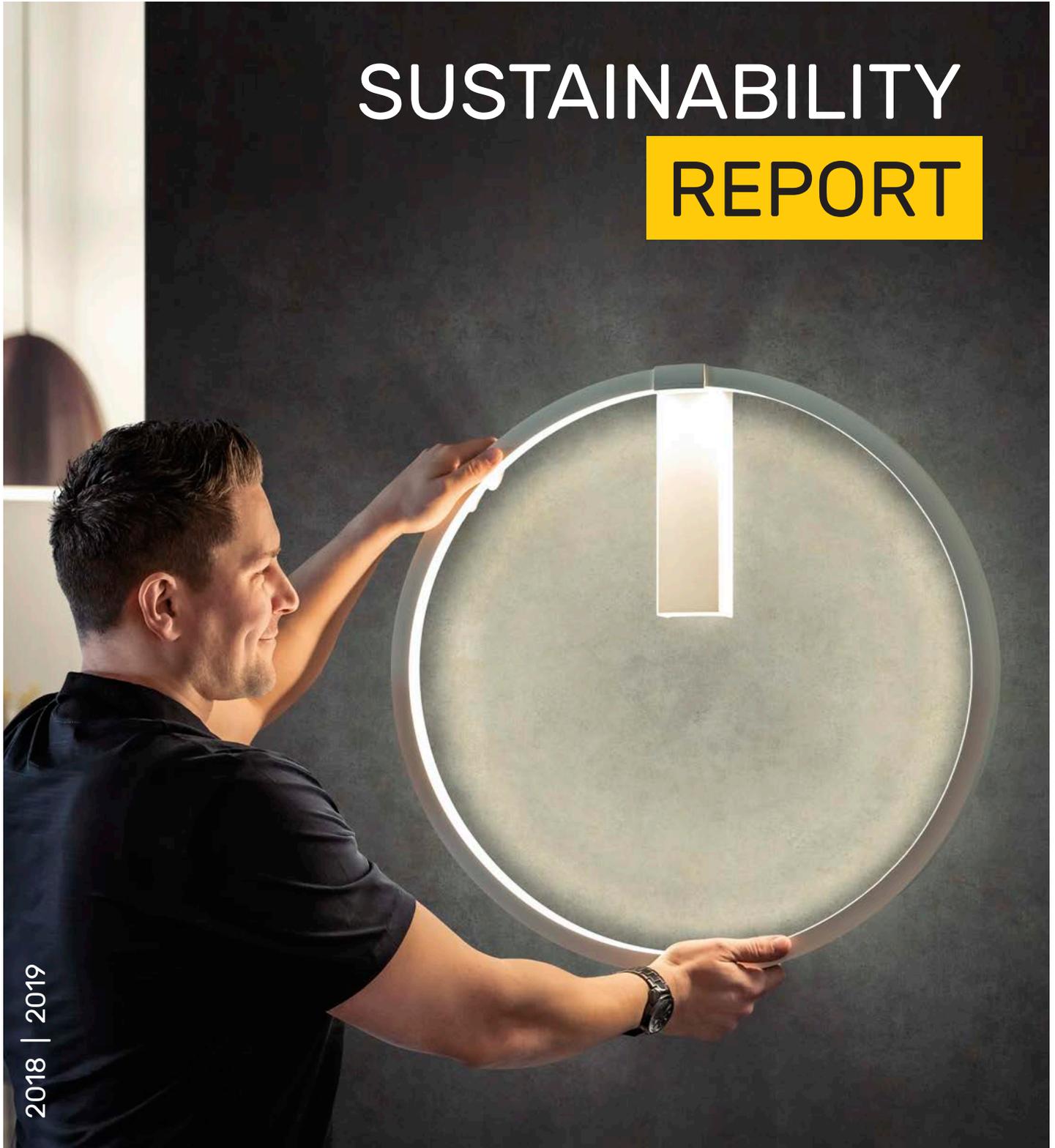


SUSTAINABILITY REPORT



2018 | 2019

COMPANY

Corporate management

SOCIAL

Responsibility for our employees

PRODUCTS

Responsibility for our products

ENVIRONMENT

Our commitment to environment and climate protection



Coverstory

PEOPLE – our future

In our view, motivated, well-trained employees are the cornerstone of our success. We therefore see it as our responsibility to create working conditions that enable our staff to perform their duties in the best possible way. We want to live up to this responsibility by providing fair remuneration, safety at work, a wide range of career opportunities, and numerous further training alternatives. We thus ensure that a sufficient number of qualified people become aware of us as an employer and that our employees are able to work with motivation in a widely varied number of tasks in the long term.

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WE AIM TO ACHIEVE SUSTAINABLE RESULTS THROUGHOUT THE ENTIRE VALUE CHAIN – INSTEAD OF FOCUSING SOLELY ON PROFIT AT THE EXPENSE OF SOCIAL AND ENVIRONMENTAL CONCERNS.



Foreword

Is sustainability a challenge?

That depends on how you look at it. In fact, I see sustainability as a challenge in a positive sense when seen as a business concept and a competitive advantage.

Few other sectors are developing as dynamically as the lighting industry. Innovative technologies are constantly being introduced, driven by globalization, connectivity, digitalization, and energy efficiency discussions. At the same time, consumers are increasingly calling for eco-friendly, resource-efficient products. Sustainability is becoming a key business advantage in our highly competitive industry. These developments work in favor of the SLV Lighting Group, since we have been active in the field of sustainability for many years and are now in a strong position to take on the opportunities of the future.

At Group level, we are building our business model within the framework of a circular economy and aim to achieve sustainable results throughout the entire value chain – instead of focusing solely on profit at the expense of social and environmental concerns.

With the global reach of our value chain, we can also use our influence as a multiplier and are working to integrate sustainability in the commercial activities of our global partners. With this strategy, we can also assume our responsibility as a business partner and further extend the reach of our sustainability initiatives. In recent years, we have gradually integrated sustainable values in our everyday work and included them as an essential aspect of our business model going forward. Furthermore, we regularly measure and monitor our progress in terms of ESG (Environmental, Social, and Governance) activities in order to identify additional potential for improvement and share good practices with our stakeholders along the entire value chain.

Ardian – a strong partner for achieving sustainability

With assets of \$96 billion under management or advised, our shareholder Ardian is one of the world's largest private investment companies. At the same time, Ardian is also a pioneer of responsible investment, signatory of UN PRI since 2009, with a clear vision of empowering individuals to collectively create sustainable value for all stakeholders. Since 2009, 126 companies were supported with an individualized Sustainability roadmap, and 229 of Ardian General Partners (GPs) were monitored since 2011.

For all portfolio companies covered by Ardian's engagement program, the Sustainability team assesses performance on four main key priorities for Ardian:

- Climate change: physical and transition risks, carbon footprint assessment if measured by the company, environmental strategy.
- Diversity & equal opportunity: gender diversity in governing bodies and staff.
- Profit sharing: employee shareholding plan and profit sharing scheme put in place during ownership.
- Governance & ethics: implantation of the CSR policy, independent members of board of directors, decent employment.

As an Ardian portfolio company, we are strongly supported in our efforts to make sustainability a key element of our daily business with the aim of achieving sustainable growth in terms of both revenue and profit. An annual sustainability analysis conducted on behalf of Ardian enables us to better understand our fields of action and develop measures for further optimizing our sustainability approach. We see Ardian's commitment to the "Initiative Climat International" as an impulse for measuring, monitoring, and reducing greenhouse gas emissions throughout our value chain. We recognize that climate change will have material impacts on ecosystems, human societies, and the global economy, resulting in both risks and opportunities for the Group. Therefore, in line with our shareholder's vision of sustainability, we aim to create sustainable value for all our stakeholders.

With our 2020 Group Sustainability Strategy, we continually strive to improve the long-term sustainability performance of the SLV Lighting Group and its subsidiaries. By empowering our people (management, employees, and partners) to become drivers of sustainability, we will be able to strengthen our global sustainability profile in line with UN Global Compact Sustainable Development Goals as we continue to grow our business. We are convinced that integrating sustainability in everything we do will not only have a positive impact on society and the environment, but also result in greater economic value for our Group.

With these points in mind, we hope you enjoy reading our 2020 Group Sustainability Report.

Düsseldorf, June 2020.
Eric Lachambre, CEO



Be part of a bright journey

About us

The SLV Lighting Group is a market leader in the lighting industry, employing 680 people in 13 countries with a turnover above 200 mio € in 2019. We are dedicated to creating sustainable lighting solutions in line with the latest trends in the industry. Our products provide the perfect ambience for each setting by delivering exceptional lighting quality. Our innovative solutions are used in both residential and commercial applications, in indoor and outdoor settings. Our five main brands – SLV, Knightsbridge, Novalux, Unex LED and Nordtronic – each bring something unique and complementary to the SLV Lighting Group, varying from easy-to-install fixtures to high-quality, customized solutions. The SLV Lighting Group provides an integrated platform that enables synergies across Group companies, including our state-of-the-art laboratories, local knowledge, market access, and logistics.

What we do



Bright purpose

The SLV Lighting Group is a market leader in the lighting industry, bringing high-quality light to people around the world. We mingle within the digitalized environment to keep track of trends, enabling us and our brands to deliver the excellent service that has made us a thriving enterprise. We are passionate about what we do, and this outstanding dedication lives in the minds of our employees, our partners, our investors, and our subsidiaries.



Quality lighting for people

SLV Lighting Group invest continuously in designing and developing the latest innovations. Our improvement and optimization processes enable our customers to enjoy future-proof lighting solutions that create the right ambience and experience. This is only possible thanks to the dedication and inspiration of our people, who we empower to fulfill their enduring passion for light.



Partners growing stronger together

Together with its partners, the SLV Lighting Group shares an entrepreneurial spirit, working together with forward-thinking people to develop unique solutions, create synergies, and expand within the ever-changing lighting market. We bring together our local knowledge and expertise, committed people, extensive networks, and the dedication to develop quality lighting solutions.

History

From SLV to the SLV Lighting Group, from selling lights to creating innovative lighting solutions, the company brightens up the lives of people right across Europe and in many other parts of the world as well.



Founded in 1979 and based in Übach-Palenberg, Germany, SLV is one of the fastest-growing and most successful providers of lighting products in Europe. It has consistently outperformed the market in recent years and increased its market share, both in Germany and internationally. SLV operates subsidiaries and associated companies in Germany, France, Italy, Belgium, the Netherlands, Switzerland, the Czech Republic, Slovenia, Norway, Portugal, Denmark, China, the UK, and Russia.



2016 - SLV acquires Nordtronic, the recognized expert for downlights in the Nordics, and introduces its innovative solutions to new markets worldwide.



2019 - SLV Lighting Group acquires Novalux, an Italian brand known for its architectural lighting solutions and sleek designs.

2014 - SLV acquires Unex LED, a specialist in LED profiles, including customized designs for commercial applications.



2017 - SLV acquires ML Accessories (UK). Its Knightsbridge brand opens the door to the UK and Irish markets for the SLV Lighting Group.

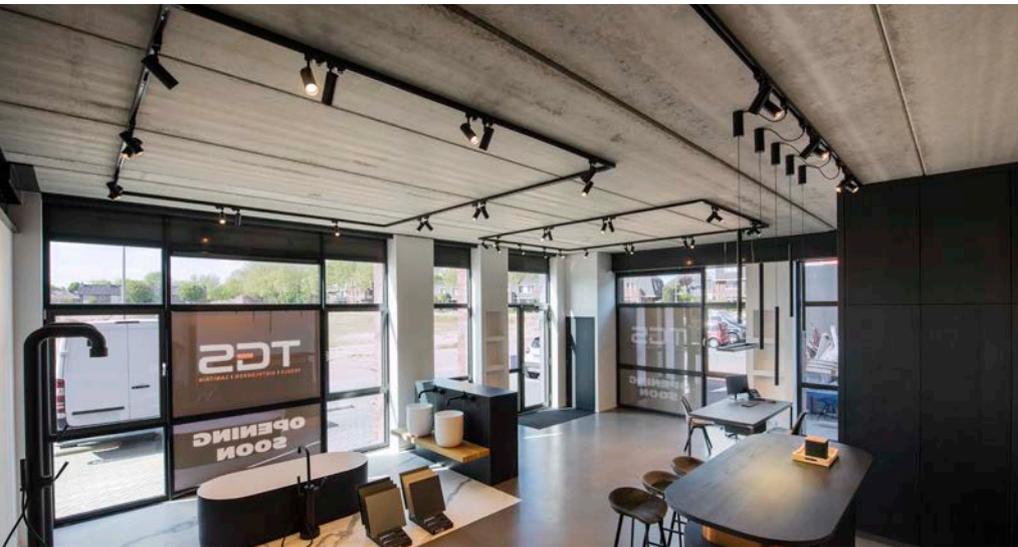


Brands



Inspired and developed by German engineering, SLV quickly grew from its roots in Übach-Palenberg, Germany, to open 11 foreign subsidiaries and start shipping professionally designed luminaires to over 100 countries around the world.

Today, SLV is a global leader in providing future-proof lighting solutions for indoor and outdoor. The B2B brand focuses on balancing innovative technology, up-to-date design, and customer-friendly prices, while offering first-class service and high quality to its customers.



Knightsbridge

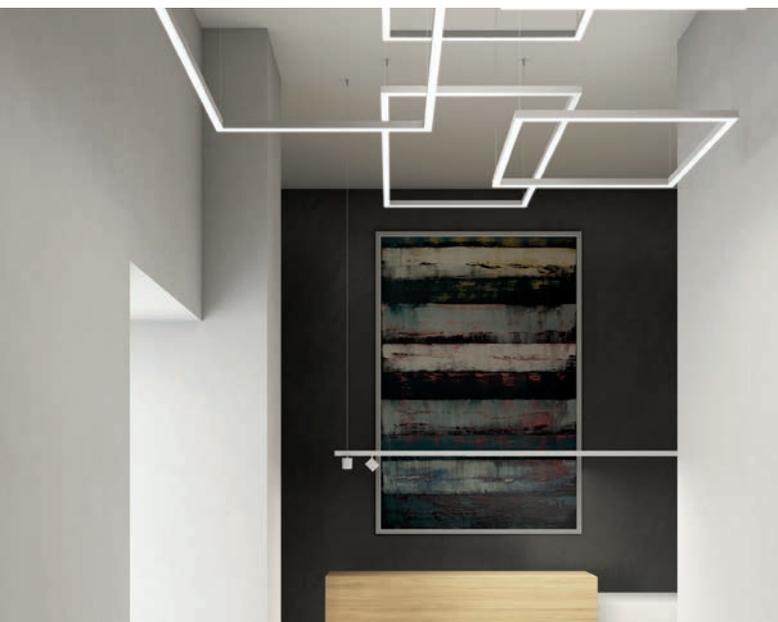
Focused on the British and Irish markets, with its Knightsbridge brand ML Accessories has evolved to become a major provider of over 3,000 quality products, including wiring accessory solutions and state-of-the-art lighting technologies.

The people at Knightsbridge are passionate about developing innovative, smart, stylish solutions that enhance the ambience and functionality of any residential or commercial space.



Nordtronic

Since its foundation in 2006, Nordtronic has forged a reputation in the Nordics for its high-quality, future-proofed downlights and Nordic-oriented portfolio. Its product range is constantly evolving, based on customer feedback, to ensure innovative solutions that are sustainable, energy-efficient, and extremely easy to install.



novalux

ITALIAN LIGHTING STYLE SINCE 1948

Novalux has been pushing the boundaries of innovation and delivering high-quality and individualized lighting ever since it was established in Italy in 1948. By focusing on developing groundbreaking, customizable, cutting-edge solutions for commercial applications, Novalux finds unique ways of using lighting to create the best ambience and experience for its customers. Now managed by the founders' grandson, the brand is proud to continue this mission as part of the SLV Lighting Group.



unexLED

Established in 1972, the Swiss brand Unex LED offers a range of high-quality LED strip, profile, and commercial lighting solutions. From its headquarters in Zurich, Unex LED manufactures its own product range, develops tailor-made solutions and acts as a lighting consultant for projects across Switzerland.



Strategy

Looking to the future of our company

The future is going to be exciting – full of new technologies, new ambitions, and new opportunities. Lighting is the core of our business and we plan to continue offering a wide range of relevant, quality solutions using a multi-brand, multichannel approach. We believe that our vision, mission, and values empower us as we work towards a bright, successful tomorrow.



Vision

Our vision for the future is clear: We are a global leader in providing future-proof lighting solutions. We intend to strengthen this position by tracking global trends and innovations, by creating the ideal lighting ambiance, and by working with the right partners that add value to our purpose. We are fully committed to our sustainable supply chain and quality management systems.

Mission

Everything we do supports our mission of developing quality lighting and providing first-class service to our customers. We are at the forefront of global trends, creating innovative designs that implement the latest technologies to brighten our customers' lives for a better world.

Values

We achieve our vision and our mission by actively practicing our core values: passion, responsibility, respect, and reliability.



Passion

We are passionate about bringing high-quality lighting to people around the world with our best-in-class products, solutions, and customer service.



Responsibility

We are accountable for our actions and their consequences, a fact reflected in our enduring commitment to Corporate Social Responsibility.



Respect

We appreciate the people around us, respecting their rights and embracing and nurturing cultural diversity in all the markets in which we operate.



Reliability

Trust and reliability form a solid foundation that enables our other core values to grow. We monitor quality closely throughout the entire value chain and consistently deliver products of outstanding quality that our customers can completely rely on.

Our contribution to sustainable development

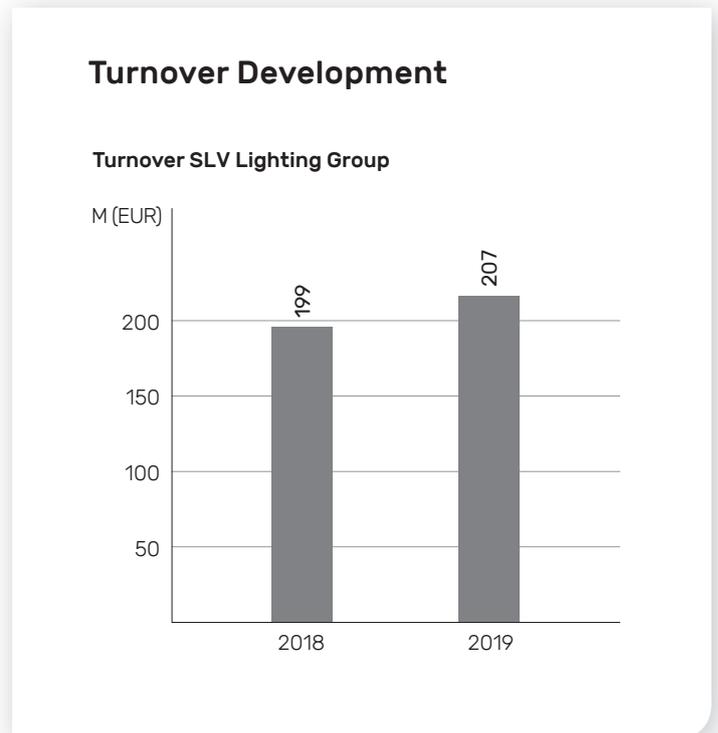
- Responsible corporate governance, which ensures the economic stability of the Group, takes into account the interests of all major stakeholders and provides transparency.

- We give our employees the opportunity to continually develop their skills and perform demanding tasks in a safe working environment.

- Our product portfolio highlights energy efficiency, both ecologically and economically, thus saving our customers' resources and cutting their costs.

- We protect the environment by continuously optimizing our core business and minimizing the negative impacts of our commercial activities.

This report has been prepared for the first time at Group level with the aim of consolidating our efforts and professionalizing sustainability management throughout our entire value chain. It is based on the latest version of the internationally recognized framework of the Global Reporting Initiative, the GRI Standards. The aim of this report is to present the sustainability activities of the SLV Lighting Group and illustrate the impact of our business activities on society, the environment, and the job market. Our stakeholders should thus get a clear picture of the measures we take to make our products and processes more sustainable. This first Group Sustainability Report is based on a systematic approach with a Sustainability Strategy and the relevant KPIs. It represents an exceptional challenge in this respect, as it lays the foundation for the management of all further related processes.



