

Contents



Preface	3
Tridonic – the technology brand of the Zumtobel Group	4
Production, development and sales locations	5
Sustainability management	7
Relevant stakeholders	9
More than 20 years of sustainability	10
Partnerships and memberships	14
Sustainable Development Goals (SDGs)	15
Sustainable Tridonic programme	17
Cradle to Cradle (C2C)	19
Climate neutrality	28
Sustainable packaging	49
Social responsibility	52
Communication and training	66

Dear readers,

The 2021/22 business year was a challenging and exciting year in many respects. I am therefore very pleased that we were able to take a big step forward when it comes to sustainability.

As a technology company, we develop products and systems in the interests of circular economy. This is the only way for us to change the lighting industry in the long term together with our partners.

Tridonic has been involved in sustainability for many years and is a member of important alliances. Since 2021, we have put together a team that has dealt with the topic in an interdisciplinary way and has embedded it in all areas of the company.

This report examines 'Sustainable Tridonic'. It shows where we stand today, which challenges we have already been able to overcome and which topics will occupy us over the next few years.

Thank you for your interest in Tridonic and our sustainability topics.

Hugo Rohner, CEO Tridonic



Preface

Tridonic is included in the consolidated NFI statement of Zumtobel Group AG. The principles and contents of the sustainability report and of the Group's annual financial report there-fore also apply to Tridonic. This particularly applies to areas that are cen-trally organised and implemented at group level for all brands such as HR activities, compliance issues and strategic purchasing. In each chapter of this report, we refer to the corresponding chapters in the sustainability report of Zumtobel Group AG. Data on 'Sustainable Tridonic' was eval-uated separately for Tridonic.

This report on the 'Sustainable Tridonic' programme was not prepared according to the GRI reporting standard.

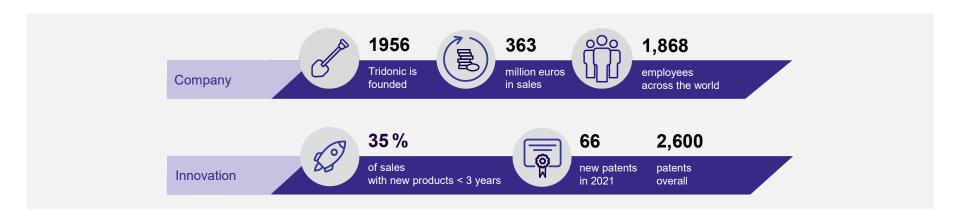


Tridonic – the technology brand of the Zumtobel Group

Tridonic is the technology company of the Zumtobel Group and is head-quartered in Dornbirn, Austria. The company supports its customers and partners with intelligent and sustainable lighting. Tridonic's lighting components offer the highest quality and maximum reliability and enable considerable energy savings. Tridonic continuously supplies the lighting industry with state-of-the-art innovations and lighting solutions.

The majority of R&D projects are devoted to the development of new LED systems and technologies for connected light. Tridonic is an important player in the lighting industry and supports luminaire manufacturers in particular, but also lighting designers, architects, property operators, investors and electricians.

In the 2021/22 business year, Tridonic achieved sales of 363 million euros. The company has 1,868 employees across the world.



Production, development and sales locations

Tridonic is represented throughout the world and has four production sites, six technology centres and 75 sales locations. The sustainability strategy is defined at headquarters in Dornbirn and coordinated and developed with representatives in other locations. The four production sites in Dornbirn (Austria), Spennymoor (Great Britain), Niš (Serbia) and Shenzhen (China) generate the greatest potential for CO₂ savings. This is why these locations will be the focus of this report.



Management systems

Sustainability is also reflected in the management structures. The environmental management system at all four production sites is ISO 14001:2015 certified (see table).

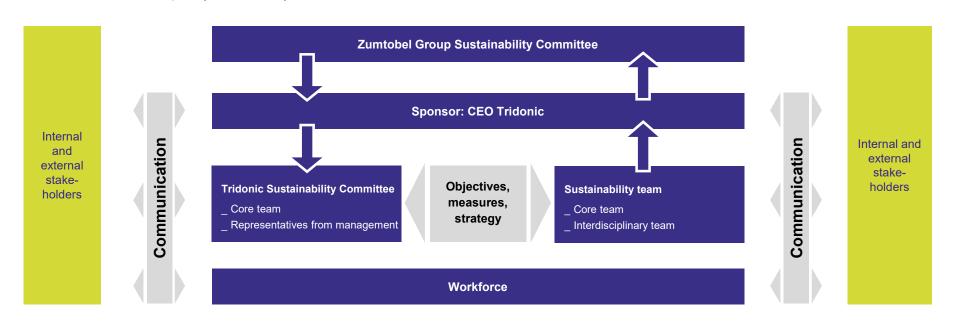
In addition, all European production plants will be certified according to ISO 45001:2018 from the 2022/23 business year onwards.

Location	Standard		Valid until	Certified since
	Quality management	ISO 9001:2015	2023	1994
Dornbirn	Environmental management system	ISO 14001:2015	2023	2004
	Energy management system	ISO 50001:2018	2023	2013
Niš	Quality management	ISO 9001:2015	2024	2018
	Environmental management system	ISO 14001:2015	2024	2018
	Health and safety	ISO 45001: 2018	2024	2021
Spennymoor	Quality management	ISO 9001:2015	2024	1993
	Environmental management system	ISO 14001:2015	2022	2010
	Energy management system	ISO 50001: 2018	2024	2015
Shenzhen	Quality management	ISO 9001:2015	2023	2005
	Environmental management system	ISO 14001:2015	2023	2009

Sustainability management

A separate department for sustainability management was set up in the 2021/22 business year. The Sustainability specialist team is supported by colleagues from different departments. The core team and the members of the extended interdisciplinary sustainability team are in constant com-

munication. Strategies and measures are defined together. The Tridonic Sustainability Committee, chaired by CEO Hugo Rohner, receives monthly reports.



The interdisciplinary Sustainability team

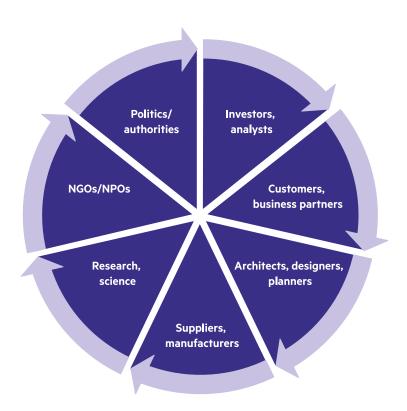
The interdisciplinary Sustainability team with members of various departments (Quality Management, Purchasing, Product Management, Sales, Environment and Safety, R&D and Communication)



Relevant stakeholders

Communicating and exchanging views with a wide range of stakeholders is an important aspect of Tridonic's corporate organisation and culture. Through an open and transparent dialogue we want to ensure that the concerns of all stakeholders are heard.

Only by involving all stakeholders can the company's long-term success and a responsible value chain be ensured. The relevant stakeholder groups were analysed at group level with the involvement of Tridonic.



More than 20 years of sustainability



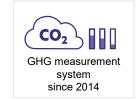




Operational mobility management since 1999







since 2013







GRI reporting system since 2022



UN Global Compact since 2020



ISO45001 certified since 2021



RespACT since 2020



klimaaktiv since 2021

1990 2000 2010 2020

^{*} Together with Zumtobel Group

ISO certifications

The company has been ISO certified since the 1990s. Since the early 2000s, the environmental management system has also been certified according to ISO 14001.

