restrictions on product ingredients
7) Energy consumption and greenhouse gas emissions
8) Animal protection
9) Biodiversity, land use, deforestation and soil quality

**D. Corporate Policy**
1) Business integrity
2) Ban on impermissible acceptance of advantages and conflicts of interest
3) Disclosure of information
4) Intellectual property
5) Fair business activities, fair advertisement and fair competition
6) Identity protection and ban on retaliatory measures
7) Responsible procurement of minerals
8) Privacy and data privacy protection

**B. Health and safety at the workplace**
1) Safety at the workplace
2) Emergency preparedness
3) Work accidents and occupational illnesses
4) Occupational hygiene
5) Physically stressful work
6) Machine safeguarding
7) Sanitary facilities, dining and accommodations
8) Notifications on health and safety

**E. Management system**
1) Company obligations
2) Accountability and responsibilities of company management
3) Regulatory provisions and customer requirements
4) Risk assessment and risk management
5) Improvement goals
6) Training
7) Communication
8) Feedback and employee involvement
9) Monitoring and assessments
10) Process for corrective measures
11) Documentation and records
12) Supplier responsibilities



Zollner Verhaltenskodex
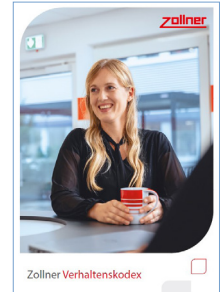
## 2.3 Corporate Responsibility Program

Our CR program encompasses these three elements: communicate, evaluate and report. With that, CR contributes significantly to responsible, holistic and sustainable economic activity in the business processes of the company.

### 2.3.1 Communicate

We pursue active "tone from the top" communication. This encompasses a clear self-commitment from company management to value oriented and sustainable company management. In addition to that, our members of leadership assume key and exemplary roles in internal and external collaboration in our CR activities. In order for them to live up to these roles, we conduct intense routine dialog with them and orient management work (leadership process) to guiding principles oriented toward sustainability (Leadership Principles).

Our members of leadership are our ambassadors:
- to live as examples our company values
- to help their employees in the interpretation of the guidelines and
- to autonomously and proactively implement the guidelines together with their teams.

We offer routine CR training courses for our employees with the following content:

- I. Company responsibility/CR@Zollner
- II. Corporate policy
- III. Guideline for the Integrated Management System
- IV. Zollner Code of Conduct
- V. Dealing with corruption/anti-corruption policy
- VI. Leadership.

### 2.3.2 Evaluation, optimization

Within the scope of the annual audit program, the status of the management system is reviewed by external and internal auditors in the name of and with the support of corporate leadership. With that, routine review of business activities is guaranteed.

Additionally, we give our employees and external people the option of reporting their concerns relative to any type of illegal conduct and violations against human rights, the Zollner Code of Conduct or our internal guidelines as well as in regard to the supply chain using the whistleblower system Zollner SpeakUp without fear of retaliatory measures.

### 2.3.3 Reporting

We have decided to officially report on our CR activities. With that we turn to our internal and external stakeholders, especially our business partners, our employees and the people in the areas surrounding our locations.

## 2.4  Stakeholder Analysis

Stakeholders (interest groups) are groups or individuals who have an essential interest in our business activities and/or are able to exert significant influence on our organization through their business activities. Based on this definition, we have created a Stakeholder Analysis and identified seven main actors according to the degree of their influence and interests.
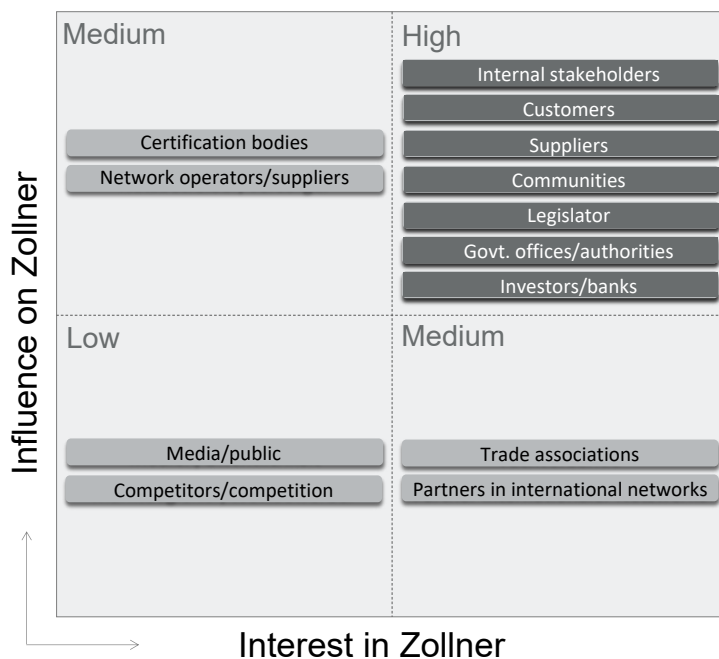
**Our most important stakeholders are:**

External stakeholders
- Customers
- Suppliers
- Communities
- Lawmakers
- Government offices/authorities
- Investors/banks

Internal stakeholders
- Employees
- Members of leadership
- Central departments
- Supervisory Board

## 2.5    Communication with Stakeholders

We record the expectations of the most important stakeholders, review and change them as needed annually within the scope of the Management Review. To do this we record recommendations from our employees, who not only act as stakeholders themselves but also remain in direct contact with the most important stakeholders (customers and suppliers) in daily operations. We also conduct brisk communication through our central departments with other important interest groups (communities, lawmakers, government offices/authorities and investors/banks) to be able to systematically consolidate their expectations.

Over the past years, stakeholders, mostly our customers and employees, demand ever more transparency from us regarding sustainability topics. A critical step toward intensifying that communication is the publishing of this Corporate Responsibility Report for the Zollner Group of companies.

The different forms of dialog with our stakeholders is shown in the following illustration. Frequency depends on the approach used and is defined as needed.

| Stakeholder | Most important dialog formats |
|---|---|
| Internal stakeholders | Discussions with employees and management, leadership forums townhall meetings, internal media, employee surveys, idea boxes informational emails (infomails) |
| Customers | Customer visit, trade shows, customer surveys, customer audits, emails, telephone calls |
| Suppliers | Supplier visits, trade shows, supplier audits, emails, telephone calls |
| Communties | Press releases, personal discussions with community leaders |
| Lawmakers | Law ledger, press releases |
| Govt. offices/ Authorities | Government investigations, finances and billing, press releases |
| Investors/Banks | Discussions with investors, situation report, corporate report |

## 2.6    Materiality Matrix

Within the framework of our Materiality Matrix, we have recorded, assessed and grouped the expectations of our most important stakeholders. The result of the assessment was a ranking into medium and high level relevance for stakeholders, which was oriented on the frequency of mentioning. Subsequently, prioritization of the expectations regarding relevance for Zollner is performed, which is oriented to the possible impacts of

the expectations on our business in regard to economic, ecological or social aspects (based on our CR fields of activity).  To close, a comparison was made regarding the fitting "Topic-specific standards" in the Guidelines (GRI 200, 300 and 400 groups) to be able to correctly create the CR Report in accordance with the "Principles of Reporting" (GRI 101). The Materiality Matrix at hand was approved by the entire Managing Board.

*Stakeholder expectations (transfer list for the Materiality Matrix)*

| Stakeholder Relevance | Expectations (topic group) | Zollner CR Area | GRI Topic-specific Standards | Topic Delimitation |
|---|---|---|---|---|
| **High Relevance** | **Fulfillment of legal and statutory stipulations** (Fair employment, information security, transparent economic performance) | Social Responsibility | GRI 407 – Freedom of Association and Collective Bargaining<br>GRI 408 – Child Labor<br>GRI 409 – Forced or Compulsory Labor<br>GRI 419 – Socioeconomic Compliance | at Zollner |
| | **Fulfillment of normative and customer-specific responsibilities** (Business integrity, battling corruption, fair procurement processes, fair competition) | Responsible Business<br>Social Responsibility | GRI 205 – Battling Corruption<br>GRI 206 – Anti-competitive Behavior<br>GRI 414 – Social Assessment of Suppliers<br>GRI 418 – Protection of Customer Data | at Zollner, upstream and downstream |
| | **Preventative measures for preventing hazards** (Work and health protection, envirinmental impacts, risk management) | Ecological Sustainability<br>Social Responsibility | GRI 302 – Energy<br>GRI 303 – Water and Wastewater<br>GRI 305 – Emissions<br>GRI 306 – Waste water and Waste<br>GRI 307 – Environmental Compliance<br>GRI 403 – Work Safety and Health Protection | at Zollner, upstream and downstream |
| **Medium Relevance** | **Communication (internal and external) and reporting** (Transparent communication, complaint procedure, employee satisfaction) | Social Responsibility | GRI 401 – Employment<br>GRI 402 – Employer/Employee Relationship<br>GRI 405 – Diversity and Equal Opportunity<br>GRI 406 – Non-discrimination | at Zollner and downstream |
| | **Improving corporate performance** (Employee qualification, process conformity, continuous improvement process) | Social Responsibility | GRI 404 – Further Education and Training | at Zollner |
| | **Protection of citizens and the surroundings** ((Responsible local policy, Corporate Citizenship) | Responsible Business<br>Social Responsibility | GRI 203 – Indirect Economic Impacts<br>GRI 413 – Local Communities | at Zollner, upstream and downstream |

*Materiality Matrix*
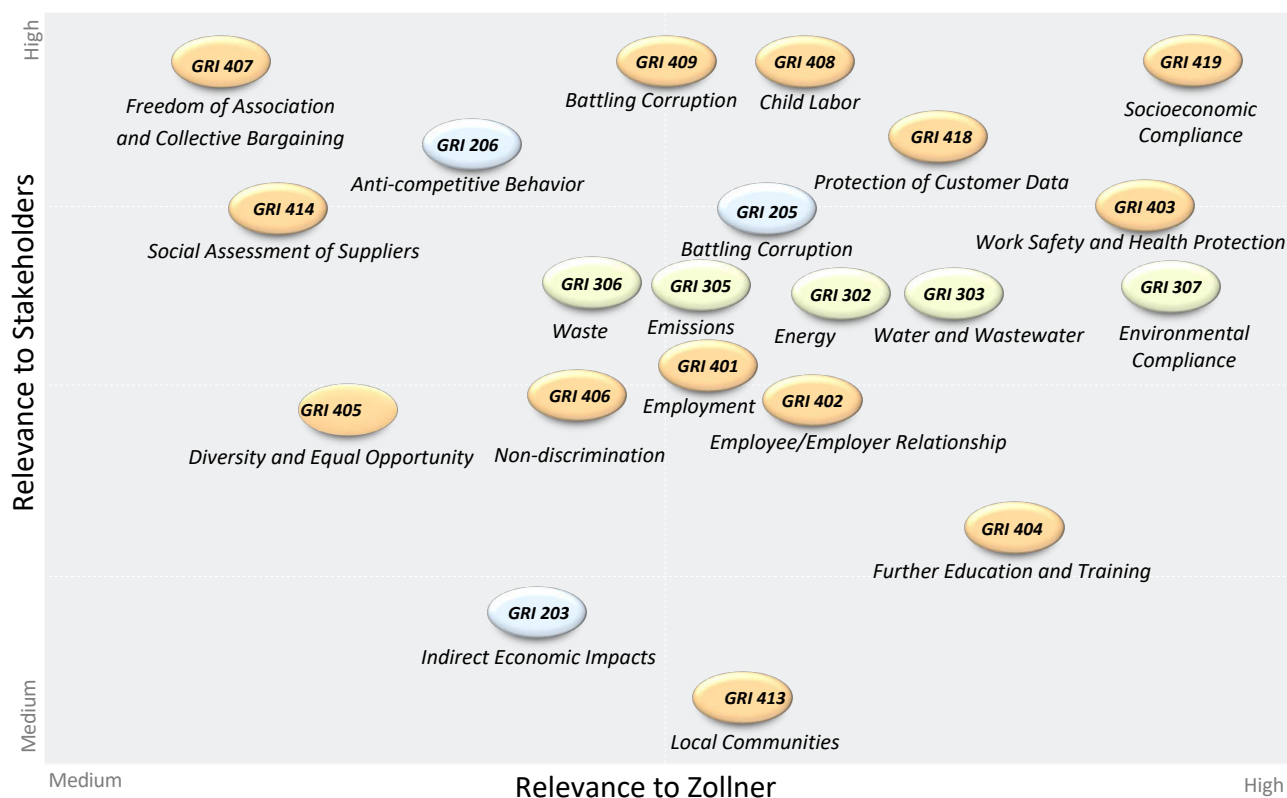
## 3.1      Contributions to Economic Development

Through the stable development of the Zollner Group of companies and expansion of our international activities, we are a significant corporative factor at nearly all of our locations: We create new jobs and training places, are buyers for local companies and contribute to the economic development of the regions. We continuously invest in the newest technologies, facilities and machines and place special value in the continuous further education and training of our employees. We include our employees, all production processes, services and business practices in our idea management processes. We are growing in our target markets - in doing so we rely on long-term customer and supplier partnerships. Innovative capability and sustainability are written in capital letters. This applies in the social and ecological areas as well as in the area of economics. Our innovative power was recognized several times in the past years:

**Most Innovative Company of the Year - Zollner Kft.**
Figyelő magazine analyzes the largest companies in Hungary each year on the basis of data and figures from the past fiscal year. Within the framework of the Figyelő TOP200, awards were given and companies appropriately distinguished in 2023 in various areas. One category was the Most Innovative Company of the year, which we won!