A systematic indicator management system for reporting is very important and has pointed out potential for improvement in this area. Our new Sustainability Strategy shows that some sustainable measures are already in place, but it also indicates where we need to make improvements going forward. With this insight, we are on track for further expanding our sustainability activities and consolidating them in the bi-annual reporting cycle.

Focusing on our impacts throughout the value chain as a whole, this report covers three (3) main topics at Group level, i.e., PEOPLE, CLIMATE CHANGE, and SUPPLY CHAIN, and will then be gradually extended in subsequent reports, due to the relevance of the indicator topics.



Sustainability at the SLV Lighting Group

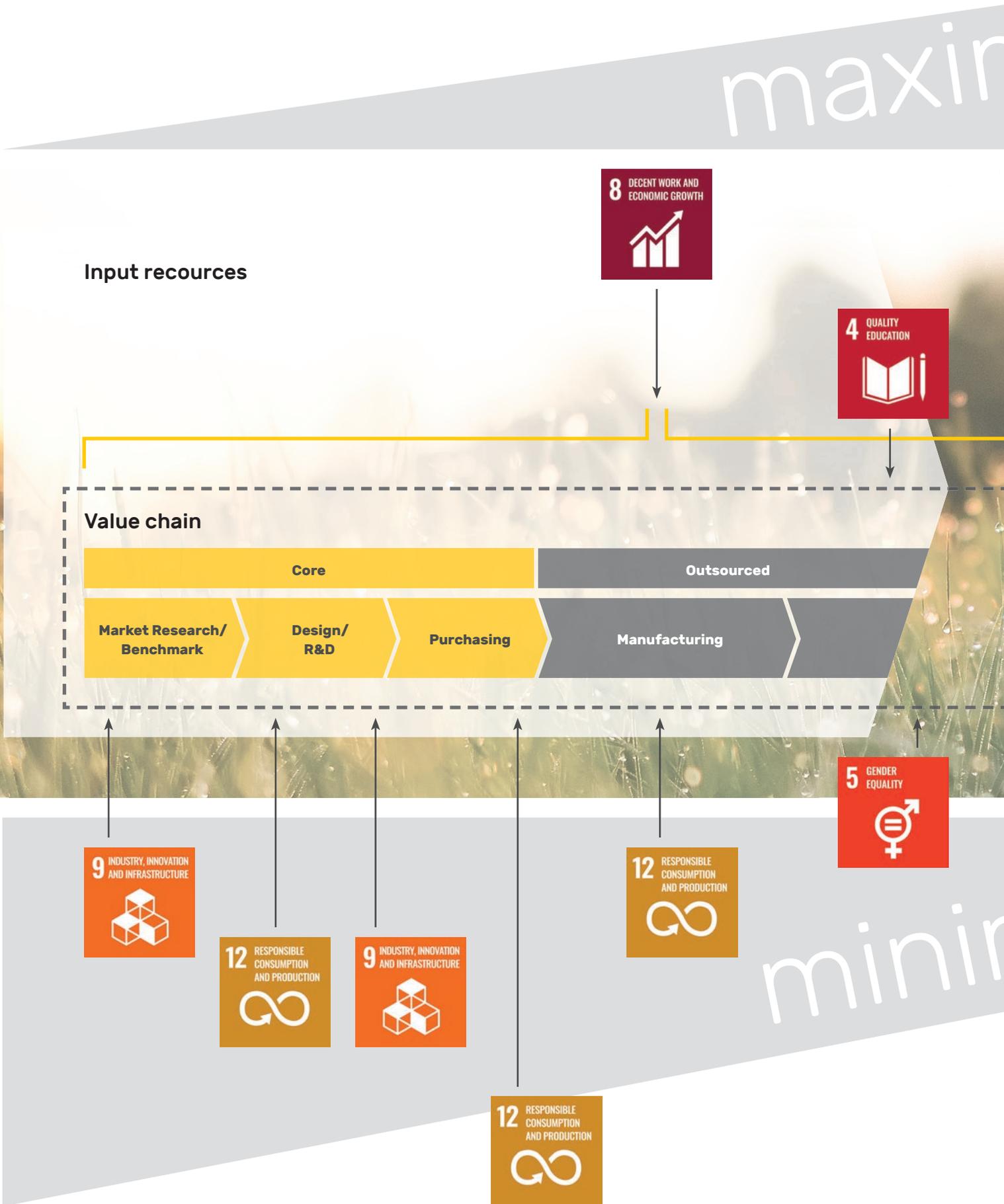
Our understanding of sustainability at SLV is a balanced interaction of business, social, and environmental aspects. Only by taking all these facets into account across all our core business processes can we ensure sustainable, long-term success as a company without providing our products and services at the expense of society or the environment.

Furthermore, our international business activities present us with the challenge of attaining these values across a wide variety of stakeholder groups, not only in Germany, but all around the world. Through responsible corporate governance, continuously improving our energy-efficient product portfolios, and ensuring the occupational health and safety of our employees and business partners, we contribute to reducing the negative impacts of our activities and strengthening the positive ones.

Sustainability at SLV is a balanced interaction of business, social, and environmental aspects.

We want to differentiate ourselves by seeing the bigger picture and focusing on PEOPLE in the broader sense. We aim to achieve this goal by providing more material information, improving product labeling, ecodesigning our products and packaging, reducing hidden waste and emissions, optimizing logistics processes, and communicating best sustainability practices throughout the value chain.

Value chain business model



mizing



Output value

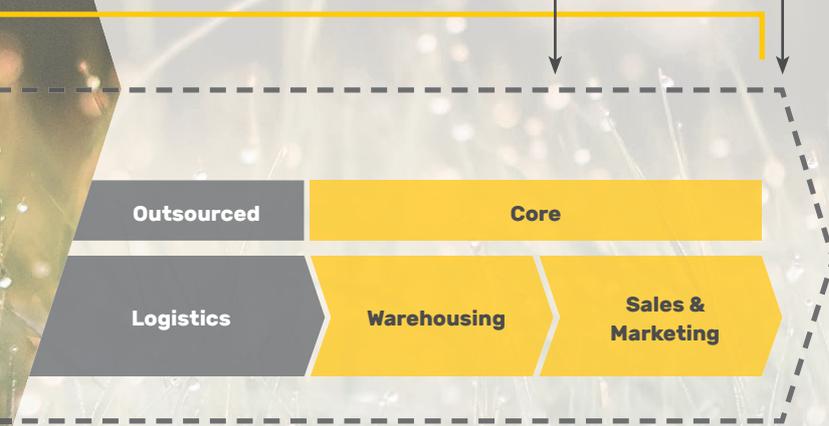


Photo by Jonas Weckschmid on Unsplash

mizing



Remark:

The colored boxes refer to the Sustainable Development Goals of UN (See Page 21).

Our sustainable business model

Our understanding of sustainability at SLV is a balanced interaction of business, social, and environmental aspects. Only by taking all these facets into account across all our core business processes can we ensure our sustainable, long-term success as a company.

Holistic value creation

As a product developer and supplier, the SLV Lighting Group is involved in business processes worldwide that generate emissions and waste and in some cases consume limited natural resources as well as water. We are aware of the impact of our business activities on the environment, actively accept our responsibility for environmental and climate protection, and work to mitigate them to the greatest possible extent. With this strategy we aim to increase our

positive impact along the entire value chain. Our ultimate sustainability target is to maintain a sustainable value chain that provides us with a competitive advantage. The value chain concept covers a broader scope of commercial activity than the supply chain, but upholds the supply chain as an aspect of vital importance towards promoting a successful value chain.

Value chain



Highlighted projects throughout our value chain

Sustainable packaging

Avoid, reduce, reuse, and recycle are our fundamental sustainability principles for packaging at SLV. We are constantly in search of potential to optimize our use of resources in an environmentally friendly way. We want to manage our material consumption, energy consumption, and CO₂ emissions as well as meet product-specific safety requirements with our packaging. We are working specifically towards establishing a circular economy by using recycled materials, adapting sustainability-driven design, and promoting the use of better recyclable packaging to minimize waste. In this context, we have begun replacing styrofoam with recycled

paper and also intend to reduce the overall volume of our packaging. This strategy will also help reduce the indirect impacts caused by shipment in order to minimize our carbon footprint.

Recycled plastics as secondary raw materials

In the context of life cycle thinking, as we look at our product life cycles we regard raw material sourcing as a highly significant aspect towards minimizing resource depletion. In order to conserve scarce resources and mitigate the environmental impact caused by their production, we pursue high environmental and social standards for the extraction and processing of our raw materials. We see the substitution of virgin raw materials with secondary raw materials as an alternative approach, which has a dual effect. Firstly, we recycle waste and residual materials to minimize the volumes accumulating in the environment (such as plastics in

Life cycle thinking

The key mindset of the SLV Lighting Group is one of life cycle thinking. Besides producing energy-efficient lighting and contributing to sustainable living in the broader sense, we are aware of our impact, which encompasses the extraction of the raw materials used in our products, their manufacturing, and their effective recycling when they become waste.

Input resources

With respect to resource conservation, as a conscious producer we endeavor to avoid the use of primary raw materials to the degree that quality criteria allow. We design our products to enable the easy integration of recycled plastics as secondary raw materials to the greatest possible extent.

Output value

We work on designing our products to be both repairable and recyclable. Furthermore, in order to conserve resources on the output side, we endeavor to replace the plastics used in our packaging with paper as far as possible. We also aim to reduce the emissions generated through shipment by optimizing our logistics activities and minimizing packaging volumes.



the oceans, so-called ocean plastic), and secondly we utilize fewer virgin raw material resources and replace them with secondary raw materials that can deliver the same quality without any negative effects on our products. With this incentive, we have developed our SPIKE, RUBA, and SIMA products using recycled plastics instead of virgin raw materials. The secondary raw material content is therefore around 20-30 % of recycled plastic, to the extent that quality and durability criteria allow us to do so.

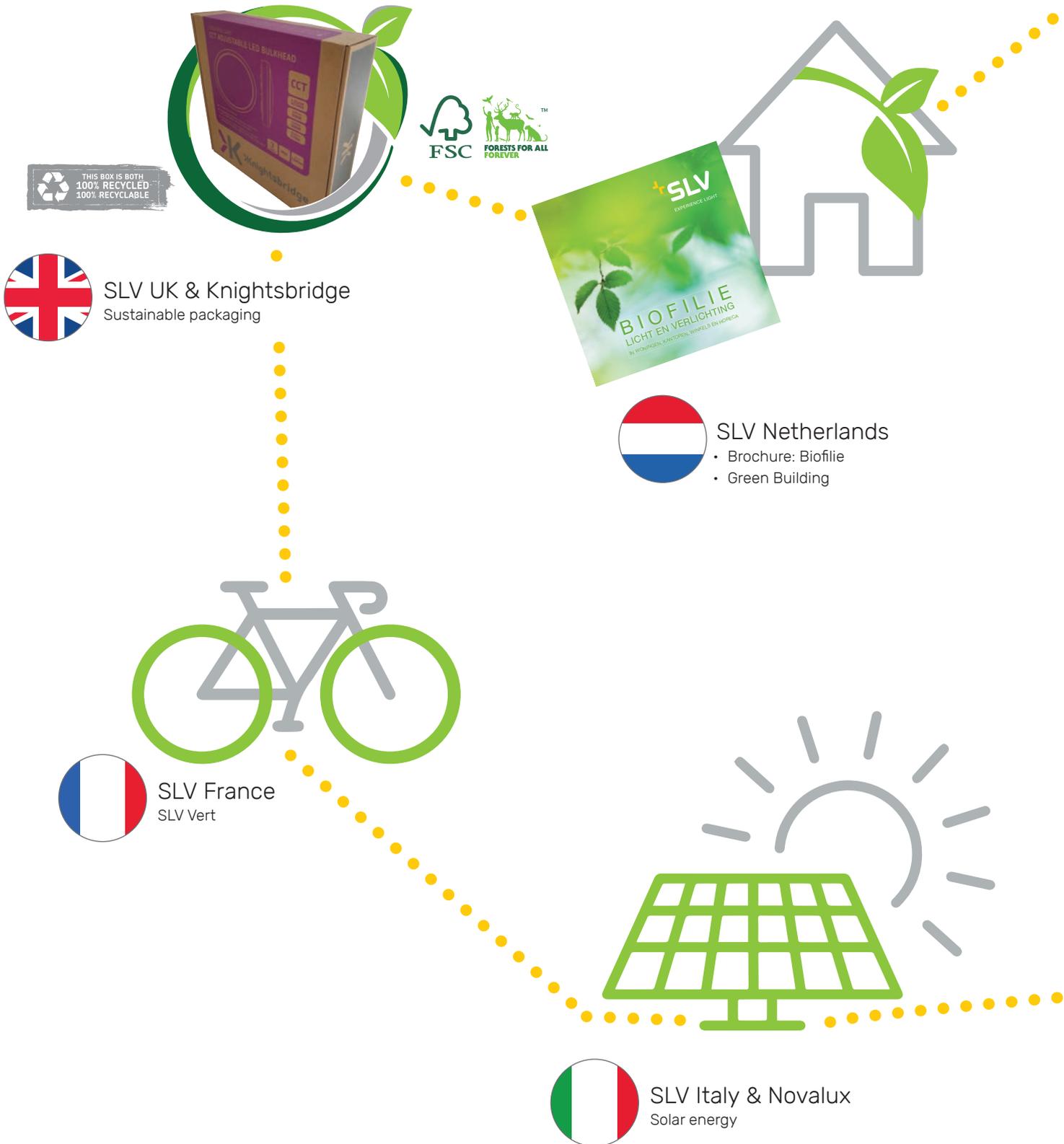
Digitalization

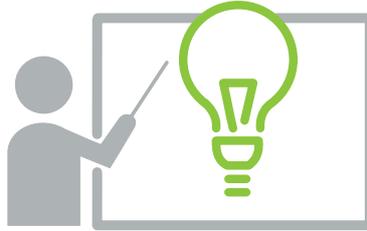
In 2019, SLV relaunched its **websites and web shops** based on "microservices" technology that offers maximum flexibility and enables SLV to offer "best-in-class" services online. The new SLV shop was awarded best shop in the category B2B (Shop Usability Award). With **Business Connect**, SLV offers digital services to support and accelerate the cooperation with business customers, to avoid mistakes in communication and order processing and to ensure that SLV products are positioned accordingly in our customers' product range. SLV also cooperates with the **European online marketplaces** to ensure that the modern SLV products are adequately presented there and have a corresponding relevance to the end customer.

- Smart ordering in customer services
- Safe driving training for sales teams
- Co-generation and alternative energy
- Eco-friendly commuting
- Responsible supply chain management

Highlighted projects

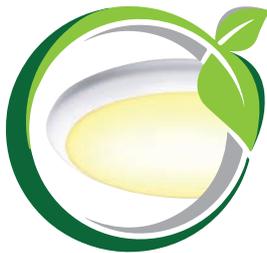
Our sustainability target is to maintain a sustainable value chain through the balanced interaction of business, social, and environmental aspects across all our core business processes.





SLV Germany

- B2B Shop Usability Award 2019
- Digitalization:
 - Product data & document data transfer
 - online Catalogues
- Sustainable packaging
- Lighting technology training courses
- Co-generation
- Recycled material products



SLV Asia CSR Supplier Audit



SLV Switzerland & Unex LED PET-Recycling Schweiz Environment Certificate

SLV Lighting Group – sustainability overview

Sustainability at Group level

At Group level we have developed our first sustainability strategy and establish a structured method of collecting data and monitoring it in order to achieve our targets. Our main focus is positive and negative impacts, which will help us contribute to mitigate the depletion of resources and combat climate change in a more efficient way.

As a manufacturer of energy-consuming products that do not require a great deal of water to make them, we consider energy consumption as our most important indicator. However, we still regard the critical water protection areas as a relevant factor. In order to effectively mitigate our impact on climate change, we first looked at our consumption of electricity and natural gas, then at other energy consumption, such as our company cars and distribution networks, as direct ways of reducing our GHG emissions. As our competitive advantage is our value chain, we place great emphasis on our global business and its impacts. Our outsourced production facilities are located all around the world. We therefore consider the shipment of our products and their environmental impact in our efforts to become carbon-neutral.

At Group level we are in the process of preparing a benchmark basis for specific energy consumption and will continue working to develop further measurements for all locations throughout the upcoming reporting period. Besides monitoring and optimizing consumption, we want to encourage the tendency towards alternatives such as renewable energy sources based on the options available at each location.

As a kick-off for the basis of monitoring energy consumption, we first looked at electricity consumption at each location and measured trends over the last two years. There are only two peaks (SLV France and SLV Belgium) slightly out of the range in comparison to others, which was due to the utilization of electricity for heating purposes. The specific electricity consumption lies between 21–28 kWh/m². Our facilities mainly consist of an office and a warehouse with an additional assembly line at some locations.

To initially monitor our carbon footprint, we started with the business flights taken by our headquarters staff in order to estimate how large our carbon footprint might be or, in other words, to which degree our business travel is impacting GHG emissions and therefore climate change. We measured the variation between business class and economy class flights, multiplied by the distance effect, to end with a t CO₂ eq. figure. We managed to reduce our carbon footprint by 24% from 2018 to 2019 by minimizing the number of flights needed for short-distance travel. Since that time we have chosen online meetings and different ways of traveling instead, which made us realize that we can really make a difference.

As we greatly value our people, we respect and encourage gender equality at every professional level, including the principles of equal pay and a positive work-life balance.

We do not tolerate child labor or any lack of compliance with anti-corruption measures. As a result, we uphold the UN Global Compact 2030 Sustainable Development Goals (SDGs), which focus on human rights, labor, the environment, and anti-corruption and see our commitment to these goals as a genuine competitive advantage.

SUSTAINABILITY SLV Lighting Group HQ

	2019	2018
GHG EMISSIONS (tons of CO₂ eq.)		
Short distance flights ¹	1.733,50	60.596,70
Long distance flights ²	70.775,63	34.973,55
Total tons CO₂ eq./year	72.509,13	95.570,25

¹short distance corresponds to <500 km

²long distance corresponds to >500 km

SPECIFIC ENERGY CONSUMPTION (kWh/m²)



Diversity is the inclusion of things, people, and places that are different. In this context, having people of different races, genders, ages, and ethnicities in one place shows a great deal of diversity. No one thing or person is the same as another and our Group is made up of a variety of cultures and backgrounds. Diversity can also mean the different opinions of individuals.

For real equality to happen, a shift in organizational culture is needed, which typically starts at the top of the company chain of command. The SLV management team emphasizes the promotion of female equality and its positive effects on corporate culture, staff retention, and bottom line. As a result, at Group level we notice an increase in the number of female employees overall in comparison to the decreasing total number of employees and the proportion of women in the workforce has remained above 16%. However, the decrease in the percentage of women in management positions is recognizable and needs to be improved over

the next few years. The Group also intends to focus on employing a greater percentage of disabled people in the foreseeable future.

In order to significantly promote diversity, gender equality, and employ more people with disabilities, SLV has included equal pay for equal work, flexible working hours, and pays great attention to including people with physical or mental disabilities on equal terms in its work processes. In 2019, we employed seven people with severe disabilities and a disabled person's pass, which corresponds to 2% of the total workforce.

FLUCTUATION RATE (%)

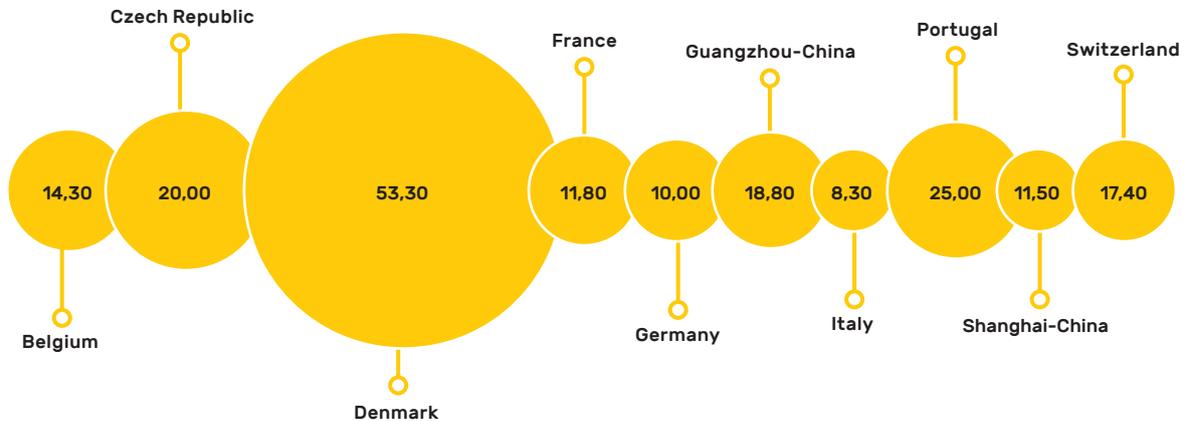
The average staff fluctuation rate across the Group stood at 7.21% in 2018 and 10.46% in 2019. In 2019 we saw a 3.7% increase due to two peaks in Denmark and Portugal which had high impact on the overall outcome, as their total number of employees were relatively low. In 2018, again a similar peak was recorded for the Czech Republic and Denmark with the same reasons raising the average.