Environmental product declarations

Tridonic issued its first Environmental Product Declaration (EPD) in 1998. EPDs are very important for Tridonic. They outline the environmental impact of a product throughout its life cycle, starting with the extraction of

raw materials, through production, transport, installation and operation all the way to disposal. The EPDs not only highlight the Global Warming Potential (GWP) but also the negative effects on the ozone layer, the overfertilisation of soil and the acidification of water. The environmental product declarations are structured in accordance with ISO 14025 and EN 15804 and are based on life cycle assessments (LCA). The EPDs are verified by the Institut Bauen und Umwelt (IBU) and are regularly audited. EPDs are available for most Tridonic products.

Tridonic has been issuing environmental declarations since 1998.

Operational mobility management

The sustainable mobility of employees has also been an integral part of the company organisation since 1999. Different measures such as company bikes, paid tickets for public transport, parking management, bike campaigns and infrastructure for sustainable mobility (showers and covered bike storage facilities for cyclists, charging infrastructure for e-cars) at the company headquarters in Dornbirn have helped employees to be eco-friendly and mainly go to work on foot, by bike or by public transport.



Greenhouse gas (GHG) reporting system

Tridonic has been measuring emissions from different energy sources since 2014/15. Since business year 2021/22, the measurement system has considered the requirement of the Global Reporting Initiative (GRI).

Corporate Social Responsibility (CSR) initiatives

In recent years Tridonic has joined initiatives such as ÖKOPROFIT, the UN (United Nations) Global Compact, respACT and the klimaaktiv Pakt 2030. Since February 2021, the company has also been working closely with its partner EPEA (Environmental Encouragement Protection Agency) as part of its certification according to the Cradle to Cradle Certified® standard. ÖKOPROFIT is an initiative of the state of Vorarlberg (Austria) whose aim is to support Vorarlberg companies in implementing an environmental management system and continuously improving it. Tridonic has been an active partner since the initiative was founded and received the 26th ÖKOPROFIT certification in 2022. The UN Global Compact is a global initiative for responsible corporate management and has ten princi-ples. Another key element is support for the seventeen Sustainable Development Goals (SDGs).



With the klimaaktiv Pakt, the Austrian Federal Ministry for Climate Protection, Environment and Energy offers large companies a voluntary, credible and transparent alliance for climate protection. Tridonic developed a climate protection concept under the professional guidance of experts from klimaaktiv and is implementing its measures at company level. The overall objective is to reduce GHG emissions by 50 % by 2030 (basis 2015).

The Austrian Energy Agency and the Federal Environment Agency review the achievement of the agreed objectives on an annual basis.

respACT is a national Austrian initiative that focuses on promoting networks and partnerships to make the most of synergies.

Partnerships and memberships

Tridonic relies on strong partnerships with leading organisations in the lighting industry to develop new lighting solutions. This is why the company is an active member of important associations and consortiums – both on a global and regional level.

Tridonic is convinced that challenges in connection with the change to a resilient future system can only be overcome together. Only if all stakeholders work on a common objective as equal partners will it be possible to transform and embed the concept of a circular process along the entire value chain.

Industry alliances







Consortiums





Fundings





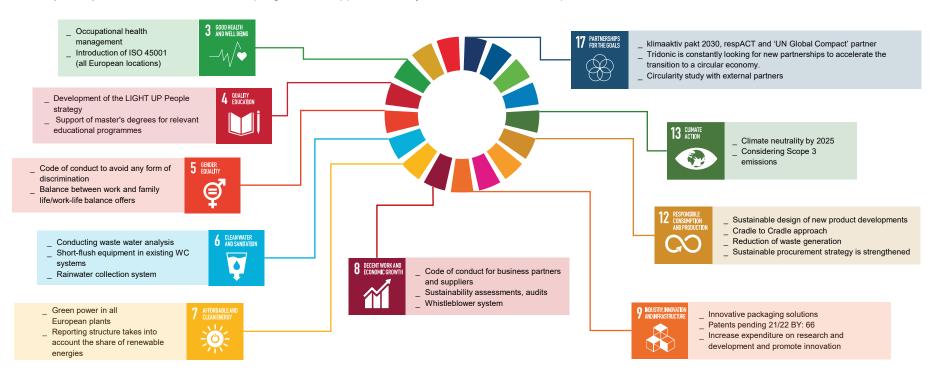






Tridonic supports the UN Sustainable Development Goals

As a globally operating company, Tridonic is aware of its responsibility to make an active contribution to the United Nations Sustainable Development Goals (SDGs). The Sustainable Tridonic programme supports the objectives set out below in particular:



Further information can be found in the 2021/22 sustainability report published by the Zumtobel Group AG (link)

Topic	Contents	Page number
Overview of the Zumtobel Group		8
	The company	8
	Products and production locations	9
	Market and brand positioning	10
	Our FOCUSED strategy	12
Sustainability roadmap		23
Sustainability performance		26
Responsible actions		33
	Framework for the non-financial statement	34
	Organisational anchoring and due diligence processes	34
	Sustainability Steering Committee	35
	Stakeholder management	36
	Materiality update in 2021/22	36
	Climate-relevant risks/opportunities and effects	47
Sustainable management		51
	Sustainability in the management system	52
	Disclosures in accordance with the Taxonomy Regulation	56



Sustainability programme

As a technology company, Tridonic wants to play an active role in shaping the power-hungry lighting market to contribute to the protection of the planet and its natural resources. The Sustainable Tridonic programme, launched in 2021, forms the strategic basis for sustainability activities which are divided into five topics.





Cradle to Cradle (C2C)

C2C is a concept with the aim of developing safe, recyclable and responsibly manufactured products. It is not only about minimising negative effects but also about leaving a positive ecological footprint. It involves implementing a circular economy and preserving materials in the material cycle, among other things.

Tridonic has opted for the Cradle to Cradle Certified[®] approach because it can make a lasting change to the lighting industry by promoting new and very demanding design specifications.

The C2C Certified[®] concept is the strategic foundation of Sustainable Tridonic and assesses sustainability performance using five categories:



Material Health



Material Reutilization



Renewable Energy & Carbon Management



Water Stewardship



Social Fairness

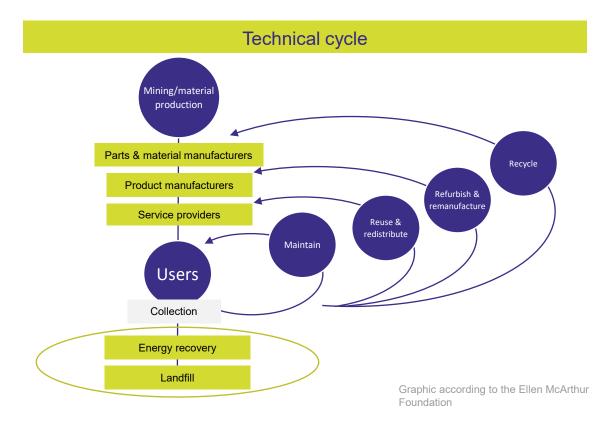
Detailed information about the standard and its criteria can be found by visiting the following link: https://www.c2ccertified.org/

Circular economy

Most products developed and used today follow a cradle-to-grave mentality. Use it, lose it and bury it in the ground.