"For us, innovation always had a certain priority, without it, no company can be successful. We must further develop ourselves and adapt to the changing economic, political and free market economical environment", said József Ógl, who proudly accepted the award. With this award, Zollner can be counted in the circle of numerous renowned companies.



*József Ógl (middle) together with other award winners within the framework of the Figyelő TOP200 Gala.*

**Zollner receives an honor from the Taicang government**

In January and February of 2023, Zollner Electronic Taicang Co., Ltd. Received the New Energy Automobile Industry Innovation Cluster – Leading Enterprise and the Outstanding Contribution Award for 2022 from the Taicang government.

Zollner has been active on the Chinese market for over a decade and offers its customers diverse services in the EMS area - among them in the Automotive Technology, Rail Technology, Aerospace, Healthcare & Life Sciences as well as semiconductors and other high-end manufacturing industries. With the highest level of quality and precision manufacturing technologies, Zollner has gained the acknowledgment of customers in the country and abroad. The government in Taicang honored Zollner Taicang as one of the main companies responsible for development and prosperity in Taicang.



*Viktor Ungemach (r.) and Yun Qian (l.) with the "Outstanding Contribution Award" from the Taicang government*



*Outstanding Contribution Award &
New Energy Automobile Industry Innovation
Cluster – Leading Enterprise*

The Mayor of Taicang emphasized the significance of Zollner as a contribution to the realization of Taicang's plan to become an aerospace and high-tech Industrial center in China.

With a look to the currently booming industry for electric vehicles, Zollner appeared on the market in a timely manner, started comprehensive collaboration with leading domestic companies for new electric vehicles and set up clean production space for the manufacture of core components for new electric vehicles.

Simultaneously, the plan for the aerospace industry also coincides with that of the state governments of Suzhou and Taicang. In China, Zollner Electronic Taicang Co., Ltd. Already achieved deep-running collaboration with a series of domestic aerospace companies, including the Aviation Industry Group in the test production, manufacture, testing/inspection and other aspects of avionics production. Currently, Zollner provides manufacturing services for cockpit analysis systems and cabin management systems.

**Zollner takes over production of the Lexone "Touch Pure Flex"**

In many sectors, demands are constantly increasing for modern building automation for various possible applications. In doing so, there is a need for manual operation of a room or an entire building to enable intervention into the thoroughly planned sequences of an intelligent building. Thus, Austrian company Loxone, market leader in the area of house and building automation, together with Zollner Elektronik AG, developed and implemented an utterly flexible operation concept - "Touch Pure Flex".

With "Touch Pure Flex", an intuitive and diverse Smart Home Control Panel was developed. The new button standard has 14 points of contact, twelve of which are freely positionable icon places - can be populated with individual symbols and lettering - plus the option of two selection buttons, an LED Matrix display with optional status LEDs for fine adjustment of the functions as well as integrated temperature and moisture sensors. The utterly flexible control panel can be quickly, simply and individually "customer-created" with an online configuration program regarding layout, functions, lettering and a selection of over 200 icons.

Its unique product characteristics make the "Touch Pure Flex" one of the most flexible control elements in global building automation, such that it can be used in the most widely varied application options - whether in a hotel, restaurant, company, a medical practice, housing complex or in your own home.



The goal of Zollner Elektronik AG was to implement industrial engineering, automation and serial production with expert know-how for the production of the completely individualized "Touch Pure Flex" and at the same time define and validate the applicable processes and systems and finally transfer it step-by-step into serial production. To do this, several processes needed to be newly implemented at Zollner.

The natural haptics of the control element was created from hardened, genuine glass, while the satin optics come from ceramic refinement. In order to guarantee weather resistance, Zollner Elektronik AG engraved the glass plate - the control panel - of the "Touch Pure Flex" precisely using state-of-the-art laser technology. The PCBA was manufactured in Satu Mare, laser etching of the glass plate and assembly then took place in Altenmarkt. Final serial production is planned in Satu Mare for future production to the time period between order placement and delivery can be shortened.

In order to optimally adapt the supporting logistics process, Zollner Elektronik AG implemented a digital supply chain. That means, after a "Touch Pure Flex" is "customer created" in the online configurator, the order is transmitted to the Zollner ERP system by global Loxone places of business via a digital end-to-end supply chain connection, and the respective order is manufactured internally at Zollner within 48 hours with the individual device.

With this digital connection, "one-piece' production can be realized despite the industrialized sequences within a serial production process. Additionally, Zollner takes over packaging work so the "Touch Pure Flex", including all of the the applicable papers from the Loxone distribution partner, can be delivered quickly to the end customer. Upon delivery, the individual devices are put together in accordance with the order from the end customer. With the development of a digital supply chain, Zollner Elektronik AG could expand its competence and level new paths into a smart future.

## Zollner realizes CPT®cubes for Coldplasmatech's revolutionary, effective type of wound therapy

Coldplasmatech GmbH, with headquarters in Greifswald, appeared as a spin-off from the Leibnitz-Institut für Plasmaforschung und Technologie e.V., in Greifwald. With its patented, unique "Active-Glow_ Technology" and the CPT®patch and CPT®cube products, the company offers groundbreaking wound therapy for chronic wounds and successful control of even multiresistant germs.

In order for Coldplasmatech's new treatment unit to be broadly deployable to the market, the CPT®cube needed to be further developed to serial production maturity. Zollner Elektronik AG consolidated its entire expert knowledge, its state-of-the-art technologies and services for the implementation of the CPT®cube - mechanics, inductive components, cable assembly, test setup as well as production and testing/inspection

equipment. The complete system was completed in the shortest time, specially surface coated, labeled and finally transferred to serial production maturity.

Zollner also supported Coldplasmatech with all relevant qualification and certification processes with expert know-how and formally prepared and reviewed the necessary documentation.

To ensure the logistic requirements of the customer, Zollner took over the comprehensive logistics process - all the way to delivery to the skilled medical user, CPT. Plasma.Kompetenz.Zentren. With a repair/refurbish service and maintenance contract, Zollner also guarantees continuous functional capability of the CPT®cube along the entire product life cycle in that repairs and refurbishment can be done in our own house.



## Research project FaeBS - a success story

Since the end of 2021, Zollner has invested in the development of power electronics for fuel cell systems. The DCDC converter developed within the scope of the FaeBS research project (function layout and testing of innovative fuel cell systems) impressed with its outstanding performance key data and is one of the world's most powerful converted in this assembly space. With closure of the trial phase in 2023, Zollner reached another milestone and with that can successfully close the development phase. The devices that

were set up are in constant operation in the meantime - so far without any major abnormalities.

With the insights from this project, Zollner now takes the next step to transfer this technology to serial production maturity. The goal is within three years to achieve serial production maturity and with that become part of the world's more compact and powerful fuel cell drive for automobiles.

**Zollner Taicang successfully takes over new production for NIO.**

NIO is one of the main actors on the electric vehicle market in China and an important customer for Zollner Elektronik AG. Since the start of our collaboration in 2018, the production line in our Taicang plant encompasses power stages of 240kW and 300kW (new) of the power electronics (PEU), which means that NIO's ES8, ES6 and the recently released ET7 models are all equipped with Zollner-made PEUs - industrial engineering and manufacturing of the entire products is made by Zollner Electronic Taicang Co., Ltd.

In 2022 our Taicang plant built and operated the second production line for 300kW PEU in a controlled area. Zollner is now the exclusive supplier of this type of high-powered inverters to NIO. With the official market introduction of the ET7 electric limousine, piece quantities will continue to increase in the next two years.

Customer satisfaction is an ongoing effort at Zollner. Due to the superior quality controls of production processes as well as the outstanding product quality, Zollner Electronic Taicang Co., Ltd., has earned great praise from electric auto maker NIO and was also awarded as a "NIO Quality Premium Partner".

Zollner will also supply PCBAs for the G3 model - the third generation platform deveoped by NIO - as well as three-in-one high-performance electric drive system (EDS), which uses silicon carbide instead of the conventional IGBT power module.



*The first "New 300kW PEU" from the line with the Automotive team*

## 3.2     Fair Business Practices

As defined in our Zollner Code of Conduct, we adhere to the highest standards of ethics for the fulfillment of our code of corporative obligations and for successful positioning on the market. Among them are a zero-tolerance policy toward bribery, corruption, extortion and embezzlement in every form and a ban on the impermissible acceptance of advantages. It is forbidden for all employees to offer or accept bribes or other means of obtaining an impermissible or inappropriate advantage either directly or indirectly through a third party. All business activities are based on the highest standards of integrity.

To emphasize this statement in our Zollner Code of Conduct and further affirm it, in 2017 we published and rolled out an internal, corporate-wide guideline, the Anti-Corruption Policy. This guideline provides orientation  to check the permissibility and appropriateness of gratuities and prevent conflicts of interest and corruption. It contains general statements regarding allowable or prohibited behavior as well as clear specifications, based on which every employee can autonomously recognize and check whether and under what prerequisites they may grant or accept gratuities.

Within the scope of CR training courses, our e-learning instruction, our employees receive instructions regarding the Anti-Corruption Policy and other important corporate guidelines. With internal and external audits, adherence to all guidelines is reviewed and with that the company is also checked for corruption. Just to mention one concrete example: Since 2010, our Vác (Hungary) location has been routinely audited by the Responsible Business Alliance (RBA) - a request from one of our customers, IBM, who is one of the founding members of the alliance. In the Validated Audit Program (VAP) of RBA, strict standards of social, ethical, occupational health and safety-related performance of suppliers is audited – measured by the Audit Criteria (AC). The review criteria are based on the RBA Code of Conduct, which is the foundation for the Zollner Code of Conduct.

During the reporting period, there were no legal proceedings due to anticompetitive behavior, cartel and monopoly formation. The goal of the Zollner Group of companies is to record no violations in the future in these areas.

