

Sustainability Report 2021/22

**Contributing Toward a
Sustainable & Electrified Society**



Table of Contents

Introduction	4	Social	38
About the Sustainability Report	5	Fostering a Diverse, Safe, and Energetic Culture	39
Key Highlights for FY 2021/22	6	Workplace Health & Safety	41
CEO Message	9	The Fight Against COVID-19	44
Schaffner at a Glance	11	Employee Engagement	47
		Employee Development & Retention	50
		Diversity, Equity, and Inclusion	52
		Human Rights	55
About Schaffner	12		
Business Focus	14	Governance	56
Our Business Model	15	Leading with Responsible Governance	57
Geographical Presence	16	Corporate Governance	59
		Economic Value Generated and Distributed	62
Our ESG Strategy	17	Risk Management	64
Our Commitment to Sustainability	18	Business Conduct, Ethics, and Integrity	65
Stakeholder Engagement	21	Data Privacy & IT Security	67
Materiality Assessment	22	Product Quality and Safety	68
		Sustainable Supply Chain	70
Environment	25	Appendices	74
Acting Responsibly Toward the Environment	26	GRI Index	75
Energy Management	28	SASB Index	83
Emissions Management	32	UNGC	85
Water Management	35		
Waste Management	36		

Introduction

About the Sustainability Report

The Schaffner Group (Schaffner) is committed to contributing to a sustainable and electrified society through our innovative customer solutions and to improving the sustainability of our own operations. Our first annual sustainability report is a decisive step in enhancing the reliability and transparency of our business by reinforcing Schaffner's commitment to sustainability and communicating our ESG performance to stakeholders.

This sustainability report details our approach to ESG as a part of our organization's commitment to promote sustainability in our operations. This includes identifying and assessing the relevant material topics and disclosing ESG performance and key initiatives of Schaffner and its directly held subsidiaries. The report will highlight the ways in which Schaffner addresses sustainability to create value for its stakeholders. The scope includes our global operations, our headquarters, innovation centers in Switzerland, and manufacturing facilities in China and Thailand, as well as sales and application centers in Europe, Asia, and North America. The report also provides an overview of our business model, business segments, and geographic footprint.

This report has been developed in line with the Global Reporting Initiative (GRI) Standards: Core option, covering the period from July 1, 2021 to June 30, 2022. The report has been further guided by the Sustainability Accounting Standards Board (SASB), the United Nations Global Compact (UNGC) frameworks, and the United Nations Sustainability Development Goals (UN SDGs). The quality and reliability of the data included in this report have been ensured through the reporting principles stated by the GRI. The data presented in this report has been sourced from respective corporate functions. A GRI content index has been presented at the end of this report.

Key Highlights for FY 2021/22

Environmental

- Installed an 830 kWp solar power generator on the roof of the Thailand manufacturing facility, will lead to a reduction in CO₂ emissions by 275.57 tCO₂/year
- Installed EV charging stations at our headquarters in Luterbach, Switzerland
- Updated our car policy to promote the adoption of EVs over internal combustion engine vehicles
- Participated in the 'Bike to Work' campaign, resulting in the reduction of CO₂ emissions by 0.679 tCO₂

Total CO₂ Emissions^{1,2}

-35%

Overall Energy Consumption^{1,2}

-25%

Total Waste Generated^{1,2}

-8%

CO₂ Emissions from Freight^{1,2}

-38%

¹ Reductions achieved compared to 2020/21

² The reduction in environmental parameters mentioned above can partly be attributed to the sale of Schaffner's Power Magnetics Division in June 2021.

Key Highlights for FY 2021/22

Social

- Launched new Happy Workplace Programs to foster employee engagement in Thailand
- Arranged a Managerial Development Program for Thailand's middle management team
- Organised a Leadership Program for Managers in Shanghai
- Held annual activities to promote diversity
- Participated in Labor Day Activity

Women in the workforce at our production plants

49%

Quality Management System

**ISO
45001:2018**

Concerns related to human rights issues

0

Concerns related to child and forced labor

0

Key Highlights for FY 2021/22

Governance

- Committed to the Restriction of Hazardous Substances (RoHS) Policy
- We support the Conflict Minerals Policy to protect human rights in mining

Economic value retained in CHF

6.9m

Quality Management System

**ISO
9001:2015**

Corruption incidents

0

Cases of data privacy and security breaches

0

CEO Message

Dear Stakeholders,

We appreciate your continued support in helping the Schaffner Group scale new heights. In line with your expectations, we stay committed to our environmental, social, and governance (ESG) efforts, which form the core premise of our business decisions.

The year 2022 brought multiple challenges, including the continuing waves of the COVID-19 pandemic and the global supply chain disruption. Adapting to these changes was imperative, and we deployed strong measures to remain resilient and competitive. As a result, we continue to be a globally recognized firm in the field of EMC solutions. Through our unique business model, leading market position, excellent customer service, and dedicated employees, we ensured a strong top-line performance with robust profitability.

We believe in creating a measurable positive impact on the environment and the society where we operate. An unequivocal commitment to sustainability has led us to integrate a triple-bottom-line (People, Planet, and Profit) approach into our business and operational activities. This year, we have performed a comprehensive materiality assessment identifying 15 key material topics and have disclosed our performance and progress based on the Global Reporting Initiative (GRI) framework. We have also adopted the Responsible Business Alliance (RBA) Code of Conduct while supporting the Conflict Minerals Act. Schaffner's own Integrity Code incorporates our ESG values and commitments, which are thoroughly enforced throughout our value chain.

Our progress in sustainability can be attributed to our most important assets, our employees. We pride ourselves in providing our diverse group of employees with a safe working environment. All our production facilities are ISO 45001 certified, and we are constantly improving the safety culture that drives us toward zero harm and ensures our employees' health and well-being.

With climate change becoming the defining issue of our time and due to its potential to have a significant impact on our business, the environment, and society, addressing it has become a top priority for our organization. As part of our efforts to reduce our energy consumption and overall emissions, we have relocated to a new energy-efficient headquarters in Luterbach, Switzerland, and have also made a significant investment in solar energy technology for our production facility in Thailand. We are also ISO 14001 certified, enabling the organization to monitor, assess, and continuously improve its environmental performance through a robust environmental management system. Looking ahead, we are in the process of setting concrete targets and developing further initiatives to achieve net-zero carbon emissions in our operations.

We believe that our products have an important role to play as we transition to a more sustainable future. For example, our strong expertise in EMC solutions for AC and DC charging is helping us launch new products that will accelerate the global adoption of fast-charging stations for electric vehicles (EVs). Our DC filters for high-power output meet the requirements for two central EV-charging standards, thus eliminating the need for standard compliance reviews, and can be integrated directly to save time and resources. We will continue to dedicate our efforts to developing innovative and environmentally conscious products, thereby empowering our valued customers to become more sustainable while improving their competitiveness. Our collaboration with global partners, suppliers, and customers will be mutually beneficial as we push forward toward our goal of an electrified and connected society.

On behalf of the Schaffner Group, I take this opportunity to acknowledge everyone for their constant trust, support, and confidence in our organization's commitment to sustainability as we progress toward a sustainable future together.



Marc Aeschlimann
Chief Executive Officer

Schaffner at a Glance



About Schaffner

Schaffner, headquartered in Switzerland, is a global leader and expert in providing EMI filter solutions, harmonic filters, and electromagnetic components for high-potential industrial markets, as well as e-mobility, ensuring the efficient and reliable operations of electronic systems. We provide customized and standard solutions to protect electronic systems against electromagnetic interference, and serve customers across six major industries globally. We also design and manufacture antennas for keyless authentication systems for the automotive sector. We serve our customers through our own development, production, sales, and application centers, and are present in Europe, Asia, and North America.

Schaffner is driven by its focus on providing EMC solutions that promote a sustainable and electrified society. Our EMI filters prevent interference in power electronic systems, thereby ensuring safe and reliable operations. The nature of our innovative products enables our stakeholders, including our valued customers, to contribute to Schaffner's vision of building a sustainable and electrified society. We believe our solutions drive the technological transformation of society, and our contribution toward this advancement plays a crucial role.

Our corporate culture is distinguished by a comprehensive approach focused on honesty, respect, justice, and a sense of social responsibility. We believe our people are the key to our success, and we trust them to shape our company.

Vision

To play a vital role in building a sustainable and electrified society – by shaping electrical power

Mission

To provide our customers with electromagnetic solutions to operate their electronic systems reliably and efficiently, and empower them to focus on their great inventions

Our Values

Together, we can solve the challenges around electromagnetic compatibility and help to build a sustainable future in the new era of electrification.



Customer Focus

- We understand our customers' needs and provide valuable solutions
- We are driven to exceed our customers' expectations
- Globally we are close to our customers



Passion

- We are passionate about what we do
- We create excitement
- Our passion drives our performance



Ownership

- We have a sense of urgency and go beyond our areas of responsibility
- We go the extra mile
- We are responsible for our actions



Openness

- We are open to new ideas and different opinions
- We embrace different cultures and benefit from our diversity
- We actively share knowledge and information

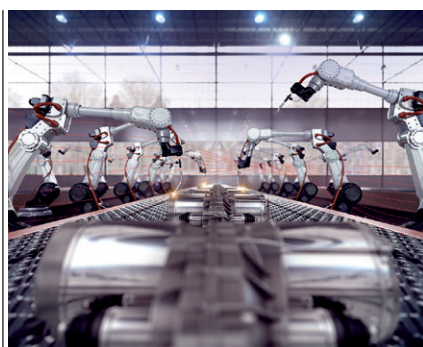


Leadership

- We lead by example based on trust and integrity
- We develop our employees to enhance their capabilities
- We clearly communicate our vision and goals and lead the implementation of our strategy

Business Focus

With the strong growth in demand for EMC solutions stemming from the requirements of modern society to become progressively electrified and connected, we are focused on delivering solutions for six growth industries in the following areas:



Machinery & Robotics

- Motor Drive
- Machinery
- Factory Automation
- Robotics



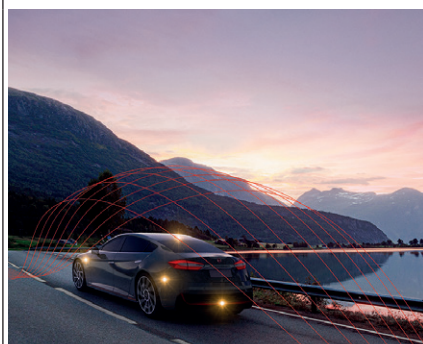
Building Technology

- HVAC
- Elevators
- Lighting



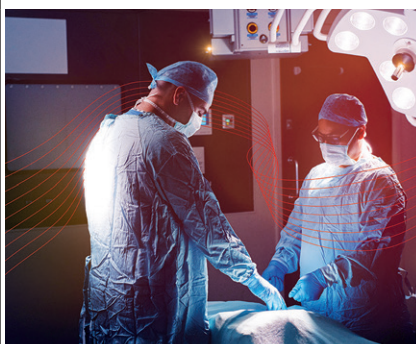
Energy Management

- Renewable Energy
- Energy Storage
- EV Charging
- Power Supply
- UPS



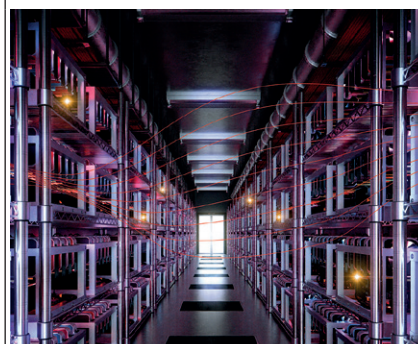
Automotive

- E-mobility
- Authentication Systems



Medical

- Medical Equipment
- Laboratory Analyzer



Data & Communication

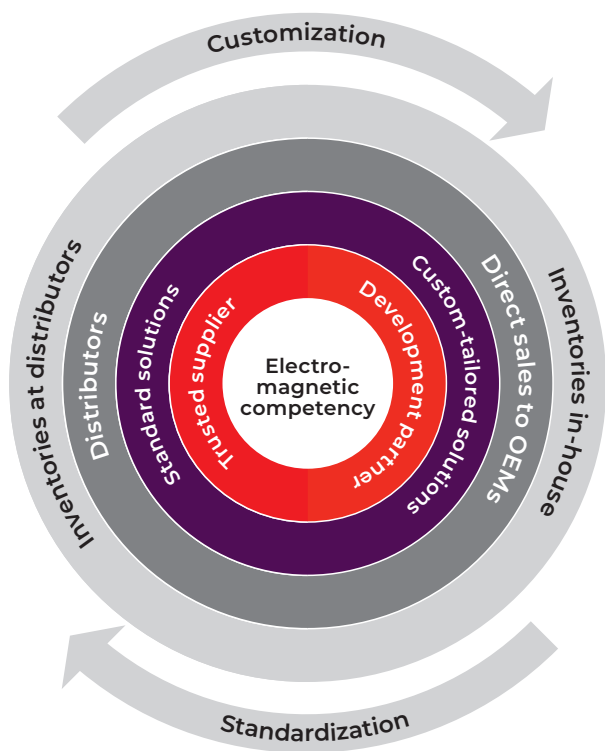
- Datacenters
- Networks

Our Business Model

Schaffner adds value to its customers by combining its expertise in electromagnetic compatibility with continuous innovation and local application support. The Group's business model has two mutually reinforcing dimensions. The growth strategy is based on the existing strengths and additionally targets attractive market opportunities.