In order to reduce the staff fluctuation rate, we intend to take specific measures in each country and at each location.

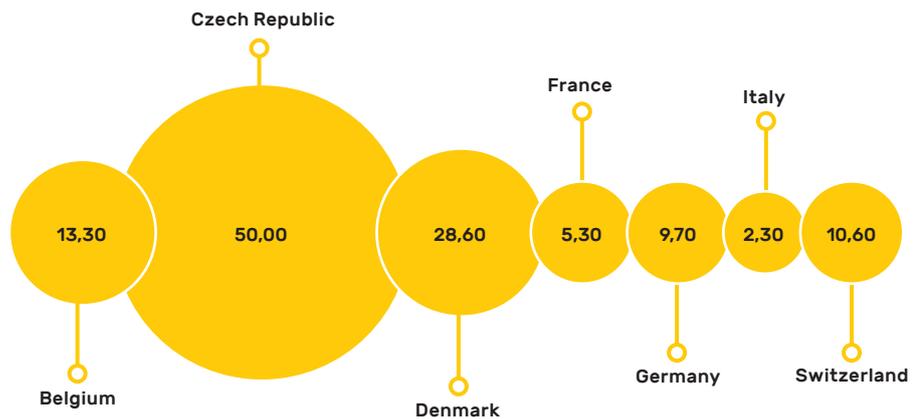
SUSTAINABILITY SLV Lighting Group

	2019	2018
NUMBER OF EMPLOYEES		
Total	622,00	648,00
GENDER EQUALITY (Quote in %)		
Female Employees	38,60	37,65
Employees in Management Positions	2,25	2,31
Female Employees in Management Positions	16,07	18,51
DISABLED EQUALITY (Quote in %)		
Employees with disabilities	1,93	2,31

2019



2018

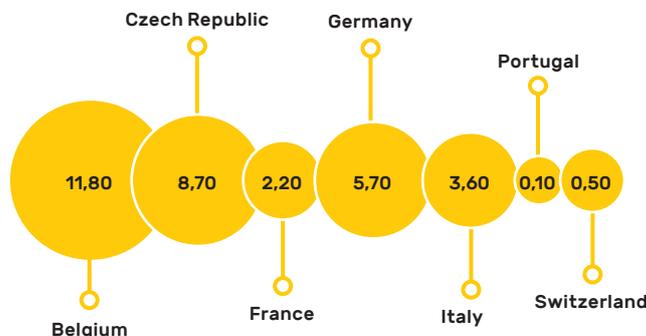


Locations with zero fluctuations are not represented in the figure.
Locations with higher fluctuations have less employees but effect the proportion highly.

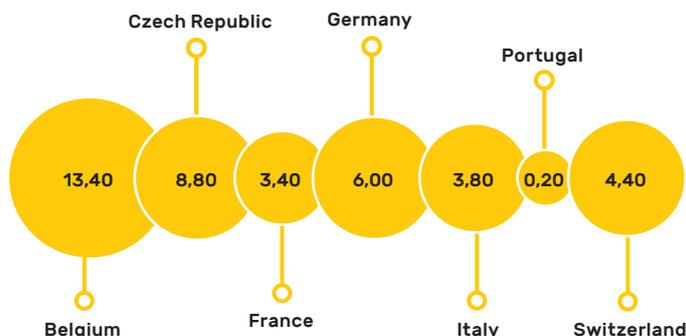
ABSENCE RATE (%)

Absenteeism has improved over all despite some variations across the Group. We will analyze the causes of these variations and take measures to the relevant extent.

2019



2018



Locations with zero absence are not represented in the figure.
Locations with higher absence rates have less employees but effect the proportion highly.

SUPPLIERS WITH CSR ASSESSMENT

As a first step forward towards CSR-integrated supply chain management, we run CSR basic audits at all our Asian suppliers. These are mainly conducted by the SLV Germany and SLV China teams. Supplier coverage is being increased each year with the ultimate aim of achieving 100% in 2020. Please see the detailed distribution of audited suppliers over years 2017, 2018 and 2019 in relevant Chapter on Supplier Management on Page 59.

SLV Lighting Group goals up to 2022 and 2030

The SLV Lighting Group has some quantitative goals (targets) it aims to reach by 2022 and 2030 respectively that are divided up within the UN Sustainable Development Goals (SDGs), as can be seen in the next illustration. We want to increase our positive impacts and reduce our negative impacts across our entire value chain at Group level, at every subsidiary, and for each brand.

To supplement our quantitative targets, we have also set ourselves some qualitative goals focusing on our scope 3 GHG emissions, good practice sharing, climate-related risks, and an integrated diversity policy that will also deliver us some qualitative and quantitative results as a consequence.

SLV Lighting Group goals up to 2022 and 2030 in line with UN Sustainable Development Goals (SDGs)

The infographic displays 17 UN Sustainable Development Goals (SDGs) with specific targets for SLV Lighting Group. The goals are arranged in a grid-like fashion, with some goals having associated icons and others having specific percentage-based targets.

- 1 NO POVERTY**: Icon of a family.
- 2 ZERO HUNGER**: Icon of a bowl of food.
- 3 GOOD HEALTH AND WELL-BEING**: Icon of a heart and pulse line.
- 4 QUALITY EDUCATION**: Icon of an open book and a pencil.
- 5 GENDER EQUALITY**: Icon of a female symbol with an equals sign.
- 6 CLEAN WATER AND SANITATION**: Icon of a water tap with a drop.
- 7 AFFORDABLE AND CLEAN ENERGY**: Icon of a sun with a power button symbol.
- 8 DECENT WORK AND ECONOMIC GROWTH**: Icon of a bar chart with an upward arrow.
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE**: Icon of stacked cubes.
- 10 REDUCED INEQUALITIES**: Icon of a double-headed arrow with three horizontal bars.
- 11 SUSTAINABLE CITIES AND COMMUNITIES**: Icon of buildings.
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION**: Icon of a circular arrow.
- 13 CLIMATE ACTION**: Icon of an eye with the Earth as the pupil.
- 14 LIFE BELOW WATER**: Icon of waves and a fish.
- 15 LIFE ON LAND**: Icon of a tree and birds.
- 16 PEACE, JUSTICE AND STRONG INSTITUTIONS**: Icon of a dove and a scale.
- 17 PARTNERSHIPS FOR THE GOALS**: Icon of interlocking circles.

Specific Goals and Targets:

- Goal 4 (Quality Education)**: 50% increase in proportion of apprentices with their further employment at SLV Group.
- Goal 5 (Gender Equality)**: 5-10% increase ratio of woman in management.
- Goal 8 (Decent Work and Economic Growth)**: 100% conversion of all our products to energy efficient LED products.
- Goal 7 (Affordable and Clean Energy)**: 95% of our "LED" Products will be reparable by educated experts.
- Goal 12 (Responsible Consumption and Production)**: 30% decreasing Absenteeism.
- Goal 13 (Climate Action)**: 50% reduction of plastic packaging.



Our journey towards sustainability

The trigger for focusing on sustainability was the EcoVadis assessment of SLV GmbH in 2017, which was conducted to see where we stand and how we regard the topics covered in the area of sustainability. The initial task has been carried out by our Quality Department. However, due to the versatility and complexity of this topic, the need for an independent, interdisciplinary approach became very obvious and it is now represented by a separate unit responsible at Group level that reports directly to the CEO.

The first assessment has shown us the potential for improvement and the relevant focuses that need to be considered. The main aspects of sustainability have already been taken into account at SLV in terms of our self-perception and our comprehensive requirement for quality and care, but have not been stated under the sustainability framework. After revising the sustainability aspects in the EcoVadis structure and monitoring the development of key performance indicators (KPIs) for sustainability within the last two years, SLV has decided to aim for a new goal, i.e., a systematic and conceptual sustainability approach at Group level.

The new sustainability strategy was launched in 2019 and included specific goals and projects at Group level. The Group Sustainability Strategy considers the global risks and challenges that we are facing. Trends show us that economic models as well as environmental and social welfare needs are pushing us towards a circular economy and life cycle thinking. Therefore, our aspiration and our focus are now emphasized as a "sustainable value chain" that leads to a competitive advantage for the Group as a whole.

New sustainability strategy

The ultimate aim of our sustainability strategy is to maintain the sustainable value chain that provides us with a competitive edge. The value chain covers a broader scope of operational activity than the supply chain. However, the supply chain is of key importance to achieving a successful value chain. The main emphasis of our strategy is on people, the supply chain, innovation, communication, and information security.

People and the added value within are of high importance to SLV.

Innovation at SLV encompasses an extensive range of product improvements in terms of resource efficiency, energy efficiency, reparability, recyclability, and ecodesign that lead to a circular economy.

Supply chain covers all shipments, transportation, travel, material specifications and their related declarations, and labeling with the aim of increasing transparency regarding our products, their manufacturing, and labor standards.

Communication interlinks all these aspects and the commitment of our stakeholders, making both our aspiration and our targets more integrated and meaningful.

The new strategy will be implemented through core activities and programs aimed at achieving sustainability. Here we benefit from our collaboration with INDEFI Advisory Services on the regular sustainability assessments run for analyzing the improvement potentials.



Communication

VALUE CHAIN

PEOPLE

Innovation

Supply Chain

Information Security

Stakeholders

The SLV Lighting Group sees contact to internal and external interest groups as an essential way of further developing its sustainability activities. A dialogue based on partnership enables us to understand the expectations of our stakeholders, include them in our corporate strategy, and inform them about its implementation. In order to determine the

relevant stakeholder groups, a team of experts at SLV GmbH identified those stakeholders who have the greatest influence on the business operations of the company as part of a reflected process. The following groups were selected:



Customers

Understanding and fulfilling the needs of our customers is essential for our corporate success. We meet their requirements by providing a wide range of information, training, and a fair price-performance ratio. The continuously high level of customer satisfaction is confirmation for us that we are interpreting our customers' concerns correctly and offering them the right solutions.

Suppliers

At SLV we consider reliable and regular basic conditions as vital for maintaining stable relationships with our suppliers. We attach particular importance to the criteria of quality, reliability, price, and compliance with our specifications for cooperative behavior and sustainability. We cultivate the direct exchange of information on-site by conducting supplier audits and leveraging our internationally positioned teams.

Investor

Our investor is not only a key partner in strategic issues and corporate financing, but also an important advisor on issues relating to economic sustainability and risk provisioning. Close coordination and transparency regarding our respective goals and needs are of great importance for long-term successful cooperation.

Management

Any sustainability management, however committed, is ineffective if it does not receive the necessary support at management level. By defining corporate strategy, the management team sets the course for a systematic approach to responsible sustainability management and lays the foundation for its success by making resources available.

Employees

Our employees ensure our ability to continue providing professional services and offering high-quality products. We strive to provide them with optimal working conditions so that they are positively motivated to carry out their work. For internal dialogue, we make use of proven forms of communication such as employee magazines and personnel information events.

Works Council

The Works Council regularly informs the workforce about the latest developments regarding topics such as working hours, fair pay, and safety at work. A number of viable works agreements have already been reached through constructive dialogue between the Works Council and the management team.

CSR professionals

The voices of professionals in specific fields of expertise are always important for us in order to keep in touch with global trends.

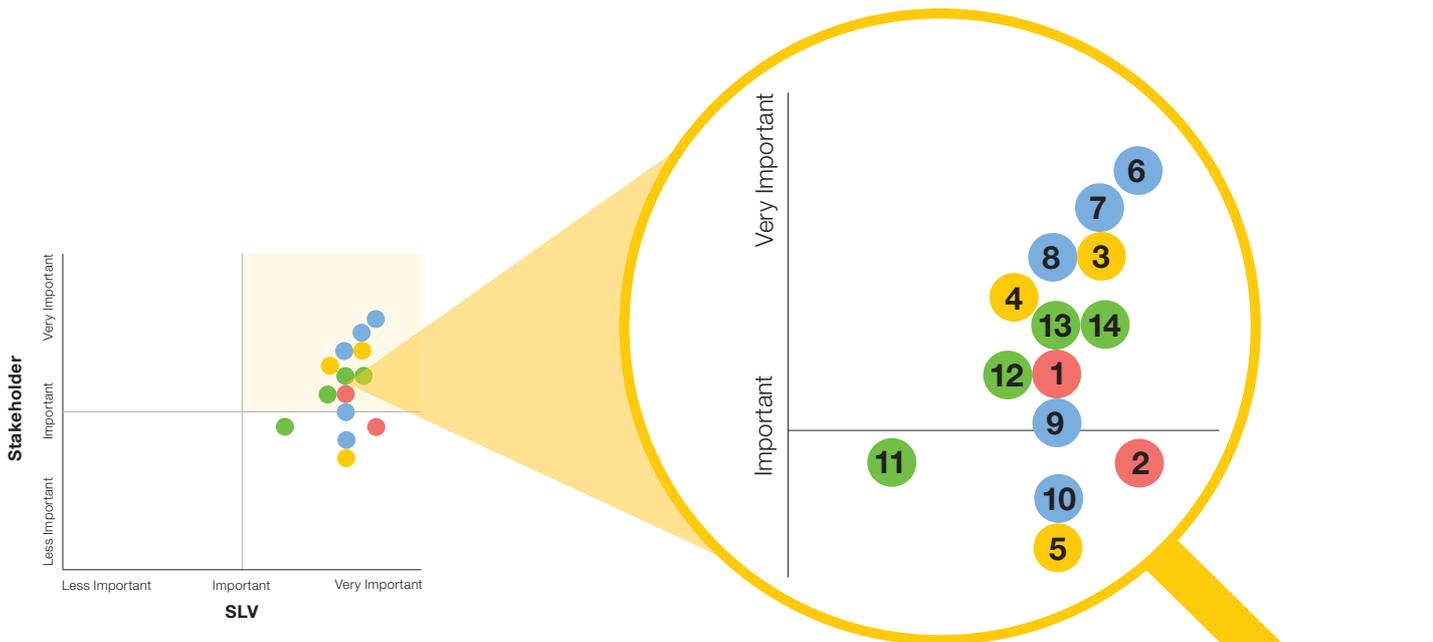
Stakeholder analysis

These focuses are determined on the basis of previous assessments and the reported results of SLV GmbH and enriched with global priorities at Group level. A stakeholder analysis has been conducted and a materiality matrix used as a strategic instrument to prioritize between relevant topics.

The breakdown of the stakeholder analysis results has helped us prioritize relevant topics and again reinforced the value we give to our **people** and **products**. Our awareness of **global environmental challenges** such as energy, emissions, and waste has been once more confirmed. **Economic stability** and **compliance** have also been raised as relevant topics.

The main contents of the report have been determined gradually until the topics were narrowed down to the level of handling. A survey has been conducted among relevant stakeholders in order to identify the key topics. In parallel, for internal consultation purposes, sustainability leadership talks have been held to gain insights at all management levels regarding their priorities, their individual views, and to encourage their colleagues to aim for sustainability. Topic prioritization is based on impacts, risks, and stakeholder interests. All the relevant topics have been consolidated for incorporation in the Group's new sustainability strategy.

Materiality matrix



Corporate management

- 1 Compliance & Business Conduct
- 2 Economic Stability

Responsibility for our employees

- 3 Occupational Safety and Employee Health
- 4 Working Conditions
- 5 Social Engagement

Responsibility for our products

- 6 Sustainable Products
- 7 Product Safety
- 8 Product Quality
- 9 Customer Health
- 10 Supplier Management

Our commitment to environment and climate

- 11 Energy
- 12 Emissions
- 13 Water
- 14 Waste

Delimiting essential fields of action

ESSENTIAL FIELDS	IMPACTS	CONCERNED STAKEHOLDERS
● CORPORATE MANAGEMENT		
Compliance & Business Conduct	intern/extern	Employees, Investors, Management Board, Customers, Suppliers, CSR Professionals
Economic Stability	intern/extern	Employees, Investors, Management Board, Customers, Suppliers
● RESPONSIBILITY FOR OUR EMPLOYEES		
Occupational Safety and Employee Health	intern/extern	Employees, Work council
Working Conditions	intern	Employees, Suppliers, Work council, CSR Professionals
Social Engagement	intern/extern	Employees, Customers
● RESPONSIBILITY FOR OUR PRODUCTS		
Sustainable Products	intern/extern	Customers, Associations, Investors, Management Board
Product Safety	intern/extern	Customers, Suppliers, Investors, Management Board
Product Quality	intern/extern	Customers, Suppliers, Investors, Management Board
Customer Health	extern	Customers, Investors, Management Board
Supplier Management	intern/extern	Suppliers, Customers, CSR Professionals, Investors, Management Board
● OUR COMMITMENT TO ENVIRONMENT AND CLIMATE		
Energy	intern/extern	Customers, Suppliers, Employees, Investors, Management
Emissions	intern/extern	Customers, Suppliers, Employees, Investors, Management
Water	intern/extern	Customers, Suppliers, Employees, Investors, Management
Waste	intern/extern	Customers, Suppliers, Employees, Investors, Management



Eric Lachambre, CEO



Sven Schirmer, CFO



Jens Aertgeerts, CSO

Corporate management

In order to integrate sustainability gradually as a company and represent sustainability culture to the outside world in a professional, transparent manner, a responsible management approach to corporate culture is needed that provides the necessary base and structure to do so. Starting with strict compliance with legal requirements, sustainable management must ensure that appropriate values are formulated and anchored within each Group company, that corruption and anticompetitive behavior are avoided, and that the company is prepared to handle potential risks. Only the full support of management for such activities can ensure that sustainability is really lived throughout the Group.

We are committed to compliance with ethical and moral principles and place particular emphasis on values such as integrity, tolerance, discretion, respect, trust, and reliability as the cornerstones of long-term cooperation and business relations.

Respect for personal and human rights and the rejection of child and forced labor ensure that these values are also upheld by our business partners.

Group management

Setup and structure

The SLV Lighting Group is managed by the Group Executive Board, which currently consists of three members. Since 2018, Eric Lachambre has headed up the Executive Board as Chief Executive Officer (CEO) and is responsible for the overall strategy and development of the Group. As Group Chief Financial Officer (CFO), Sven Schirmer is responsible for all financial matters relating to the Group and its subsidiaries. Jens Aertgeerts, the Group's Chief Sales Officer (CSO), who has been with SLV for more than ten years, is in charge of managing sales activities within the SLV Lighting Group. All technical and product-related topics are reporting to the Group's Chief Operating Officer (COO).

The Group Advisory Board, which consists of two members from our shareholder Ardian and one external expert, supports the strategic development of the SLV Lighting Group. The Advisory Board advises the Executive Board on fundamental decisions and supervises its activities. The Advisory Board meets with the Executive Board on a regular basis for this purpose.

Corporate values

Ethical and moral guidelines

The management team strives to align the business activities of the SLV Lighting Group with common values that all employees are required to adhere to. In this respect, SLV is strongly committed to compliance with ethical and moral principles and particularly emphasizes values such as integrity, tolerance, discretion, respect, trust, and reliability as the cornerstones of long-term cooperation and business relationships. Furthermore, we respect personal and human rights, reject child and forced labor, and make decisions based solely on objective and plausible considerations. To ensure that these values are also respected by our business partners, we encourage them to comply with supporting and ensuring the fundamental requirements of occupational health and safety, labor law, environmental protection, social standards, compliance, and governance within the framework of the SLV Business Agreement and our Supplier Quality Guidelines.

Just as with our business relationships, we also uphold our company principles such as occupational safety and environmental protection through the conscious use of resources and the continuous improvement of product efficiency.