**Protection of customer data and data security**
We ensure the availability, integrity and confidentiality of Zollner information, including the information entrusted to us by our business partners (customers, suppliers). Protection of valuable information is the responsibility of all of our employees. Applicable standards are monitored by our global information security team. Our approach aims at adherence to statutory provisions (for example, regarding data privacy protection) and to prevent security incidents (inasmuch as that is in our power) or minimize their damage. Our Information Security Management System is certified according to ISO 27001 at our German, Hungarian and Romanian locations. In 2022, certification of Zandt and Satu Mare II locations was achieved in accordance with the TISAX standard, which defines information security for the Automotive sector.

We have recorded the rules of conduct for handling information for improving availability, integrity and confidentiality in the Information Security Guideline, which is valid corporate-wide. At our certified locations, new employees receive information security instruction as e-learning directly after they are hired as part of the onboarding process, which is repeated every three years. In addition to that, execution of an e-learning module on the topic of data privacy protection is obligatory directly after joining the company.

During the reporting period, there were no substantiated complaints from supervisory authorities or other parties regarding violation of our data protection obligations. During this time we had not discovered any theft or loss of customer data or data from other business partners.

# 4 Ecological Sustainability

We acknowledge that responsible handling of the environment is an integral component part of our company. Negative impacts from our manufacturing processes on the community, the environment and natural resources are continuously minimized. The health and safety of the public is protected at the same time.

Energy | Water | Emissions | Waste
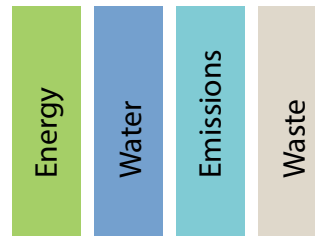
## 4.1 Responsible Resource Use

Environmental protection is at the center of our activities for continuous improvement to sustainability in the Zollner Group of companies. Environmental and energy management were implemented at all relevant locations to achieve the highest possible level of effectiveness and efficiency. Over 90% of our energy consumption and employees are included. The management system has been certified in accordance with international standard ISO 14001 and at all European locations with ISO 50001.

Studies came to the result that the environmental impacts of the electronics industry and its entire value added chain is often very low when compared with other sectors - both absolute as well as relative to revenue. The Zollner Group of companies is an EMS provider - we do not develop our own products and bring no products onto the market. We are technical service providers for customer-specific products from research and development and consultation through to production. For that reason, the environmental aspects could mostly be influenced within the scope of manufacturing.

Environmental protection is allocated to Environmental Health and Safety Management (EH&S) and includes, among other things, the topic areas of energy, water, emissions and waste. Within the scope of the holistic approach, activities are planned in a superordinate EH&S program and the effectiveness documented. The continuous modernization of our production facilities, the step-by-step conversion to LED lighting as well as the continuous, topic-specific sensitization of employees are examples of the cross-topic and management-oriented approach in environmental protection. The ascertainment, evaluation and reporting of relevant information and data and the derivation of specific and overarching goals are part of our Corporate Responsibility and implemented in all of our relevant business processes. Within the scope of the sustainable conservation of resources, Zollner participates in the CDP Climate Questionnaire and the associated determination of the Corporate Carbon Footprint, including Scope 3. That is also a core element to our sustainability or climate strategy.

### 4.1.1 Energy management

Within the scope of the Environmental Management System, the improvement of energy efficiency and the associated reduction of emissions is a focal point. The Zollner Group of companies takes energy efficiency and energy consumption into consideration within the available possibilities as an EMS provider. Alongside continuous optimization of our processes, the focal point lies particularly with energy saving measures in planning, production and supply facilities as well as buildings. Within the scope of our activities, energy efficiency and other environmental aspects, like service life, are always taken into consideration. Thus, we were able, despite increasing employee numbers and increased revenue, to keep our energy consumption relative constant and even significantly lower it at individual locations. Energy saving was achieved during the reporting period through many individual projects at the locations - for example, the utilization rate of our production systems was increased.

*Energy consumption*



**Absolute Energy Consumption**
in MWh



**Specific Energy Consumption**
in MWh per 1 million EUR revenue
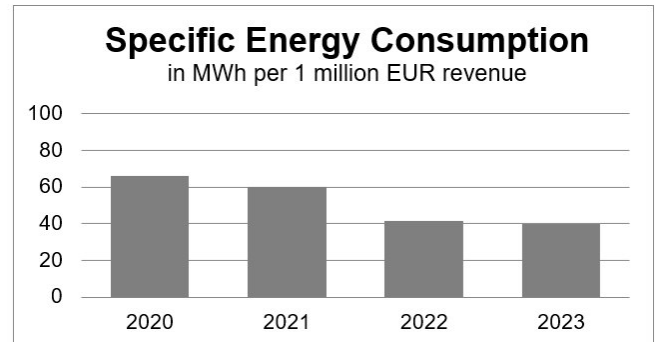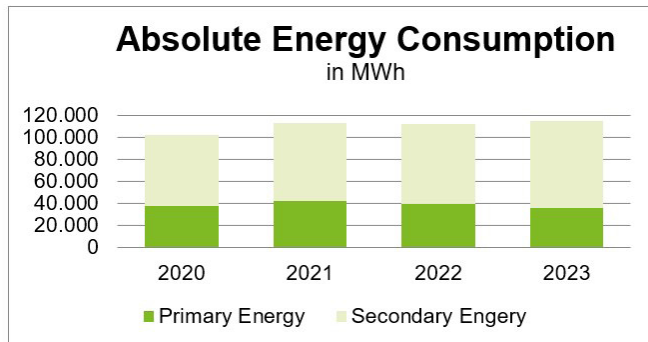
| Energy Consumption (MWh)* | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|
| **Primary Energy** | **38.178** | **42.690** | **39.904** | **36.258** |
| Natural gas | 28.246 | 32.897 | 28.929 | 22.995 |
| Heating oil | 1.998 | 2.356 | 2.582 | 2.889 |
| Wood | 2.257 | 1.394 | 1.933 | 3.496 |
| Diesel | 5.510 | 5.866 | 5.849 | 5.779 |
| Gasoline | 166 | 178 | 610 | 1.099 |
| **Secondary Engery** | **63.878** | **70.218** | **72.703** | **79.049** |
| Electrical power | 63.826 | 70.166 | 72.651 | 78.997 |
| Self-produced electrical power | 53 | 52 | 52 | 52 |
| **Total** | **102.057** | **112.908** | **112.607** | **115.307** |
| **Specific energy consumption** in MWH per 1 million revenue | **66** | **60** | **42** | **40** |

*Locations: Tunesia and Hong Kong excluded liquified petroleum is not available

### 4.1.2 Water consumption

Water is seen as a critical resources in the Zollner Group of companies and mostly is taken from the public drinking water supply. Requirements for this are defined by local water and wastewater laws, the adherence to which is a matter of course.

We use water for cooling and moistening the air in electronics production, for cleaning processes in surface finishing as well as for sanitation.

Limitations regarding this resource at our locations would impact our productivity.

Wastewater accrued from processes is monitored and when necessary treated in our own wastewater treatment facilities and subsequently fed into the communal wastewater system. Some of it escapes through evaporative cooling or humidifiers into the atmosphere.

To minimize our impact, we pay attention within the framework of our environmental management at all locations that we contribute to the conservation of the water resource and keep our water consumption and pollution to a minimum. We do not currently deem any of our locations as critical regarding the availability of water.

The Zollner Group of companies pursues the following basic principles in the topic area of waterway protection:

- avoidance of unnecessary water consumption
- avoidance of water pollution (for example, frugal use of chemicals)
- periodic, routine maintenance of systems with substances hazardous to water and the accrual of wastewater
- adherence to national l specifications for the discharge of wastewater
- reuse, treatment and recycling

*Water consumption*
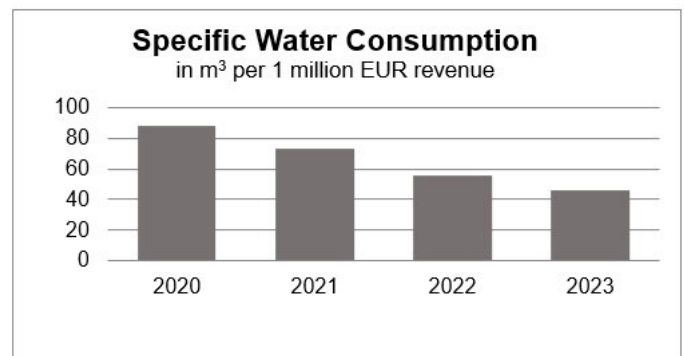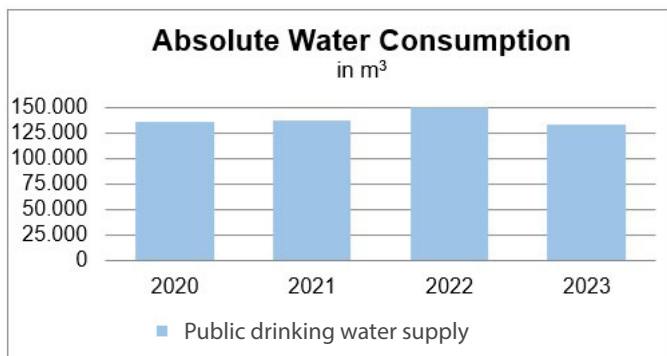


| Water Consumption (m$^3$)* | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|
| Public drinking water supply | 135.343 | 136.710 | 149.856 | 132.978 |
| Teatet wastewater portion of that | 18.835 | 11.850 | 16.637 | 11.768 |
| Total | 135.343 | 136.710 | 149.856 | 132.978 |
| Specific water consumption in m$^3$ per 1 million EUR revenue | 88 | 73 | 56 | 46 |

*Tunisia and Hong Kong locations excluded

### 4.1.3 Emissions

For us, climate change is a central, global and societal challenge. Thus, $CO_2$ and the emission of pollutants are monitored and lessened through a reduction of energy consumption. Additionally, specific measures were implemented, like the continuous modernization of our fleet of vehicles and associated improvement in emission class as well as reduction through lowering of energy consumption.

We have recorded our Scope 1, 2 and 3 emissions starting in fiscal year 2021 in accordance with the internationally recognized standard, the Greenhouse Gas Protocol (GHG).
This data is determined at the level of the Corporate Carbon Footprint and published for our stakeholders in sustainability platforms like CDP, IntegrityNext and others.

Alongside $CO_2$ emissions at production sites, we record further emissions, like accrued from coating/lacquering work or existing energy generation systems.

The Zollner Group of companies pursues the following basic principles in the topic area of emission control:
- avoidance of unnecessary emissions (demand-oriented use)
- knowledge regarding the location and type of emissions (sources)
- periodic, routine maintenance of systems
- adherence to national legal parameters (thresholds)
- reuse, treatment and recycling
- monitoring facilities with harmful environmental impact.