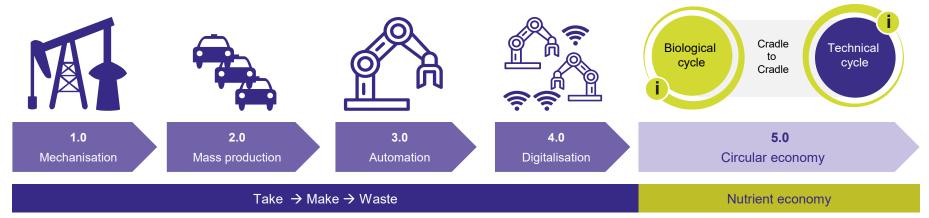
C2C means 'from Cradle to Cradle'. In other words, the end of a product's lifecycle is followed by the beginning of a new product. Each component is evaluated in terms of its environmental impact as early as product development. Extensive product innovations are necessary to establish a circular economy based on this approach.

According to the Ellen McArthur Foundation, the 'technical cycle' represents an ideal product life cycle.



Tridonic is working on improving the recyclability of its products. A network of suppliers and regional partners is a prerequisite for this. The big challenge for electronics manufacturers such as Tridonic is that LED drivers consist of many individual components and different materials. Tridonic therefore wants to develop a modular system which only accepts materials that comply with the C2C Certified® standard. This is how the long-term goal

of certifying all premium products by 2030 will be achieved. In the 2022/23 business year, there are plans to introduce a product passport that contains all the relevant information on the product's recyclability, materiality and ${\rm CO_2}$ footprint.



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The hurdles of C2C in the electrical and electronics industry

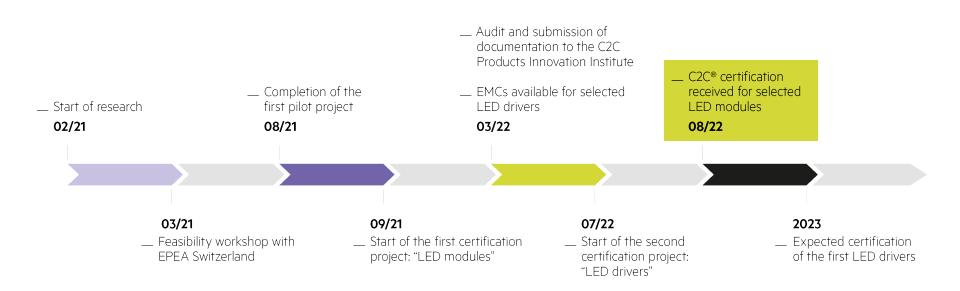
Tridonic uses raw materials that require strict controls even without a C2C Certified® criteria catalogue. Legal regulations such as the RoHS, REACH or Conflict Minerals Directive apply. However, the requirements of the C2C approach are much more stringent. To determine whether products are C2C compliant, Tridonic has to work closely with suppliers and gather and evaluate a lot of information about purchased components. Since Tridonic procures its raw materials globally and suppliers are often not aware of the stringent requirements, the process of obtaining information is tedious and time-consuming. In the electrical and electronics industry in particular, the use of certain materials is essential since their properties are required in electronic components and there are no alternatives (yet) on the market.

In addition to materials, the introduction of the circular economy is a long-term challenge. This is particularly true for component manufacturers such as Tridonic as the products are used in an end product. A genuine circular economy can therefore only work with close cooperation along the entire upstream and downstream supply chain.

Tridonic evaluates ideas and future approaches with internal and external project teams for implementing the circular economy. The results of the work to date are shown below.

A genuine circular economy can only work with close cooperation along the entire supply chain.

The milestones of the Tridonic C2C Certified® programme so far

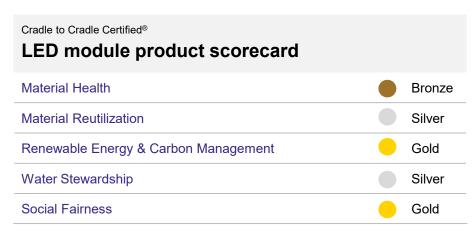


Tridonic's first C2C Certified[®] project focused on a feasibility study by EPEA Switzerland (Environmental Protection Encouragement Agency), a C2C Certified[®] consulting firm. The results led to a pilot project in which the material health of an LED module and a number of LED drivers was investigated with the cooperation of two Tridonic customers.

Based on this, Tridonic, in cooperation with EPEA Hamburg, succeeded in implementing the first C2C project (C2C Certified® in bronze) within eight months. The devices were certified by an independent test centre, the C2C Products Innovation Institute (C2CPII) based in California (USA).

Tridonic meets the stringent requirements of the standard with selected LED modules of the LLE, QLE and CLE product groups which were manufactured in Serbia.

Click here to download the certificate.



LED module scorecard of the LLE, QLE and CLE product groups manufactured in Serbia

Tridonic is currently working on another certification project for LED drivers. What's more, an Externally Managed Component Declaration (EMC) has been available for selected Generation 4 drivers since March 2022. This proof makes it easier for luminaire manufacturers to have their products certified according to the C2C Certified® standard.

EMC declaration

The EMC declaration covers the first two categories of the C2C Certified® standard – material health and product circularity. The EMC concept is designed to encourage manufacturers to develop complex components that are fully disposed of after use. This method allows the use of product components that do not need to be evaluated in the same way as the rest of the product.

Cradle to Cradle Certified® is a registered trademark of the Cradle to Cradle Products Innovation Institute

C2C-certified components help luminaire manufacturers with their projects

No electronic lighting component has been awarded C2C Certified® status yet (as of August 2022). A C2C-certified electronic component eliminates the need for luminaire manufacturers to certify the electronics in the luminaire. This process is covered by the component's C2C Certified® certificate. The certificate is also recognised by other initiatives. One example is the LEED system for green building.

Certified luminaires are already available on the market. This is because C2C Certified® evaluates the product weight. Depending on the certification level, this is possible from 75% of the total weight. Since a driver weighs a maximum of 1.5 kg (200 g on average), it can usually be considered outside the scope. For lighter luminaire models C2C certification becomes more difficult, however, especially if the electronic components have not vet been evaluated separately.

Further information can be found in the 2021/22 sustainability report of Zumtobel Group AG (link)

Topic	Contents	Page number
Sustainable procurement		69
	Procurement volume (separate for Tridonic = components)	71
	Sustainable procurement and supplier management	73
	Environmental and social standards in the supply chain	75
	Supplier audits and sustainability audits	76
	Code of conduct for suppliers	78
	Conflict minerals	78
Product responsibility		125
	Innovation	127
	Sustainable products and applications	129
	Environmental product declarations	131
	Product quality and safety	132
	Circular economy	133
	Circular design rules	133
	Circular sourcing, design & systems	133
	Cradle to Cradle®	137

Climate neutrality

Our target by 2025

100 %

climate neutral



Climate neutrality

The reduction of GHG emissions is at the heart of the sustainability activities in the entire Zumtobel Group including Tridonic. To achieve a continuous reduction of emissions, new reduction targets are defined each year. The goal is to be climate neutral by 2025.

Carbon reporting is turning into an essential part of corporate reporting and is therefore an important lever for documenting the change process in the company using measurable indicators. A $\rm CO_2$ measuring system was introduced as early as 2015/16. In the 2021/22 business year, the measuring system was adapted to the Greenhouse Gas Protocol (GHGP) and was therefore expanded to include important indicators. In September 2018, another production plant was opened in Niš and included in the reporting.