Schaffner's business model combines two dimensions, which are rooted in the company's electromagnetic expertise and mutually cross-fertilize and reinforce each other. In the first dimension, Schaffner is the clients' preferred development partner. Clients rely on us for a variety of services, primarily original equipment manufacturer (OEM) solutions made specifically for their needs and specifications. Schaffner develops the corresponding customized solutions and sells them directly to the customers. The inventory of such components, which are required in varying quantities, is held by Schaffner itself.

Often, customer-specific solutions that are suitable for broader applications are developed into families of standard products, thus feeding the second dimension of the business model: Acting as a reliable supplier, Schaffner sells standard products and solutions through its global network of distribution partners, who ensure high availability of products within their warehousing facilities. With the broadest product range in the industry, Schaffner has entrenched its reputation as the market leader and the leading innovator in the electromagnetic compatibility space. This strong reputation, in turn, prompts customers to choose Schaffner as their preferred development partner for solutions designed for their unique requirements.



- Schaffner's role in customer relationship
- Schaffner solutions
- Distribution channel
- Supply chain/inventory

Geographical Presence

Headquartered in Luterbach, Switzerland, we serve our clients through our engineering, manufacturing, sales, and application centers. Our business operations span 17 distinct locations, including two manufacturing sites in Asia (China and Thailand) and several sales offices in key European, Asian, and American markets.



Our ESG Strategy



Our Commitment to Sustainability

Our company is committed to a sustainable future, driven by the emphasis on the design and manufacture of technologically innovative products used in customer solutions. We continuously strive to develop increasingly energy-efficient electrical solutions for our clients. We are also diligently working on reducing our production-linked carbon emissions through renewable energy adoption and an increase in process efficiency. These efforts are aligned with our end goal of achieving our carbon neutrality target, which will be finalized in the next years.

Our corporate culture is marked by a comprehensive approach, based on honesty, respect, fairness, and a sense of responsibility, and we have incorporated this philosophy into our organizational management. Systematic quality, health, and environmental management ensure that international standards are not only met but exceeded. We will continue to uphold the highest ethical standards in our business activities.

We also consider the requirements of our stakeholders as an extension of our sustainability efforts and recognize them as the key drivers of Schaffner being a responsible, reliable, and equitable organization. We strongly believe in actively engaging with our stakeholders and incorporating their feedback to arrive at a balanced approach to organizational decision-making.

Our organizational approach to sustainability is aligned with global initiatives, such as the United Nations Global Compact (UNGC), Responsible Business Alliance (RBA), and the Conflict Minerals Act, which provide recognition and validation of our sustainability efforts. In addition, these principles form an integral part of all our employment contracts. Schaffner has adopted the Code of Conduct of the RBA and supports the Conflict Minerals Policy for the protection of human rights in the mining industry, particularly in the extraction of ore to produce tin, tantalum, tungsten, and gold in conflict regions.

Since sustainability is engrained in our organizational DNA, our Executive Committee has been tasked with the crucial responsibility of planning, executing, and monitoring our sustainability strategy.

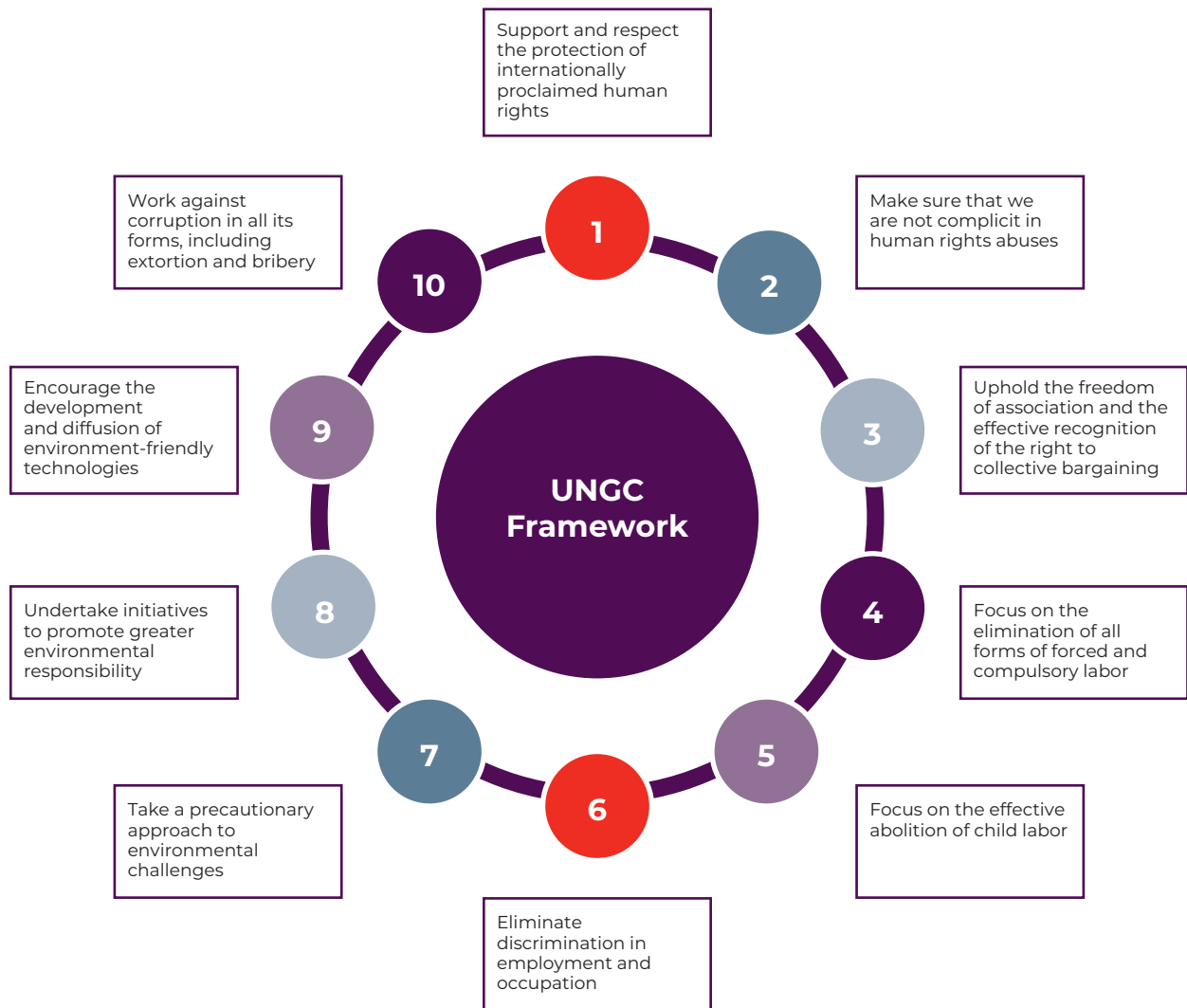


Figure 1: Our Commitment to UNGC

Creating a Positive and Measurable Impact

UNGC Principles	Our Initiatives	Performance
Social		
<p>Human Rights</p> <p>Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights</p> <p>Principle 2: Businesses should ensure that they are not complicit in human rights abuses</p>	<ul style="list-style-type: none"> ■ We follow our Integrity Code to protect human rights in our business activities ■ We made it mandatory for the suppliers to comply with our Integrity Code ■ We enforced the Conflict Minerals Act to protect human rights in mining 	<ul style="list-style-type: none"> ■ Zero cases related to human rights issues
<p>Labor</p> <p>Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining</p> <p>Principle 4: Businesses should focus on the elimination of all forms of forced and compulsory labor</p> <p>Principle 5: Businesses should focus on the effective abolition of child labor</p> <p>Principle 6: Businesses should focus on the elimination of discrimination regarding employment and occupation</p>	<ul style="list-style-type: none"> ■ We have a zero-tolerance policy for illegal labor activities, child labor, forced and compulsory labor, and discrimination and harassment ■ Our suppliers are expected to comply with our Integrity Code that covers aspects related to illegal labor practices 	<ul style="list-style-type: none"> ■ Zero cases of child labor ■ Zero cases of forced and compulsory labor ■ Zero cases of discrimination and harassment
Environment		
<p>Principle 7: Businesses should support a precautionary approach to environmental challenges</p> <p>Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility</p> <p>Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies</p>	<ul style="list-style-type: none"> ■ Moved to an energy-efficient headquarters in Luterbach, Switzerland ■ ISO 14001-certified manufacturing facilities ■ Installed a solar power project with a capacity of 830 kWp in Thailand ■ Installed EV charging stations at our Luterbach headquarters in Switzerland ■ Favored ocean freight over air freight to reduce CO₂ emissions linked to freight transport 	<ul style="list-style-type: none"> ■ The solar project will lead us to reduce CO₂ emissions by 275.57 tCO₂/year ■ The 'Bike to Work' campaign led us to reduce our CO₂ emissions by 0.679 tCO₂ ■ 38% reduction in emissions related to freight transport ■ 52% reduction in CO₂ emissions related to company vehicles
Governance		
<p>Anti-corruption</p> <p>Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery</p>	<ul style="list-style-type: none"> ■ Developed the anti-corruption policy, which has been an integral part of all employment contracts of the Schaffner Group ■ Arranged training programs at the Group locations 	<ul style="list-style-type: none"> ■ Zero cases of corruption or bribery

Stakeholder Engagement

Customers, investors/shareholders, employees, partners, vendors, suppliers, regulators, and society are Schaffner’s key stakeholder groups. Our long-term partnerships necessitate regular and constructive dialog with the stakeholders and influence our approach in considering stakeholder requirements as a crucial component of our ESG decision-making process. This effective stakeholder engagement enables us to understand their ESG concerns and respond to them effectively.