*$CO_2$ Emissions*
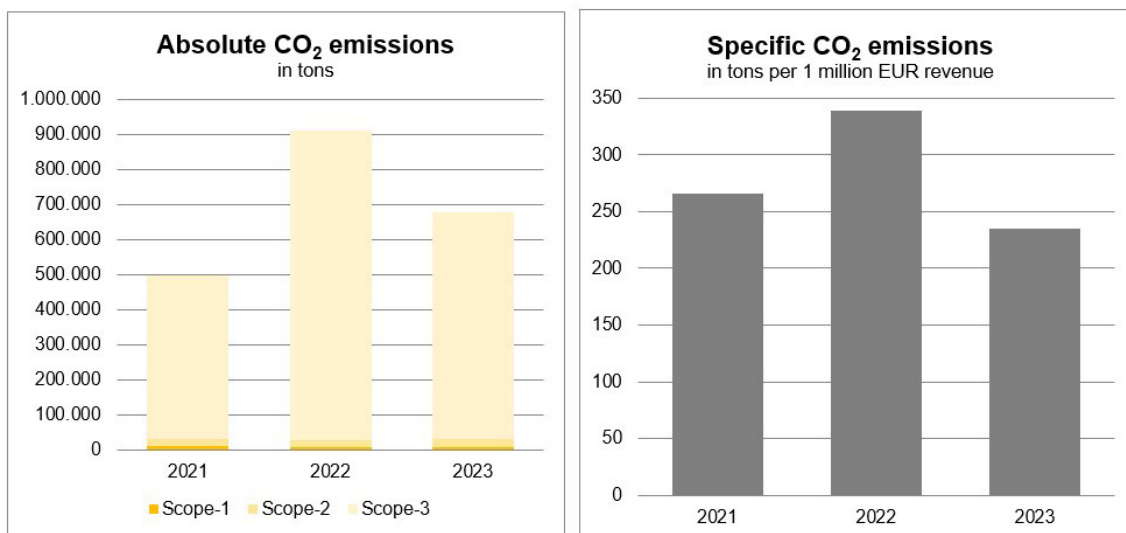


| $CO_2$ emissions (t)* | 2021 | 2022 | 2023 |
|---|---|---|---|
| Scope-1 | 10.262 | 7.981 | 7.509 |
| Scope-2 | 21.023 | 21.992 | 24.905 |
| Scope-3 | 467.767 | 882.774 | 646.970 |
| Total | 499.052 | 912.747 | 679.384 |
| Specific $CO_2$ emissions in tons per 1 million EUR revenue | 266 | 339 | 235 |

*Locations Tunisia and Hong Kong excluded.

### 4.1.4 Waste management

Efficient use of available resources is essential to humans and the environment. Therefore, inasmuch as possible, the Zollner Group of companies closes the material flow: valuable raw materials are prepared for improvement of further use and fed back into the material flow or used otherwise to lessen negative impacts on the environment.

The Principle of Prevention always applies for our Waste Management. This basic principle is to be taken into consideration throughout the phases that are susceptible to influence in the value added chain

and by all employees. With our partners and in our networks, we continuously attempt to develop and implement possible solutions for the improvement of waste recycling. We demonstrate responsibility in the handling of our accrued waste. Thus, only qualified service providers are assigned with disposal oder further processing taking into consideration local specifications. Adherence to our requirements is checked within the scope of random inspections and through monitoring of the necessary documentation and qualification.

*Waste amounts*



| Waste Quantities (t)* | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|
| Non-hazardous waste | 5.616 | 6.597 | 6.578 | 6.768 |
| Hazarous waste | 324 | 418 | 394 | 391 |
| **Total** | **5.939** | **7.015** | **6.972** | **7.159** |
| **Specific waste quantities** in t per million EUR revenue | 3,8 | 3,7 | 2,6 | 2,5 |

*Locations Tunisia and Hong Kong excluded.

## 4.2     Environmental Compliance

Adherence to laws, specifications and binding standards is the basis for all economic activities in the Zollner Group of companies and with that is a component part of our corporate policy, our EH&S guidelines and the Zollner Code of Conduct. We forward these requirements to our suppliers and partners.

In the environmental area, relevant standards within the scope of the certification matrix are reviewed by an independent, accredited certifying body in accordance with the ISO 14001 and ISO 50001 standards.

To ensure implementation of EH&S management within the area of application, systematic, preventative and risk-based audits and further monitoring measures are executed annually by the EH&S divisions in the countries and the central EH&S division.

During the reporting year, no cases of noncompliance with environmental protection laws and specifications occurred and with that no fines accrued. In addition to that, there were no official actions regarding infringement.

# 5 Social Responsibility

Young and experienced employees of many different nationalities profit from one another, and every one of them makes an important contribution to the future of the Zollner Group of companies. Our employees give their best for us. We know how important this commitment and dedication are to us.
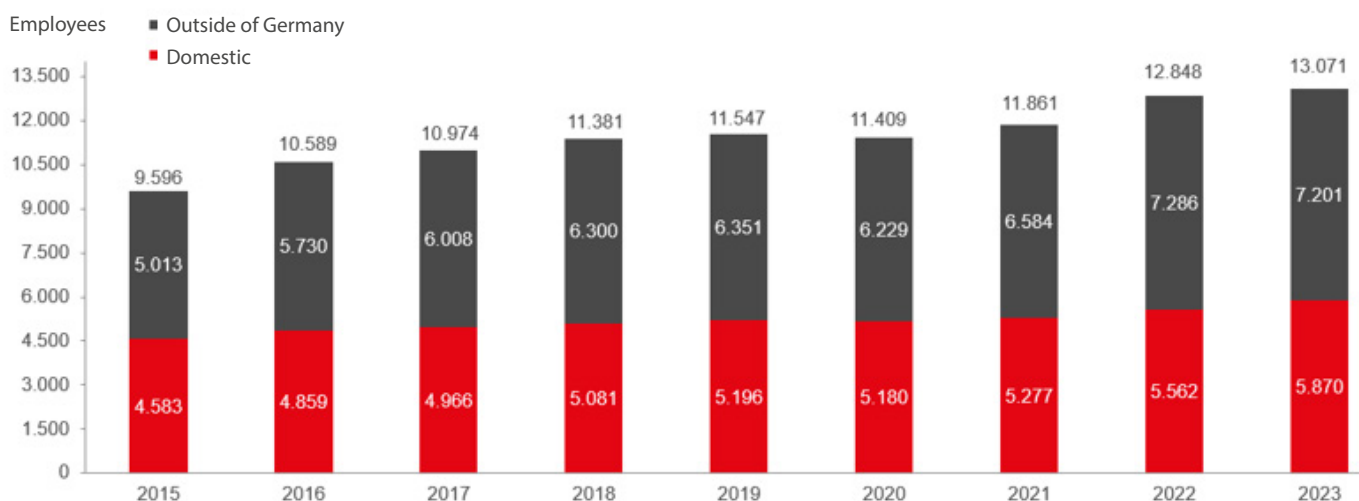
According to the understanding of the international community, we have obligated ourselves to protect the human rights of our employees and to treat them with dignity and respect. And more: in oder to be able to provide our employees the best possible working environment, we pay special attention with various activities and initiatives to safe, healthy and clean working conditions as well as further education and training of our employees.

Last but not least, we are very aware of our social responsibility (corporate responsibility) toward society in the regions of our locations. It is for that reason we contribute with various Corporate Citizenship Actions to the community and encourage our employees and partners to act in the same way.

## 5.1 Handling our Employees

In 2022 and 2023, the Zollner Group of companies continued along its course for growth despite numerous challenges. For that, in the end, we must thank the great commitment from over 13,000 employees worldwide. Since 1965, the company has paid attention to the creation and preservation of jobs. More than 5,800 women and men work at our nine German locations, which makes us the largest employer in the Cham region (Bavaria). Particularly outside of Germany, the employee portion has increased heavily in the past years. With that we belong among the largest employers in the regions of our locations in Hungary and Romania.

*Development in the number of employees*

Employees   ■ Outside of Germany
            ■ Domestic

| Year | Domestic | Outside of Germany | Total |
|------|----------|--------------------|-------|
| 2015 | 4.583 | 5.013 | 9.596 |
| 2016 | 4.859 | 5.730 | 10.589 |
| 2017 | 4.966 | 6.008 | 10.974 |
| 2018 | 5.081 | 6.300 | 11.381 |
| 2019 | 5.196 | 6.351 | 11.547 |
| 2020 | 5.180 | 6.229 | 11.409 |
| 2021 | 5.277 | 6.584 | 11.861 |
| 2022 | 5.562 | 7.286 | 12.848 |
| 2023 | 5.870 | 7.201 | 13.071 |

## Employee feedback

The more connected employees feel to the company, the more motivated they go to work. In accordance with a three-year cycle, the Zollner Group of companies executed another corporate-wide employee survey in the fall of 2023. In the online questionnaire, 14 questions await all employees on the following five categories: 1) Culture & Communication, 2) Further Education, 3) Further Development, 4) Health, Social & Work-Life Balance, 5) Added Benefits. With this survey we want to find out how Zollner is perceived as an employer by employees and how the company as an employer can become more attractive in the long-term. Participation in the survey was, of course, voluntary. With participation from over 69%, the 2023 employee survey came to an end. Fortunately, we were able to improve in each of the 14 questions in the complete company result - compared with the results from the last employee survey in 2020. Detailed results are communicated by division heads and members of leadership. If target values are not achieved, the responsible division head defines suitable improvement measures. Defined measures are subsequently made known in the division.

Our efforts in a constantly transitioning world to guarantee our employees safe jobs has been appreciated:

**Zollner awarded as "Reliable Employer"** The German-Hungarian Chamber of Commerce (DUIHK) awarded our Hungarian location with the distinction of "Reliable Employer 2021/2022". We have already received this award from the DUIHK two times. The title has been awarded in a two-year rhythm to companies who fulfill the criteria catalog for working and living conditions of their employees developed by a professional jury.



## Cartago – a great place to work

The Zollner location in Cartago, Costa Rica, received the Great Place to Work® certification. This award was achieved after an intense audit, which included volunteer and anonymous surveying of employees, and in August of 2023 was executed by the international GPTW® Institute. Participation in this certification is another example of our active commitment to continuous improvement of all our processes as well as that we continue to provide an outstanding working environment for all of our employees.

### 5.1.1 Fair working conditions

Creation of fair working conditions and respect for human rights are a matter of course for the Zollner Group of companies as a globally active employer. We have affixed our working standards, which are valid corporate-wide, in our Zollner Code of Conduct.  The following principles/regulations belong with that:

- **Free choice of employment**
We do not use forced labor, servitude, compulsory labor, involuntary prison work, slave work or work based on human trafficking.

- **Ban on child labor, young employees**
The use of child labor is forbidden in every phase of the manufacturing process. Employees under 18 years of age (young employees) are not permitted to perform hazardous work that could jeopardize their health and safety.

- **Working times**
In the plants belonging to the Zollner Group of companies, attention is payed that the weekly working hours do not exceed the applicable maximum number of hours according to local law. Exceptions are emergencies and unusual circumstances. We grant our employees flexible working models and the option of telecommuting to promote compatibility between family and occupation. In Germany in 2023, 81% of employees worked full time, 18% telecommuted and 1% were marginally employed. 40% work in shifts. The flexible time schedule model was taken advantage of by 48% of staff. 38% of German staff routinely use their home offices in various time models.

- **Wages and social contributions**
The compensation paid to our employees coincides with the relevant laws for renumeration, to which laws regarding minimum wage, overtime and statutory social contributions also belong. We make an effort at all of our locations to pay living wages. Depending on

the national situation, we voluntarily offer monetary and non-monetary benefits in the following categories in addition to the statutory provisions (exemplary list):

preventative care - company retirement provisions, overseas health insurance
monetary benefits - voluntary vacation pay and Christmas bonus, travel allowance, gratuities, anniversaries
noncash benefits - company vehicle, work clothes
other benefits - special vacation for personal matters, cafeteria, event budget.

- **Humane treatment**
Employees at the Zollner Group of companies are not handled with heave-handedness or in an inhumane manner, belonging to which are sexual harassment, sexual abuse, physical disciplinary measures, mental or physical coercion or verbal attacks.

- **Ban on discrimination and unequal treatment**
We do not tolerate any harassment in our staff oder illegal discrimination or unequal treatment based on ethnic origin, skin color, gender, religion, political opinion, national or social origin or any other relevant form of discrimination. Unequal treatment encompasses in particular payment of unequal compensation for equivalent work.

- **Freedom of association, collective bargaining**
We respect the right of employees to establish or join unions of their choice, to conduct collective bargaining and have peaceful assembly. It is possible for all employees and/or their representatives to communicate openly and without fear of reprisal, intimidation or harassment and bring forth ideas as well as voice concerns relative to working conditions and management practices. We bar the use of security forces for depreciation of the freedom of association.