In order to define the ethical and legal framework for our employees, we prepared a Code of Conduct in 2018, which summarizes the principles of conduct and practice with respect to SLV values in a binding manner for all employees.

Compliance with national and international laws

Compliance with all national and international laws and regulations is a top priority at SLV Lighting Group. At the beginning of 2018, a Compliance Management System (CMS) was introduced in order to monitor the large and increasing number of regulations. Nonetheless, responsibility for legal compliance in day-to-day business is and remains organizationally with the respective specialist department. The CMS is merely intended to support compliance with both legal and self-imposed regulations and act as an umbrella.

It is intended to adequately ensure that risks involving significant breaches of regulations are identified in good time and that any such breaches are prevented. However, since even a suitable CMS will never be able to completely prevent violations, it also needs to detect any violations that do occur in a timely manner and communicate them internally so that an appropriate response to the violation can be undertaken.

The basic elements of an effective and efficient CMS are defined in ISO 19600, which was published in 2014. Since then, it has been adopted as the German DIN standard, as well as in the similarly structured IDW PS 980 standard developed by the "Institut der Wirtschaftsprüfer in Deutschland e.V." (Institute of Public Auditors in Germany). This includes:

- Support and commitment by the organization's management (compliance culture)

- Comprehensive collection of information about the organization, including a compliance risk assessment (compliance risks)

- Creation of a compliance policy, including a definition of the scope of application (compliance goals)

- Assignment of roles and responsibilities regarding compliance (compliance organization)

- Operational planning and determination of concrete measures (compliance program)

- Implementation of supporting measures, including communication, training, and/or the establishment of a code of conduct (compliance communication)

- Monitoring and evaluation, including the establishment of whistleblower systems (compliance monitoring)

- Continuous improvement, including crisis management (compliance improvement)

The orientation on ISO 19600 is an advantage, since it follows the same structure for all management systems and therefore synergy effects can be used. However, CMS certification is currently only possible in accordance with IDW PS 980.

In order to keep the option of a certification open, SLV GmbH has therefore decided to combine these two standards when implementing its CMS.

The core task of every CMS is to create and maintain a sustainable corporate culture that is based on compliance and integrity. A culture that prioritizes the achievement of economic or other goals over the maintenance and observance of compliance principles carries a high risk of compliance violations.

Therefore, the first step in establishing compliance management structures is to change the corporate culture. In this context, compliance is a management task. Executives must always remember that they have an essential role model function. The essential management tasks in relation to compliance include in particular the establishment and maintenance of the basic values of the organization. Corresponding commitments of the management team to compliance within SLV GmbH have already been made with the decision to introduce a CMS. In organizational terms, the topic was assigned to the Legal department.

Our internal legal adviser worked with a small team to raise awareness of this task among the management team. They presented the importance of compliance and identified risk areas.

Workshops were held with all departments of SLV GmbH, in which an initial inventory of all possible risks within each specialist department was made in the form of a brainstorming session. In 2018 and 2019, initial training courses were held in areas with a particularly high risk and media impact. For example, from May 2018 onwards, due to the current General Data Protection Regulation, the focus was placed on data protection training, which is refreshed every year, including 2019, and planned for 2020.

In addition, antitrust violations are a frequent and far-reaching source of risk, particularly in sales, so that regular training sessions were held in this area as well.

However, the basis for behavior in compliance with the law and regulations is above all knowledge of the obligations that apply to an organization. A legal registry provides an overview and a listing of legal and regulatory obligations. In 2018, intensive work was therefore carried out on the creation and finalization of such a legal register, so that it only needs to be updated every year.

In 2019, a concrete compliance concept was then developed to implement the CMS. Here, a concrete risk analysis based on best-known criteria was set as a core task for upcoming years. In order to support the compliance concept in its implementation and the associated upcoming tasks, the internal legal advisor was trained as a "compliance officer" at TÜV Rheinland.

Once the comprehensive risk analysis has been carried out with the collaboration of the specialist departments, the CMS is to be integrated in the concrete corporate structure and underpinned with measures and processes for prevention, identification of compliance violations, and reaction to misconduct. This includes further training and education measures, the creation of uniform guidelines and codes of conduct throughout the Group, the introduction of a whistleblower system and an auditing body, the adoption of uniform sanction measures, detailed documentation, and the establishment of fixed reporting channels for continuous reporting. The CMS is scheduled to be fully implemented in the course of 2020.

Afterwards, probably at the end of 2020, the CMS with its content and responsibilities must be communicated within SLV GmbH. Moreover, the employees have to be committed to the defined behavior patterns with the involvement of the Works Council. The measures and processes of the CMS must be regularly monitored in order to assess the adequacy and effectiveness of the CMS itself.

Risk management

Monitoring and assessment

In an effective CMS, not only the compliance risks need to be identified and either avoided or minimized, but also economic threats, dangers, and risks need to be addressed.

At the end of 2018, a decision was therefore made not only to introduce a compliance management system, but also a risk management system under the supervision of the Legal and Controlling departments. A risk assessment was then carried out for the first time in 2019, the results of which were summarized in a risk assessment report at the end of 2019.



Measures to combat corruption and anticompetitive behavior

Measures to combat corruption

SLV Lighting Group is fully convinced that responsible, long-term business can only be achieved through fair business practices. Short-term profit-seeking or personal enrichment by means of corrupt practices are expressly not tolerated by the company.

Within SLV GmbH, the Chief Financial Officer (CFO) is responsible for combating and preventing corruption with content and operational support from the internal legal adviser and the personnel management team. These are also the contact points for any violations and suspicions regarding corruption.

Neither in 2018 nor in 2019 were there any corresponding reports of internal suspicions of corruption at SLV GmbH. Nevertheless, the potential risk of being subject to corrupt practices is particularly high in some business areas, such as sales and purchasing (e.g., excessive discounts, increased delivery quantities or product prices to conceal illegal payments, estimation of a purchase price that is not in line with the market or excessive remuneration, improper linking of procurement transactions with donations and sponsoring, gifts, and invitations).

In 2019, however, there was a suspected case of corruption at one of our customers about which we were questioned. At SLV we take any such suspicions very seriously and, with the support of our external lawyers, we made every effort to clarify the facts of the case. We came to the gratifying conclusion that SLV was not at fault and has always granted the customer concerned conditions in line with market norms.

Knowing about the existing potential dangers, we see the utmost transparency and clarification as important remedies. In particular, at the end of 2018 we trained the sales department in this regard and are planning a corresponding refresher course as well as an initial training in the area of purchasing for 2020.

There are already internal guidelines in place for handling gifts, particularly for Christmas. These are to be expanded, codified, and made binding for all employees in 2020 and will be communicated via the intranet. In this way, we want to further raise awareness about the topic of corruption and appeal to the vigilance of our employees.

Measures to combat anticompetitive behavior

A similar risk potential also exists in all projects and business processes concerning antitrust and competition law. In the course of SLV's growth, antitrust and competition law aspects have become increasingly important in strategic and sales decisions such as company acquisitions or agreements with customers, suppliers, and service providers.

Being aware of these risks and threats, we always critically examine such particular situations and consult our external attorneys in special cases with relevance to antitrust and competition law in order to obtain legal certainty. Fortunately, our cautious and forward-looking approach has so far saved us from any antitrust proceedings due to violations of antitrust law. We rather support free competition and categorically exclude participation in anticompetitive agreements on prices, conditions, market sharing, or tenders. SLV emphasizes the great importance of competition by fair means to protect both consumers and competitors. In order to present this attitude to the outside world, we have been a member of the non-profit association "Lauterer Wettbewerb e.V." (an association dedicated to ensuring fair competition) since the beginning of 2018.

In 2019, we initiated legal proceedings for design and competition violations. In this case, a large part of the SLV portfolio had been systematically copied in order to create a risk of confusion among customers and thus benefit from the good reputation and successful concept of SLV GmbH.

In the case of such infringements, we have a zero tolerance policy and are always grateful for information from customers and consumers.

The planned CMS should help to create structures for dealing with matters relevant to antitrust and competition law and integrate them in the company. When setting up the CMS, we will give the highest priority to such matters to ensure that they are regularly taken into account in all projects and business processes in line with the risk.

The CMS is also to include a whistleblowing system for gathering anonymous information, which for organizational reasons has unfortunately not yet been successfully implemented. A mailbox system is currently being set up in order to guarantee anonymity for corresponding information on conduct that is questionable under antitrust or competition law.

Membership in external initiatives

UN Global Compact

SLV Lighting Group has been a member of the **United Nations Global Compact (UNGC)** since June 2017. The UN Global Compact was founded in 2000 by the then UN Secretary General Kofi Annan and, with almost 9,700 participating companies in 161 countries, is now the largest and most important initiative for responsible corporate governance. The basic idea of the agreement is to use the creative forces of entrepreneurialism to meet the needs of the disadvantaged and those of future generations in order to realize the vision of a sustainable and inclusive world economy.



ZVEI

In September 2019, the SLV Lighting Group became a member of the industrial association **ZVEI (German Electrical and Electronic Manufacturers' Association)**, whose support is the exchange of experience and views between its members regarding current technical, economic, legal, and socio-political topics within the electrical industry. From this exchange, common positions are drawn up. With proposals on research, technology, environmental protection, education, and science policy, the ZVEI is a pacemaker of technological progress. It supports market-related international standardization work. The ZVEI is committed to the common interests of the electrical industry in Germany and at international level and represents the interests of a high-tech sector with a very wide and extremely dynamic product portfolio. Over 1,600 companies have opted for membership of the ZVEI that include global players, medium-sized, and family-owned companies.

UN GLOBAL COMPACT

PRINCIPLES

MEASURES TAKEN AND RELEVANT SUBTOPICS

HUMAN RIGHTS

Businesses should support and respect the protection of internationally proclaimed human rights.

- Ensure workers are provided with safe, suitable, and sanitary work facilities
- Protect workers from workplace harassment, including physical, verbal, sexual, or psychological harassment, abuse or threats
- Take measures to eliminate ingredients, designs, defects, or side effects that could harm or threaten human life and health during the manufacturing, usage, or disposal of products

Businesses should make sure that they are not complicit in human rights abuses.

LABOR

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

- Ensure that the company does not participate in any form of forced or bonded labor

Businesses should uphold the elimination of all forms of forced and compulsory labor.

- Comply with minimum wage standards
- Ensure that employment-related decisions are based on relevant and objective criteria

Businesses should uphold the effective abolition of child labor.

- Zero tolerance policy on child labor and anticompetitive behavior

Businesses should uphold the elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

Businesses should support a precautionary approach to environmental challenges.

- Avoid environmental damage via regular maintenance of production processes and environmental protection systems (air pollution control, waste, water treatment systems, etc.)
- Ensure emergency procedures to prevent and address accidents affecting the environment and human health
- Minimize the use of and ensure the safe handling and storage of chemical and other dangerous substances

Businesses should undertake initiatives to promote greater environmental responsibility.

Businesses should encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

Businesses should work against corruption in all its forms, including extortion and bribery.

- Assess the risk of corruption when doing business
- Mention "anti-corruption" and/or "ethical behavior" in contracts with business partners
- Ensure that internal procedures support the company's anti-corruption commitment



Responsibility for our employees

As an employer of more than 300 people in Germany, SLV Lighting Group (SLV GmbH and SLV Group Holding GmbH are collectively referred to below as "SLV") is aware of their social responsibility and strive to offer their employees an attractive working environment. In our view, motivated, well-trained employees are the cornerstones of our success. We therefore see it as our responsibility to create working conditions that enable our staff to perform their duties in the best possible way. We want to live up to this responsibility by providing fair remuneration, safety at work, a wide range of career opportunities, and numerous further training alternatives. We thus ensure that a sufficient number of qualified people become aware of us as an employer and that our employees are able to work with motivation in a widely varied number of tasks in the long term. Moreover, by joining the UN Global Compact and acknowledging its ten principles, we are also committed to upholding fundamental human rights in our international business activities.

To provide our employees with ideal working conditions, we have introduced a number of measures that have a positive impact on the atmosphere, team cohesion, and physical well-being. This way we want to offer all our employees long-term prospects and a friendly working environment in which everyone can develop their potential and grow.

Respect people – good work-life balance – Love 2 Work



Staff retention

Love 2 Work @ SLV

To provide our employees with ideal working conditions, we have introduced a number of measures that have a positive impact on the atmosphere, team cohesion, and physical well-being. This way, we want to offer all our employees long-term prospects and a friendly working environment in which everyone can develop their potential and grow.

We attach particular importance to the physical integrity of all our employees. To ensure this, we have equipped our offices with ergonomic workstations. These include electronically height-adjustable desks, high tables for employees with back problems, and individually adjustable office chairs. In 2017, the office lighting was renewed throughout the building to create a warm and productive working atmosphere. The underfloor heating in the logistics center and air conditioning in most of the offices also make for a pleasant temperature. Separate seating groups have been integrated in the lounge and the previously modernized offices, which can be used for short breaks or as meeting corners. Last year we introduced optional work clothing and ESD safety clothing for our logistics employees. The logistics center also has changing rooms, lockers, and showers for refreshment after physically strenuous work or for employees who come to work by bicycle. To ensure that work breaks really do provide the desired relaxation, a large kitchen has been installed in the lounge area at the company headquarters in Übach-Palenberg, where employees can prepare their meals freshly. Modern kitchen equipment is also available for the employees in the logistics center to prepare their meals. Since 2019, we have also been offering a subsidized lunch service at both locations. Our employees can choose from a wide range of previously prepared, deep-frozen portioned meals from the company *apetito*. External service personnel prepare the selected meals daily by heating them up in specially provided ovens. Additional small departmental kitchens also enable staff to make coffee and tea free of charge. Fresh, organically grown fruit delivered twice a week provides a vitamin boost in between meals.

In 2017, as part of our cooperation with the company B-A-D Gesundheitsvorsorge und Sicherheitstechnik GmbH, we conducted a risk assessment on the subject of "mental stress." After evaluating the questionnaires, in 2018 we prepared and held workshops to develop a raft of measures and goals for improvement in each of the various departments. Furthermore, in the area of occupational health and safety, we regularly offer workplace-related preventive medical check-ups (G25 – occupational health examinations for driving, control, and monitoring activities) and examinations of computer workstations (G37 – occupational health examinations for computer workstations). If the results show that workplace glasses are required, SLV covers a part of the cost. Our medical officer is on site at regular intervals.



**LOVE 2 WORK: MOTIVATED,
WELL-TRAINED EMPLOYEES ARE
THE CORNERSTONES OF
OUR SUCCESS.**



Since collegial cohesion across the various departments contributes significantly to employee motivation, we regularly organize a wide variety of events and functions. Our annual summer and Christmas parties are always very popular. In 2018, we had a large barbeque with the public screening of a soccer game during the European Championship as our summer party. In 2019, we celebrated our 40th anniversary with a big summer party to which we also invited our subsidiaries. We also invite long-serving employees celebrating their anniversaries to the Roncalli Apollo Varieté in Düsseldorf as a token of our gratitude for their loyalty to the company.

Moreover, we have implemented the option of working from home. A corresponding collective agreement named "Home Office" was concluded and became valid in 2019. This offer has been very well received by staff and is widely used.

Digitalization is also playing an increasingly important role at SLV. In recent years, we not only established a separate department for the digital sector, the HR department is also involved in the digitalization process. One major step was the introduction of an e-recruitment tool in 2019. It is a web-based, barrier-free software for finding and assessing the best candidates to fill our vacancies and manage the whole recruitment process.

In 2019, we started the "Mitarbeiter werben Mitarbeiter" (employees recruit employees) initiative. We offer our employees the opportunity to recommend relatives or friends from their private sphere as potential employees for currently advertised vacancies. If a candidate is hired, the employee who made the recommendation receives a bonus at the end of the candidate's probationary period.

The efficacy of our staff retention concept is particularly evident from the fact that 111 of our employees have been with SLV for more than ten years and 32 of them for over 20 years. The average length of employment is currently nine years.



Diversity is our strength

Employee structure

The SLV Lighting Group is constantly expanding, either by founding new subsidiaries or by acquiring companies to broaden its portfolio. Including all subsidiaries, we are represented on two continents and regularly faced with the challenge of incorporating new companies into the Group in compliance with the legal stipulations of the various countries. We regard it as particularly important to adhere to ethical and moral principles as well as our values of integrity, tolerance, discretion, respect, trust, and reliability in our corporate structure and reporting processes. Overall, 16 subsidiaries (11 SLV-brand subsidiaries and 5 non-SLV brands with their own product portfolios) in 13 countries employing a total of 377 people (362.16 FTE as at December 31, 2019) stand for internationality and diversity within the SLV Lighting Group.

SLV (i.e., SLV GmbH and SLV Group Holding GmbH combined) employed a total of 303 (263.85 FTE) people as at December 31, 2019, comprising 191 men (63.04%) and 112 women (36.94%). The Human Resources department is responsible for recruitment and staff topics. It works in close coordination with the Executive Board and determines personnel requirements in direct consultation with the various

heads of departments. In 2019, the management level of SLV GmbH and SLV Group Holding GmbH consisted of 15 employees, three of whom were women. The total number of employees also includes 12 trainees, i.e., nine office management assistants and three IT specialists. In 2018 and 2019, four trainees successfully completed their apprenticeships, some of them even managed to reduce their apprenticeship periods. We offered jobs to all former trainees who wished to continue their careers at SLV. In addition, we greatly emphasize the importance of including people with physical or mental disabilities on equal terms in our work processes. In 2019, we employed seven people with severe disabilities and a disabled person's pass.

EMPLOYEES HEADCOUNT



291

2018: 299



EMPLOYEES total
SLV GmbH

	2019	2018
Male (Headcount)	185,00	196,00
Female (Headcount)	106,00	103,00
Total (Headcount)	291,00	299,00
Male (FTE)	174,75	183,60
Female (FTE)	77,60	77,66
Total (FTE)	252,35	261,26

AGE STRUCTURE

	2019	2018
< 30	17,18%	18,39%
30–50	58,08%	59,87%
> 50	24,74%	21,74%

EMPLOYEES WITH DISABILITY

	2019	2018
Male	4,00	6,00
Female	3,00	2,00
Total	7,00	8,00
In %	2,41%	2,68%

EMPLOYEES IN MANAGEMENT POSITIONS

	2019	2018
Male	8,00	9,00
Female	2,00	1,00
Total	10,00	10,00
In %	3,34%	3,34%

EMPLOYEES total
SLV Group Holding GmbH

	2019	2018
Male (Headcount)	6,00	4,00
Female (Headcount)	6,00	5,00
Total (Headcount)	12,00	9,00
Male (FTE)	6,00	4,00
Female (FTE)	5,50	4,50
Total (FTE)	11,50	8,50

AGE STRUCTURE

	2019	2018
< 30	16,67%	22,22%
30–50	75,00%	66,67%
> 50	8,33%	11,11%

EMPLOYEES WITH DISABILITY

	2019	2018
Male	0,00	0,00
Female	0,00	0,00
Total	0,00	0,00
In %	0,00%	0,00%

EMPLOYEES IN MANAGEMENT POSITIONS

	2019	2018
Male	4,00	2,00
Female	1,00	1,00
Total	5,00	3,00
In %	41,67%	33,33%

Working time models and fluctuation

In the 2019 reporting year, the ratio of part-time employees was 14.52%. Of these, the proportion of women with 39 part-time positions was higher than that of men with five part-time positions. In principle, the Human Resources department always advertises vacancies on a full-time basis, but can also respond flexibly to individual requests for part-time working hours. New employment relationships used to be mainly concluded as fixed-term contracts, but since 2019, all new contracts have been offered on a permanent basis. The overall share of fixed-term employment relationships has therefore decreased since then and now stands at 4.62%.

In 2019, we hired 22 employees at SLV GmbH and SLV Group Holding GmbH. 29 employees ended their employment with SLV GmbH during the same period. One employee changed from SLV GmbH to SLV Group Holding GmbH and one employee retired. Nobody left SLV Group Holding GmbH in 2019.