Stakeholders	Focus Areas/Material Topics	Response to Focus Areas
Board & Executive Management	<ul style="list-style-type: none"> ■ Occupational Health & Safety ■ Energy & Emissions ■ Diversity & Inclusion of the Organization ■ Fair Business Practices 	<ul style="list-style-type: none"> ■ Improving operational efficiency, enabling cost-effective and long-term energy-saving solutions ■ The Executive Committee fully promotes efforts to increase sustainability as part of the Group’s long-term objectives ■ The relevant ESG metrics are discussed during Board meetings
Suppliers & Vendors	<ul style="list-style-type: none"> ■ Sustainable Procurement ■ Fair Business Practices ■ Regular Payments 	<ul style="list-style-type: none"> ■ Regular and timely interaction and collaboration with suppliers for continuous improvement and risk mitigation to ensure long-term growth and grievance resolution
Investors	<ul style="list-style-type: none"> ■ Economic Value ■ Enhanced Disclosure on Major Milestones and Projects within the Organization ■ Transparency 	<p>Regular interaction through</p> <ul style="list-style-type: none"> ■ Annual General Meetings ■ Annual and half-year reports ■ Annual presentation of the full-year results ■ Conference calls (e.g. at the publication of half-year results) ■ Ad hoc announcements and media releases ■ Meetings with shareholders, investors, and analysts ■ Roadshows
Customers	<ul style="list-style-type: none"> ■ Product Availability ■ Product Quality and Safety Measures 	<ul style="list-style-type: none"> ■ Our global network of distribution partners and local application centers guarantees that products are readily available as customers are in closer proximity, and local assistance is available through direct meetings with clients
Employees	<ul style="list-style-type: none"> ■ Workplace Health & Safety ■ Training & Development ■ Diversity & Inclusion 	<ul style="list-style-type: none"> ■ Promoting a healthy work-life balance among employees by fostering a family-oriented work culture and encouraging participation in organization-wide well-being activities ■ Health- and safety-related programs ■ Leadership development programs ■ Frontline talent development initiatives
Regulators	<ul style="list-style-type: none"> ■ Corporate Governance & Fair Business Conduct ■ Human Rights ■ Energy & Emissions 	<ul style="list-style-type: none"> ■ Timely submission of documents related to regulatory compliance ■ Monitoring operations and performance of products on environmental and social aspects

Materiality Assessment

Schaffner has performed a materiality assessment to understand which ESG issues are critical to our stakeholders and business. This will enable us to further prioritize and focus on certain key ESG topics as an organization and enhance our ESG strategy and roadmap, thus creating short-term and long-term value for our stakeholders.



We conducted a materiality assessment to identify and prioritize Schaffner's ESG material topics, in line with the GRI framework requirements. The assessment entailed secondary research to analyze the current global ESG trends, industry practices, and local regulations, in alignment with the requirements of the global ESG reporting frameworks.

Our Materiality Approach

Global Reporting Frameworks	Industry Trends	Stakeholder Engagement
<ul style="list-style-type: none">■ Mapped Schaffner's business operations, ESG policies, and strategies against the Global Reporting Frameworks, such as GRI, SASB, SDGs, and UNGC	<ul style="list-style-type: none">■ Analyzed peers, emerging industry and global sustainability trends, and regulations to further identify relevant ESG issues for our business	<ul style="list-style-type: none">■ Conducted interviews with the top management to prioritize the ESG focus areas

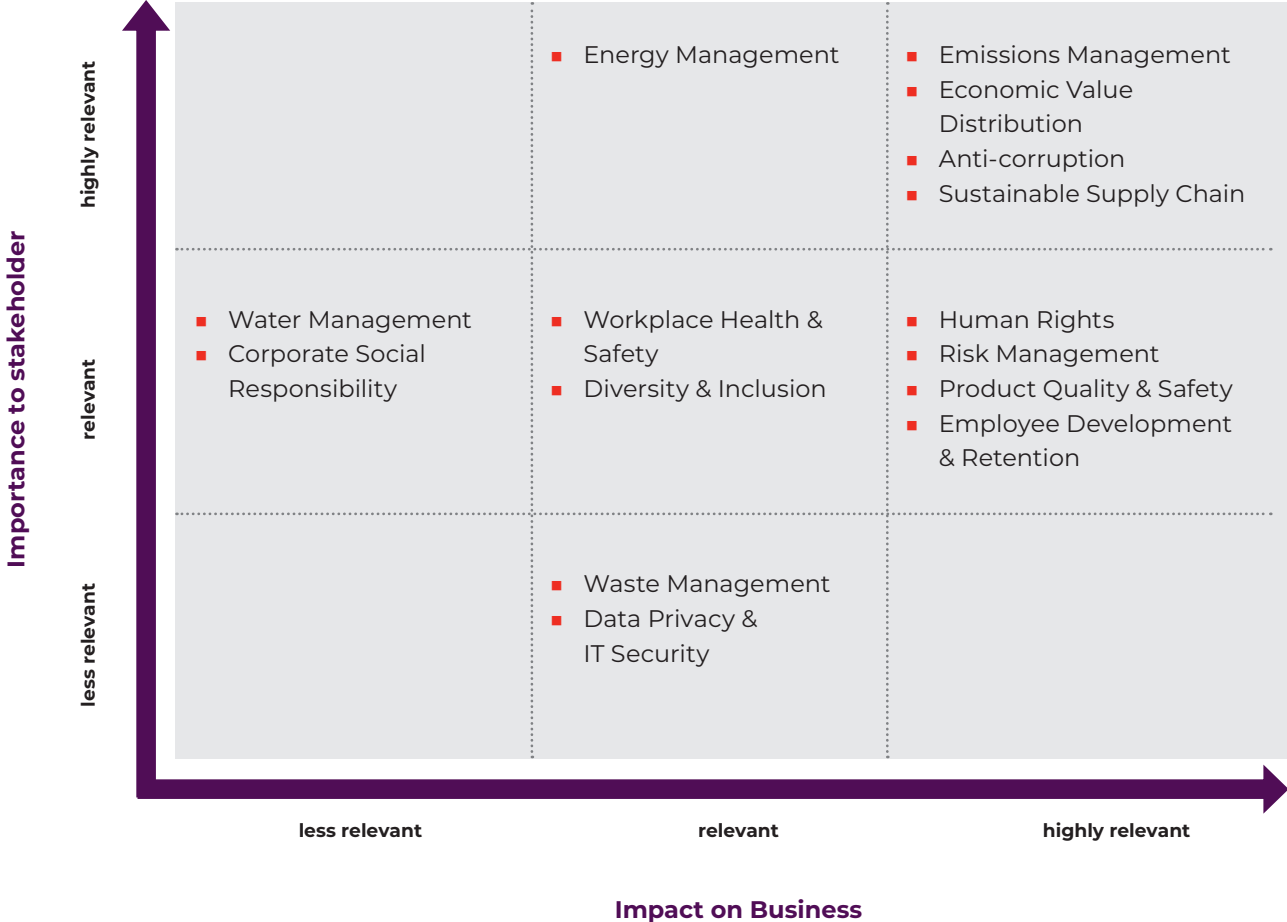
Material Topics Identified

Through the materiality assessment, the following 15 topics were identified as material to Schaffner based on their impact on business and importance to our stakeholders.

Material Issue	Impact Boundary	SDGs Alignment
Environment		
Emissions Management	Internal and External	 
Energy Management	Internal and External	 
Water Management	Internal	
Waste Management	Internal	
Social		
Workplace Health and Safety	Internal and External	 
Diversity, Equity, and Inclusion	Internal	 
Employee Development and Retention	Internal	 
Human Rights	Internal and External	 
Corporate Social Responsibility	Internal	
Governance		
Economic Value Distributed	Internal	 
Risk Management	Internal	
Anti-corruption	Internal	
Data Privacy & IT Security	Internal	
Product Safety and Quality	Internal	
Sustainable Supply Chain	Internal and External	

Materiality Matrix

The 15 material topics identified were prioritized after interactions with the senior management, based on their potential impact on business and importance to Schaffner’s stakeholders. These inputs were aggregated for the development of Schaffner’s materiality map, as shown. The topics shown in the top-right quadrants were deemed as high-priority areas, considering their high impact on the business and their high importance to external stakeholders.



Environment



Acting Responsibly Toward the Environment



Schaffner, as an industry leader in the field of EMC solutions, places a strong emphasis on being an environmentally responsible organization and preserving the environment through sustainable business practices.

The value we place on environmental sustainability will continue to drive our efforts not only to employ sustainable manufacturing and sustainable supply chain practices, but also to design and build more sustainable products and solutions to reduce environmental impact.

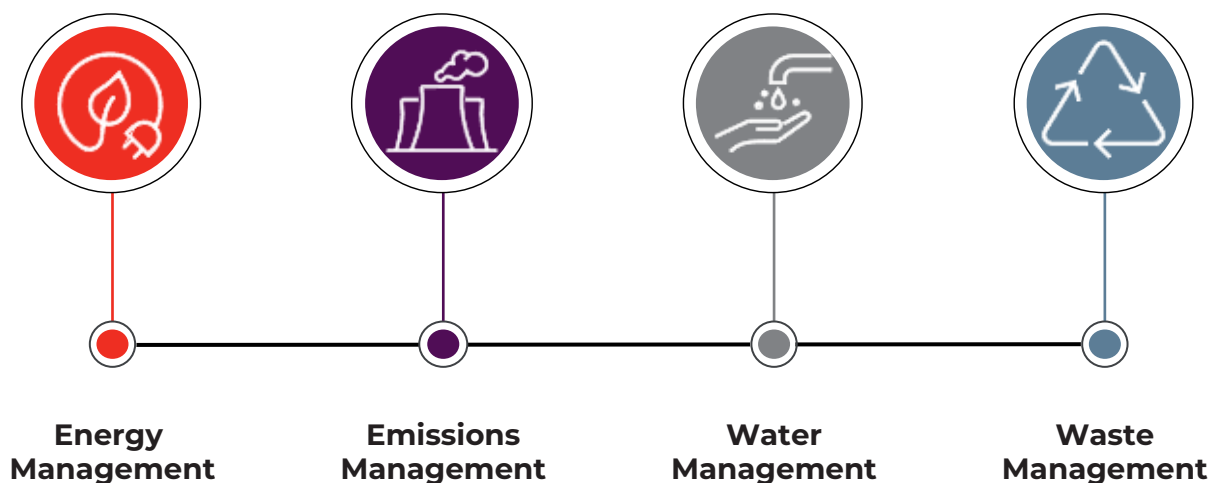
Our focus remains on integrating the most effective environmental initiatives into all business activities, from increasing the proportion of energy-efficient technologies in our assets to delivering products that allow our customers to reduce their negative environmental impacts. We recognize that environmental sustainability is a key driver of our

long-term growth, and we will continue to pursue this path to remain an environmentally conscious business.

As a show of our commitment to environmental sustainability, our organization is ISO 14001 certified, enabling us to continuously enhance our environmental performance, use resources more efficiently and reduce waste, thereby increasing the trust of our stakeholders.

Our Environmental Material Topics

Considering the manufacturing nature of our business, we have identified certain environmental material topics as part of our materiality assessment. As our core environmental strategy, we aim to align our sustainable efforts with these material topics to reduce environmental impacts:



Key Highlights

Reductions achieved for the following environmental parameters^{1,2}

**Total energy
consumption**

-25%

Total CO₂ emissions

-35%

**CO₂ emissions from
freight**

-38%

**Non-hazardous waste
generated in manufac-
turing**

-12%

**CO₂ emissions from
company vehicles**

-52%

**Total CO₂ emissions
from passenger flights
taken by employees**

-33%

¹ Compared to 2020/21

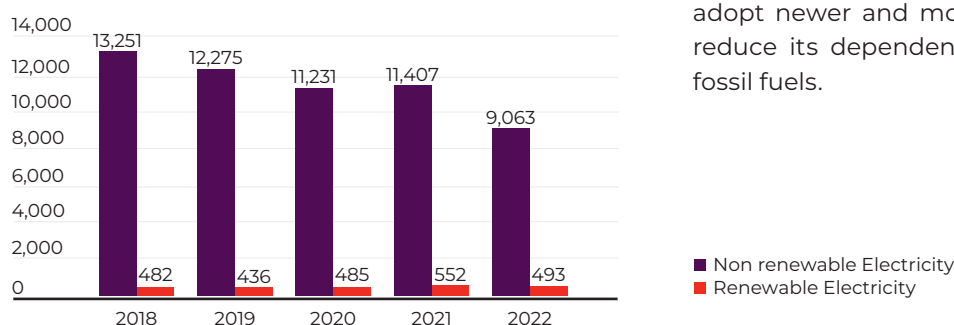
² The reductions in environmental parameters mentioned above can partly be attributed to the sale of Schaffner's Power Magnetics Division in June 2021.

Energy Management

Since energy consumption is a key input for manufacturing activities, we see an efficient and effective utilization of energy across our value chain as a foundational aspect upon which our organization can assist in the transition to a greener future.