## - Diversity

We have obligated ourselves to advocate appropriate participation by men and women in leadership positions. This applies to composing the Supervisory Board and Managing Board but most of all for downstream management levels. The uppermost principle in the composition of the Managing Board and Supervisory Board is to continue to preserve the tradition of Zollner as a family-owned company and depict this in the composition of the governing body. In fiscal year 2023, the portion of women in management positions was 7.3% across all management levels. There were higher values in other countries - HU: 10.6%, RO: 22.6%, CN: 47.7%, CR: 35 %, US: 20%, CH: 16.6%

We inform our employees at an early stage about changes in the company. To do this we use various cross-location and location-specific communication and knowledge channels like the Zollner Information Portal (ZIP), Zollner Infomail, info boards on-site, Town Hall Meetings and the HR newsletter. When restructuring, we pay attention to an appropriate balance between the interests of Zollner and that of employees.

### 5.1.2 Key employment indicators

Worldwide, 49% of women and 51% of men[4] are employed, who have an average age of 39.9 years-old and have a health quota of 95.25%.

With the demographic change and aging society, health management is becoming ever more important in the company.[5]

Attached are the most important key employment indicators from fiscal years 2022 and 2023:
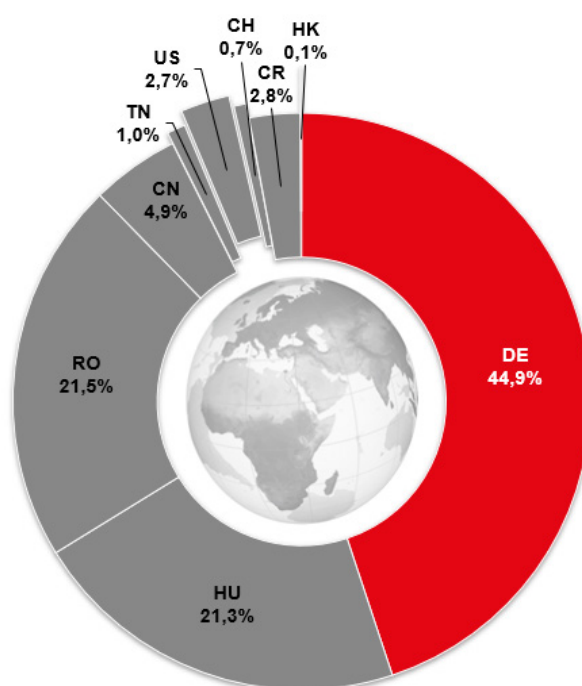
Workforce per country*

| DE | 5.870 |
|---|---|
| HU | 2.784 |
| RO | 2.807 |
| CN | 646 |
| TN | 134 |
| US** | 359 |
| CH | 90 |
| CR | 372 |
| HK | 9 |
| **Total** | **13.071** |

*Permanent staff incl. maternity/parental leave, excluding temporary workers
**incl. EIT



95,25% health rate

39,91 years old

49%   51%

CH 0,7%   HK 0,1%
US 2,7%   CR 2,8%
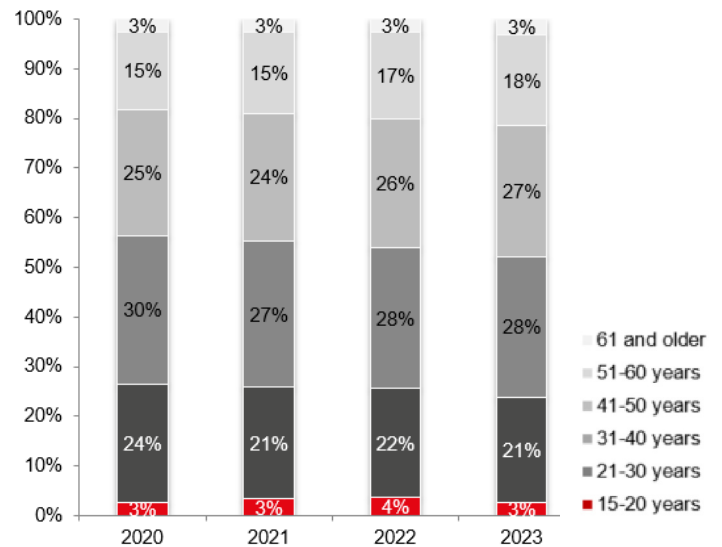TN 1,0%
CN 4,9%
DE 44,9%
RO 21,5%
HU 21,3%

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[4] For legal reasons, no gender distribution can be determined for the US.

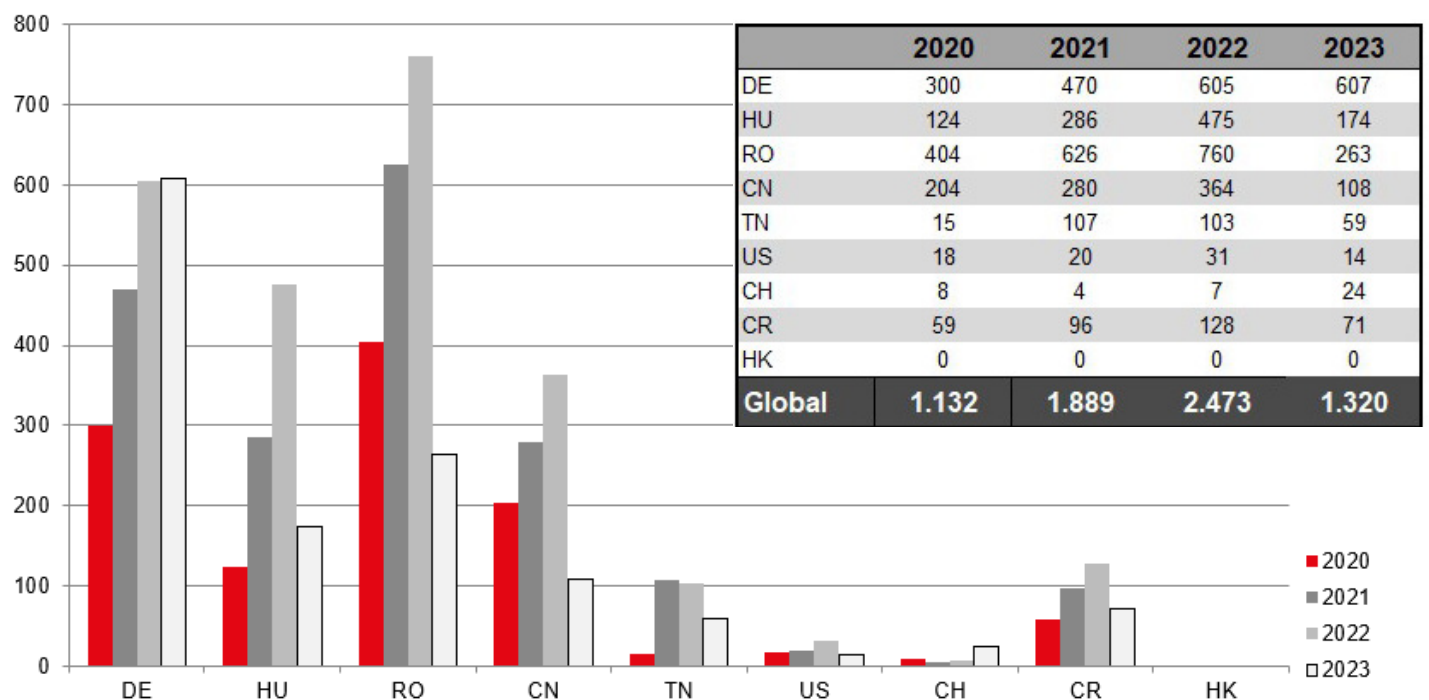[5] More on this in Chapter 5.2.1 Social and Health Management

*Average number of temporary staff*

| | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|
| DE | 48 | 55 | 95 | 48 |
| HU | 0 | 0 | 0 | 0 |
| RO | 0 | 0 | 0 | 0 |
| CN | 0 | 0 | 10 | 64 |
| TN | 0 | 0 | 0 | 0 |
| US | 20 | 58 | 35 | 15 |
| CH | 0 | 1 | 6 | 4 |
| CR | 0 | 0 | 0 | 0 |
| HK | 0 | 0 | 0 | |
| **Global** | **68** | **114** | **146** | **131** |

*Age structure of German staff*



*Hirings including temporary staff and apprentice takeovers*



| | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|
| DE | 300 | 470 | 605 | 607 |
| HU | 124 | 286 | 475 | 174 |
| RO | 404 | 626 | 760 | 263 |
| CN | 204 | 280 | 364 | 108 |
| TN | 15 | 107 | 103 | 59 |
| US | 18 | 20 | 31 | 14 |
| CH | 8 | 4 | 7 | 24 |
| CR | 59 | 96 | 128 | 71 |
| HK | 0 | 0 | 0 | 0 |
| **Global** | **1.132** | **1.889** | **2.473** | **1.320** |

*Fluctuation rate**



| | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|
| DE | 3,4% | 5,1% | 5,6% | 4,0% |
| HU | 7,2% | 9,1% | 7,3% | 6,6% |
| RO | 10,3% | 14,7% | 12,6% | 12,4% |
| CN | 34,7% | 34,0% | 40,5% | 20,3% |
| TN | 9,1% | 28,0% | 52,4% | 27,6% |
| US | 18,4% | 16,6% | 23,6% | 13,4% |
| CH | 14,5% | 5,4% | 11,3% | 7,5% |
| CR | 6,0% | 18,8% | 11,7% | 5,8% |
| HK | 0,0% | 0,0% | 0,0% | 0,0% |
| **Global** | **12,5%** | **9,9%** | **10,3%** | **7,5%** |
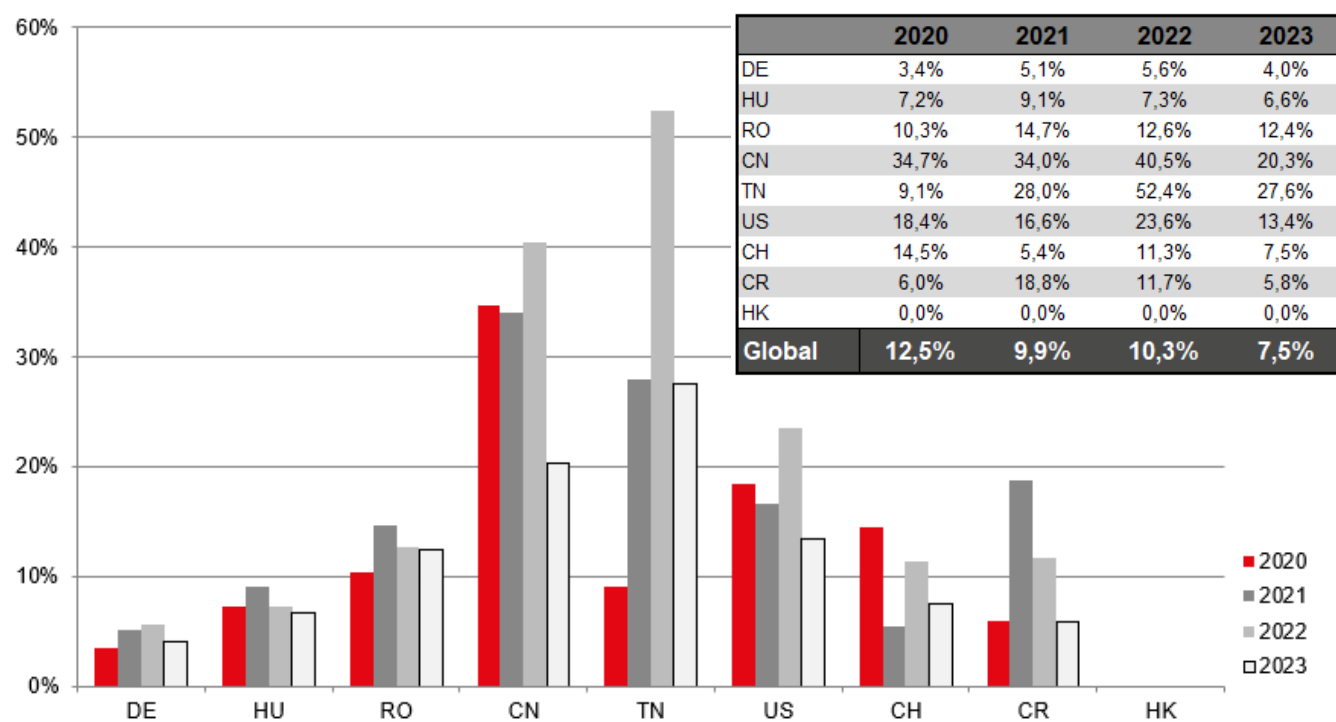
*Permanent staff including maternity protection/parental leave without temporary staff.
The "Fluctuation rate" number gives the percentage-based portion of employee notices compared with the average number of employees.