EMPLOYEES Working time models SLV GmbH

	2019	2018
EMPLOYEES WITH UNLIMITED CONTRACTS		
Male (Headcount)	180,00	185,00
Female (Headcount)	97,00	93,00
Total (Headcount)	277,00	278,00
In %	95,19%	92,98%

	2019	2018
EMPLOYEES WITH LIMITED CONTRACTS		
Male (Headcount)	5,00	11,00
Female (Headcount)	9,00	10,00
Total (Headcount)	14,00	21,00
In %	4,81%	7,02%

	2019	2018
FULL-TIME EMPLOYEES		
Male (Headcount)	179,00	192,00
Female (Headcount)	69,00	76,00
Total (Headcount)	248,00	268,00
In %	85,22%	89,63%

	2019	2018
PART-TIME EMPLOYEES		
Male (Headcount)	5,00	4,00
Female (Headcount)	38,00	27,00
Total (Headcount)	43,00	31,00
In %	14,78%	10,37%

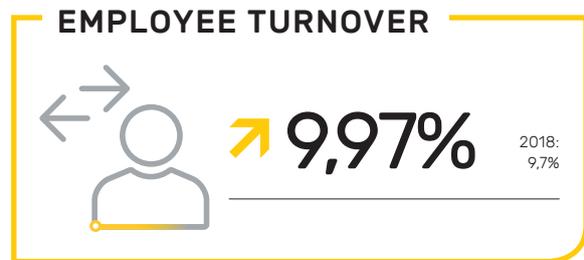
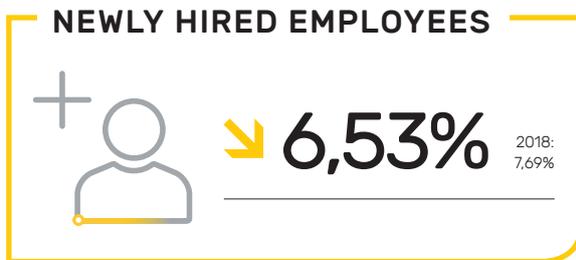
EMPLOYEES Working time models SLV Group Holding GmbH

	2019	2018
EMPLOYEES WITH UNLIMITED CONTRACTS		
Male (Headcount)	6,00	4,00
Female (Headcount)	6,00	5,00
Total (Headcount)	12,00	9,00
In %	100,00%	100,00%

	2019	2018
EMPLOYEES WITH LIMITED CONTRACTS		
Male (Headcount)	0,00	0,00
Female (Headcount)	0,00	0,00
Total (Headcount)	0,00	0,00
In %	0,00%	0,00%

	2019	2018
FULL-TIME EMPLOYEES		
Male (Headcount)	6,00	4,00
Female (Headcount)	5,00	4,00
Total (Headcount)	11,00	8,00
In %	91,67%	88,89%

	2019	2018
PART-TIME EMPLOYEES		
Male (Headcount)	0,00	0,00
Female (Headcount)	1,00	1,00
Total (Headcount)	1,00	1,00
In %	8,33%	11,11%



EMPLOYEES Newly hired and turnover SLV GmbH

	2019	2018
NEWLY HIRED EMPLOYEES		
Male (Headcount)	7,00	16,00
Female (Headcount)	12,00	7,00
Total (Headcount)	19,00	23,00
In %	6,53%	7,69%
< 30	10,00	12,00
30-50	6,00	7,00
> 50	3,00	4,00
EMPLOYEE TURNOVER		
Male (Headcount)	19,00	21,00
Female (Headcount)	10,00	8,00
Total (Headcount)	29,00	29,00
In %	9,97%	9,70%
< 30	8,00	12,00
30-50	16,00	14,00
> 50	6,00	3,00

EMPLOYEES Newly hired and turnover SLV Group Holding GmbH

	2019	2018
NEWLY HIRED EMPLOYEES		
Male (Headcount)	2,00	2,00
Female (Headcount)	1,00	2,00
Total (Headcount)	3,00	4,00
In %	25,00%	44,44%
< 30	0,00	1,00
30-50	3,00	2,00
> 50	0,00	1,00
EMPLOYEE TURNOVER		
Male (Headcount)	0,00	3,00
Female (Headcount)	0,00	0,00
Total (Headcount)	0,00	3,00
In %	0,00%	33,33%
< 30	0,00	1,00
30-50	0,00	2,00
> 50	0,00	0,00

Parental leave

In line with legal stipulations, every employee is entitled to parental leave after becoming a parent. In 2019, 16 employees (four men and twelve women) took parental leave. Nine employees returned to the company at the end of their parental leave. These included the four men with shorter parental leave of one to three months and five women who had already been on parental leave since the previous year. For the remaining women, parental leave will continue at least until 2020. We greatly welcome the fact that an increasing number of men are making use of their right to parental leave, even though they did not yet make full use of

the available period. So far, all employees have returned from their parental leave and were still employed at SLV 12 months later. In addition, all employees have the right to return to their former or a comparable workplace under the same conditions (such as weekly working hours). Sometimes they wish to reduce their working hours – which in most cases can be arranged. Any wage and salary increases in the meantime naturally also apply to those returning.

EMPLOYEES Parental leave SLV GmbH

	2019	2018
EMPLOYEES ON PARENTAL LEAVE		
Male (Headcount)	4,00	5,00
Female (Headcount)	12,00	10,00
Total (Headcount)	16,00	15,00
RETURN RATE		
Male (Headcount)	4,00	5,00
Female (Headcount)	5,00	2,00
Total (Headcount)	9,00	7,00

EMPLOYEES Parental leave SLV Group Holding GmbH

	2019	2018
EMPLOYEES ON PARENTAL LEAVE		
Male (Headcount)	0,00	0,00
Female (Headcount)	0,00	0,00
Total (Headcount)	0,00	0,00
RETURN RATE		
Male (Headcount)	0,00	0,00
Female (Headcount)	0,00	0,00
Total (Headcount)	0,00	0,00



**GOOD WORK-LIFE BALANCE:
FAMILY, MOTIVATION, SUCCESS**



Measures to combat discrimination, bullying, and bossing

We respect and uphold human rights at all our locations as a matter of course. We respect different cultures and religions and protect our employees from discrimination. In the event of incidents showing that employees do not respect these values, we take decisive action with appropriate consequences. Fortunately, no incidents of discrimination were reported to Human Resources in 2019, so no specific remedial action was required. In order to address potential cases of bullying in general, the Works Council appointed a harassment officer to whom employees can address their concerns. Not only did the staff welcome this measure, they also sought the assistance of the harassment officer in some cases.

Mostly, however, these situations were clarified through discussions between the people concerned or by involving their supervisors. At the request of the persons concerned, the Human Resources department can also be called in to assist and was able to provide support in these discussions. In more difficult cases, the harassment officer generally provides additional suggestions for external (psychological) counseling. All employees were required to take part in an online training course on the AGG (General Act on Equal Treatment) in 2019.



Competence development and further training

Regular assessment of employees

At SLV, constructive feedback regarding performance is an essential part of the Group's open communication culture. For this reason, we conduct regular appraisal interviews in order to facilitate communication between employees and supervisors. These interviews take place at the end of each employee's probationary period and at the end of every fixed-term contract. Furthermore, every employee, whether white or blue collar, is entitled to an annual feedback interview, in which not only employees receive feedback from their supervisors, but also have the opportunity to assess their supervisors. During the interview, the employee fills in a form with assessment criteria that also serves as an interview guide. In 2019, the Human Resources department revised the form for appraisal interviews and adapted it to suit a variety of positions. The form contains various elements from the areas of different competences (professional, methodical, social, self-competence), work results, professional skills, personal behavior, and for positions as line

manager also "leadership and management competence" for assessing employees as well as the categories "leadership behavior," "employee development," and "personal behavior" for assessing supervisors. We also added a column to define and agree on potential training needs. Employees can apply for these training courses in the following year.



Assessment of employees SLV GmbH

	2019	2018
REGULAR ASSESSMENT OF EMPLOYEES		
Regular assessment of employees	219,00 = 75,26%*	243,00 = 81,71%
Male (%)	78,92% of all men	84,18% of all men
Female (%)	66,97% of all women	75,73% of all women

*The decrease in 2019 is due to new version of appraisal interview form.

Assessment of employees SLV Group Holding GmbH

	2019	2018
REGULAR ASSESSMENT OF EMPLOYEES		
Regular assessment of employees	7,00 = 58,34%	3,00 = 33,34%
Male (%)	66,66% of all men	25,00% of all men
Female (%)	50,00% of all women	40,00% of all women



SLV TRAINING CENTER

All those involved view the practice of regular feedback meetings extremely positively, as it promotes an exchange of views between employees and supervisors and increases the feeling of appreciation and recognition by supervisors. The strategy helps improve people's sense of well-being at work, which leads to positive employee development and greater retention. In 2019, a total of 226 appraisal interviews were held at SLV GmbH and SLV Group Holding GmbH combined, giving 74.59% of employees an assessment of their work and the opportunity to give feedback themselves. The number of interviews at the end of probationary periods and fixed-term contracts is not included in this figure, as we use different forms for this purpose, which are not used for regular assessments.

Going forward, we aim to additionally emphasize the importance of appraisal interviews with management and team leaders and increase the total number of interviews conducted.

Every year, the management team, individual team leaders, and selected employees (e.g., sales representatives) agree on concrete goals for the respective calendar year with their supervisor and/or the Executive Board. These employees are entitled to a bonus remuneration, which is paid out in the following year. The amount is based on a percentage, according to the degree to which they have achieved their targets.

Education and training

A systematic approach to recruiting new employees as well as to the further training of our skilled people is an integral part of the corporate success of SLV, which is why we have implemented various measures to enable us to maintain this standard. For example, employees are given further training opportunities according to their respective areas of deployment, which are determined by the results of feedback interviews and with the help of an internal qualification matrix. Key parameters for determining training needs are personal skills, the development of individual strengths, and the adaptation of the general conditions to legal changes. Due to the fast pace of developments in the LED sector, it is essential for us to keep our employees up to date with the latest knowledge. In-house training, workshops, and specialized seminars conducted by external providers supply the necessary qualifications. In October 2015 we optimally improved educational opportunities by completing the SLV Training Center. Here we have the opportunity to train employees, customers, and business partners internally on areas relevant to them, such as product innovations, current developments in the smart home sector, or LED technologies in general. We also offer cross-departmental training opportunities, such as first aid and fire protection assistant courses, which improve occupational safety and are, of course, refreshed at regular intervals.

In 2019, we required an above-average number of training hours because we trained two employees as warehouse logistics specialists; (1,280 hours) and our Works Council underwent intensive further training (approx. 1,670 hours). The hours required for internal training sessions, such as product training and lighting technology fundamentals are not included. We offered these training sessions to all employees who were interested and they were well attended (approx. 1,400 hours).

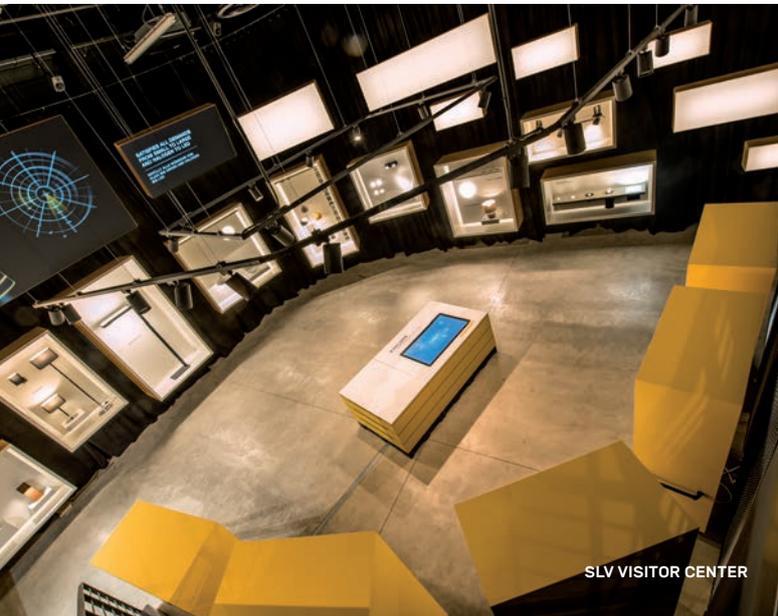
We also covered the cost of a distance study course for one of our employees to become a marketing consultant.

EMPLOYEES Further Training SLV GmbH

	2019	2018
Total training hours	5,294,00	2,654,00
Average training hours by employee	21,52	5,30

EMPLOYEES Further Training SLV Group Holding GmbH

	2019	2018
Total training hours	24,00	56,00
Average training hours by employee	2,00	6,22



In the past few years we have conducted various online training courses that cover topics such as data protection, IT security, and the AGG. These courses are mandatory for all employees. Newly recruited employees are required to complete them within their first week of employment.

In order to ensure suitably qualified personnel in the future, SLV places great emphasis on promoting young talents. For many years now, we have been successfully training our young people in order to ensure a future not only for our junior staff, but also for us as a Group. We are aware of our responsibility at cross-company level and therefore cooperate with the Chamber of Industry and Commerce (IHK) in Aachen. Our trainer currently even represents us on the examination board.

At present, SLV GmbH offers three types of apprenticeship, namely "Management Assistant for Office Management," "IT Specialist for System Integration," and "IT Specialist for Application Development." In 2020, the company intends to expand its range of apprenticeships and is looking for young trainees as "Management Assistants for E-commerce." Thus we strive to ensure that the next generation of employees to enter these fields comes from our own ranks. Once training at SLV has begun, we want to ensure that the best possible conditions are also available for our young talents. When preparing for their final examinations, all trainees have the opportunity to repeat learning units in small groups in-house and attend an external examination preparation course to revise the learning material.

The final oral exams take place at our premises in close cooperation with the IHK Aachen. The success rate of our trainees for the final exams has been 100% so far. By 2019, a total of 38 people had been successfully trained, and 30 of the former trainees were taken on permanently. Some of our former trainees now hold management positions within SLV GmbH. Of the 12 trainees currently employed, three will complete their training in June 2020.

EMPLOYEES Trainees SLV GmbH

	2019	2018
NUMBER OF TRAINEES		
Male (Headcount)	5,00	3,00
Female (Headcount)	7,00	5,00
Total (Headcount)	12,00	8,00

EMPLOYEES Trainees SLV Group Holding GmbH

	2019	2018
NUMBER OF TRAINEES		
Male (Headcount)	0,00	0,00
Female (Headcount)	0,00	0,00
Total (Headcount)	0,00	0,00



SLV TRAINING CENTER
Training room

Freedom of association and collective agreements

To acknowledge the importance of the right to freedom of association and collective agreements at SLV GmbH and to take these points into account, we founded a Works Council in October 2015. It consists of a total of nine members (four women and five men) and usually meets once a week. This regularity ensures that the most urgent issues are discussed in a prompt manner, that incoming motions from the management team are processed in due time, and that there is a continuous exchange of information between the individual members. Various committees within the Works Council compile and prepare topics relevant to the council members, such as the Works Committee, the Personnel Committee, or the Economic Committee.

Meetings between the Works Council and management take place once a month. At these meetings, information is exchanged, current topics discussed, and negotiations held. In emergencies, the meetings are held outside the scheduled dates in order to deal with urgent matters as quickly as possible. The Works Council and the management team have come to collective agreements on the following topics.

We do not have a trade union bargaining agreement, but internal wage and salary groups are in place. In 2019, salaries were increased by 2.0%. In addition, the entire workforce receives holiday and Christmas bonuses in accordance with company agreements.

Due to international supplier relationships, SLV also operates in countries where the right to freedom of association and collective bargaining is generally considered to be at risk.

We try to counteract this risk at various levels. Firstly, through the SLV Business Agreement, in which our suppliers, in addition to other fundamental rights and standards, assure us of compliance with the right to freedom of association and collective agreements and secondly through regular on-site monitoring in the form of audits.



WE ACKNOWLEDGE THE IMPORTANCE OF THE RIGHT OF INDIVIDUALS TO ASSOCIATE AND COLLECTIVELY EXCHANGE INFORMATION.



Work agreements



Working hours and flextime



Overtime



Breaks



Trust-based working hours



Framework for vacation planning



Home Office



Voxtron Contact Center



SharePoint

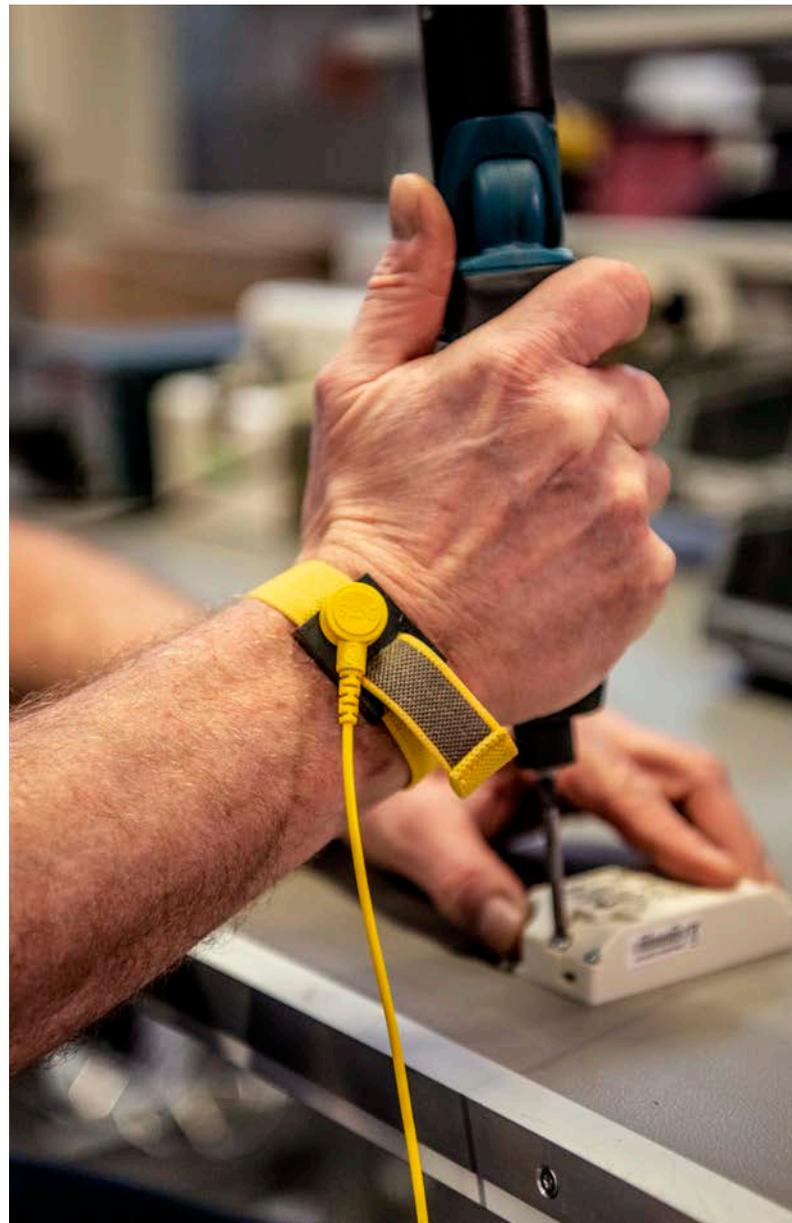
Safety at work

In the field of occupational health and safety, we prioritize our activities in two respects: On the one hand, we need to identify potential hazards in good time and assess them adequately, and on the other hand, healthcare needs to be guaranteed in line with requirements to ensure the personal well-being and professional performance of our employees. Thanks to dedicated employees who have been trained to intervene as first aiders and fire protection assistants when necessary and a clearly defined external company policy, we are well prepared to handle emergencies. Moreover, specially established committees and working groups on the subject of occupational safety help us to initiate and provide technical support for measures aimed at permanent improvements.

Continuous improvement of occupational safety

We see the improvement of occupational safety within the company as a comprehensive task. This applies to facilities, equipment, modern devices, ergonomically designed workplaces, and good working conditions as well as to health management services such as general health checks or target group-specific measures (e.g., conflict management training for supervisors or "healthy lifting and carrying" for logistics employees). The primary goal is to prevent accidents, minimize hazards, and improve employee health protection. For this reason, all workplaces in the company are set up in accordance with generally accepted occupational health and safety rules, so that our staff can perform their work without accidents and with a minimum of stress. At the same time, every employee is responsible for and required to be familiar with all relevant safety regulations and to apply them consistently and with all due care in his or her own area of work, primarily in his or her own interest, but also in the interest of the company. In order to support this process in the best possible way and to promote health, performance, and job satisfaction, the company offers ergonomic aids, protective equipment, and a wide range of preventive programs (measurement of indoor air, skin protection plan, personal protective equipment, etc.).