The highest portion of energy costs in our sector is for purchased electricity, followed by purchased fuels. A company's energy mix, which includes the use of electricity produced on-site, electricity obtained from the grid, and alternative energy sources, can significantly impact the cost and reliability of the energy supply.

We are progressively making our operating business and our value chain more effective and efficient. Our focus remains on reducing energy consumption and resulting CO₂ emissions from our business activities. We are aware that global energy requirements are rising fast, hence every unit of energy saved puts less stress on our country's grid system and saves fossil fuels from being burned to generate more electricity. We also incorporate this philosophy of reduced energy consumption in our products by designing them to be more energy efficient.



Graph 1: 5-year Electricity Consumption in MWh¹

Our current energy requirements are being met with a combination of renewable and non-renewable energy. Our overall energy consumption amounted to 9,557 MWh, which was reduced by 25% compared to FY 2021/22. We recognize that our main source of energy consumption, non-renewable energy, is a major contributor to our overall carbon emissions. We will continue to assess ways to reduce our non-renewable energy consumption and promote more renewable energy usage. We have sourced 9,063 MWh of non-renewable energy for FY 2021/22.

We aim to increase our solar energy generation capacity, as it is one of the most effective ways to reduce dependence on fossil fuel-based energy. Although the initial investment in solar panels is high, we believe that the benefit for the environment outweighs the monetary costs. Our 30 kWp solar power project at our headquarters has been operational since the summer of 2019. In August 2022, we set up an 830 kWp solar power project at our Thailand manufacturing facility. We have sourced 493 MWh of renewable energy from a second-level energy supplier, and the percentage of renewable energy in our total energy consumption is now 5% for FY 2021/22.

As the world makes great strides in renewable technology, the Schaffner Group will continue to adopt newer and more efficient technologies to reduce its dependence on energy derived from fossil fuels.

¹ The reduction in environmental parameters mentioned above can partly be attributed to the sale of Schaffner's Power Magnetics Division in June 2021.

Key Highlights

Reductions achieved for the following environmental parameters^{1,2}

Non-renewable Energy Consumption

-20%

Overall Energy Consumption

-25%

Non-renewable Fuel Consumption

-100%

¹ Compared to 2020/21

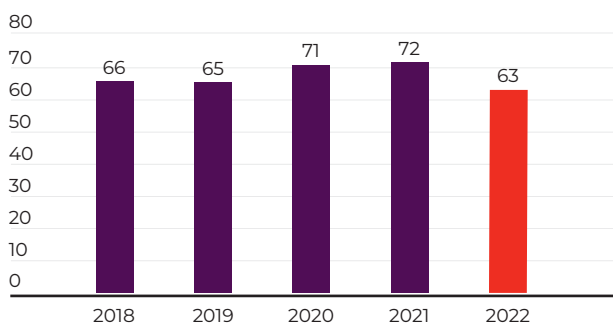
² The reductions in environmental parameters mentioned above can partly be attributed to the sale of Schaffner's Power Magnetics Division in June 2021.

Energy Intensity Reduction

While total energy consumption is crucial when assessing an organization's energy management initiatives, energy intensity is another important parameter for measuring its efforts toward energy management. In the long run, a sustainable organization has a falling energy intensity value. It is to be noted that in some cases, this parameter alone is not enough to make a sound judgment on sustainable efforts. During stages of the business cycle like a recession or events like the COVID-19 pandemic where corporate revenue falls considerably, energy intensity may rise disproportionately,

resulting in an inflated figure. Hence, the total electricity consumption should also be taken into consideration when assessing an organization's energy management initiatives.

As the aftermath of COVID-19 wore off and business returned to normal, our revenue increased by 12.5%, allowing our energy intensity to decrease to 62.72 MWh per million CHF in FY21-22. We believe this is a more accurate representation of our energy intensity compared to the last two COVID-impacted years. As shown below, we have made progress by lowering our energy intensity value compared to pre-COVID years.



Graph 2: 5-year Energy Intensity in kWh/kCHF

Our Energy-efficient Headquarters in Luterbach, Switzerland

Our new building in Luterbach primarily utilizes energy generated from groundwater using an electric-powered heat pump. The geothermal probes required can also be used to cool the technical facilities and the building, as needed. Some of the electricity for the building's operation is supplied by an efficient solar power system. The total electricity consumption in the new building, including the energy for heating, is closely in line with the amount of purchased electricity that was required for the old building. Through highly sophisticated energy systems and good insulation, our new building operates without any fossil heating energy, reducing a significant amount of carbon emissions. Thus, the total energy consumption in the new building is reduced by 50%.



Solar Power Project in Thailand

At our Thailand manufacturing facility, we have installed a solar power plant with a capacity of 830 kWp. This plant has been operational since August 2022 and will lead to a reduction of 275.57 tCO₂/year. The power generated from this plant is used for our manufacturing operations.



Snapshot of the Solar Power Project in Thailand

Installation

830 kWp

Area of the Roof Used

5,500 m²

Total Investment in CHF

460,000

Cost Savings in
Electricity in CHF/year¹

126,000

Annual Power
Production in kWh/year¹

1,182,000

Payback (ROI)¹

4 years

¹ Estimated

Emissions Management

The world is facing the critical issue of climate change and we are committed to joining our stakeholders in addressing this crucial concern. We embrace this commitment not only by reducing carbon emissions from our business operations but also by incorporating it into the design and development of our products and solutions.

Manufacturing activities generate direct and indirect CO₂ emissions, including carbon dioxide from fuel use and emissions generated from the purchase of electricity. Carbon emissions have a drastic impact on climate change and have been the subject of increasing regulatory scrutiny, making it a critical concern for our company.

We record and report our emissions from various sources on an annual basis and are constantly working on plans to reduce these. Our environmental management system plays an important role in reducing our environmental impact and increasing operating efficiency while helping us adhere to all local, state, and federal regulations.

As our operation grows, we are aware of the impact that our emissions can have on climate change and the resultant negative consequences for our business and stakeholders. Our current carbon emissions stand at 11287 tCO₂, 35% lower than FY20–21. While the reduction in emissions can partly be attributed to the sale of the Power Magnetics Division, multiple initiatives taken such as replacing air freight with rail freight and ocean freight (which produces lesser emissions per unit of weight and distance) wherever possible, also played a major role. We also reduced our business travel emissions by 43% and production-related emissions by 17%.

Our goal of reducing emissions is further being achieved through our effective energy management initiatives, such as coal-powered grid electricity, which is a major source of our emissions. Furthermore, we are encouraging our employees to switch to electrical vehicles (EVs), allowing us to reduce our employee- and business commute-related emissions (Scope 3).

These are all part of our preliminary climate change strategy, and we are in the process of developing a comprehensive climate change action plan including setting up our Greenhouse Gas (GHG) emissions boundaries, i.e. Scope 1 (emissions from non-renewable fuel consumption and emissions from the use of refrigerant gases), Scope 2 (emissions from purchased electricity), and Scope 3 (employee commute and business travel, waste generated in operations, capital goods, transportation, distribution, etc.), and report on them in the next year. Our climate change action plan will be effective in reducing carbon emission levels and help us achieve our vision of a sustainable and electrified society.

Key Highlights

Reductions achieved for the CO₂ emissions parameters^{1,2}

Total Emissions

-35%

Production-linked Emissions

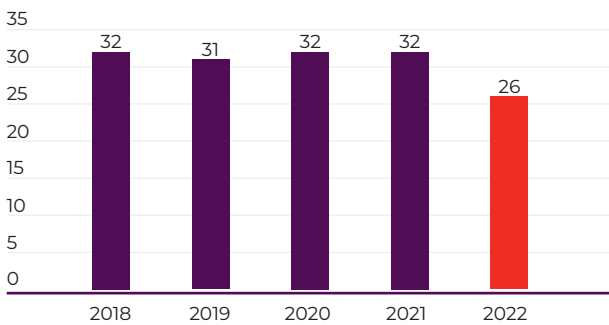
-29%

Freight-related Emissions

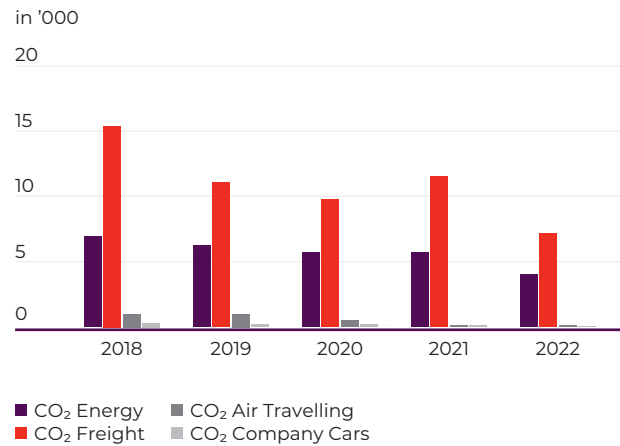
-38%

¹ Compared to 2020/21.

² The reductions in environmental parameters mentioned above can partly be attributed to the sale of Schaffner's Power Magnetics Division in June 2021



Graph 3: 5-year Emissions Intensity in kg CO₂/kCHF



Graph 4: 5-year Total CO₂ Emissions in Tons

Bike to Work

Our employees were active participants in the 'Bike to Work' campaign, a Switzerland-wide health promotion campaign conducted in May and June of each year, where more than 70,000 commuters pedal to work and back home. 32 employees, divided into 8 teams, registered as a part of this annual initiative and covered more than 4,700 km in 477 aggregate days. We estimate this organizational and employee initiative to have reduced the carbon emissions of our organization by 0.679 tCO₂.



Company Car Policy

Schaffner has made a significant change in its company car policy to reduce its carbon emissions. Considering the advantages of EVs such as reduced emissions and lower maintenance costs over their lifespan, Schaffner has decided to replace all company cars with EVs at all its locations. Schaffner also encourages employees to switch to EVs, where possible. Schaffner will soon budget accordingly for this change in policy.

EV Charging Stations

We have installed EV charging stations at our headquarters in Luterbach, Switzerland, as part of our organization-wide promotion of EVs.



Water Management

Access to fresh water is an essential human right as well as a critical aspect of our business activities. With the increase in droughts across the globe, it is imperative that we, as an organization, focus on responsible water consumption in our manufacturing operations.

We do not use water in our manufacturing process and our water usage is only for sanitation purposes. However, we will make significant efforts to reduce our total water consumption on a year-on-year basis.

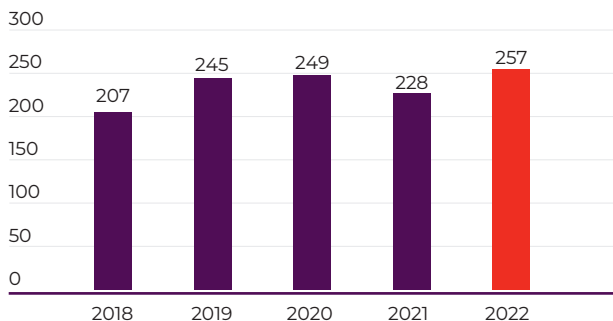
We will continue to regularly monitor and assess the water consumption in our facilities to identify any areas where it can be reduced. We have identified ways to reduce water consumption by educating and creating awareness among all our employees about preserving water. Furthermore, we also ensure that the wastewater generated from our operations is treated through a public water sewage system before being discharged. During the reporting period, we consumed a total of 39,083 kl of domestic water, which was a reduction of 3.7% of our total water consumption. This was achieved through various measures and awareness programs implemented throughout the organization.

Key Highlights

Progress on water management parameters:

Total Water to Net Sales Factor

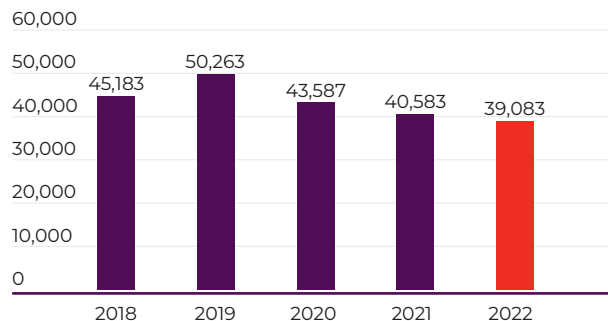
2.57



Graph 5: 5-year Water Consumption Intensity in l/kCHF

Total Water to Production Hours Factor

9.16



Graph 6: 5-year Water Consumption in Kiloliters

Waste Management

We concentrate our efforts on reducing waste generation within our operations and promoting optimal methods for waste segregation and disposal. Our efforts are aimed at contributing to a circular economy and converting waste into resources.