### 5.1.3 Further education and training

**Training**

Training at Zollner achieves a milestone: On the 1st of September, 2021, the number of people starting their occupations since founding of the company exceeded the 2,000 mark. In 2022 and 2023, 62 and 76 new apprentices and work-study students started. With that, a total of 2,167 you people have taken up training or a work-study program at Zollner Elektronik AG in Germany since 1965. These people can be allocated to the following divisions: Electronics, Mechanics, Mechatronics, Administrative occupations, IT occupations and work-studies.

The company invested in the newest machines and devices for technical majors. Among other things, the Training Center in Zandt has its own collaborative robot, a 3D printer and a CNC milling machine at hand. Apprentices and the company both profit from this equally: in the end, Zollner Elektronik AG trains for its own needs and apprentices acquire qualifications that lie above the training standard.



**Germany's best training operation**

It really brings us joy when the quality of our training is not only confirmed in-house and valued but also from the outside. FOCUS Magazine recently listed the best training facility in Germany. Zollner was able to position itself with 93.4 point out of 100 maximum attainable points and with that be happy about the seal of DEUTSCHLAND TEST!

**Training program in Milpitas**

Winning new talent and making them into experts is highest priority for Zollner. We don't view things any differently in Milpitas. However, in the US, it is not common practice to hire someone first and then train them. Therefore, Zollner Electronics, Inc., called an internal training program to life where employees have the opportunity of further developing themselves occupationally at Zollner. Training to become a Quality Engineer, Financial Analyst or a Manufacturing Engineer are just a few examples of what dedicated colleagues can complete in a work-study program.

**Work-study training in Szügy**
Since 2015, youth in Szügy (Zollner Hungary) have been able to attend work-study training in occupations like Production Technologist, Welder and Machinist. Hungarian company management sees employees of the future in these young people and places great value in their established training in technical areas. The company immediately offers a job to the youth who have successfully completed their work-study training.

**Students and trainees in Satu Mare**
In 2013, collaboration started between ZES Zollner Electronic S.R.L. (Romania) and the George Emil Palade technological school in Satu Mare. It opened the opportunity for students from the Electronics specialist field to make an internship at Zollner. Since then, we have between 4 and six classes in our house every year. Additionally, students started a internships with us in the summers of 2022 and 2023 as well. They came from technical universities from the most important academic centers. During their time at Zollner, they had the opportunity of seeing how the knowledge they gained in their courses can be applied in practice.

**Employee qualification, human resources development**
We have a comprehensive offer for training for the development and promotion of our employees. We additionally execute routine instruction, which among other things are component parts of occupational health & safety and information security.

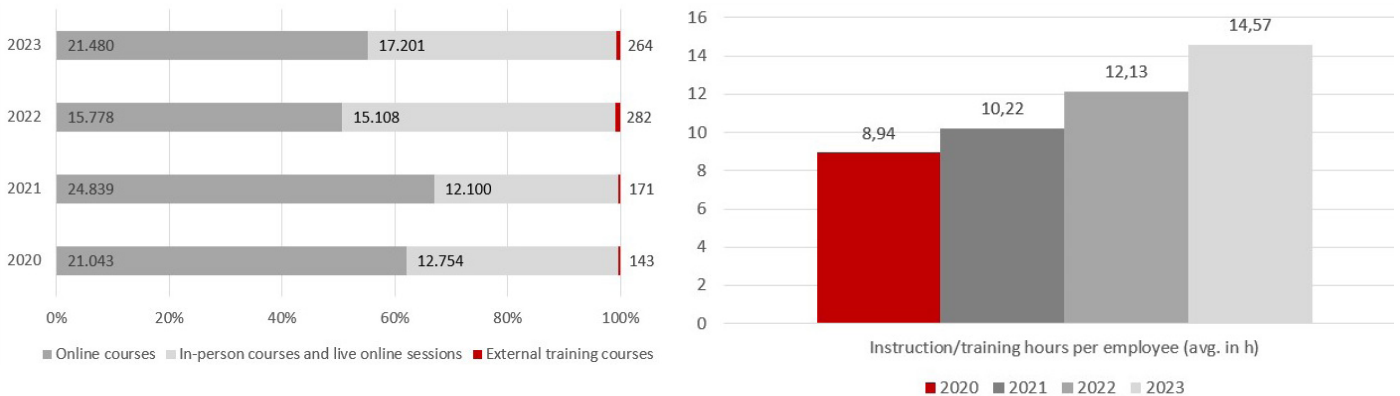At Zollner, differentiation is made between the following training types:
- internal training courses: execution is made by internal, firmly defined instructors from the respective specialist departments.
- external training courses: execution is by external trainers.
- Instruction: execution is by a manager/employee.

Imparting knowledge is mostly the focal point of training. In instruction, it is often about imparting knowledge, capabilities and skills. Instruction means to impart knowledge and skill by "leading the way". Instruction can be conducted on the most widely varied topics, like industrial safety, process descriptions, etc.

Due to the previously mentioned dynamic job market, employee retention is very significant. For that reason, it is our goal at to structure and implement a demand-oriented, corporate-wide training and qualification concept for all standard job families at Zollner. This proposed project is supported by the event and training management system, SAP Success Factors Learning. This cloud-based software was introduced in Germany in 2019, at the start of 2020 in Hungary and in 2021 in Romania. Remaining locations will receive it gradually over the next years. Success Factors opens the option, among others, to illustrate online training courses and through that to do away with classroom training and instruction.

In order to guarantee connection to new teaching media, LinkedIn Learning was integrated during the course of 2022 into the learning world of Zollner. With this employees can complete their training courses from their workstations on their computers. This opportunity is not only open to office staff but also production workers - a training computer has been set up in every division for that.

## Participation in training courses by training type and training hours per employee*



| | Online courses | In-person courses and live online sessions | External training courses |
|---|---|---|---|
| 2023 | 21.480 | 17.201 | 264 |
| 2022 | 15.778 | 15.108 | 282 |
| 2021 | 24.839 | 12.100 | 171 |
| 2020 | 21.043 | 12.754 | 143 |

Instruction/training hours per employee (avg. in h)

| 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|
| 8,94 | 10,22 | 12,13 | 14,57 |

* only in Germany

As an international corporation, the Zollner Group of companies makes and effort to make collaboration with each other easier for employees and eliminate intercultural obstacles. Seminars are already being conducted for this, and LinkedIn tutorials are offered that bring the respective culture of the other country closer.

Employees who want to be further educated can request assistance from Zollner. Typically, 50% of the course of instruction, exam and learning material costs are reimbursed. Zollner Elektronik AG offers semi-skilled and unskilled employees several opportunities to subsequently obtain an occupational degree.

### Employee dialogs
Employee dialogs should serve improvement in the relationship between leadership and employees. The routine face-to-face conversations create trust and impart appreciation. With that, the guiding principles of our leadership guideline are primarily supported: "We create a culture of trust", "We work with each other in an appreciative way" and "We support our employees in their development". Employee dialogs at Zollner are divided into three different types[6]:

### Qualification success at Zollner Elektronik AG
Since 2012, more than 100 employees used the opportunity and qualified themselves alongside their work within the framework of the semiannually offered preparatory studies to become competent specialist staff. It is not seldom that from this successful career profiles developed in the direction of Team Lead, Quality Officer, Process Planner and many more. With a completion rate of nearly 100 percent, we look proudly back at ten years of brisk use of work-study qualifications.
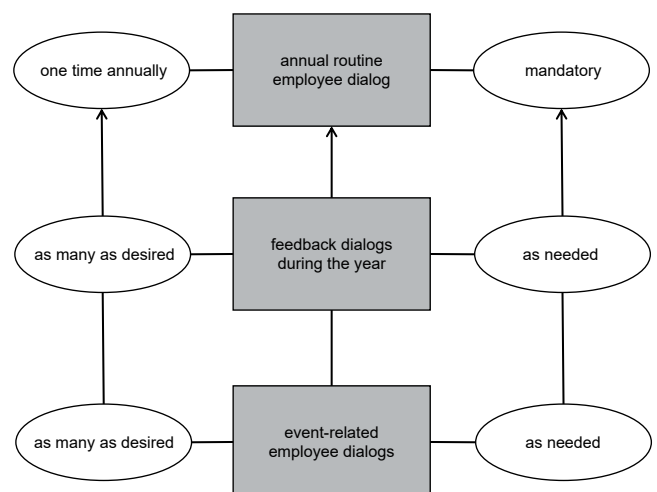


[6] Area of Validity: Employees in the compensation system

## 5.2 Job security and health

The safety and good health of our employees has great significance in the Zollner Group of companies. For every company-related workflow, the company and employee representatives developed measures to prevent accidents and impairments as well as guarantee safe processes and production facilities.

Company leadership always carries responsibility for adherence to applicable statutory regulations. Additionally, every member of leadership/management in the company is responsible for occupational health & safety in their supervisory and functional area.

In the EH&S division, collective committees made up of employer and employees continuously works on measures to improve the safety level and develop effective preventative measures. If there are accidents, all incidents are analyzed by responsible members of leadership together with EH&S management.

Occupational Health and Safety Management in the Zollner Group of companies has been certified at German locations and at other European locations, internal occupational health and safety management is operated in accordance with the ISO) 45001 standard. Approximately 90% of total employees profit from this. In addition to that, Zollner plans to successively expand the area of application of its certified Occupational Health & Safety Management Systems in accordance with ISO) 45001 by 2026. Current planning includes Hungarian and Romanian locations.

A nationally responsible person for the topic area of EH&S has been named at all Zollner Group of companies locations. They follow the occupational health & safety goals of company leadership. Implementation is routinely reviewed within the scope of audits or other measures for monitoring.

## 5.2.1 Social and Health Management

Social and Health Management to us is the deliberate control and integration of all company-related processes with the goal of maintaining and promoting the good health and well-being and employee retention.

In the course of restructuring the Human Resources (HR) division, Zollner Elektronik AG called the specialist department of Social & Health Management (HRSH) into being in 2018. Workplace Health Management (WHM) was established as a part of the corporate strategy and is firmly anchored in our Integrated Management System. Since then, a specialized team takes care of the WHM pillars (heal-oriented management, company-related health promotion & illness prevention, company-related social management, work-life management) and annually offers activities and events for employees at German locations.

Based on our central WHM concept, Zollner Costa Rica set up several measures for its employees as the first location outside of Germany, which in the meantime has opened into a holistic program for improvement of well-being. The healthcare program of Zollner Costa Rica pursues the goal of better equipping its employees for the challenges of the modern working world. It encompasses activities from the WHM pillar for company-related health promotion and illness prevention.

**We are a healthy company**
The Zollner Elektronik AG Workplace Health Management (WHM) is one of the best in Germany. As a result of an intense audit, our WHM received Gold Status, and Zollner can now designate itself as a Healthy Company. AOK Bayern and DQS GmbH awarded the certification. Assessed alongside WHM and its various areas of application were also the audit areas of occupational health & safety and industrial safety.
The Gold certification is the result of an extensive audit during which Zollner proved successfully that it not only fulfills the basic requirements of WHM but also sets above-average standards for the well-being of its employees.