In addition, we provide instruction on safety measures with the aim of raising employees' awareness of the use of safety equipment each year, thus making it a matter of course. All employees at the Übach-Palenberg site receive initial instructions on their first day of work. Further safety training sessions usually take place during their first working week. The content of the instructions can differ, depending on their position in the company, which means that training courses in the field of logistics, for example, are different to those for people working in administration. The respective team leaders are responsible for carrying out the annual initial and safety instructions. The coordinator for occupational health and safety is responsible for documenting these training sessions.



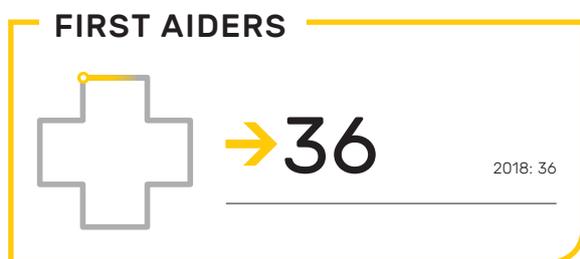
Occupational medical care

Occupational medical care is an individual occupational health and safety measure that supplements technical and organizational measures without replacing them. At SLV there are regular workplace-related preventive medical check-ups, examinations of computer workstations, and advice for employees with reduced performance. Such assessments are followed by consultation sessions when necessary. The aim is to introduce measures that serve the early detection and prevention of work-related illnesses. In addition, we hold consultations on the use of suitable chairs and standing aids in the office and production areas. We would also like to mention the risk assessment of psychological stress, which also belongs to the field of occupational medical care. An external health management consultant from the company B-A-D Gesundheitsvorsorge und Sicherheitstechnik GmbH conducted, monitored, and evaluated the assessment in 2017. Follow-up processes and detailed analyses were implemented in cooperation with employees of SLV GmbH in the form of focus groups.

Facts and figures on occupational safety at SLV

Number of first aiders:

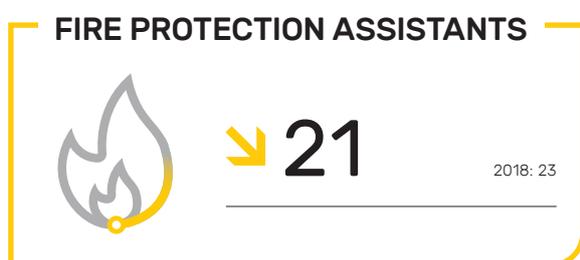
- The training of all first aiders was completed in autumn 2017 and there are regular follow-up training sessions
- Three defibrillators are available (one each at the administration, the logistics department, and the training center)
- There is also a first-aid room centrally located in the logistics center



Number of fire protection assistants:

The external fire protection officer is responsible for training the fire protection assistants, checking fire protection equipment and facilities, conducting evacuation drills, and documenting the entire process. Training courses on the following topics were held at the Werkstraße and Daimlerstraße locations in 2017:

- Preventive fire protection by conducting checks when working with fire or heat
- Firefighting in the event of incipient fires
- Operation of fire protection equipment (wall hydrants, smoke and heat exhaust systems)
- Briefing of the arriving fire brigade



Number of safety officers:

Safety officers (SiBe) are internal specialists who support managers, the occupational safety specialist, or the company physician in preventing accidents, work-related illnesses, and work-related health hazards as well as promoting the implementation of safety measures.



ASA (Occupational Safety Committee)

The Occupational Safety Committee has the task of giving advice on questions and concerns relating to occupational safety and accident prevention. It meets at least once every three months to discuss health and safety issues, advise on measures, and prepare decisions.

Each year, the Occupational Safety Committee carries out a separate inspection on the subject of work and health protection throughout all areas of SLV, together with members of the employer's liability insurance association (BG).

Over the past years, the Occupational Safety Committee has implemented some company-wide measures, including the topic of skin protection at all sites in Übach-Palenberg. A skin protection and disinfection plan adapted by the company was drawn up for this purpose. Furthermore, on the advice of the committee, markings and signs were introduced on the walkways in the warehouse of the logistics center to guide groups of visitors even more safely through the warehouse. Escape plans were also renewed and displayed at several places.

Health Working Group

The Health Working Group consists of a member of the management team, the coordinator for occupational safety, a secretary, and two members of the Works Council. Meetings take place whenever required and are reported to the Occupational Safety Committee. The Health Working Group was founded in 2017 with the aim of enabling the planning and implementation of a short questionnaire for work analysis in a timely manner and to initiate further steps in view of its results (e.g., conducting workshops).

Safety expert

There is a support contract in place for occupational medicine and safety technology support within the company, which has been concluded with the company B-A-D Gesundheitsvorsorge und Sicherheitstechnik GmbH. The safety specialist provided by the company carried out risk assessments in accordance with the Occupational Safety and Health Act as well as on psychological stress.

Guidelines for external companies

The guidelines for external companies were revised in November 2017 and designed to ensure the safety of all visitors who are not employed by SLV. The guidelines must be observed during the visitors' entire stay on the company premises and include the following rules of conduct:

- Behavior when working at heights

- Behavior on traffic routes

- Industrial safety measures

- Fire protection

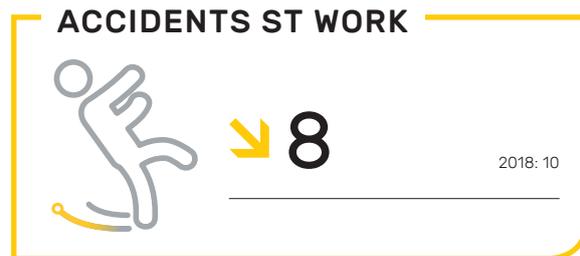
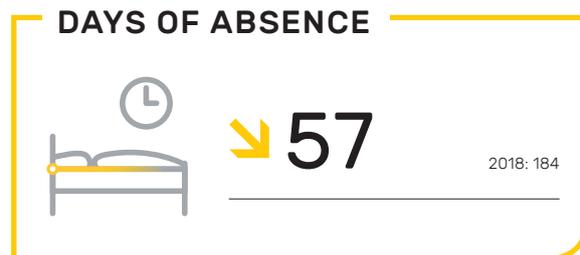
- First aid

- Environmental measures

The guidelines are handed out to each external company before entering the SLV premises. A member of the external company is required to document their receipt and acknowledgement with a signature.

Injuries and diseases

In 2018, we lost more workdays due to injuries that had to be reported to the Employer's Liability Insurance Association than in 2019. Most of these injuries happened on the way to or from work and SLV was therefore unable to implement any measures to prevent such injuries. Through the company integration management system, SLV enables employees who have been ill for an extended period of time to return to their workplace step by step. In an initial interview, we first determine whether the illness is related to their work at SLV and how we can help the employee to reintegrate. Measures are then coordinated in further discussions. Currently we are not aware of any occupational diseases.



**EMPLOYEES
Accidents at work
SLV GmbH**

	2019	2018
REPORTED ACCIDENTS		
Total	8,00	10,00
NUMBER OF REPORTED ACCIDENTS BY GENDER		
Male	7,00	10,00
Female	1,00	0,00
Total	8,00	10,00
ACCIDENT RELATED ABSENCES		
Work days	57,00	184,00
Hours	410,00	1.442,00

**EMPLOYEES
Accidents at work
SLV Group Holding GmbH**

	2019	2018
REPORTED ACCIDENTS		
Total	0,00	0,00
NUMBER OF REPORTED ACCIDENTS BY GENDER		
Male	0,00	0,00
Female	0,00	0,00
Total	0,00	0,00
ACCIDENT RELATED ABSENCES		
Work days	0,00	0,00
Hours	0,00	0,00

Social commitment

As a medium-sized enterprise, SLV sees social commitment outside of the company as a key factor for strengthening regional structures and contributing to our environment at a local level. We regularly donate educational material on addiction assistance to the local comprehensive school as well as magazines on education and prevention for parents, teachers, and students. Christmas presents which our employees receive from customers and suppliers are collected at the HR department and handed over completely to the Übach-Palenberger Tafel e.V., a charitable institution. Furthermore, instead of giving presents at Christmas time, SLV regularly donates the amount of €5,000 to the German Cancer Aid Foundation and the Children's Cancer Aid. In the winter of 2018/2019, we donated our remaining stock of SLV jackets and sweaters to a local youth soccer team.

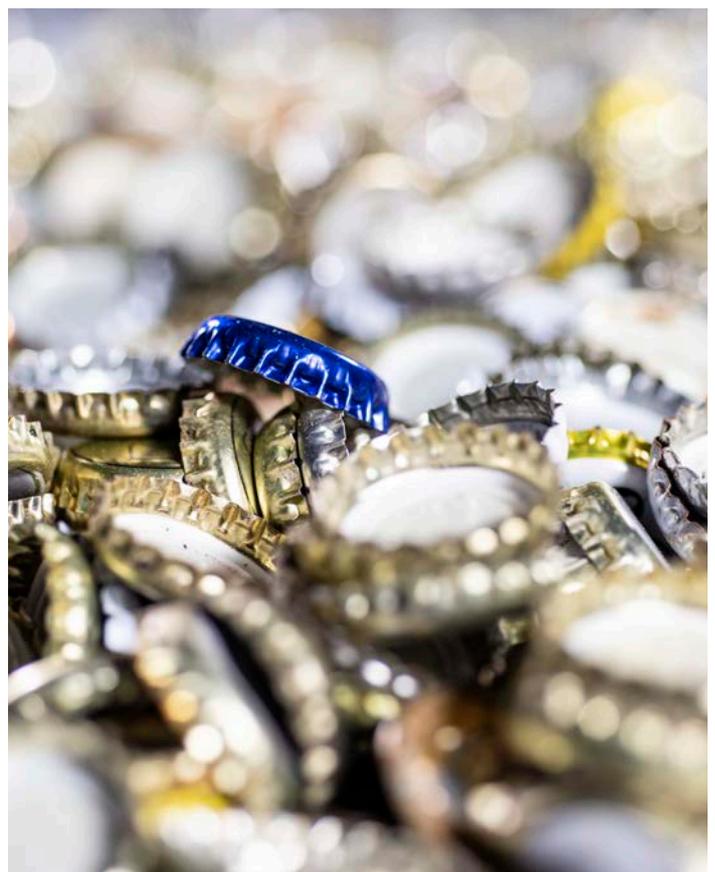
In 2018, we again called for people to register with the DKMS (German Bone Marrow Donor Registry) and organized a corresponding event at our premises. 37 employees registered and were newly typed as stem cell donors. The associated costs were fully covered by SLV. To date, SLV has contributed to more than 130 new registrations by its employees or former employees. It is gratifying that one of our employees has already been considered a suitable donor and has donated his stem cells for a suitable recipient.

We also offered this opportunity to our neighboring companies and therefore gained 20 more registrations.

We are very pleased that our employees are also committed to social causes and have initiated various projects at SLV, which we are, of course, happy to support:

Bottle cap collection campaign

One of our employees has set up collection boxes for bottle caps. Once sufficient amounts have been collected, we send large cardboard boxes filled with the bottle caps to the Förderkreis Bonn. SLV bears the delivery costs. The proceeds from this collection go to the Förderkreis für krebskranke Kinder und Jugendlichen (Support Association for Children and Young People with Cancer), which invests the money in various projects and the care of the families affected.





Pencil collection

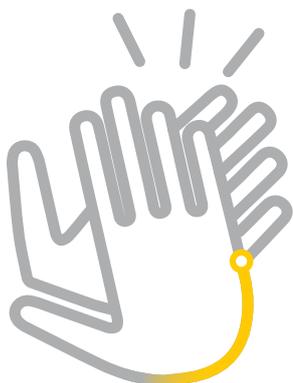
Another employee has set up boxes to collect all kinds of used pencils, markers, highlighters, whiteouts, etc. The material is subsequently recycled and remade into other products instead of being thrown away. That is our way of supporting the organization "dolphin aid e.V." that enables disabled children and adults to make significant progress in their development by participating in intensive therapy with dolphins. As a pleasant side effect, this project also helps SLV to protect the environment at the same time.

Stamp donations

Another employee takes care that we collect stamps from our incoming mail in order to donate them to the Steyler Missionare (Society of the Divine Word). They sort and process the stamps and receive money for this work, which they invest in social projects in Africa (e.g., building kindergartens).

The strength and compassion of our employees can also be seen in the example of a colleague who had to go through a very difficult time due to a stroke of fate. Through generous donations of time (flextime hours, holidays) by the staff, 755 hours were accumulated, which were credited to the colleague, thus giving him the opportunity to settle private matters. SLV donated a further 100 hours.

We are very proud of our employees!





Responsibility for our products

Our new strategy 2023 places the focus strongly on PEOPLE. When it comes to lighting, we rigorously address human needs and concerns. Therefore, with regard to the healthy design of premises and spaces going forward, SLV has recognized the relevance of “Human-centric lighting (HCL)” and already developed the first products capable of generating light in various colors that change in the course of the day, which can have a positive impact on human well-being in general. Further developments with a focus on PEOPLE are set to follow.

Like no other technical innovation, LED technology has undergone rapid development in recent years and revolutionized the world of artificial lighting. SLV recognized its disruptive potential to change the entire industry from the very beginning and consistently integrated this promising lighting technology in its own product range. Currently, the entire SLV product portfolio is built around LED solutions, either in the form of luminaires with fixed light sources or as luminaires that can be retrofitted with LED light sources.

*SLV strives to provide energy-efficient, high-quality
LIGHTING for the well-being of PEOPLE that lights up the
sustainable future.*

Regarding the new EU Energy Directive, all our products have been actively checked and tested. If necessary, modifications are planned until the directive comes into force.

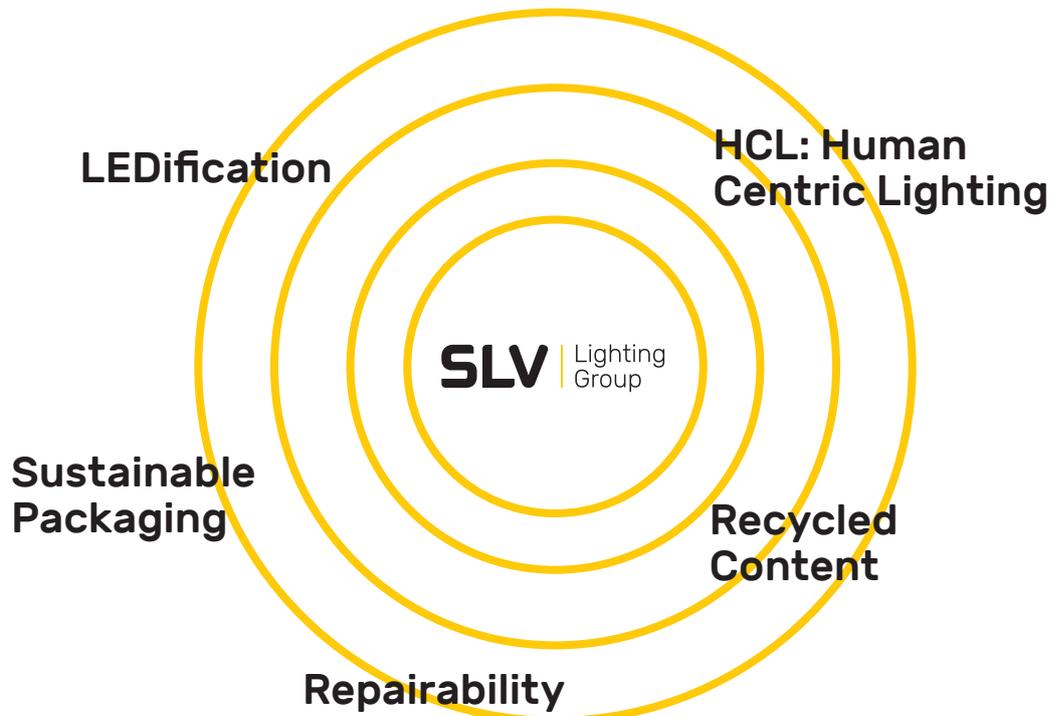


Sustainability of our products

Ecological and economic advantages

For us, the advantages of LEDs are obvious: In addition to their high luminous efficacy and better quality of light in general, modern LED light sources are far superior to conventional luminaires, particularly in terms of energy efficiency.

Energy efficiency is measured in lumens per watt for light sources and indicates how much luminous flux (lumens) the light source can produce with one watt of input. State-of-the-art LED illuminants now achieve values of up to 130 lumens per watt. In contrast, incandescent lamps reach a maximum value of 17 lumens per watt.



In addition to their high level of energy efficiency, long service life is also a major plus point. Conventional incandescent lamps have a life cycle of around 1,500 operating hours, while modern LED lamps can be used for up to 50,000 hours or more if used correctly.

The 80% of the primary energy requirement saved over a modern LED lamp's entire lifetime is not only a convincing argument from the point of view of environmental protection, but also offers a great deal of financial added value due to its significantly lower energy costs.

SLV also faces up to its responsibility in terms of reparability. Already today, more than 80% of lighting equipped with LED light sources can be repaired by a specialist. However, we are aiming to achieve a 100% quota, which we also focus on when developing our new products. Moreover, we have a range of spare parts available for many of our other products, including spare glasses, drivers, and mechanical components.

Customer health and product safety

SLV places the highest priority on ensuring customer safety in the everyday use of its products. In order to guarantee safety, we carefully select our suppliers and apply multi-stage testing processes to make sure our customers receive high-quality, extremely safe products. In fact, our safety-related activities often go above and beyond legal requirements. We additionally use the thorough evaluation and analysis of the product safety data we collect to continuously improve the safety of our products.

As a product developer and manufacturer operating internationally, the careful selection of our suppliers forms the basis for the safety of our products. To ensure we achieve appropriate results in the course of these selection processes, apart from the actual production process, we also take a large number of other criteria into account. These include, for example, inspecting our suppliers' buildings and facilities as well as compliance with ethical, social, health, and safety requirements. International standards such as the Business Social Compliance Initiative (BSCI) or the UN Global Compact provide us with guidance in this regard. Other fundamental criteria in the selection process are compliance with regulatory requirements and site-specific environmental regulations as well as effective quality management and quality assurance systems. SLV is convinced that successful, future-oriented products can only be created if a solid foundation has been established. Accordingly, one of our foremost corporate aims is to establish long-term relationships with qualified suppliers based on mutual trust.

In addition to auditing our suppliers, our second method of ensuring product safety is through our product development processes. These begin with creating prototypes and series samples after defining the desired customer benefits, technical requirements, and state-of-the-art design. Our strict quality guidelines provide the framework for manufacturers to meet the requirements expected by SLV in terms of production and the accompanying quality assurance process. Subsequently, the samples are checked in a multi-stage process using dynamic product checklists to ascertain safety-relevant criteria. In-house laboratories at our headquarters in Übach-Palenberg and at our subsidiary, SLV Lighting (Shanghai) Co. Ltd., enable us to conduct a large number of necessary tests to adequately ensure safety, function, and performance. These include:

■ Safety tests (electrical & mechanical)

■ Drop tests to ensure packaging quality

■ EMC tests

■ Flammability tests

■ X-ray fluorescence analyses

Together with the final conformity assessment, a detailed risk assessment completes the product development process. Our in-house experts for product marking, preparing multilingual operating instructions, and optimizing packaging make sure our products are safely handled and arrive at our customers' premises without damage. We also provide customers and all those who may be interested with a wide range of supplementary product information regarding photometric, technical, regulatory, and safety-relevant characteristics in the download area of our website (https://www.slv.cloud/de_en/service/downloads).

We regularly check and audit our qualified suppliers and their products, even during their ongoing production processes. In order to guarantee interdepartmental and intercultural understanding, SLV attaches great importance to the fact that its audit teams are both interdisciplinary and international. Assessed and calibrated testing and laboratory equipment further enable our suppliers to carry out the safety tests and functional tests precisely defined by SLV in a targeted and technically correct way by means of illustrated and, if required, bilingual test instructions. Further mechanisms to guarantee the safety and value of our products include shipping approvals provided on-site by our own inspection teams, incoming goods inspections, and recurring laboratory tests.