A comparison of GHG emissions with the 2015/16 base year makes no sense because of the opening of the new production plant and the expansion of the measuring system. For these reasons, the present report exclusively presents developments since the 2019/20 business year.

A CO_2 measuring system was introduced as early as 2014/15.

¹ Based on scope 1 and 2 emissions

Targets in the 2021/22 business year

Tridonic has set itself five quantifiable targets for the 2021/22 business year. The targets apply to all Tridonic production plants.

50% CO ₂ reduction compared to the previous year	_ In the 2021/22 business year, a CO_2 reduction of 43% was achieved which means that the target of 50% was missed. Note that the production volume increased by 16% in the 2021/22 business year. In comparison to the output, a CO_2 reduction of 51% was achieved compared to the previous year.
50% renewable energies	_ The target of 50% renewable energies was exceeded. The share was 55% on average.
15% waste reduction compared to the previous year	 The volume of waste increased by 11% compared to the previous year. This means that the 15% waste reduction was not achieved. In comparison to the output, Tridonic achieved a reduction of 5% in the past business year. The reasons why the target was not achieved were, on the one hand, the 16% increase in production volume and the resulting packaging waste for raw materials. On the other hand, machines were discarded and the lighting system modernised which in turn led to an increase in waste. Since the reduction of waste volume is a very big challenge we will pay greater attention to this topic in the future. The internal waste volume has to be reduced and, in consultation with our suppliers, we have to reduce packaging material or switch to a recyclable material.
Increase recycling rate to 87%	_ The recycling rate for the 2021/22 business year is 88%. This means that the target of a recycling rate of 87% was achieved. The prerequisite for this was the successful introduction of waste analyses at each Tridonic plant. Also, agreements were made
	with local waste disposal companies to implement improvements in waste management.
Maintain ISO 14001 and 50001 certificates	_ The plants were successfully re-certified according to ISO 14001 (all) and 50001 (Dornbirn and Spennymoor).

Energy

Energy management

Energy management is an integral part of sustainability management at Tridonic. Production sites are recording the highest energy consumption.



The energy consumption is recorded at all locations on a monthly basis, with the data being transmitted by local energy suppliers. What's more, regular energy audits are carried out at selected locations. The aim is to identify and implement further potential savings.

To keep the environmental impact to a minimum, all European production plants have exclusively obtained green energy since the 2021/22 business year. The total energy consumption in the business year ended was 16,731 MWh. Soldering and curing processes as well as compressed air generation use up the most energy.

Absolute energy consumption increased by 3 % compared to the previous year. This can be attributed to the fact that the output has increased by 16 % compared to the previous year.

At the Dornbirn plant, however, the impact of the Covid-19 pandemic and the associated short-time work reduced the output by 15%. This led to inefficiencies in power consumption because machines generate a base load even at low use. Starting up and shutting down the machines would not have had any efficiency benefits because heating processes cannot be switched off.

Energy intensity

Tridonic was able to considerably improve energy intensity. This energy key figure is calculated on the basis of the energy consumption per 1000 units produced. The energy intensity of the past business year improved from 0.402 MWh to 0.358 MWh per 1000 units. This corresponds to an improvement of 11%.

Reduction of energy consumption

At the company's headquarters in Dornbirn (Austria) the lighting in the administrative area was switched to LED during the reporting period. In addition, a pick-and-place machine was replaced by a modern and more efficient system. The lighting in the administrative building at the Spennymoor plant was also switched to LED, and the production design of lines 1 and 2 was optimised, resulting in energy savings. At the Shenzhen plant a new cooling system was purchased and the air compressor system was combined for two areas. These measures led to a significant reduction in energy consumption.

Tridonic has also implemented global measures to reduce gas consumption. This was done, for example, by shutting down the heating system during holiday periods and by training employees how to air rooms properly in winter. At the Dornbirn plant adjustments to operating times and temperatures in the building technology contributed to energy savings. At the Niš plant the gas boiler was modernised in the 2020/21 business year. The system is now equipped with a standby mode. To evaluate further potential for energy savings, the Niš plant is preparing for certification according to the ISO 50001 standard for energy management systems in the coming business year.

Tridonic has implemented global measures to reduce energy consumption.

Renewable energies

The share of renewable energies is recorded in the environmental report each month and has increased from 32% to 55% compared to the 2020/21 business year. At headquarters in Dornbirn (Austria) the company switched to renewable energies in March 2021, followed by the Spennymoor (UK) site in May. The plant in Niš (Serbia) has also been supplied with renewable energies since June 2021. Tridonic mainly obtains electricity from hydropower. At the Shenzhen plant (China) a switch to green energy was not possible yet because of local conditions. However, the energy mix has been significantly optimised which means that the share of renewable energies has risen from 15% to 24%.

Reduction in energy requirements for products and services

Energy consumption in Mwh	1		
	2019/20	2020/21	2021/22
Electricity	14,996	13,197	13,507
Heat (gas)	3,311	3,008	2,854
PV electricity	0	0	56
Oil/diesel	0	0	314
Total energy	18,307	16,205	16,731



CO₂ emissions

 ${\rm CO_2}$ emissions result from the consumption of various energy sources (electricity, gas, oil and diesel). To achieve climate neutrality by 2025, ${\rm CO_2}$ emissions need to be continually reduced.

Efforts to reduce CO_2 emissions focus on emissions from Scopes 1 and 2, which include the environmental impact of the production sites as well as emissions from the fleet and administrative buildings.

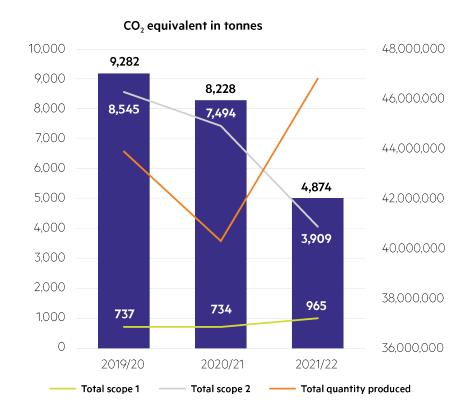
The table on the right shows CO_2 emissions from direct (Scope 1) and indirect (Scope 2) emissions. These have been determined using consumption figures and CO_2 equivalents.

Tota	Il for Scope 1+2 in tonnes	9,282	8,228	4874
Tota	Il for Scope 2	8,545	7,494	3,909
Р	PV grid feed CO ₂ -equivalent	0	0	0
R	Renewable electricity CO ₂ equivalent	0	0	0
Е	Electricity CO ₂ equivalent	8 545	7 494	3 909
Scop	pe 2 in tonnes	2019/20	2020/21	2021/22
Tota	Il for Scope 1	737	734	965
V	/olatile emissions CO ₂ equivalent	*	47	60
Α	Administrative building CO ₂ equivalent	*	*	79
F	leet CO ₂ equivalent	*	*	92
D	Diesel CO ₂ equivalent	0	0	82
N	latural gas CO ₂ equivalent	737	687	652
Sco	pe 1 in tonnes	2019/20	2020/21	2021/22

^{* =} No data available

Tridonic's CO_2 emissions amounted to just under 5,000 tonnes in the 2021/22 business year. This represents a CO_2 saving of 43 % compared to the previous year (excluding new factors). The greatest contributor to this positive development was the switch to green energy. Since the 2021/22 business year, additional factors have been included in the assessment of the CO_2 balance. These relate to the administrative buildings and the company's vehicle fleet.