The electrical equipment manufacturing sector is subject to several operational and regulatory issues, since some wastes are governed by rules pertaining to their transit, treatment, storage, and disposal. Waste management remains a vital element for the sector. Due to various operational and regulatory requirements, effective waste management is critical for companies like ours to stay compliant with government regulations, while also protecting the natural environment.

Our effective waste management system comprises two aspects: efficient waste segregation and responsible waste disposal in accordance with the applicable local and federal regulations.

We categorize our waste as hazardous and non-hazardous. Most of the materials used to manufacture our products are made of steel, copper, aluminum, and polyurethane (PU) potting material plastic. When a product reaches the end of its useful life, a large proportion of the materials that have been used in its manufacture can be recovered. Non-hazardous solid waste, such as wood, paper, and cardboard, is collected, segregated appropriately, and disposed of through third-party waste disposal service providers. At our headquarters in Luterbach, PET waste, including bottles, is collected separately and transported to a recycling plant for further processing. We also ensure appropriate storage and disposal of our hazardous waste like e-waste, solder slag, and chemicals through authorized recyclers.

We consider waste reduction as an additional lever to reduce operational costs. We reduced waste generated in our manufacturing facilities by 8% in the year under review compared to the previous year. The proportion of hazardous waste out of the total waste generated rose slightly by 13%.

Key Highlights

Reductions achieved for the waste management parameters

Total Waste Generated^{1,2}

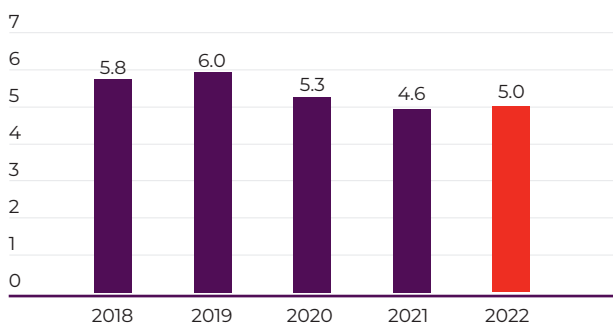
-8%

Total Waste to Net Sales Factor

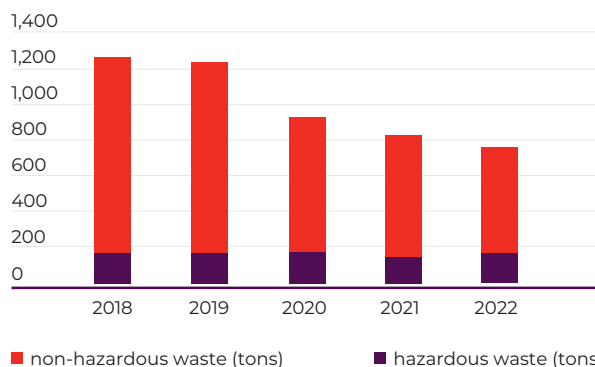
5

¹ Compared to 2020/21.

² The reductions in environmental parameters mentioned above can partly be attributed to the sale of Schaffner's Power Magnetics Division in June 2021.



Graph 7: 5-year Waste Intensity in kg/kCHF



Graph 8: 5-year Waste Bifurcation in Tons

Social



Fostering a Diverse, Safe, and Energetic Culture



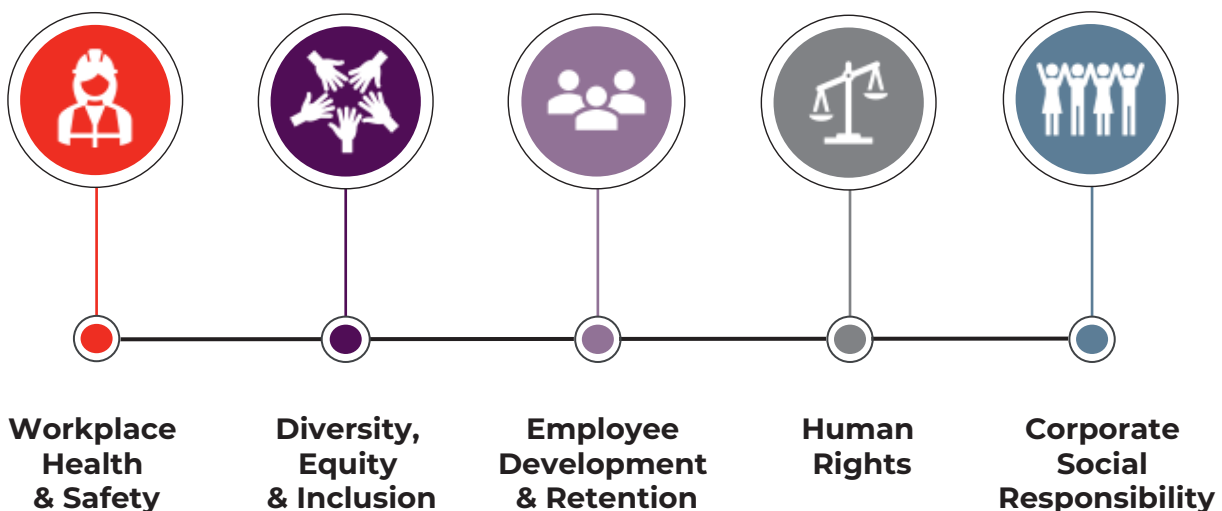
We consider social sustainability as an opportunity to positively contribute to the community where we operate while attracting, nurturing, and retaining skilled employees, thereby reducing the risks of skill shortage and enhancing operational efficiency. We are committed to providing our employees with a safe and inclusive platform that will bring out the best in them. We place a strong emphasis on employee health and safety, employee engagement, DE&I (diversity, equity & inclusion), training & development, and human rights to create short-term and long-term value for our stakeholders.

Being an employee-driven organization that focuses on innovation, we are committed to building a culture of respect, learning, safety, and well-being where our employees feel valued, motivated, and safe. This positive and employee-oriented culture allows us to enhance employee satisfaction and use their full potential to meet customer expectations and enhance our performance.

Our workforce culture is influenced by our presence in multiple countries across three different continents. We are proud of our rich and diverse workforce that brings multiple perspectives and varied expertise. We aim to strike a balance in our workforce, with younger employees' tech-savvy knowledge providing fresh insights while experienced colleagues impart knowledge gained from their extensive experience. Furthermore, we aim to nurture our younger employees and provide them with the requisite skills and tools necessary to become an integral part of the organization.

Our Social Material Topics

Being a socially responsible organization, our social material topics reflect our commitment to our workforce, customers, value chain partners, and society. We are proud of this commitment, and being a pillar for the communities we work in will continue to promote our organization's social values.



Key Highlights for FY 2021/22

**Women in the
workforce at our
production plants**

49%

**Fatalities in the
workplace**

0

**All our facilities are
certified**

**ISO
45001:2018**

**Child and forced labor
cases**

0

**Concerns related to
human rights issues**

0

**Lost Time Accident
(LTA)/250000h**

0.12

Workplace Health & Safety

We believe that employees perform efficiently when they are mentally and physically healthy. We are therefore focusing on creating a safe environment and developing proactive strategies to ensure the health and well-being of our employees.

We consider it our moral responsibility to ensure the safety and well-being of our employees. An appropriate health & safety (H&S) management system allows organizations such as ours to effectively detect and control potential industrial accidents and reduces the direct and indirect costs associated with these accidents. Most importantly, it allows us to improve employee satisfaction and commitment while ensuring legal compliance and facilitating a safe and healthy workplace for employees.

Schaffner recognizes the risks and hazards faced by its workforce engaged in operational activities and understands its role in creating robust systems to conscientiously promote employee health and workplace safety. We are therefore committed to developing proactive strategies to foster our vision of achieving zero harm. As an employee-centric organization, we have formulated our H&S Policy to reflect our commitment to ensuring the health and well-being of our employees. This policy also leads us to develop effective control measures for H&S management across our facilities.

Key Highlights

Fatalities in the Workplace

0

Our Health & Safety Management System

We have aligned our H&S Policy with the ISO 45001:2018 standards to create a robust H&S management system. This system is imperative for our sustainability journey as it shapes our operational activities to potentially alleviate the health and safety risks. It allows us to implement preventive technical or organizational measures to detect and minimize unacceptable health-related risks. This system also ensures our compliance with local H&S-related regulations. As a strong commitment toward our vision of achieving zero harm, our manufacturing facilities in Lamphun, Shanghai, and Luterbach are now also ISO-certified.

Lost Time Accident (LTA)/250000h

0.12

We have defined the organizational structure to oversee the H&S management system and review and maintain our H&S Policy. Our organizational structure strives to achieve zero harm and takes appropriate steps accordingly. As an important element of our system, we periodically inspect and review all our H&S practices, conduct regular safety patrols, verify accident reports, and perform a management review of prevention techniques. We also have active and extensive discussions with our workforce on how to champion their needs. This enables us to identify gaps in the H&S management system and implement corrective actions accordingly.

Our Key Focus Areas

Our H&S management system focuses on the following key aspects:



Our Key Initiatives

We recognize the important role that employees play in powering an organization's system. To ensure their overall good health, we conduct regular medical examinations via specialized medical professionals across all our production sites. Our workplace design focuses on ensuring workers' ergonomic comfort. Supporting aid is provided for lifting heavy weights and for reducing the strain of performing repetitive tasks. Each worker has access to their Personal Protective Equipment (PPE) when required. Furthermore, basic necessities are accessible to all workers, including the contractual workforce. These include access to clean toilets, potable water, and sanitary food preparation. We also strive to cater to the needs of our diverse workforce. Hence, pregnant women are assigned tasks in consideration of their health and well-being.

Some of our key activities include:

- Displaying H&S-related work instructions at the facilities
- Conducting awareness training, including instructions for implementing hazardous processes
- Designing our workplace with ergonomic comfort, safety, and the security of our employees in mind
- Conducting regular safety patrols, measuring accidents and near misses
- Medical examinations for operators on the production sites
- Arranging H&S awareness activities (posters, films, and exhibitions)
- Promoting health activities such as 'An Apple Break', 'Bike to Work', hiking events, lectures on nutrition, and yoga training
- Conducting yearly firefighting and evacuation training on the production sites
- Third-party employees and contractors are also required to follow our H&S regulations and undergo the same safety training
- Our visitors are always escorted by an internal person who is responsible for their safety when they enter our premises

Our Safety Performance

Our strong safety efforts have led us to reduce the overall lost-time accident (LTA) rate by 33% as compared to 2021. We will continue to further reduce the injury rate through rigorous training and enhance our H&S management system.

Description	2021/22	2020/21	2019/20
Fatalities	0	0	0
High-consequence work-related injuries (excluding fatalities)	0	0	0
Recordable work-related injuries	2	3	7
Lost Time Accident (LTA)/250000h	0.12	0.18	0.43

Table 1: 3-year Safety Performance

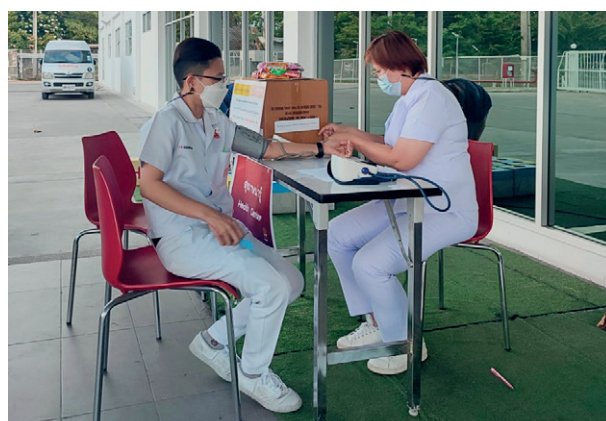
Overhead Crane Safety Training

In May 2022, we arranged a training session on 'how to operate overhead cranes safely'. A training institute delivered the training to our employees who are authorized to work on cranes.