Any suggestions for improvement and advice on product safety, which we receive through regular dialogue with our stakeholders, are actively used in order to further improve our products. For example, customer and product feedback, detailed field analyses, and continuous market monitoring provide us with useful information and insights about our products. In close cooperation with our established suppliers, we continuously optimize the relevant processes and product characteristics in order to constantly adapt functionality, user-friendliness, and durability to changing customer and market requirements.

■ Temperature tests

■ IP checks

■ Artificial weathering (salt spray and climate chambers)

■ Outdoor site testing

■ Photometric measurements

Strengthening cooperation – supplier management in detail

As an internationally operating company with an extensive network of supplier relationships, SLV has a great responsibility for keeping the negative impacts of its supply chain on the environment and society as low as possible. In our view, the decisive factor for the success in this respect is close cooperation with partners we can rely on. At SLV, rigorous supplier management and relationships based on trust form the basis for the long-term well-being of our stakeholders, and thus also of our company. We can only cooperate successfully in the long term if we clearly communicate exactly what we expect from our business partners. Questions of ethical and social conduct and responsible business management also determine whether we enter into or maintain strategic partnerships with suppliers.

We use the SLV Business Agreement and our Supplier Quality Guideline as active risk management tools to regulate our supplier relationships. The SLV Business Agreement provides clarity and serves to commit (potential) partners to promoting and safeguarding the basic requirements of occupational safety and labor law, environmental protection, social standards, compliance, and good governance. The Supplier Quality Guideline also explains and defines the regulatory and technical requirements of our products and processes. To ensure these necessities are implemented, our auditors check compliance with them in regular on-site audits and during product inspection visits, where compliance with the following points is checked in detail:

- Legal minimum age of employees and compliance with the prohibition of child labor

- Occupational health and safety

- Compliance with legal overtime regulations

- Freedom of association and the right to collective agreements

- Guidelines and evidence of compliance with all national laws

- Measures to maintain product quality

- Measures to combat corruption

If any gaps are identified, individually developed corrective and preventive action plans provide suppliers with specific instructions on how to implement the required improvements. In the course of inspection visits, follow-up audits are conducted regularly each year in order to check and assess the progress of the measures implemented. Depending on the results of the audits, however, they can also take place at shorter or longer intervals. Over the last two years we managed to increase the number of audits conducted at

our Asian suppliers. We also intend to further consolidate our supplier management processes going forward, make them more transparent and improving them in strategic terms.

The years 2018 and 2019 were dedicated to standardizing and professionalizing audit management within the SLV Lighting Group with the aim of fulfilling the company's global responsibility for careful, sustainable supplier selection and assessment in accordance with international regulations, recognized standards, and the principles of the UN Global Compact. Particular focus was placed on differentiating the audit scopes (basic, CSR/ESGH, and process audits), the introduction of "conflict material reporting" and the addition of a CSR lead auditor to the auditor pool. Basic audits aim to obtain a brief overview of all aspects considered in our various types of audit. That entails examining factory facilities, organization, operations, product quality management, production processes, and CSR aspects. CSR audits provide information on whether resources are being utilized effectively in terms of health, safety, the environment, and governance as well as ethical and social aspects, with particular emphasis on SLV Lighting Group's zero-tolerance issues. They also assess whether resources, documentation, and workplace practices and procedures are legally compliant.

In 2020, our primary goals are to fully integrate all SLV Lighting Group suppliers based in Asia in the biennial audit management cycle and improve our supplier management processes to achieve sustainability on a step-by-step basis.

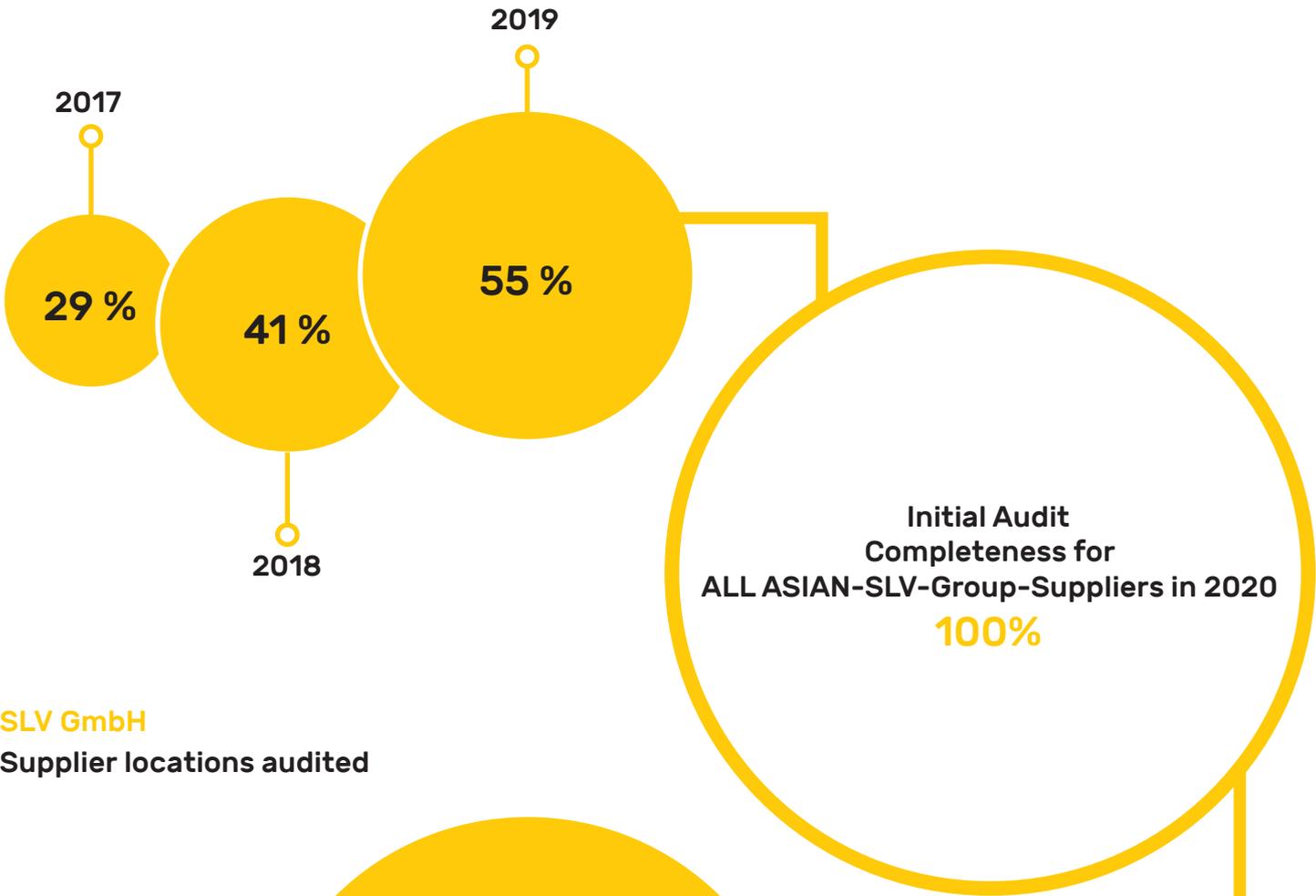
However, with respect to our own function as a supplier to other companies, we constantly strive to meet increased market requirements in terms of ever-greater manufacturer and product transparency. In concrete terms, we observe this development by the growing number of ad hoc enquiries about our sustainability-related activities and plans. With these points in mind, we took part in an EcoVadis assessment for the first time in spring 2016. The assessment reviewed our performance in terms of the environment, labor practices, human rights, fair business practices, and sustainable procurement.

Fortunately, we managed to achieve silver status at the first attempt.

In 2017, we were not only able to improve on this status through organizational, personnel, and content improvements in terms of sustainability, we are currently among the top 10% of all companies participating in the assessment across all industries and even among the top 5% in our industry. The external EcoVadis seal of approval attests to our fundamental commitment to sustainable corporate management and confirms that we are on the right track. In 2018, we have received gold status and dropped back to silver as we were lacking a Sustainability Manager for half a year in 2019. In 2020, we intend additionally to expand our sustainability management processes and thereby strive to achieve Gold status in the next assessment.

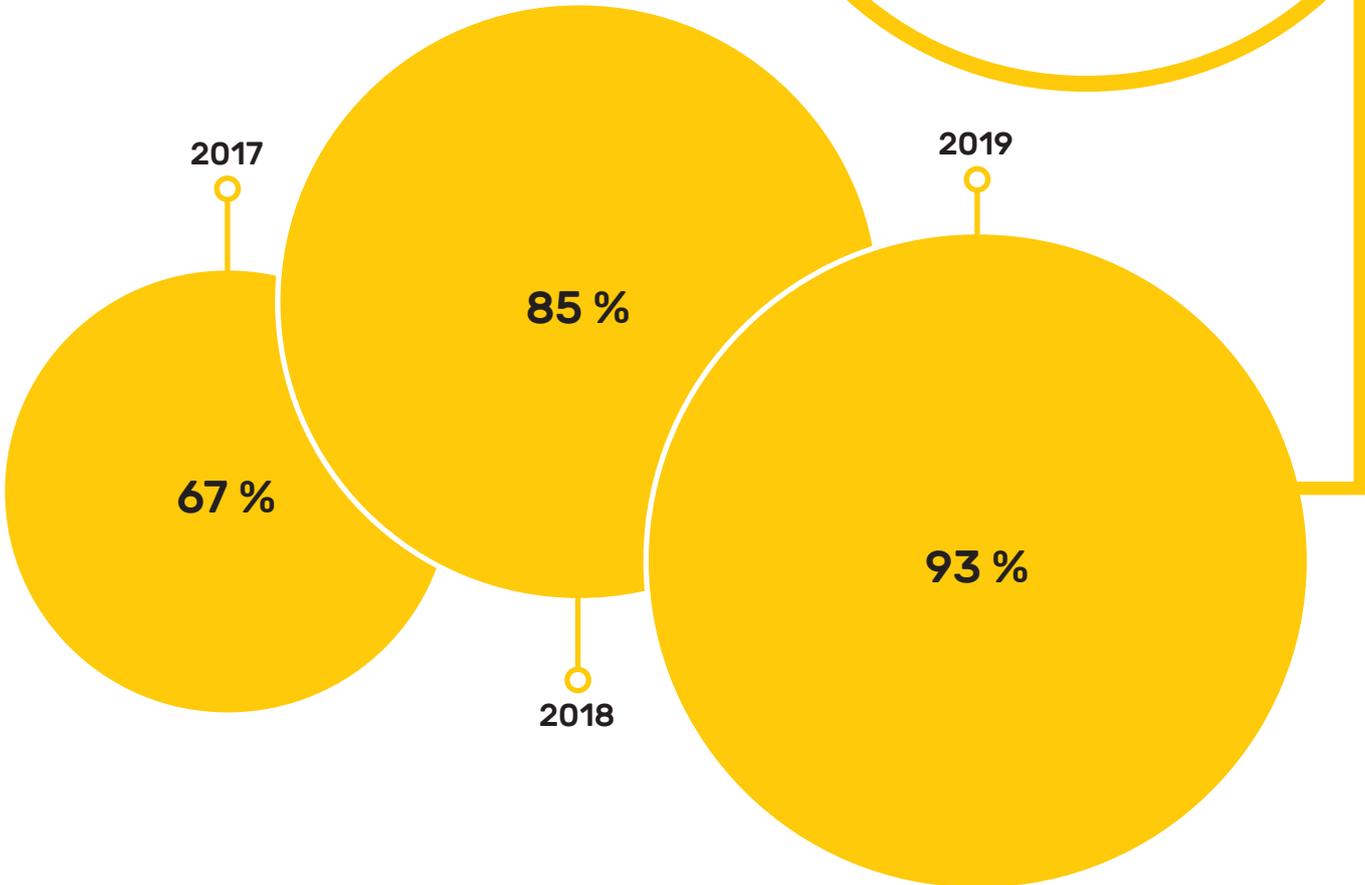
SLV Lighting Group

Supplier locations audited



SLV GmbH

Supplier locations audited



The percentages given refer only to the audits (ESGH and Basic Audit) carried out in the respective year. These are based on the latest status of each individual year and are corresponding to the different locations of suppliers that are audited.



“ WE ARE AWARE OF THE IMPACT OUR BUSINESS ACTIVITIES HAVE ON THE ENVIRONMENT AND ACTIVELY ACCEPT OUR RESPONSIBILITY FOR ENVIRONMENTAL AND CLIMATE PROTECTION. ”



Our commitment to environment and climate

As a product developer and supplier, SLV is involved in business processes worldwide that generate emissions and waste and in some cases consume limited natural resources as well as water. We are aware of the negative impact our business activities have on the environment and actively accept our responsibility for environmental and climate protection. By introducing a structured indicator management system, we aim to make improvements to the key levers to reduce the ecological footprint of our business activities and become carbon-neutral in the long term.

Moreover, SLV is creating considerable added value for both its customers and the environment by converting its own portfolio to energy-saving LED lighting and smart systems for use in living, working, and outdoor areas. A glance at the enormous amount of energy saved by using LED lighting in contrast to conventional lighting makes it clear that LED technology not only means lower electricity costs for customers, but also reduces electricity consumption in the overall economy, thus making a key contribution to conserving resources. Smart lighting systems also improve the living environment and people's circumstances in general by providing greater security, savings potential, and other social and environmental aspects such as better sleep, an improved mood, decoration, and entertainment. Moving towards human-centric lighting (HCL) concepts, many other complementary characteristics of lighting will be gradually introduced in our portfolio of products. In addition, we strive to use all resources in a careful manner on our own premises, such as office materials and energy.

With respect to resource conservation, as a conscious producer we endeavor to avoid the use of primary raw materials to the degree that quality criteria allow. We integrate recycled plastics as secondary raw materials in many of our products. We endeavor to replace the plastics used in our packaging with paper as far as possible.

Sustainability Management has the organizational responsibility for environmental management. Since the initiation of sustainability activities in recent years, in-house environmental protection has also become increasingly important in the overall strategy of the company. The long-term goal in this field is to introduce an integrated management system in accordance with the international environmental management standard ISO 14001. In parallel, we also want to raise awareness of environmental issues internally, involve our employees more intensively in environmental protection issues, and create stronger incentives to adhere to environmentally friendly practices. By persuading our employees to actively practice "environmentally conscious thinking" both as a corporate culture and an individual culture in the form of behavioral change, we continue to strive towards a sustainable future.

Environmental balance

Since a large proportion of the environmental impact of our products is caused by our suppliers, we have integrated environmental protection requirements in all our business agreements and guidelines. In addition, our employees regularly conduct on-site audits to obtain an overview of their own compliance with the relevant statutory environmental regulations.

Reporting the key environmental indicators in this and other reports will help us in the coming years to fundamentally analyze our ecological footprint and reduce it to the extent possible. Measures that have already been implemented to reduce energy consumption and thereby generate lower emission levels are presented in the rest of this chapter.

Waste management and recycling

For us at SLV, it is important to determine how we can avoid, reduce, or recycle the waste generated in the course of our daily operations. By cooperating with a waste management service provider, we can provide container systems that meet the requirements for professional disposal. This cooperation enables us to differentiate the types of waste according to location and guarantee an optimal, subsequent method of recycling.

An analysis of the waste data shows that a large percentage consists of the cardboard packaging used to ship products to our warehouses. By recycling this waste, we are making an effective contribution to conserving resources. Furthermore, we see that material recovery in the form of waste recycling has increased in comparison to energy recovery (incineration), although the overall volume of waste is increasing. We have therefore been able to reduce the emissions generated by incineration and minimized the use of primary raw materials for cardboard packaging.

In order to further reduce the environmental impact of our packaging, we decided to switch to paper packaging materials as a replacement for plastic. We have also considered the factor of resource depletion and now choose recycled paper to the extent possible. The substantial decrease in the volume of waste for recycling is based on the reduced utilization of used paper (catalogue).

The only hazardous waste we continue to generate is in the form of printer cartridges and a number of end-of-life electronic devices such as computers and telephones that are still in use at our facilities. In a further step forward, we replaced all our laser printers with inkjet devices as their cartridges are refillable, which had not only ecological benefits, but also cut costs for waste disposal due to their reusability.

ENVIRONMENT Waste*

	2019	2018
Total Waste Amount (t) ¹	251,41	350,53
Non-hazardous waste	251,41	350,53
Hazardous waste	0,00	0,46
Disposal Methods (t)	251,41	310,47
Recycling	174,69	275,57
Incineration	76,72	74,96

*The figures in the table are based on the annual balance information provided by the disposal service for waste generated by SLV GmbH.

¹The amount of waste could be minimized by reduced catalogue sizes.

Materials and resources used

Within its internationally oriented value chain, SLV outsources production processes to specialized business partners. For this reason, the total weight or volume of renewable or non-renewable materials used to manufacture its products is not systematically recorded under the responsibility of the headquarters in Übach-Palenberg.

At present, as buyers of these products, we can determine their environmental friendliness by means of the packaging specifications that are clearly regulated in the SLV Packaging Guideline. As an instrument for the standardization of packaging used throughout the company, the guideline is an integral part of our supplier relationship strategy. For example,

as a central point for environmental protection, it stipulates that eco-friendly packaging materials are to be preferably used in the packaging process.

In the outgoing goods area, we use a variety of packaging materials to ship our lamps and their accessories to our customers. A large proportion of this packaging material consists of recyclable products such as cardboard. However, non-renewable materials such as stretch film or bubble wrap are also used for logistical reasons to the extent necessary.

ENVIRONMENT Material Utilisation

	2019	2018
RENEWABLE MATERIALS		
Total (kg)	450.200,00	360.198,00
Material utilisation (kg) per Mio. € Turnover	2934,45	3837,96
NON-RENEWABLE MATERIALS		
Total (kg)	80.500,00	77.654,00
Material utilisation (kg) per Mio. € Turnover	632,63	686,26

Water management

As the source of life, water is the most important resource on our planet. Even though the Übach-Palenberg site is only exposed to a low to medium general water risk according to the Aqueduct Water Risk Atlas of the World Resource Institute (WRI), we always handle this resource as carefully as possible in all our commercial activities. The use of water meters at all locations in Übach-Palenberg enables us to continuously monitor water consumption and take appropriate corrective measures in the event of deviations. Our consumption is limited to water taken from the local water supply. As we do not have any production sites in Germany that use water in the production process, the amount of water withdrawn also corresponds to the amount of water discharged into the sewerage system.

In 2019, the higher water consumption compared to 2018 and previous years is due to the temperature increase in summer time and the frequent use of our SLV VISITOR CENTER and SLV TRAINING CENTER.

ENVIRONMENT Water

	2019	2018
WATER CONSUMPTION (m³)		
Total	2.223,00	2.099,00

Energy consumption and management

Climate change is currently considered one of the greatest challenges to our lives and a serious threat to our planet. In order to slow it down, the commitment of a wide range of actors is required who are prepared to rethink their own patterns of action and, where possible, save energy, thereby reducing emissions. It is particularly important that the economy, as a major contributor to this development, plays its part in slowing down climate change. The problem can only be eliminated at global level by means of collective behavioral change.

In the interest of mitigating climate change, we aim to conserve resources as we monitor and look for ways to minimize our energy consumption and utilize alternative renewable sources. These measures are essential factors in reducing the size of our carbon footprint.

The introduction of our strategic sustainability management system has laid the foundation for systematically recording and evaluating the energy consumed in our daily business. In this respect, it is both a major concern and a strategic goal for us to reduce the internal use of energy going forward. In order to do so, we have taken various measures that will have a positive effect on the company's future energy consumption, which will also have an economically beneficial impact.

As early as 2014, we commissioned four combined heat and power (CHP) plants at the Übach-Palenberg site, which enabled us to generate electricity and heat our commercial premises independently. These power plants are operated with natural gas, which has enabled us to completely dispense with the consumption of heating oil since the conversion. In addition, this innovation had a positive effect on emission levels due to the more environmentally friendly method of combustion. Furthermore, in spring 2016, in accordance with the EU Energy Efficiency Directive 2012/27/EU implemented in Germany by amending the Energy Services Act (EDL-G), we had an energy audit in accordance with DIN EN 16247-1 conducted at the Übach-Palenberg site. The aim of this audit was to carry out a systematic inspection and analysis of energy use and energy consumption in order to identify and document energy flows and potential for improving energy efficiency. Even today, the energy audits carried out still provide a practical overview of the most important energy flows in the company and thus offer a suitable basis in the search for further optimization potential. In accordance with EDL-G regulations, the energy audits are repeated every four years.