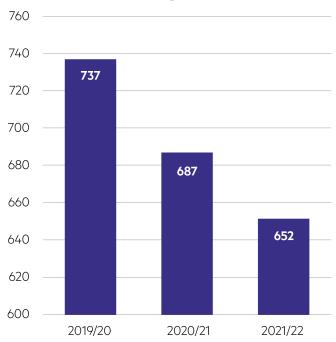
Direct GHG emissions (Scope 1)

Tridonic uses natural gas exclusively for space heating. Diesel is used for operating the emergency power system. Volatile emissions come from refrigerant systems which are in use at every location. The figure refers to the replacement of losses due to leaks. The $\rm CO_2$ equivalents are provided by the suppliers. When purchasing new systems, care is taken to ensure that eco-friendly refrigerant is used (e.g. R1234ze). A review is to take place in the next business year with the aim of replacing existing refrigerants with more eco-friendly types.

Compared with the previous year, CO₂ emissions (excluding new factors such as administrative buildings and fleet) increased by 1.1%. The increase can mainly be attributed to the use of the emergency power generator.

Since natural gas accounts for the largest share of direct GHG emissions at Tridonic, the aim is to switch to alternative, more eco-friendly energy sources. There are plans to connect the company's headquarters in Dornbirn to the district heating network (biomass) in stages by 2025. Alternatives are also being sought for the other production sites.

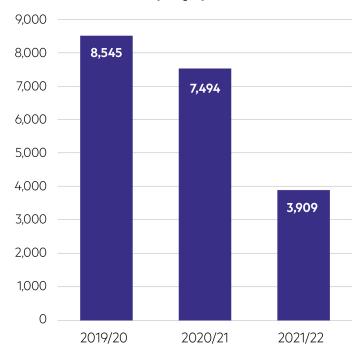
Natural gas CO₂ equivalent in tonnes



Indirect GHG emissions (Scope 2)

Electricity has the greatest impact on Scope 2 emissions. For this reason, all European production sites have been switched to renewable energy. Appropriate certificates have been sent to the relevant production plants by the local power suppliers.

Electricity CO₂ equivalent in tonnes



Indirect greenhouse gas emissions along the value chain (Scope 3)

Initial analyses for indirect upstream and downstream emissions (Scope 3) were carried out in the 2021/22 business year. Evaluations for Scope 3 emissions will be expanded in the coming years. Purchased materials, waste generated in production and information on employee mobility were the factors considered in determining upstream emissions. Energy consumption during service life and transport from the plant to the customer were determined for downstream emissions.

Scope 3 in tonnes		
Upstream Scope 3 emissions	Purchased materials	500,000
	Operational waste	300
	Commuting by employees	1,600
Downstream Scope 3 emissions	Transport and distribution	4,200
	Use of sold products	2.000 000
Total for Scope 3		2,506,100

Evaluations for Scope 3 emissions will be expanded in the coming years.

Purchased materials

Purchased materials are divided into commodity groups. For each commodity group a conversion factor is used that corresponds to the greenhouse potential of 1 kg of the material, weighted with the mass of the purchased materials per commodity group in kilograms, and the results summated across all commodity groups. The conversion factors come from Sphera's GaBi eco-balance database.

Operational waste

Waste also forms part of indirect emissions. Waste is subdivided into recycling material, residual waste and hazardous waste and logged with the respective CO_2 equivalents, scaled by mass and then summated. The conversion factors are taken from myclimate. Waste that cannot be fully recycled (e.g. residual waste and hazardous waste) has the greatest influence on the index. This proportion must therefore be minimised in future. Waste analyses have therefore been conducted at all plants.

Employee mobility

Emissions caused by employees travelling to and from work were determined on the basis of the distance from home to work, usage patterns for the various means of transport, CO₂ equivalents for these means of transport and VCÖ 2020 data provided by the Austrian Federal Environment Agency. The average emissions per employee were then multiplied by the number of employees. So far, surveys and observations on mobility behaviour have been conducted only at the Dornbirn location (Austria).

The intention is to extend these analyses to other locations in the future. This will give more accurate information on employee mobility.



Waste separation system at Dornbirn



Cycle rack at Dornbirn

Transport

The CO_2 values for downstream transport are determined in the Zumtobel Group using a CO_2 calculation tool developed externally by V-Research. Greenhouse gas emissions are calculated in freight forwarding and logistics in accordance with DIN EN 16258. Shipment data is determined using various factors, such as weight, means of transport and distance, and logged with appropriate CO_2 equivalents. The analysis is based on the WTW³ approach.

Use of sold products

By far the most significant environmental factor is the use of products during their lifetime. This is because electronic lighting components require electricity in order to operate, which in turn produces emissions through its consumption. This amounts to almost 2,000,000 tonnes of $\rm CO_2$ equivalent. Tridonic intends to continually reduce these emissions. The development of more efficient LED drivers and LED modules will lead to energy savings. What's more, dimmable products have a significantly lower energy consumption than non-dimmable components. The greatest potential for savings would come from a more sustainable energy mix at the end user.

Calculations for LED modules are based on their operating power. Power loss is used as the basis for LED drivers. The concept behind this approach is that the power consumption of a luminaire comprises the operating power of the installed LED modules plus the power loss of the LED driver.

For LED modules and LED drivers a conservative useful life of 30,000 hours is assumed. A generous correction factor of 0.75 has been taken into account for dimmable luminaires. Usage in Europe was assumed for converting the modelled energy consumption into CO_2 emissions. The EU average of 0.2307 kg of CO_2 per kilowatt hour of electrical power was chosen as the CO_2 equivalent.

Nitrogen oxides, sulphur oxides and other air-borne emissions

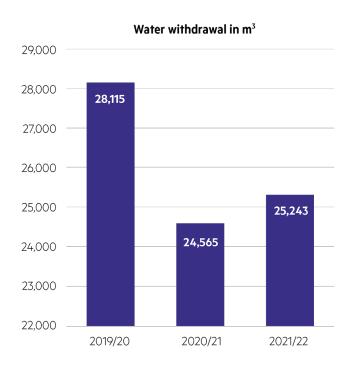
Tridonic does not produce, import or export any ozone-depleting substances (ODS). Nitrogen oxides, sulphur oxides and other significant air-borne emissions are significantly below official and regulatory requirements.

³ WTW: Well-to-Wheel (vehicle and energy processes): The sum of well-to-tank and tank-to-wheel, i.e. direct and indirect emissions. Consumption is taken to be primary energy consumption, which includes all losses from the upstream chain in addition to final energy consumption.

Water and wastewater

Water is supplied to all production sites exclusively by local water companies. Only small mounts of water are needed to produce the components, and this water is barely contaminated. Significant water consumption is due to the Shenzhen site where the air conditioning system is cooled with water and water is drained during maintenance. At the other sites, water is mainly needed for sanitary facilities, for air humidification and for drinking.

There was a slight increase in water consumption in the 2021/22 business year. This increase can be attributed to the fact that less water was used at the sites in the 2020/21 business year owing to the corona pandemic when short-time working arrangements were in place and employees were working more from home.