Happy Body Initiative




Health concerns have been rising rapidly due to our changing lifestyle. As our lives become more sedentary, we are prone to diseases whose effects can be controlled through regular check-ups. Since we have a responsibility toward the health of our employees, in June 2022, as part of our Happy Workplace Program, we launched the Happy Body Initiative. Through this initiative, we conducted a blood pressure drive and tested our employees to detect those at a high risk of developing severe health issues like heart attack and stroke.




The Fight against COVID-19

In 2020, the world faced an unprecedented crisis from the novel COVID-19 virus. The global spread and containment of the COVID-19 pandemic both significantly influenced workplaces. Ensuring the safety of our employees was of paramount importance to us. Schaffner's Lamphun, Thailand facility was strongly impacted by the pandemic in October 2021. Our strong efforts against COVID-19 led us to protect our employees and their families while ensuring timely and efficient delivery of our products and services to customers.

Key Initiatives

Activity	Description	
<p>COVID-19 Screening of Employees</p>	<p>After the Songkran holiday, we made it mandatory for all our employees to complete a COVID-19 risk survey and submit it to the HR department a day in advance of coming back to work. This helped contain the spread of COVID-19 among our employees and kept them safe for an extended period.</p>	
<p>Awareness Training for COVID-19</p>	<p>We arranged several educational sessions by professional nurses for our employees where they were given expert advice on taking care of oneself when diagnosed with COVID-19. The session was called 'self-protection and categories of COVID-19 (high risk and low risk)'.</p>	
<p>ATK Testing</p>	<p>To keep the spread of infection low and protect our employees, we offered them free Rapid Antigen Test kits.</p>	

Activity	Description	
Office & Production Facilities Disinfection	COVID-19 could only be countered by maintaining a high level of hygiene. We emphasized and implemented the process of regularly cleaning and disinfecting our workplace, including all surfaces.	
COVID-19 Vaccine 3rd Dose	When the COVID-19 booster doses became available, we took the opportunity to provide our employees with the required doses to increase their immunity against the virus for a longer period.	
Financial Assistance	The pandemic brought upon our employees the additional expenses of masks and sanitizers. To lessen this burden, we provided additional financial support of THB200 per person per month to buy masks and alcohol-based sanitizers.	<div style="display: flex; justify-content: space-between;"> <div data-bbox="994 1128 1165 1167"> <p><small>Schaffner BMC Co. Ltd. Northern Region Industrial Estate 67 Moo 4 Tambon Ban Klang Amphur Muang 51000 Lamphun Thailand P: +66 53 963 304 F: +66 53 963 633 www.schaffner.com</small></p> </div> <div data-bbox="1302 1128 1398 1160"> <p>schaffner <small>MORE POWER TO YOU</small></p> </div> </div> <p style="text-align: center;">Announcement No 62564</p> <p style="text-align: center;">Financial Support for Masks and Alcohol-based Sanitizer</p> <p>-----</p> <p>With the reference to the COVID-19 outbreak situation in Thailand since early 2020 until now, the Company recognizes that each employee has additional expense to buy face masks and alcohol-based sanitizer as part of preventive measures against the disease. Therefore, the Company decides to help lessen the burden by providing additional financial support in the amount of 200 baht per person per month.</p> <p>This additional amount will be included in the payroll under 'others' category, starting in April 2021 until the COVID-19 situation subsides depending on consideration from management based on the information and guideline from the Ministry of Public Health.</p>
COVID-19 Leave	The pandemic changed how we cared for our employees. A COVID-19-infected person required the best care possible and enough recovery time to get back to normal. We therefore offered COVID-19 leave for employees (in home quarantine and infected), as required, without levying financial penalties.	
Work-from-home Measures	Since public transport was no longer safe and contact with a large number of people could increase the risk of infection, we implemented a remote work policy for applicable employees.	

Recognition of the COVID-19 Prevention Team

When the pandemic struck, we took it upon ourselves to respond to the immediate needs of our employees. A few individuals formed the COVID-19 Prevention Team and played a critical role in ensuring the health, safety, and well-being of our employees during the difficult times and circumstances created by the pandemic. In April 2022, we recognized our heroes who responded beyond their call of duty. We are grateful to them and hope that their passion to help extends to the rest of our teams.



Employee Engagement

We value our employees equally and fairly and provide a welcoming, secure, and inspiring work environment that supports their skills and encourages growth.

We consider employee engagement as an opportunity to develop a workplace culture where employees feel more comfortable, confident, connected, and dedicated to our commitments and values. Employee engagement also allows us to enhance our productivity, improve retention rates, and enhance customer satisfaction. Our Human Resources (HR) department plays a pivotal role in ensuring employee engagement at all levels. We aim for our employees to have the right skills, knowledge, and work environment to perform at their best. Our aspirations are for all our employees to be engaged, empowered, and committed to the organization's success.

At Schaffner, our constant emphasis on encouraging innovation in business has produced a supportive workplace that generates business value while retaining the team's cohesion, engagement, and commitment. We appreciate how the workforce has improved our capacity to generate additional value for all stakeholders. We work to improve our employees' job satisfaction as well as productivity by supporting their professional and personal goals through strategic welfare initiatives. As our workforce continues to provide its invaluable assistance in managing and expanding the business operations globally, we will continue to make conscious efforts to provide a comfortable workplace for them.

New Happy Workplace Programs

In October 2022, Schaffner initiated new workplace programs for employees by involving them in various activities to improve and maintain their work-life balance for the coming year. We developed several activities to help employees fully understand the objectives and expectations of Happy Workplace Programs. To promote these programs, we arranged an exhibition at our canteen and recreational areas to give them an understanding of a 'happy' workplace.



Through this initiative, we are focusing on five different programs: Happy Brain, Happy Heart, Happy Relax, Happy Family, and Happy Soul.

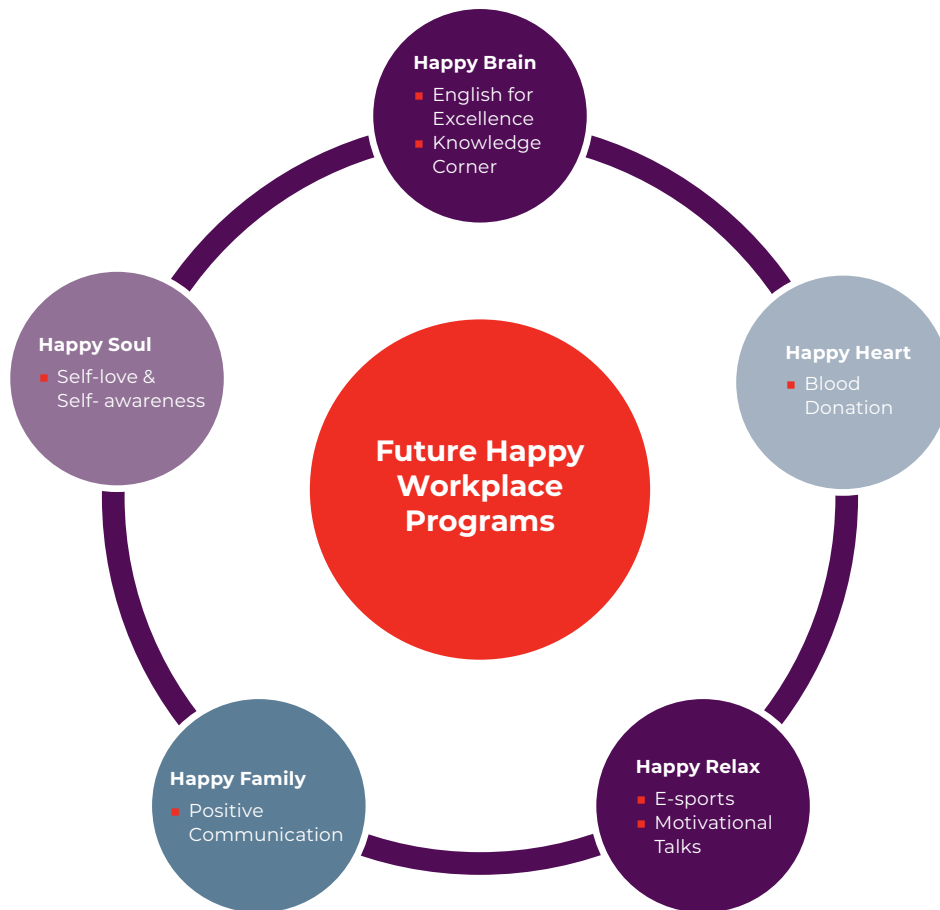


Figure 2: Future Happy Workplace Programs

Happy Soul Activity – Buddhist Lent Day

On July 12, 2022, we encouraged our employees (i.e. those in Thailand) to participate in a retreat to understand the teachings of Buddha and the principles of Buddhism. Our employees also took part in candle making, which is an important activity performed on Buddhist Lent Day.



Money Management Program

In June 2022, we conducted a Money Management Program for our employees to enhance their knowledge about savings, budgeting, and spending. This program emphasized the importance of saving for emergencies and retirement and showed employees ways to track their spending.



Employee Development & Retention

Our success and market dominance are largely attributable to the talent and skills of our workforce. Our organization and its leadership consistently aim to provide employees with opportunities to advance their skills through various learning & development programs.

We believe training & development is an opportunity to promote innovation, gain and retain talent, enhance job satisfaction and morale, and improve organizational productivity. It also allows us to empower our employees, boost engagement, and develop future leaders. Our HR department plays a crucial role in achieving these important aspects. The department recognizes the needs and requirements of our employees and develops training programs and activities to keep them motivated throughout their journey with us. Furthermore, the HR department acts as a bridge between our top management and employees to facilitate an effective communication channel and open discussion on relevant topics.

We have developed a learning culture that promotes ongoing, intentional learning to help employees reach their full potential through excellent initiatives and professional development opportunities. Through diverse learning & development programs, we ensure that our workforce keeps up with the most recent best practices associated with continuously evolving technology. We have arranged language courses in German and English to foster employee integration and facilitate cohesive work across international borders. We also encourage our employees to engage with their managers to discuss development opportunities. We further provide functional, technical, and behavioral training to employees in line with the training needs assessment.

Furthermore, we conduct periodic evaluations to identify any skill gaps and performance issues of our employees. Our performance appraisal system led by our HR department provides a 360-degree feedback to our employees, develops action plans, and sets training and appraisal goals to achieve the desired performance and further strengthen it.

Our Key Programs

In February and August 2022, we conducted the following programs:

Managerial Development Program

We arranged a Managerial Development Program for our Thailand facility's middle management. The purpose of this program was to enhance our managers' knowledge about the dynamic leadership landscape and enhance their ability to manage themselves and their staff for better collaboration and team management. This program allowed our managers to understand the mindset required for effective leadership, working within and across teams, building trust, promoting psychological safety within the organization, and acquiring important communication skills required for optimal team development.



Leadership Development Program

We arranged a Leadership Development Program for our Thailand facility's top management. This program particularly focused on improving coaching, mentoring skills and the effective use of Non-violent Communication (NVC). This program led our top management to develop their communications skills for successfully managing diverse team structures.

Shanghai Managerial Leadership Program

In August 2022, we launched a program for managers that helped them develop leaderships skills on the three dimensions of 'leading myself', 'leading others', and 'leading business'. Three online sessions were conducted for a total of three months with the help of a mentor who guided the leaders with a practical exercise. A reflection session with the participants, local management, and headquarters was held after the program. Teams and participants who had shown very high levels of commitment and dedication to the program received an award as a token of appreciation. We hope to convert the theoretical experience into practical benefits and reap rewards in the form of better management capabilities.