**Activities in the area of WHM**

| HUMAN RESOURCE MANAGEMENT<br>Social & Health Management | | | |
|---|---|---|---|
| Prime Social & Health Management at work – because you are worth it to us! | | | |
| Designing a Social & Health Management with optimal structures, processes and key indicators with the goal of healthier and more productive employees at all levels of the company. | | | |
| **Health-oriented leadership** | **Company-related health promotion and illness prevention** | **Company-related social management** | **Work-Life Management** |
| WORK **HEALTHY** | BE **HEALTHY** | STAY **HEALTHY** | LIVE **HEALTHY** |
| • Basic:<br>basic qualification<br>• Advanced:<br>advanced qualification<br>• Refresher:<br>refresher qualification | • Movement<br>• Ergonomics<br>• Nourishment & Sustenance<br>• Health Partner<br>• Influencer System<br>• Programs & Events<br>• Stress & Regeneration<br>• Addiction Prevention<br>• Preventative Care & Analysis | • Exit Interview<br>• Company Integration Management<br>• Company Social Consultation<br>• Company Addiction Consultation<br>• Discontent Management<br>• Inclusion<br>• Participation in Work Life | • Compatibility of Job and Family<br>• Compatibility of Job and Caregiving |



*Health-oriented leadership workshop*



*Active breaks*



*Consultation offers for employees*

## 5.3 Social Impact and Corporate Citizenship

We believe in the significance of social responsibility toward society. To commit one's self to others is a requirement shared by corporate leadership and our employees. Our corporative commitment is shown in myriad forms. We feel an obligation to the people in the regions of our locations. Therefore, we mainly select local projects (educational, cultural, social and sports events) or organizations to support with financial means or non-cash donations. We happily donate for charitable purposes instead of sending our customers Christmas gifts.

We are proud of our employees because they often autonomously start projects, for example, donation campaigns for charitable organizations.

Promotion of volunteer charitable commitment by our employees is near and dear to our hearts. For example, we release employees (without shortening their pay) who are called on deployments as volunteer members of the fire department or rescue services in case of fire or flood. We allow our employees to take part in blood donations and typing actions during working hours.

**Volunteering & economic activity - hand-in-hand**
As one of 17 Bavarian companies, our company was awarded as a "Volunteer-friendly company - Together for more safety" by the Bavarian State Secretary Sandro Kirchner within the framework of the Blue Light Reception in October of 2022 in Landshut. This award honors companies who in spite of possible impacts on the operating procedures watch the backs of their employees in case of deployments. Of the approximately

13,000 employees, a large part of the employees in German plants dedicate themselves to volunteering. "It makes me happy again and again when our colleagues dedicate themselves to the safety of our fellow human beings, and for that reason it is a matter of course to support them wherever we can", thus Christian Zollner. He accepted the acknowledgment filled with pride and thanked in the name of the entire Group of companies for the award.

Supporting sports and sponsoring local sports associations is just as important to us as social commitment. As a family-owned company, we dedicate ourselves happily for a sport in which the young and old can have fun together.

Since the beginning of the 2019/2020 season, Zollner Elektronik AG has been acting as a Superior Partner to SSV Jahn Regensburg. The company secured naming rights for the "Zollner Family Block" in the course of the cooperation among other things. SSV Jahn sells tickets in this area especially to parents and their kids. Zollner employees profit from an allotment of free tickets and regularly occurring team events (like the Zollner Family Day).



*Uproarious enthusiasm: our employees' children at the Match Day Camp of SSV Jahn Regensburg.*

### 5.3.1 Impact on local communities

The Zollner Group of companies pays special attention that the living together with local communities benefits both sides. With numerous activities, we support local projects and promote volunteer commitment from our employees.

**Here are a few examples from the reporting period:**
- Support and promotion of vocational schools, universities and secondary vocational schools in the region.
    • The Manfred Zollner Prize is awarded at the annual celebration of "Dies Academicus" at the Deggendorf Institute of Technology (DIT) for outstanding performance.

- Youth programs for promoting new talent
    • Children are explorers and love to experiment and tinkering. The "Technik für Kinder e.V." association, of which Zollner Elektronik AG was a founding member in 2010, builds on this. The association has had great success with that: over 3,000 girls and boys have taken part in the meantime in the Cham Rural District in its "Students Discover Technology (SET)".
    • Another project is called "Technology Vacation for Children of Employees". Zollner has offered this technology vacation for eight years now.

- Creation and securing jobs and apprenticeships in the regions of our German home.
    • Zollner Elektronik AG has a training quota of 3.7% and often offers young people jobs after completing their training. The takeover quota for apprentices in 2023 was 89%.

- Support for young people in career selection with internships and job offers for graduate students or through organizing informational events and job fairs in the surrounding areas of our German, Hungarian and Romanian locations.
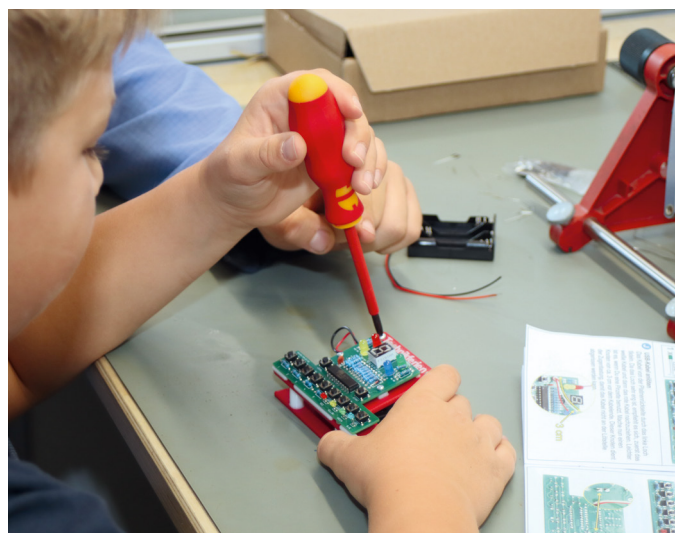
### 5.3.2 Corporate Citizenship Activities

**Here are a few examples of our Corporate Citizenship activities:**

- donations to regional charitable associations and organizations, among others, to
    - Chamer Tafel,
    - Aid program "Bürger helfen Bürgern",
    - Self-help group Cham Children's Cancer Fund
    - Kleine Patienten in Not e. V.,
    - Team Bananenflanke Regensburg e. V.

- Noncash donations or financial support for kindergartens, schools, government authorities and organizations with security and safety tasks in our region.
    - A tool box for the middle school in Furth im Wald: because future technology talent is close to our hearts, we support our schools with suitable equipment for their lessons. Our Zollner tool box, packed with electronic accessories was handed over to the seventh grade of the Furth im Wald middle school together with additional technical equipment.

    - Donation for school children in Dealu Mare-Viile, Satu Mare: Our team also participated in 2022 and 2023 in donation campaigns. In doing so, our colleagues help whenever the community in Satu Mare needs their support. Thus, we collect various school materials, which we present on-site. Company leadership also donated fully equipped school bags - much to the joy of the children. At the same time, the Zollner team took part in the #access2edu campaign for which diligent peddling took place. For the total of 2,000 biked kilometers, the company donated two brand new bicycles to the school to make the way to school safer and more comfortable.



*Our Zollner team at the Cham City Run with a donation check to the Chamer Tafel.*
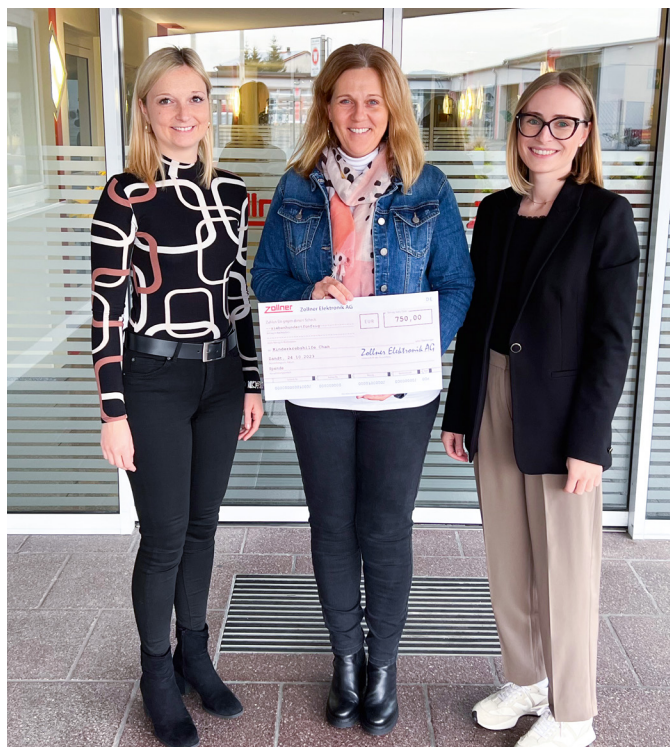


*Donation for a good cause - earnings benefited the Children's Cancer Fund.*

- Support for Bavarian Rundfunk's "Sternstunden" fundraiser.
  - The donation willingness of our employees during the pre-Christmas Zollner Sternstunden campaign was uninterrupted over the past years such that already over 50,000 Euros came together for families and children in need. In 2023 as well, the Zollner team diligently filled the Sternstunden account with a donation of over 10,000 Euros to help children who don't have an easy life to conjure up a smile in their little faces and ensure glowing child's eyes.



- Johanniter Christmas Truckers
  - Zollner Elektronik AG has been supplying a tractor-trailer for twelve years now with which the Christmas Truckers can make their way to Eastern Europe. Many of the aid packages they bring to the needy are donated by our employees.
    Several thousand packages have been sent since the start of support in 2011 filled with food, hygiene articles and small gifts for the children.

- Blood donation during working hours
  - Participation in blood donation campaigns was also very good in the past two years. The number of willing donors during the reporting period was over 400 in our German, Hungarian and Romanian locations. Those who wanted could not only donate blood but also have their bone marrow donor type determined.



Within the framework of their corporative commitment and Corporate Citizenship activities, the Zollner Group of companies globally supported projects during the reporting period of 2022-2023 with monetary and in-kind donations in the categories of education, culture, sport and society with around 1,125,000 Euros.