Responsible and resource-saving use of water is part of the Sustainable Tridonic programme.

Measures have therefore been taken to reduce its consumption. For example, annual maintenance (operability and leaktightness) is carried out at the company headquarters. Sanitary facilities have been upgraded so they use less water. In August 2020, a rainwater collection system was installed at the Niš plant (Serbia) to water the outdoor areas, which led to savings in water consumption.

Nevertheless, an increase in water consumption has to be expected in Niš, as drinking water treatment systems have been installed throughout the factory.

Wastewater is generally discharged to local wastewater treatment plants (uncontaminated water only). Wastewater quality is continuously monitored and pollutant levels are significantly below the threshold values.

In May 2021/22 an audit was carried out in Niš as part of Cradle to Cradle[®] certification, and water quality met the high demands of the C2C[®] standard.

A rainwater collection system was installed at the Niš plant (Serbia) in August 2020.

Waste

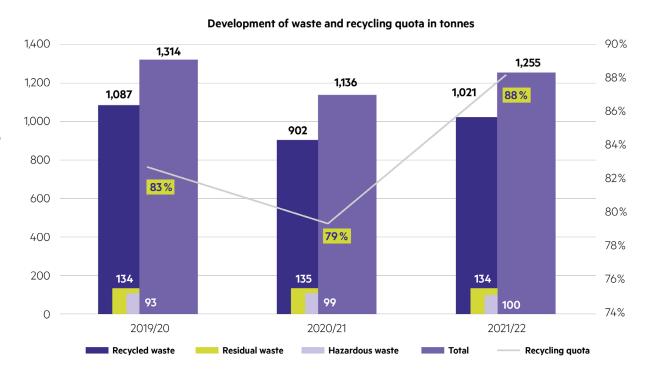
Responsible, resource-saving handling of waste is a subject that Tridonic takes very seriously. Each production site has a waste officer who accurately documents the waste streams. Waste is separated into recyclable waste, residual waste and hazardous waste.

Significant waste streams result from the packaging material (cardboard and plastics, wooden pallets) and the waste generated in producing electronic components (metal waste, electronic waste). Residual waste (PCB waste, insulation foil) accounts for relatively small quantities. Hazardous waste is mainly small amounts of waste oil, cleaning agents, adhesive residues and batteries. The category of extraordinary waste comprises in particular scrap from old machinery, tools, raw materials, bought-in parts and unsaleable finished products.

In the 2021/22 business year, a detailed waste analysis was conducted at each of the production sites and contacts were made with local recyclers and waste disposal companies. The results of the initial analyses show an increase in the recycling rate. This increase was possible because some types of waste could be recategorised thanks to improved separation systems and were ultimately better recycled.

PCB waste accounts for the largest volume of waste in the residual waste category. There is potential for savings to be made here in the medium term. Depending on market availability, investigations will be carried out to determine whether it is possible to switch to recyclable materials for printed circuit boards. In addition, the old tar casting process was abolished at the Shenzhen component plant in April, which will result in a reduction of one tonne of hazardous waste in the next business year.

Another finding of the waste analysis was that partnerships with suppliers are essential if less packaging or at least recyclable packaging is to be supplied. An analysis of the packaging materials will be carried out in the 2022/23 business year so that agreements can be reached with selected suppliers. Tridonic is also constantly improving its own product packaging (see section on Sustainable packaging).



Generated waste

In total, Tridonic generated 1,255 tonnes of waste in the 2021/22 business year. Compared to the previous year, there has been an increase of almost 120 tonnes. Taking into account the 16% increase in the number of articles produced, there was a relative reduction of 5% per article compared to the previous year.

Waste in tonnes	2019/20	2020/21	2021/22
Recyclable waste	1,087	902	1,021
Residual waste	134	135	134
Hazardous waste	93	99	100
Total waste	1,314	1136	1255
Recycling rate	83%	79%	88%

Recycling quota

Tridonic aimed for a recycling rate of 87% in the 2021/22 business year. Thanks to the waste analysis and the improved separation system, that target was exceeded by 1%.

Tridonic aimed for a recycling rate of 87 % in the 2021/22 business year.

Most important reduction measures in the 2021/22 business year

Use of green electricity at all European sites



New car policy with hybrids and e-vehicles in four categories



Installation of a PV system



Waste analysis at all production sites



Tridonic has set new targets for reducing GHG emissions in the 2022/23 business year.

- _ 5 % CO₂ reduction compared to the previous year
- _ 62 % renewable energies
- _ 5 % reduction in the total volume of waste year on year in relation to finished products
- _ 91 % recycling rate

The medium-term goal is to achieve climate neutrality by 2025. This can only be achieved by compensating for CO₂ emissions. For this reason, an assessment will be made in the coming business year as to which undertakings will still be possible in the remaining business years in order to reduce GHG emissions. A compensation strategy will be developed at the same time on this basis. The strategy will focus on various offset and inset measures and projects, with Scope 1 and 2 emissions being the main consideration. Emissions along the upstream and downstream supply chain (Scope 3) will be reduced through compensation in the form of climate-neutral delivery and climate-neutral products (production stage), for example.

Further information can be found in the 2021/22 sustainability report published by the Zumtobel Group AG (link)

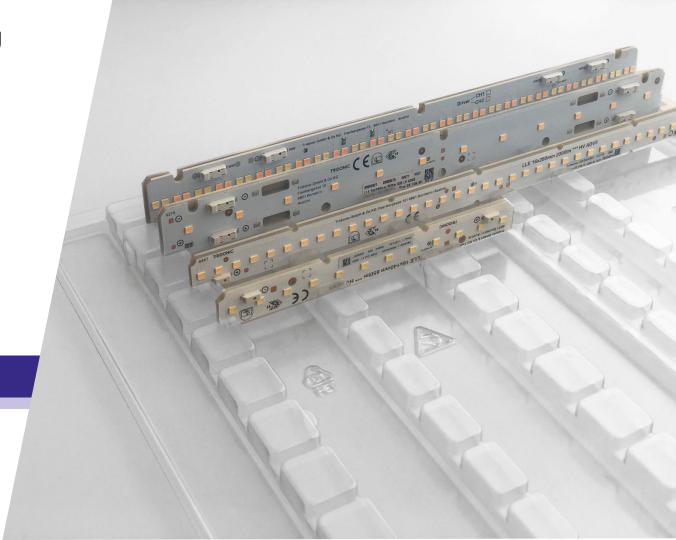
Topic	Contents	Page number
Operational environmental protection		103
	Energy and renewable energy	108
	Emissions	112
	Water and wastewater	115
	Waste	117
	Environmental compliance	121
	Biodiversity	122

Sustainable packaging

Our target by 2024

100 %

fully recyclable packaging



Sustainable packaging

Pilot projects for LED packaging

Packaging for LED modules generates waste at the customer. Demand for sustainable packaging has increased in recent years and Tridonic has set itself the target of all packaging materials being fully recyclable by the end of 2024. As part of a project, Tridonic is therefore evaluating recyclable packaging options such as paper, cardboard and PET plastic. The aim is to develop a concept that enables modular trays to be used for different lengths of LED modules.

Electronic components must be protected against damage caused by electrostatic discharge (ESD), which is another requirement of the packaging material. Not all materials are suitable for this, which limits the choice.

Tridonic is evaluating recyclable packaging options such as paper, cardboard and PET plastic.