In specific terms, the results of the audit enabled us to derive and implement various measures to save greater amounts of energy.

These included, for example, the installation of a facility for switching off the air conditioning and ventilation systems at the Daimlerstraße location during the night and at weekends as well as the introduction of a nighttime reduction in heating at our Daimlerstraße and Werkstraße locations. The newly fitted kitchens in the individual departments, as well

as the kitchen area of the lounge, were also equipped with modern, energy-efficient household appliances. In addition, nearly all our offices were converted to energy-efficient LED lighting and, where appropriate, motion detectors, presence detectors, and twilight switches were installed.

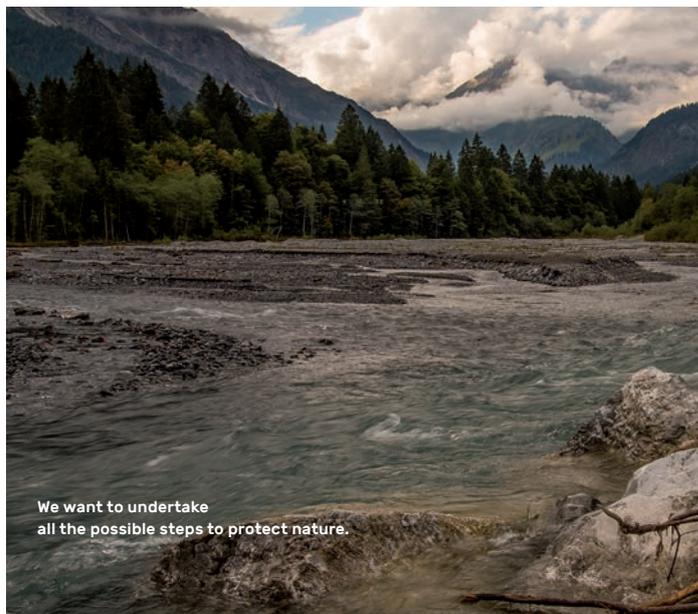
In order to ensure optimum lighting in the warehouses as well, depending on the situation, it is also possible to control the intensity of the lamps via a three-step system. In addition, the entire interior lighting and any computers that may still be running are switched off centrally throughout the company between operating hours.

In future, too, we intend to devote ourselves to the expansion of further energy-saving measures, such as insulating the roofs of our assembly and storage halls and replacing old windows. All the conventional lighting has been replaced with LED lighting in relevant areas.

Emissions

The emissions generated both directly and indirectly by our business operations contribute to the negative impact on the climate, which is why we are striving to continuously reduce emissions. In recording these emissions, we follow the guidelines of the internationally recognized Greenhouse Gas (GHG) Protocol. In addition to our prior reporting, we now consider our flights for business purposes as the main contributor to GHG emissions, which are classified as indirect business activities in scope 3. In this respect, monitoring the extent of business travel by employees of Group headquarters is primarily considered as the first step forward. We still try to persuade people to take trains to the extent possible and also encourage cycling to work if possible.

It was previously limited to direct emissions from the combustion of energy sources (scope 1) and indirect emissions from the use of secondary energy such as electricity (scope 2). A systematic survey approach has not yet been adopted to measure the emissions indirectly generated by our business activities in the whole value chain (scope 3). However, we plan to do so in the long term. Primarily, measures to reduce emissions are currently being taken as part of our energy optimization policy, as described in the chapter "Energy consumption and management."



We want to undertake all the possible steps to protect nature.

ENVIRONMENT

Environmental Balance

SLV GmbH

	2019	2018
ENERGY		
Total Electricity (kWh)	1.100.176,00	1.238.892,00
External provider (from Network)	892.943,00	990.035,00
Own generation	207.233,00	248.857,00
Electricity sold	7.317,00	3.156,00
Total Natural Gas	3.525.953,00	3.404.903,00
Boiler Consumption (kWh)	2.683.665,00	2.522.431,00
CHP - Heat (kWh)	549.054,00	530.366,00
CHP - Power (kWh)	207.233,00	248.857,00
CHP - Loss (kWh)	86.001,00	103.249,00
Diesel (litres)	50.052,00	45.405,00
Diesel (kWh)	496.770,00	450.649,00
Gasoline (litres)	12.993,00	9.391,00
Gasoline (kWh)	111.739,00	80.761,00
Coolant (kg)	1,20	0,00
Total Energy Consumption (kWh)	5.027.405,00	4.926.349,00
WASTE TYPES (t)		
Cardboard box	143,77	184,60
Plastic foil	5,67	5,17
Wood	35,73	40,43
Polystyrene (styrofoam)	30,00	121,00
Mixed scrap	1,83	0,65
Waste paper (catalogues)	2,08	43,11
Documents for destruction	0,00	0,72
DISPOSAL METHODS (t)		
Recycling	174,69	275,57
Incineration	76,72	74,96

¹Calculated value results from the electrical efficiency of the CHP used.

ENVIRONMENT

GHG Emissions (in t CO₂ eq.)

	2019	2018
Sum of Scope 1	841,07	746,12
Total Natural gas	674,15	608,29
Diesel ¹	135,74	23,67
Gasoline ¹	31,18	114,16
Sum of Scope 2 (Market based)	344,36	387,77
From Electricity Consumption (Market based) ²	344,36	387,77
From Electricity Consumption (Location based) ³	569,89	641,75
Sum of Scope 3	72,51	95,57
Business Travels with Flights (at HQ)	72,51	95,57
Total Sum of Scope 1 & 2 (Market based)	1185,42	1133,90
t CO₂ eq. per Mio. € Turnover (Scope 1 & 2)	0,02	0,02
TOTAL Sum of Scopes 1 & 2 & 3	1257,93	1229,47

¹The variation of figures between years depends on the preference change from diesel to gasoline.

²The Scope 2 „Market based“ - Values refer to the average emission factors of the area where the electricity consumption takes place. Mostly the average at country level is taken as in this report.

³The Scope 2 „Location based“ - Values refer to the emission factors of the electricity supplier or an individual electricity product.

Appendix

The present report is the first SLV sustainability report to be prepared at Group level. It demonstrates the degree to which the SLV Lighting Group is committed to sustainable management and which measures are being taken to cover the economic, social, and ecological aspects.

The measures presented in this report relate to the period covering the financial years 2018 and 2019 (from January 1, 2018 to December 31, 2019). As this is the first Group sustainability report to be presented by the SLV Lighting Group, KPIs for reporting purposes have been kept to a basic level, but will, however, be expanded in future Group reports.

We are not aware of any restatements or significant changes that need to be pointed out. In order to align the contents of this report with GRI requirements in accordance with the principle of materiality, the following measures were identified for the SLV Lighting Group in 2019, i.e., topics that are important for the sustainable business operations of the company. We then used a structured questionnaire to obtain the opinions of our most important stakeholder groups regarding this selection, in order to ensure that our stakeholders consider these issues equally relevant. The respondents also had the opportunity to assess other areas that were named. This process enabled us to identify all issues relating to social, environmental, and economic sustainability in this report, which are both our own and those considered important to stakeholders. More details are provided in the relevant chapter within this report.

The key performance indicator figures mentioned in this report relate to both SLV GmbH and the SLV Lighting Group as a whole. In order to achieve greater consistency in terms of the trends and/or ratios to be reported going forward, we intend to ensure that both non-financial and financial ratios are collected and reported at Group level.

GRI CONTENT INDEX

GRI Standard	GRI Indicators	Content	Pages	References and/or Comments
GRI 101: FOUNDATION 2019				
General Disclosure				
GRI 102: General Disclosure 2019	102-1	Name of the Organisation	4	
	102-2	Activities, brands, products, and services	5-7	
	102-3	Location of headquarters	5	
	102-4	Location of operations	5	
	102-5	Ownership and legal form	3-5	
	102-6	Markets served	4-7	
	102-7	Scale of the organisation	4, 5, 38, 39	
	102-8	Information on employees and other workers	38, 39	
	102-9	Supply chain	58, 59	
	102-10	Significant changes to the organisation and its supply chain	30, 31	In 2019 - SLV Lighting Group acquires Novalux, an Italian brand known for its architectural lighting solutions and sleek designs. DELTA LIGHT does not belong to SLV Lighting Group anymore since end of 2019.
	102-11	Precautionary Principle or approach	33	
	102-12	External initiatives	33	
	102-13	Membership of Associations	3	SLV Group is, since September 2019, a member of industrial association ZVEI (German Electrical and Electronic Manufacturers' Association).
GRI 102: Strategy 2019	102-14	Statement from senior decision-maker	30	
GRI 102: Ethics and Integrity 2019	102-16	Values, principles, standards, and	30	
GRI 102: Governance 2019	102-18	Governance Structure	24, 25	
GRI 102: Stakeholder Engagement 2019	102-40	List of stakeholder groups	48	
	102-41	Collective bargaining agreements	26	
	102-42	Identifying and selecting stakeholders	24-26, 42	
	102-43	Approach to stakeholder engagement	26, 27	
	102-44	Key topics and concerns raised	4, 5	

GRI Standard	GRI Indicators	Content	Pages	References and/or Comments
GRI 102: Reporting Practice 2019	102-45	Entities included in the consolidated financial statements	66	
	102-46	Defining report content and topic boundaries	26, 66	
	102-47	List of material topics	27	
	102-48	Restatements of information	66	
	102-49	Changes in Reporting	66	
	102-50	Reporting Period	66	
	102-51	Date of most recent report		22.06.2018
	102-52	Reporting Cycle	9	
	102-53	Contact point for questions regarding the report	75	
	102-54	Claims of reporting in accordance with GRI Standards		The report was prepared in accordance with the GRI Standards Option „Core“ with relevant impact topics throughout the Value Chain on Group Level.
	102-55	GRI Content Index	67-74	
102-56	External Assurance		The report has not been externally audited.	

RESPONSIBILITY IN THE CORPORATE GOVERNANCE

COMPLIANCE & MANAGEMENT

Ethical and moral guidelines

GRI 103: Management Approach 2019	103-1	Explanation of the material topic and its Boundary	30	
	103-2	The management approach and its components	30	
	103-3	Evaluation of the management approach	30, 31	
GRI 206: Anti-competitive Behaviour 2019	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	32	

Active fight against corruption

GRI 103: Management Approach 2019	103-1	Explanation of the material topic and its Boundary	31, 32	
	103-2	The management approach and its components	31, 32	
	103-3	Evaluation of the management approach	32	

GRI Standard	GRI Indicators	Content	Pages	References and/or Comments
GRI 205: Anti-corruption 2019	205-1	Operations assessed for risks related to corruption	32	Our internal management guideline, which states that our employees must behave in accordance with the law and in a socially and ethically respectful manner, was signed by all managing directors of the SLV subsidiaries. In this respect, SLV has already recognised the relevance of compliance in the company in the past, created sensitivity among managers and demanded a clear statement on this. Regular training courses on corruption are planned for the months June to August 2020.
	205-2	Communication and training about anti-corruption policies and procedures	32	Regular training courses on corruption are planned for the months June to August 2020.
	205-3	Confirmed incidents of corruption and actions taken		No confirmed cases of corruption are known.
Compliance with national and international laws and guidelines				
GRI 103: Management Approach 2019	103-1	Explanation of the material topic and its Boundary	30, 31	
	103-2	The management approach and its components	30	
	103-3	Evaluation of the management approach	30, 31	
GRI 307: Environmental Compliance 2019	307-1	Non-compliance with environmental laws and regulations		There are no known violations of environmental protection laws.
GRI 417: Marketing and Labeling 2019	417-2	Incidents of non-compliance concerning product and service information and labeling		There are no incidents of non-compliance concerning product and service information and labeling during 2018-2019.
GRI 419: Socioeconomic Compliance 2019	419-1	Non-compliance with laws and regulations in the social and economic area		In this respect there was a trademark infringement on our part due to a faulty product name, but only our customers were warned. And another case where we were merely accused of design infringement but were not pursued further.

GRI Standard	GRI Indicators	Content	Pages	References and/or Comments
RESPONSIBILITY FOR OUR EMPLOYEES				
OCCUPATIONAL HEALTH AND SAFETY				
Rate of accidents at work				
GRI 103: Management Approach 2019	103-1	Explanation of the material topic and its Boundary	49	
	103-2	The management approach and its components	49	
	103-3	Evaluation of the management approach	49	
GRI 403: Occupational Health and Safety 2019	403-2	"Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities"	50, 51	
Workplace-specific instruction of the employees				
GRI 103: Management Approach 2019	103-1	Explanation of the material topic and its Boundary	49	
	103-2	The management approach and its components	49	
	103-3	Evaluation of the management approach	49	
GRI 403: Occupational Health and Safety 2019	403-2	Hazard identification, risk assessment, and incident investigation	50, 51	
Training for first-aid and fire protection helpers				
GRI 103: Management Approach 2019	103-1	Explanation of the material topic and its Boundary	50	
	103-2	The management approach and its components	50	
	103-3	Evaluation of the management approach	50	
GRI 404: Training and Education 2019	404-1	Average hours of training per year per employee	50	
WORKING CONDITIONS				
Respect for freedom of association for workers				
GRI 103: Management Approach 2019	103-1	Explanation of the material topic and its Boundary	48	
	103-2	The management approach and its components	48	
	103-3	Evaluation of the management approach	48	

GRI Standard	GRI Indicators	Content	Pages	References and/or Comments
GRI 407: Freedom of Association and Collective Bargaining 2019	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	48, 58	
Protection against discrimination of any kind				
GRI 103: Management Approach 2019	103-1	Explanation of the material topic and its Boundary	42, 43	
	103-2	The management approach and its components	42, 43	
	103-3	Evaluation of the management approach	42, 43	
GRI 406: Non-discrimination 2019	406-1	Incidents of discrimination and corrective actions taken	42, 43	
Secure employment				
GRI 103: Management Approach 2019	103-1	Explanation of the material topic and its Boundary	36, 37	
	103-2	The management approach and its components	36, 37	
	103-3	Evaluation of the management approach	36, 37	
GRI 401: Employment 2019	401-1	New employee hires and employee turnover	41	
GRI 404: Training and Education 2019	404-3	Percentage of employees receiving regular performance and career development reviews	44	
Good work-life balance				
GRI 103: Management Approach 2019	103-1	Explanation of the material topic and its Boundary	36, 37	
	103-2	The management approach and its components	36, 37	
	103-3	Evaluation of the management approach	36, 37	
GRI 401: Employment 2019	401-3	Parental leave	42	
Regular training for employees				
GRI 103: Management Approach 2019	103-1	Explanation of the material topic and its Boundary	46, 47	
	103-2	The management approach and its components	46, 47	
	103-3	Evaluation of the management approach	46, 47	
GRI 404: Training and Education 2019	404-1	Average hours of training per year per employee	46	

GRI Standard	GRI Indicators	Content	Pages	References and/or Comments
RESPONSIBILITY FOR OUR PRODUCTS				
SUPPLIER MANAGEMENT				
Prevention of child labour in the supply chain				
GRI 103: Management Approach 2019	103-1	Explanation of the material topic and its Boundary	58	
	103-2	The management approach and its components	58	
	103-3	Evaluation of the management approach	58, 59	
GRI 408: Child Labor 2019	408-1	Operations and suppliers at significant risk for incidents of child labor		Due to international supplier relations SLV also operates in such countries, where generally a high risk of child labour is considered. This risk we try to counteract on different levels and eliminate. On the one hand through the SLV Business Agreement and the SLV Supplier Quality Guideline, in which our suppliers, amongst others guarantee basic rights and standards, not to use child labour and to others through regular on-the-spot checks in the form of audits. Further information you will find in the (sub-) chapter „Cooperation Strengthening: Supplier management in detail“ incl. CSR audits.
SUSTAINABLE & ENERGY EFFICIENT PRODUCTS				
Low energy consumption when using the products				
GRI 103: Management Approach 2019	103-1	Explanation of the material topic and its Boundary	55, 56	
	103-2	The management approach and its components	55, 56	
	103-3	Evaluation of the management approach	56	
GRI 302: Energy 2019	302-5	Reducing in energy requirements of products and services	56	
Focus on LED technology & Recycled Content				
GRI 103: Management Approach 2019	103-1	Explanation of the material topic and its Boundary	55, 56	
	103-2	The management approach and its components	55, 56	
	103-3	Evaluation of the management approach	56	
GRI 302: Energy 2019	302-5	Reducing in energy requirements of products and services	56	
Focus on Recycled Content				
GRI 103: Management Approach 2019	103-1	Explanation of the material topic and its Boundary	15	
	103-2	The management approach and its components	15	
	103-3	Evaluation of the management approach	15	

GRI Standard	GRI Indicators	Content	Pages	References and/or Comments
GRI 301: Materials 2019	301-2	Recycled input materials used	15	

PRODUCT QUALITY

Regular inspection of the products with regard to safety and health

GRI 103: Management Approach 2019	103-1	Explanation of the material topic and its Boundary	57	
	103-2	The management approach and its components	57	
	103-3	Evaluation of the management approach	57	
GRI 416: Customer Health and Safety 2019	416-1	Assessment of the health and safety impacts of product and service categories	57	100% of the SLV products are tested and approved concerning their health and safety effects and regularly checked for potential improvements. More detailed information on our testing processes can be found in the (sub) chapter „Customer Health and Product Safety“.
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		In September 2018 and August 2019 SLV decided to announce voluntary product recalls. Although there have been no incidents in which a consumer would have been harmed we took our responsibility and initiated these measures for reasons of preventive consumer protection. In very close cooperation with our customers and the involved international authorities, we managed to complete these measures successfully after reasonable periods. In January 2019, the French market surveillance authority informed us that one of our portable outdoor luminaires should not be compliant and would therefore pose a potentially serious risk. Thanks to the trustful and intensive cooperation with the French authorities and accredited testing companies, the sales stop of the product series that was initiated for preventive safety reasons, was released within a short time and the necessity of a recall campaign was disproven. There are not any safety- or accident-like-issues, related to the above mentioned measures, reported to SLV until today.

RESPONSIBILITY FOR THE ENVIRONMENT

OPERATIONAL ENVIRONMENTAL PROTECTION

Use of recycled materials in the shipping packaging of the products

GRI 103: Management Approach 2019	103-1	Explanation of the material topic and its Boundary	63	
	103-2	The management approach and its components	63	
	103-3	Evaluation of the management approach	63	
GRI 301: Materials 2019	301-1	Materials used by weight or volume	63	

GRI Standard	GRI Indicators	Content	Pages	References and/or Comments
Responsible consumption of electricity				
GRI 103: Management Approach 2019	103-1	Explanation of the material topic and its Boundary	64	
	103-2	The management approach and its components	64	
	103-3	Evaluation of the management approach	64	
GRI 302: Energy 2019	302-1	Energy consumption within the organisation	65	
	302-3	Energy intensity	66	
GRI 305: Emissions 2019	305-1	Direct (Scope 1) GHG emissions	64, 66	
	305-2	Energy indirect (Scope 2) GHG emissions	64, 66	
	305-3	Other indirect (Scope 3) GHG emissions	64, 66	
	305-4	GHG emissions intensity	66	
Responsible consumption of water				
GRI 103: Management Approach 2019	103-1	Explanation of the material topic and its Boundary	63	
	103-2	The management approach and its components	63	
	103-3	Evaluation of the management approach	63	
GRI 303: Water 2019	303-1	Interactions with water as a shared resource	63	
	303-5	Water consumption	63	
Monitoring of waste amount				
GRI 103: Management Approach 2019	103-1	Explanation of the material topic and its Boundary	62	
	103-2	The management approach and its components	62	
	103-3	Evaluation of the management approach	62	
GRI 306: Effluents and Waste 2019	306-2	Waste by type and disposal method	62	
Monitoring of packaging amount				
GRI 103: Management Approach 2019	103-1	Explanation of the material topic and its Boundary	63	
	103-2	The management approach and its components	63	
	103-3	Evaluation of the management approach	63	
GRI 301: Materials 2019	301-1	Materials used by weight or volume	63	

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Note

For reasons of better readability, the simultaneous use of masculine and feminine language forms has been omitted. All references to persons apply equally to all sexes.

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