# Annex:

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| **3. Ethics and Integrity** | | | |
| Information 102-16 Values, Basic Principles, Standards and Standard of Conduct | 2.2 Ethics and integrity<br>2.3 Corporate Responsibility Program | 17-19<br>19-20 | |
| **4. Corporate Management** | | | |
| Information 102-18 Management Structure | 1.4 Leadership Structure, Risk and Opportunity Management | 8-9 | |
| **5. Stakeholder Integration** | | | |

| | | | |
|---|---|---|---|
| Information 102-40 List of stakeholder groups | 2.4 Stakeholder Analysis | 20 | |
| Information 102-41 Labor Agreements | | | There were no labor agreements during the reporting period. |
| Information 102-42 Determination and Selection of Stakeholders | 2.4 Stakeholder Analysis | 20 | |
| Information 102-43 Approach for the Integration of Stakeholders | 2.4 Stakeholder Analysis<br>2.5 Communication with Stakeholders | 20<br>21 | |
| Information 102-44 Important Topics and Voiced Concerns | 2.5 Communication with Stakeholders<br>2.6 Materiality Matrix | 21<br>21-22 | |
| **6. Reporting Procedure** | | | |
| Information 102-45 Entities included in the Corporate Financial Statement | Report contents<br>1.3 Locations | 4<br>7-8 | The subsidiaries belonging to the Zollner Group of companies, Polygon, SIQIT, EIT, TIKI and Sourceability, are not handled in this report. |
| Information 102-46 Procedure for Determination of Report Content and Delimitation of Topics | 2.5 Communication with Stakeholders<br>2.6 Materiality Matrix | 21<br>21-22 | |
| Information 102-47 List of Critical Topics | 2.6 Materiality Matrix | 21-22 | |
| Information 102-48 Restatement of Information | | | None |
| Information 102-49 Changes in Reporting | | | None |
| Information 102-50 Reporting Period | Reporting period | 4 | |
| Information 102-51 Date of the Last Report | | | May 2022 |
| Information 102-52 Reporting Cycle | Reporting period | 4 | |
| Information 102-53 Contact Person for Questions about this Report | Publishing information | 55 | |
| Information 102-54 Explanation of Reporting in Compliance with GRI Standards | Report Content | 4 | |
| Information 102-55 GRI Content Index | GRI content index | 50-54 | |
| Information 102-56 External Examination | | | None |
| **GRI 201: Economic Performance 2016** | | | |
| 103-1-2-3 MANAGEMENT APPROACH 2016 | 1.6 Services and Product Life Cycle Management | 11-12 | |
| 201-1 Directly Generated and Distributed Economic Value | 1.6 Services and Product Life Cycle Management | 11-12 | |
| **GRI 203: Indirect Economic Impacts 2016** | | | |
| 103-1-2-3 MANAGEMENT APPROACH 2016 | 3.1 Contributions to Economic Development<br>5.1 Handling our Employees | 23-27<br><br>35-37 | |
| 203-1 Infrastructure Investments and Stipulated Services | 5.3 Social Impact and Corporate Citizenship | 46-49 | |
| 203-2 Significant Indirect Economic Impacts | 1.6 Services and Product Life Cycle Management<br>3.1 Contributions to Economic Development<br>5.1 Handling our Employees | 11-12<br>23-27<br>35-37 | |
| **GRI 205: Anti-corruption 2016** | | | |

| 103-1-2-3 MANAGEMENT APPROACH 2016 (Management Approach 2016) | 2.2.3 Zollner Code of Conduct<br>2.3 Corporate Responsibility Program<br>3.2 Fair Business Practices | 18-19<br>19-20<br>28 | |
|---|---|---|---|
| 205-1 Operating Facilities Reviewed for Corruption Risks | 3.2 Fair Business Practices | 28 | |
| 205-2 Communication and Training on the Guidelines and Procedures for Battling Corruption | 3.2 Fair Business Practices | 28 | No exact figures exist on training of guidelines. |
| 205-3 Confirmed Corruption Cases and Measures/Actions Taken | 3.2 Fair Business Practices | 28 | During the reporting period, no corruption incidents at Zollner locations became known to us. |
| GRI 206: Anti-competitive Behavior 2016 | | | |
| 103-1-2-3 MANAGEMENT APPROACH 2016 | 2.2.3 Zollner Code of Conduct<br>3.2 Fair Business Practices | 18-19<br>28 | |
| 206-1 Legal Actions due to Anti-competitive Behavior, Creation of Cartels or Monopolies | 3.2 Fair Business Practices | 28 | |
| GRI 302: Energy 2016 | | | |
| 103-1-2-3 MANAGEMENT APPROACH 2016 | 4 Ecological Sustainability<br>4.1 Responsible Resource Use<br>4.1.1 Energy management | 29<br>29<br>29-30 | |
| 302-1 Energy Consumption within the Organization | 4.1.1 Energy management | 29-30 | |
| GRI 303: Water and Wastewater 2018 | | | |
| 103-1-2-3 MANAGEMENT APPROACH 2016 | 4 Ecological Sustainability<br>4.1 Responsible Resource Use<br>4.1.2 Water consumption | 29<br>29<br>30-31 | |
| 303-1 Water as a Mutually Utilized Resource | 4.1.2 Water consumption | 30-31 | |
| 303-3 Water Withdrawal | 4.1.2 Water consumption | 30-31 | |
| 303-5 Water consumption | 4.1.2 Water consumption | 30-31 | |
| GRI 305: Emissions 2016 | | | |
| 103-1-2-3 MANAGEMENT APPROACH 2016 | 4 Ecological Sustainability<br>4.1 Responsible Resource Use<br>4.1.3 Emissions | 29<br>29<br>32 | |
| 305-1 Direct GHG Emissions (Scope 1) | 4.1.3 Emissions | 32 | |
| 305-2 Indirect, Energy-related GHG Emissions (Scope 2) | 4.1.3 Emissions | 32 | |
| GRI 306: Wastewater and Waste 2016 | | | |
| 103-1-2-3 MANAGEMENT APPROACH 2016 | 4 Ecological Sustainability<br>4.1 Responsible Resource Use<br>4.1.4 Waste management | 29<br>29<br>33 | |
| 306-2 Waste by Type and Disposal Method | 4.1.4 Waste management | 33 | |
| GRI 307: Environmental Compliance 2016 | | | |
| 103-1-2-3 MANAGEMENT APPROACH 2016 | 4 Ecological Sustainability<br>4.1 Responsible Resource Use<br>4.2 Environmental Compliance | 29<br>29<br>34 | |
| 307-1 Noncompliance with Environmental protection laws and Directives | 4.2 Environmental Compliance | 34 | |
| GRI 401: Employment 2016 | | | |

| | | | |
|---|---|---|---|
| 103-1-2-3 MANAGEMENT APPROACH 2016 | 5 Social Responsibility<br>5.1 Handling our Employees | 35<br>35-37 | |
| 401-1 Newly Hired Employees and Employee Fluctuation | 5.1.2 Key employment indicators | 38-40 | |

**GRI 402: Labor/Management Relations 2016**

| | | | |
|---|---|---|---|
| 103-1-2-3 MANAGEMENT APPROACH 2016 | 5.1.1 Fair working conditions | 37 | |
| 402-1 Minimum Notification Grace Period for Company-related Changes | 5.1.1 Fair working conditions | 37 | |

**GRI 403: Occupational Health and Safety 2018**

| | | | |
|---|---|---|---|
| 103-1-2-3 MANAGEMENT APPROACH 2016 | 5.2 Job security and health | 44 | |
| 403-1 Management System for Work Safety and Health Protection | 5.2 Job security and health | 44 | |
| 403-2 Hazard Identification, Risk Assessment and Review of Incidents | 5.2 Job security and health | 44 | |
| 403-4 Employee Involvement, Consultation and Communication regarding Work Safety and Health Protection | 5.2 Job security and health | 44 | |
| 403-6 Promoting Employee Health | 5.2.1 Social and Health Management | 44-45 | |

**GRI 404: Training and Education 2016**

| | | | |
|---|---|---|---|
| 103-1-2-3 MANAGEMENT APPROACH 2016 | 5 Social Responsibility<br>5.1.3 Further education and training | 35<br>41-43 | |
| 404-1 Average Number of Hours for Further Education and Training per Year and Employee | 5.1.3 Further education and training | 41-43 | |
| 404-2 Programs for the Improvement of the Expertise of Employees and for Transition Aid | 5.1.3 Further education and training | 41-43 | |
| 404-3 Percentage of Employees who Routinely Receive Assessments of their Performance and Occupational Development | 5.1.3 Further education and training | 41-43 | |

**GRI 405: Diversity and Equal Opportunity 2016**

| | | | |
|---|---|---|---|
| 103-1-2-3 MANAGEMENT APPROACH 2016 | 5 Social Responsibility<br>5.1.1 Fair working conditions | 35<br>37 | |
| 405-1 Diversity in Control Bodies and among Employees | 5.1.1 Fair working conditions<br>5.1.2 Key employment indicators | 37<br>38-40 | |
| 405-2 Ratio of the Base Salary and Compensation for Women to the Base Salary and Compensation for Men | 5.1.1 Fair working conditions | 37 | There are no indications of gender-specific discrimination. |

**GRI 406: Non-discrimination 2016**

| | | | |
|---|---|---|---|
| 103-1-2-3 MANAGEMENT APPROACH 2016 | 2.3 Corporate Responsibility Program<br>5.1.1 Fair working conditions | 19-20<br>37 | |
| 406-1 Discrimination Incidents and Corrective Actions Taken | | | No cases of discrimination at Zollner locations were reported to us in the reporting period. |

**GRI 407: Freedom of Association and Collective Bargaining 2016**

| | | | |
|---|---|---|---|
| 103-1-2-3 MANAGEMENT APPROACH 2016 | 5.1.1 Fair working conditions | 37 | |
| 407-1 Operating Facilities and Suppliers at which the Right to Freedom of Association and Collective Bargaining could be Threatened | | | We have not been made aware of Zollner locations or suppliers during the reporting period at which the right to freedom of association and |

| | | | |
|---|---|---|---|
| | | | collective bargaining could be threatened. |
| **GRI 408: Child Labor 2016** | | | |
| 103-1-2-3 MANAGEMENT APPROACH 2016 | 5.1.1 Fair working conditions | 37 | |
| 408-1 Operating Facilities and Suppliers with a Significant Risk of Incidents of Child Labor | | | We have not been made aware of any significant risks of incidents of child labor at Zollner locations or our suppliers during the reporting period. |
| **GRI 409: Forced or Compulsory Labor 2016** | | | |
| 103-1-2-3 MANAGEMENT APPROACH 2016 | 5.1.1 Fair working conditions | 37 | |
| 409-1 Operating Facilities and Suppliers with a Significant Risk of Incidents of Forced or Compulsory Labor | | | We have not been made aware of any significant risks of incidents of forced or compulsory labor at Zollner locations or our suppliers during the reporting period. |
| **GRI 413: Local Communities 2016** | | | |
| 103-1-2-3 MANAGEMENT APPROACH 2016 | 5.3 Social Impact and Corporate Citizenship | 46-49 | |
| 413-1 Operating Facilities with Inclusion of Local Communities, Impact Assessments and Incentive Programs | 5.3 Social Impact and Corporate Citizenship | 48-52 | |
| 413-2 Business Transactions with Significant, Actual or Potential Negative Impacts on Local Communities | 5.3 Social Impact and Corporate Citizenship | 48-52 | There are no Zollner locations which have a significant negative impact on local communities. |
| **GRI 414: Supplier Social Assessment 2016** | | | |
| 103-1-2-3 MANAGEMENT APPROACH 2016 | 1.7 Supply Chain | 12-14 | |
| 414-1 New Suppliers, which were Assessed based on Social Criteria | 1.7 Supply Chain | 12-14 | |
| **GRI 418: Customer Privacy 2016** | | | |
| 103-1-2-3 MANAGEMENT APPROACH 2016 | 3.2 Fair Business Practices | 28 | |
| 418-1 Substantiated Complaints regarding Violation of the Protection and Loss of Customer Data | 3.2 Fair Business Practices | 28 | |
| **GRI 419: Socioeconomic Compliance 2016** | | | |
| 103-1-2-3 MANAGEMENT APPROACH 2016 | 2.2 Ethics and integrity 2.2.3 Zollner Code of Conduct 4.2 Environmental Compliance | 17-19 18-19 34 | |
| 419-1 Noncompliance with Laws and Provisions in Social and Economic Areas | | | During the reporting period, no significant fines and/or non-monetary sanctions were adjudicated against Zollner due to noncompliance with laws and/or provisions in the social and economic areas. |

# Publishing Information

**Editorial staff comments**
This report appears online in German and English and is ready for download at www.zollner.de.
The editorial deadline was the 30th of September, 2024.

**Disclaimer**
All information in this report was compiled with the greatest diligence. Nevertheless, liability for the correctness or completeness of the information cannot be accepted.
Apparent discrepancies may appear in the whole report due to mathematical rounding in addition.

Alongside an observation of the past, this report contains certain statements oriented toward the future, which pertain to the development of the Zollner Group of companies. We assume these anticipatory statements are realistic. Such statements oriented to the future, however, are based both on assumptions and estimations, which are subject to risks and uncertainties. Thus, they are not to be understood as safeguarded. Updating the anticipatory statements relative to events that occur after the key date is not planned.