Cardboard solution

One of the pilot projects is to test an option with ESD cardboard consisting of 80 to 90 % recycled cardboard. In contrast to the current polystyrene (PS) trays, the new cardboard boxes can be fed into the usual waste streams and collection processes. Cardboard packaging is fully recyclable and biodegradable.

PET solution

Another pilot is testing an option with PET material that consists of 40% recycled plastic and 60% new material. Whereas the current trays are made of polystyrene (PS), the new trays will be made of polyethylene terephthalate (PET), a recyclable plastic which can be fed into the usual waste streams and collection processes.

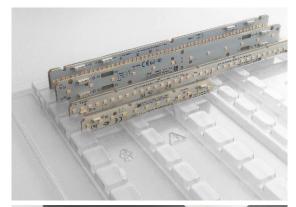
Tridonic also relies on local suppliers for the new alternative. This leads to transport savings and a reduction in CO_2 emissions in the logistics chain. Particularly with regard to Scope 3 emissions, it should also be emphasized that recycled cardboard and PET plastic cause fewer CO_2 emissions during the production phase compared to PSI plastic.

Other pilot projects are also under way and are being evaluated to see which packaging solution is best suited for LED modules and will also be accepted by customers.

Global packaging guidelines

The global packaging guidelines will be revised to ensure that sustainable packaging is guaranteed for all products.

New designs







Cardboard box

Old design



PS-tray



Social responsibility

Social responsibility is an integral part of Tridonic's corporate culture. This commitment will be further consolidated and extended as part of the 'Sustainable Tridonic' programme.

Open dialogues between management and staff take place on a regular basis. Formats such as the CEO Outlook (virtual or face-to-face), which takes place four times a year, and the CEO Breakfast encourage the exchange of information within the company across all regions. The focus here is on employees as the main contributors to the company's success. Offers such as flexible working hours, home working and sabbaticals are provided by the company. In-house and external training opportunities are also promoted and personal development and career plans are devised.

The LIGHT competence model

In view of the shortage of skilled workers and the challenge of finding suitable employees, the LIGHT competence model, which is uniform across the Group, is an important tool for ensuring the long-term success of the company, but also for strengthening individual employees – both professionally and personally.

The model comprises five categories

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

LIGHT provides the framework for recruitment, selection and personnel development.

Health & safety

The aspects of health, safety and well-being are firmly anchored in the corporate structures at Tridonic. Compliance with specific environmental, health and safety guidelines is ensured by local safety officers at all locations. To improve employee health and safety and make work easier, measures such as employee training, better protective clothing and modernised machinery continue to be taken.

Tridonic's Health and Safety Management can be measured with KPIs: The Lost Time Injury (LTI) rate indicates the number of extended outages due to accidents at work per million working hours (formula: number of accidents with downtime > 8 hours x 1,000,000 / number of hours worked). The LTI rate increased to 5.8 in the year under review (previous year: 1.7). The Total Recordable Injury (TRI) rate is also measured. In addition to accidents recorded in the LTI rate, this also includes accidents associated with reduced working capacity. The most common types of injury were cuts and bruises. Each individual accident and its cause are analysed in detail.

Based on these findings, measures are elaborated to improve the safety of employees. As in previous years, there were no fatal accidents at work in the 2021/22 business year. As there was a slight negative trend in the KPIs in Health and Safety Management in the current year, additional measures will be devised with the cooperation of the production plants for the 2022/23 business year. These measures are expected to improve the KPIs in the next business year.

	2017/18	2018/19	2019/20	2020/21	2021/22
No. of recorded accidents	3	7	6	4	16
LTI rate	1.2	2.7	2.3	1.7	5.8
TRI rate	12	11.3	18.6	9.5	10.6
No. of fatal accidents	0	0	0	0	0
Accident severity	*	*	*	*	71

All production sites have processes and procedures in place to ensure compliance with legal regulations, standards and directives. Over the past few years, Tridonic has considered it important not only to comply with legal requirements, but also to go well beyond them.

The objective for the 2022/23 business year is to certify all European sites in accordance with ISO 45001. Currently, only the Niš plant is certified.

Health management

At the company headquarters in Dornbirn, additional schemes have been introduced to improve the health and well-being of employees. As part of the occupational health programme, employees are offered psychological counselling, ergonomics training, first-aid courses, canteen options for special dietary requirements, sports challenges and medical examinations.

In the 2022/23 business year, the status quo in health and safety will be assessed for all locations with more than 50 employees. The purpose of this assessment is to provide a basis for deciding how to expand the package globally.



Employee satisfaction

Employee appraisals take place once a year and provide the basis for individual development plans. In the 2021/22 business year, 87.1% of the employees attended an appraisal.

Employee appraisals	Units	2021/22 6
No. of employee appraisals	Number	1,553
As a %age of total employees	%	87.1
Salaried staff:	Number	899
of which male	Number	653
of which Female	Number	246
Manual workers:	Number	654
of which male	Number	268
of which Female	Number	386

Global implementation of the HR development process with annual talent review meetings and development conferences defines potential and performance at all levels of the company. This process helps to identify and promote top performers and employees with great potential for further steps in the company. To ensure the objectivity and transparency of the talent review meetings, a representative from the HR department and a second evaluator are present in addition to the line manager. This process is to be further strengthened in the future.

Line managers are important contacts for employees and essential links between the workforce and top management. Training of line managers, for example in soft skills, will become increasingly important for Tridonic in the future.

⁶ Trends over recent years cannot be shown because the data has been evaluated separately for Tridonic only since the 2021/22 business year.

In the past business year, employees each engaged in further training for an average of 14 hours⁷. The range of digital training courses was extended, and some face-to-face training courses could also take place again. More external and internal training opportunities will be offered in the future. A digital learning platform specifically for sustainability topics was created in the last year. More information is available in the section on Communication and training.





Average of hours of initial and further training (Zumtobel Group)	Units	2021/22
Salaried staff	Hours	18
of which male	Hours	19
of which Female	Hours	17
Manual workers	Hours	7
of which male	Hours	8
of which Female	Hours	7
Total workforce	Hours	14
of which male	Hours	16
of which Female	Hours	12
Proportion online in-house training	in %	66.6

⁷ Data basis: Zumtobel Group as a whole

Equal opportunities

Tridonic rejects any form of discrimination based on social or ethnic origin, gender, sexual orientation, religious or philosophical affiliation, age, physical or mental abilities or other characteristics. This attitude is reflected in the Zumtobel Group's Code of Conduct, which states that the company does not tolerate any form of discrimination. Personal competence, experience, knowledge and skills form the basis for HR decisions in all areas of the company and at all levels.

Tridonic's workforce comprises people from 48 different nations. The average length of service is 7.5 years, and 45.3% of the workforce has a collective agreement. Four people were in initial training in the 2021/22 business year.

Tridonic wants equal opportunities for everyone.

The age structure at Tridonic is relatively balanced.

Age structure (employees incl. trainees, excl. temporary workers)	Unit	2021/22
< 30	Number	310
30 - 45	Number	1,006
46 - 55	Number	315
> 55	Number	148



Andrea Moritz, Plant Manager in Dornbirn

Tridonic is actively working on creating the same conditions for everyone. This applies in particular to people with children. Flexible working hours, 'dad months' and sabbaticals have been in place for many years now. In future, all employees, including line managers, will have the opportunity to opt for 80 to 100% employment. This offer is intended as an active factor to make it easier for women to transition into management positions. At the same time, management expects this measure to improve the work-life balance of all employees.