Diversity, Equity, and Inclusion

We are devoted to maintaining a work environment devoid of harassment and illegal discrimination. We do not discriminate based on age, race, color, gender, sexual orientation, gender identity and expression, ethnicity or national origin, protected genetic information, pregnancy, religion, political affiliation, union membership, veteran status, or marital status in our hiring and employment practices or for wages, promotions, rewards, and access to training. We are focused on embracing diversity and promoting inclusiveness in the workplace, and our corporate culture is characterized by respect, tolerance, and team spirit.

Diversity, equity, and inclusion are critical aspects that allow us to attract people with different backgrounds, skills, and knowledge and develop a culture where everyone feels equal and respected. A diverse culture enables Schaffner to enhance innovation, decision-making abilities, and the productivity of our businesses. It also develops a sense of belonging among employees.

We therefore believe that a diverse and inclusive workforce is critical for our long-term business success. We are committed to developing a diverse and inclusive culture that attracts, retains, and nurtures our valuable talent. Our top management and the HR department play critical roles in aligning diversity and inclusion-related initiatives with our values and recruitment process.

Key Highlights

Total Employees

1,821

Female Employees

46%

**Female R&D Employees
in the Industrial Division**

16%

As of June 30, 2022, our total employee count was 1821, of which 46% are female employees. Our diverse employees bring us wide-ranging skills, perspectives, and experiences from various backgrounds, which leads us to better understand the expectations of customers around the world and deliver exceptional customer service. For example, at our Swiss headquarters in Luterbach, employees

from 13 nations work together and bring their unique perspectives to the work process. Furthermore, we also arrange recognition & reward programs that encourage our employees to celebrate their strengths and build a supportive and inclusive work environment. Diversity and inclusion criteria have also been incorporated into our hiring practices.

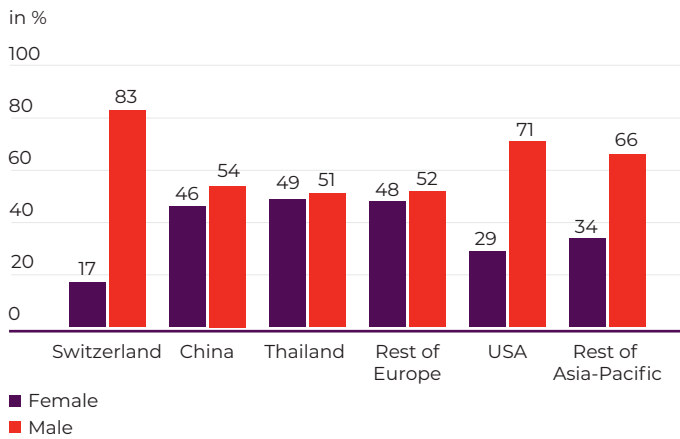
We also encourage our employees to proactively balance their work and life by providing benefits such as parental paid leaves in accordance with Swiss regulations and respective geographic jurisdictions.

	2021/22	2020/21	2019/20	2018/19
Number of employees	1,826	1,739	2,180	2,422

Table 2: 4-year Employee Count

Country/Region	Number of employees on 30.09.2022	Female	Male
Switzerland	98	17	81
China	198	93	105
Thailand	1,421	700	721
Rest of Europe	60	25	35
USA	17	5	12
Rest of Asia-Pacific	32	11	21
Total	1,826	851	975

Table 3: Total Workforce Gender Diversity by Region



Graph 9: Workforce Gender Diversity Percentage by Region

Remuneration Equity

According to the Swiss Constitution, employers are obligated to ensure pay equity, whereby men and women must receive equal compensation for equally valuable work. As part of a pay equity analysis, the pertinent facts are examined by an impartial party to ensure that this principle is upheld. This outside evaluation has demonstrated that Schaffner upholds the tenet of equitable compensation for comparable labor.

Labor Day Activity

We are a proud ally of the LGBTQ community and support their efforts to gain recognition and establish their rights in our society. In 2018, our LGBTQ employees played an active part during the Labor Day festivities in Thailand.



Schaffner Idol Contest

In 2019*, we arranged the Schaffner Idol Contest as part of our annual function. We promote activities such as the Idol Contest to encourage social interactions between diverse groups, thereby enhancing relationships between our employees. Our LGBTQ employees are active participants in these events and play an important role in our diverse corporate culture.



*While the Schaffner Idol Contest was not organized in 2020, 2021 and 2022 due to the pandemic, we plan on resuming the event in December 2023.

Human Rights

It is the right of every person to be treated fairly and with utmost respect while performing their duty. We believe it is our responsibility to ensure that every person across our value chain should have access to a work environment that upholds all moral and ethical values and is compliant with all regulatory requirements. Preventing any cases of human rights violation is a top priority for Schaffner and its stakeholders, and we have made a strong commitment to this throughout our value chain.

Our human rights policies and guidelines are aligned with international standards and updated constantly. We are committed to the United Nations Guiding Principles on Business and Human Rights (UNGPs). UNGPs are the global standard to prevent and address the risk of adverse impacts

on human rights linked to business activity. Our Integrity Code of Business Conduct and Ethics outlines our approach to human rights. As stated in our Code, Schaffner has zero tolerance for illegal and immoral practices like child labor, forced labor, modern slavery, and human trafficking. We do not hire or engage in any form of child and forced labor across our organization. We are committed to integrating the elements of human rights into our policies, procedures, and ethics training, and we emphasize this as a top priority to ensure clarity in the minds of all employees. We expect our suppliers, third-party contractors, and business partners to follow and abide by the terms and conditions stated in the Code. To date, we have not received any complaints or claims regarding child or forced labor in our operations and supply chain from any internal or external stakeholders.

Key Highlights

Cases of child and forced labor

0

Concerns related to human rights issues

0

Governance

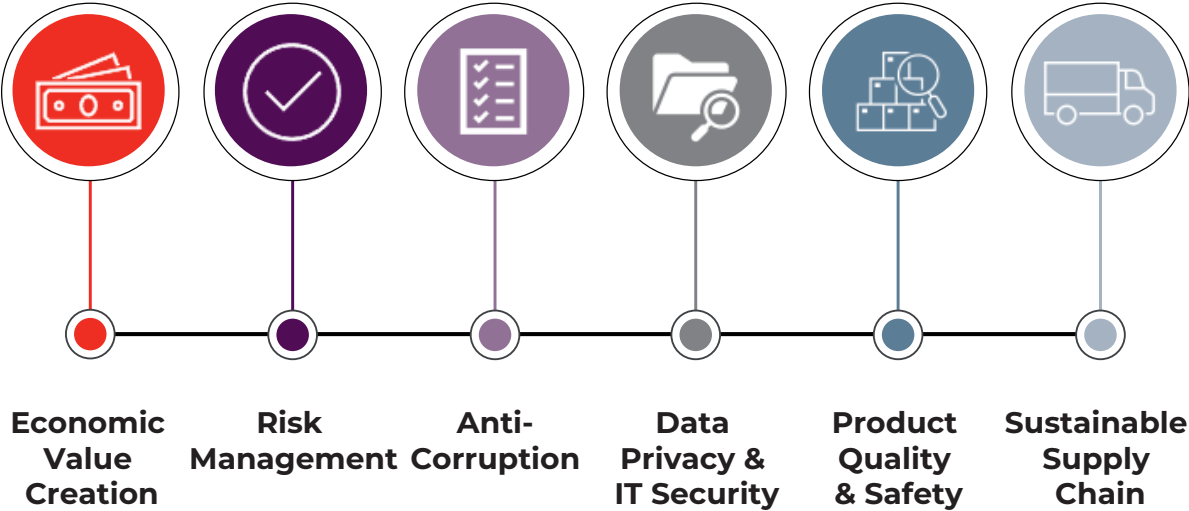


Leading with Responsible Governance



At Schaffner, the concept of governance encompasses a wide range of goals, policies, and related mechanisms that lead us to build strong relationships with our stakeholders and maintain our reputation as an ethical and responsible company. It also guides us to strike a balance between our environmental, social, and economic priorities and stakeholders' expectations.

Our Governance Material Topics



Key Highlights

Net sales in CHF

158.2m

Tax paid to the
government in CHF

1.8m

Board committee
meetings

8

Corruption-/bribery-
related cases

0

Value generated for
employees in CHF

46.8m

Data privacy & IT
security breaches

0

Corporate Governance

We believe that a successful and sustainable organization is built on a strong governance structure. Therefore, we have developed a robust governance framework that considers the long-term interests of all our stakeholders and aligns with our business activities.

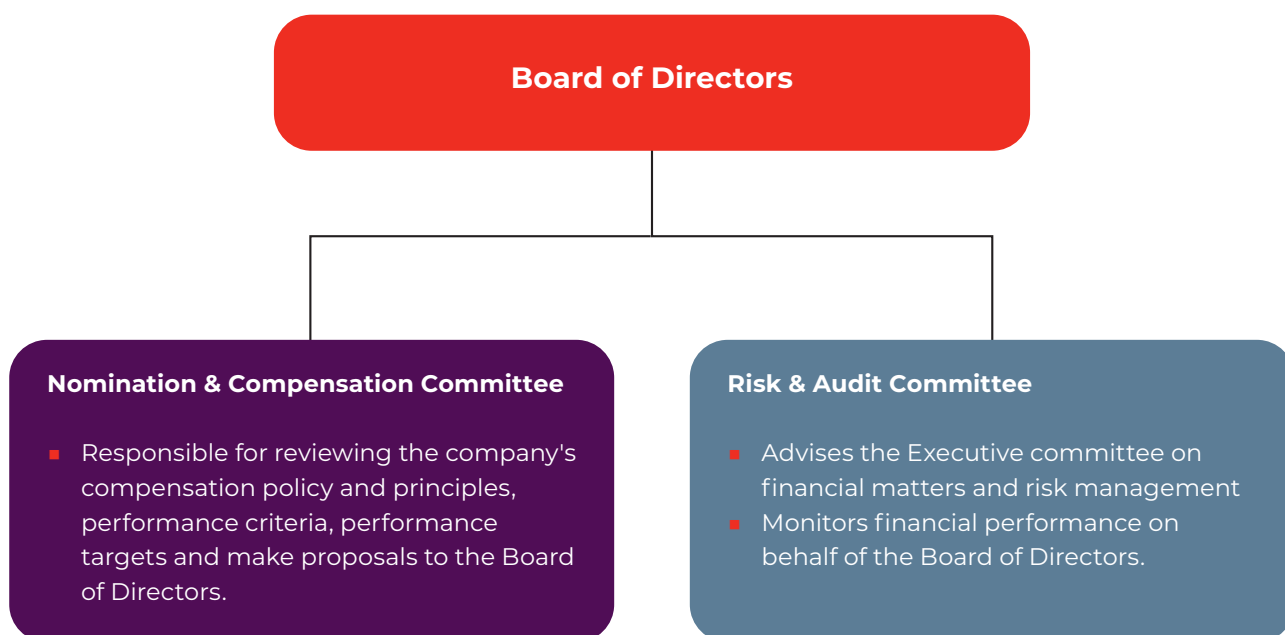
Good corporate governance secures sound decision-making through various policies, internal controls, and practices. A company culture of integrity is fostered by strong and effective corporate governance, which promotes excellent performance and a long-term profitable enterprise. It serves to promote accountability across all staff members and groups inside the organization, aiming to avert errors before they happen.

In the best interest of all stakeholders, Schaffner places high value on accurate financial reporting,

strictly defined responsibilities and accountable behaviors. We also adhere to the Swiss Code of Best Practice for Corporate Governance requirements and are listed on the SIX Swiss Exchange.

Governance Structure

A strong governance structure defines the roles and responsibilities of our management and facilitates the effective use of organizational resources to enhance performance and create value. This enables us to build and maintain a strong relationship between our management and the key stakeholders. Furthermore, our governance framework aims to transparently include all our internal and external stakeholders in our decision-making process and support the development of an inclusive and ethical business.



Board of Directors

The Board of Directors of Schaffner Holding AG is responsible for determining Group strategy. It reviews the Group's overarching plans and objectives and identifies internal and external risks and opportunities. Decisions on matters within the Board's non-delegable and inalienable responsibilities defined in article 18 of the Articles of Asso-

ciation and section 716a of the Swiss Code of Obligations are reserved for the Board. The Schaffner Group fulfils all the legal and regulatory requirements in Switzerland and follows the Swiss Code of Best Practices issued by Economiesuisse, the Swiss business federation. For more information about our Board of Directors, refer to 'Board of Directors' on page 29 of the 2021/22 Annual Report.