Gender (employees incl. trainees, excl. temporary workers)	Unit	2021/22
Total employees	Number	1,779
Male	Number	1,039
Male	%	58.4
Female	Number	740
Female	%	41.6

Tridonic and the entire Zumtobel Group are encouraging management positions to be filled with female employees in accordance with internal and external recruitment and personnel development policies. To maintain competitiveness and benefit from a diversity of views, Tridonic has set itself the objective of increasing the proportion of women year on year, thereby ensuring greater representation of women in the organisation.

In the past business year, 72% of women were employed in production, quality management, procurement and logistics, followed by sales at 11.5% and administration at 6.2%. The proportion of women in research and development and in temporary employment is around 5% in each case.

Women in management	Units	2021/22
In management functions	Number	227
Proportion in management	%	27.8
Proportion in top management (Board level)	%	0
Senior management (Division level)	%	15.4
Middle management (e.g. Department level)	%	17.4
Others (e.g. team management, supervisors)	%	33.3

Women by activity (excluding trainees)	Unit	2021/22
Total number of women	Number	780
Production	%	71.8
Research and development	%	5.1
Sales	%	11.5
Management	%	6.2
Temporary workers	%	5.4

Remuneration

Tridonic operates on the basis of a uniform remuneration system that is designed to ensure high levels of transparency and performance-related pay, taking equal opportunities into account. In Austria, the company overwhelmingly pays in excess of statutory or collectively agreed rates. Internal salary comparisons as well as comparisons with competitors based on external market data are performed to make sure that wages and salaries are fair and competitive. A standard salary and job rating system, focusing on objective criteria in terms of functional content, ensures that all employees are treated equally and in line with the market.

Fair and competitive structure for wages and salaries.

Other employee figures

As of 30 April, 2022, Tridonic employed 1,868 people worldwide (full-time equivalents including temporary workers). 60 % of employees work in production, quality management, procurement and logistics. 14 % of employees work in sales and around 15 % perform research and development activities. Almost 4 % of the rest are administrative staff and 7 % are temporary workers.

Employees by activity (excluding trainees)	Units	2021/22
Total employees	FTE	1,868
Production	FTE	1,122
Research and development	FTE	285
Sales	FTE	256
Administration	FTE	71
Temporary workers	FTE	133

Around $66\,\%$ of employees are employed in Europe, followed by $33\,\%$ in Asia. The remaining percentage comprises employees in America, Africa and Australia.

Employees by region	Units	2021/22
Europe	in %	66.4
Asia	in %	32.6
Australia & New Zealand	in %	0.5
America	in %	0.1
Africa	in %	0.4

In the 2021/22 business year, employee churn at Tridonic (excluding temporary workers) was 24.9 %. That means that around 465 people left the company last year. More than half of the departures were due to the Shenzhen location. To reduce this churn, systematic analyses of the reasons for leaving the company will be carried out.

Churn (excluding temporary workers)	Units	2021/22
Number of departures	FTE	464.9
Aged < 30	FTE	178.8
Aged 30 - 45	FTE	245.8
46 - 55	FTE	26.6
> 55	FTE	13.7
Male	FTE	324.3
Female	FTE	140.7
Europe	FTE	199.3
Asia	FTE	265.0
Australia & New Zealand	FTE	0.6

54% of Tridonic employees are salaried staff and 45% are non-salaried, of which less than 1% are trainees.

Employees by employment status	Units	2021/22
Employment status - salaried		
Total salaried employees	Number	967
of which male	Number	700
of which female Number		267
Employment status - non-salaried		
Total non-salaried employees	Number	808
of which male	Number	337
of which female	Number	471
Employment status - trainee		
Total trainees	Number	4
of which male	Number	2
of which female	Number	2
Employment status - temporary worker		
Total temporary workers	Number	134
of which male	Number	92
of which female	Number	42

The majority of the workforce is in full-time employment, with only $6.2\,\%$ of employees working part-time.

Full-time employment (incl. trainees, excl. temporary workers)	Unit	2021/22
Total full time	Number	1,669
Total full time	%	93.8
of which male	Number	997
of which female	Number	672

Part-time employment (incl. trainees, excl. temporary workers)	Unit	2021/22
Total part-time	Number	110
Total part-time	%	6.2
of which male	Number	42
of which female	Number	68

Further information can be found in the 2021/22 sustainability report published by the Zumtobel Group AG (<u>link</u>)

Topic	Contents	Page number
Governance & Compliance		61
	Compliance and ethics	62
	Critical concerns and the whistle-blower system	63
	Fight against corruption (Compliance Management System)	65
	Anti-competitive behaviour	65
	Protection of human rights	66
	Data protection	66
Emp		81
	Corporate culture	83
	Employee satisfaction	84
	Free-time option	85
	Training and continuing education	85
	Apprentice training	87
	Employee development	89
	Employment and employment trends	89
	Diversity and equal opportunity	94
	Employee rights and remuneration programme	96
	Human rights, child and forced labour	96
	Occupational safety, health and well-being	98

Communication and training

Our target by 2022

100 %

of sales staff to have completed Sustainable Tridonic training



Communication and training

Sustainability is a broad topic and therefore requires good internal and external cooperation. Tridonic believes that a sustainability strategy can only be truly successful if each and every employee develops an awareness of the agenda and if the topic is firmly anchored in the corporate culture.

The projects and activities of 'Sustainable Tridonic' are to be communicated internally and externally to strengthen and institutionalise the transfer of knowledge among all stakeholders. Only if a common understanding of the importance of this subject matter is created can future projects be successfully developed and implemented. New approaches to training were initiated in the 2021/22 business year.

In addition to reviewing the content, a learning platform was set up to make it easier and more attractive for employees to communicate on aspects of sustainability. The learning platform is embedded in a virtual training world in which extensive knowledge is made available in the form of short videos and in-depth information together with progress tests. The training courses are currently mandatory only for sales staff. In the future, they will be integrated in the on-boarding programme for new employees, tailored to their specific function.

Sustainability must be firmly anchored in the corporate culture.

But internal communication is not the only important factor. Externally, Tridonic also wants to lead by example so that projects are driven forwards. The aim is to work with various interest groups and meet the needs of stakeholders. Tridonic takes sustainability very seriously and this message should be clear to all external parties.

Tridonic is prepared to make a significant contribution to the transformation process and to pool its forces with other motivated participants. Partnerships are particularly important for promoting the circular economy strategy in the future. Videos have therefore been made to explain the concept of C2C to customers and raise their awareness.

Customer events are another important tool for showing the significance of this transformation in the supply chain. The '10 Years of Tridonic Iberia' event, for example, was all about 'Sustainable Tridonic'. For the 2022/23 business year, Tridonic has set itself the target that every employee with contact to customers will have been trained in sustainability issues.







Contact information

Sustainability Team

Katharina Ionica, Sustainability Officer Hermann Marte, Sustainability Manager Stefanie Neier, Sustainability Specialist

Email: <u>sustainability@tridonic.com</u>

Corporate Communications

Claudia Feurstein, Head of Brand Communication & Dialogue

Email: claudia.feurstein@tridonic.com

Photos: Faruk Pinjo, Gettyimages, Tridonic Translation: Bennett Pasquazi Translations Ltd. Publisher:

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