Board Diversity

Female

25%

Male

75%

Number of Directors (by Age Group)

45–60 years

1

Above 60 years

3

Board Performance

Board attendance

100%

Average tenure of all directors

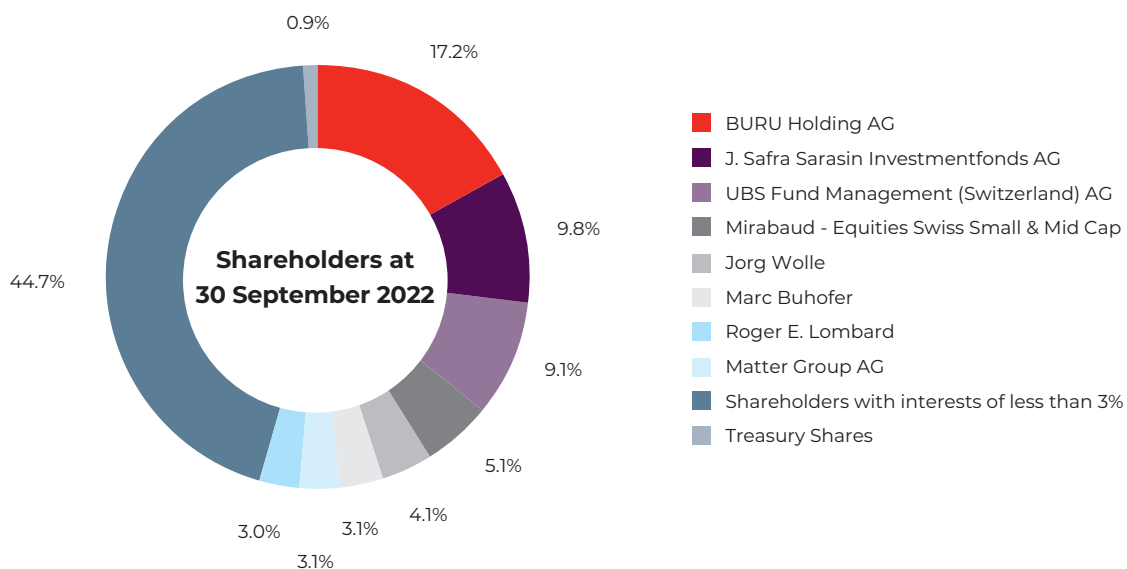
5 years

Compensation

The Nomination and Compensation Committee has developed and adopted a compensation policy for the members of the Board and the senior management. The factors considered are individual performance and individual targets, the company's performance, and recent compensation trends in the industry (Refer to the 'Compensation Report' on page 51 of the 2021/22 Annual Report).

Shareholding Pattern

The anchor shareholder group Buru Holding AG held 17.2% of the capital as of September 30, 2022. A further 37.2% are held by other long-term-oriented shareholders, each of whom holds 3% or more of the shares. The remaining 45.6% are held by public shareholders (including institutional shareholders or financial bodies) and treasury shares.



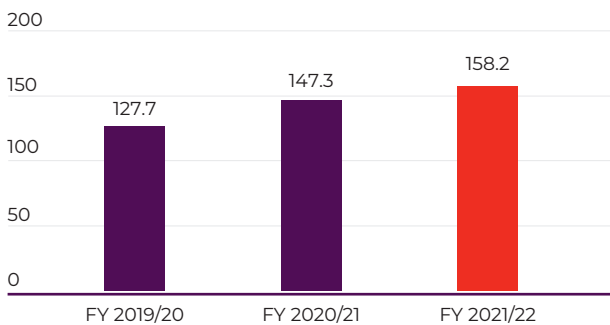
Graph 10: Shareholding Pattern of Schaffner Group

Economic Value Generated and Distributed

We prioritize providing lasting value to our clients and the larger community of stakeholders, despite obstacles like market volatility.

Strong financial success enables us to expand our research and bring forward innovative products that ensure future cashflow into our company. We operate ethically and adopt the best industry practices to improve our business performance while creating value for our stakeholders. Furthermore, our operations help us give back to the community through direct and indirect employment opportunities. In 2021/22, our revenue was reduced by 8.23% to 158.2 million as we discontinued our power magnetics division.

Our employees are the key assets to our continuous growth. We distributed a significant portion of the value created, 30% to our employees, paid directly or indirectly 3.6% is available for distribution to shareholders (subject to their approval at the Annual General Meeting). We did not receive any financial assistance from the governments of the areas in which we operate.

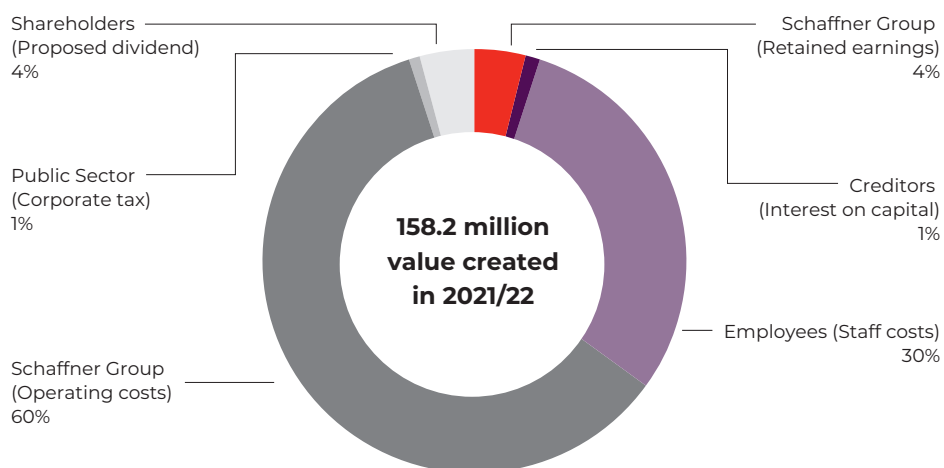


Graph 11: 3-year Net Sales in CHF Million¹

¹ Numbers do not include sales from the Power Magnetics Division, which was sold in June 2021.

	Unit	FY2021/22
Direct Economic Value Generated (A)		
Net Sales	CHF million	158.2
Other Income	CHF million	0
Economic Value Distributed (B)		
Operating Costs	CHF million	96
Employee Salaries & Benefits	CHF million	46.8
Payment to Capital Providers (Net)	CHF million	1.2
Payment of Shareholders' Dividend	CHF million	5.7
Payment to the Government (Tax Payment)	CHF million	1.6
Economic Value Retained (A-B)	CHF million	6.9

Table 4: Economic Value Distribution for FY2021/22



Graph 12: Distribution of Economic Value Generated among Various Stakeholders for FY2021/22

Risk Management

We are aware that our business could be exposed to various risks. The Group therefore has a robust and effective risk management strategy, which allows us to safeguard our operations from such risks.

As a global corporation, our risks arise from factors such as the dynamic market, supply chain disruption, currency fluctuation, rising inflation, damage to reputation, etc. To avoid any impact on our brand, our Risk and Audit committee developed a robust risk management process which takes into consideration the dynamic business environment and stakeholder consultation to design suitable mitigation measures. These ensure the smooth ex-

ecution of our strategy and enhance our capacity to produce long-term value for our stakeholders. The Board and its committees are tasked with overseeing matters of considerable importance, which are divided by the risk characteristics. Our approach to risk management comprises the following 4-step process:

To identify and assess our exposure to potential risks, we conduct periodic risk assessments. These risks are evaluated for their potential impact on the business and prioritized accordingly. The committee, on behalf of the Board, creates a suitable mitigation plan to tackle the identified risks, after which it is continuously monitored.

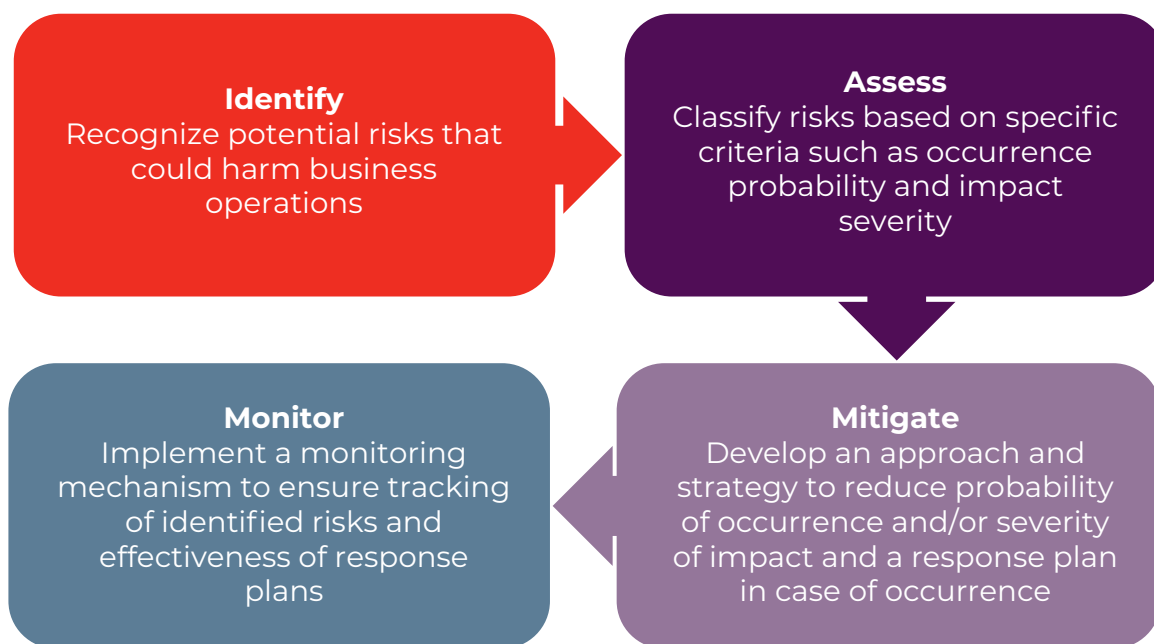


Figure 3: 4-Step Approach to Risk Management

Business Conduct, Ethics, and Integrity

We are committed to the highest standards of integrity and legal compliance. Therefore, we have adopted an Integrity Code that outlines the conduct necessary to uphold the highest standards of corporate behavior. Our Integrity Code can be viewed on our company's homepage.

Our Integrity Code

The Integrity Code sets our expectations of every employee and business partner worldwide regarding social responsibility, environmental protection, business ethics, health and safety, legal and statutory regulation compliance, data & information security, and intellectual property. We have devel-

oped this Code based on our values of openness, ownership, leadership, customer focus, and passion. We do not tolerate any unethical business behavior or illegal practices by our employees as well as our business partners.

In addition, we have adopted the Code of Conduct of the Responsible Business Alliance (RBA) to support continuous improvement in the social, environmental, and ethical responsibility of the supply chain. We expect that all our Group companies ensure safe working conditions in our supply chain and that the workers are treated with respect and dignity, along with carrying out environmentally responsible business operations.

Policies That Drive Us

Whistle-blower Policy	Harassment & Non-discrimination	Conflicts Mineral Policy
Remuneration Policy	Board Compensation Policy	Political Contributions
Anti-corruption Policy	Insider Trading Policy	Quality Policy
RoHS Declaration of Conformity	Data & Information Security Policy	

Anti-corruption

We have a controlled, succinct, and transparent approval process for gifts, entertainment, and expenses, ensuring that our employees never exceed the limits set in the Schaffner Anti-corruption Policy. Gifts and entertainment should be offered as an act of appreciation, friendship, or hospitality. Any employee can submit any corruption-related complaints, including internal tips and compliance violations, to our Business Ethics Committee. An impartial team consisting of the Chief Financial Officer, the Head of Global Human Resources, and the Head of Global Quality reviews and processes these complaints.

Corruption-/bribery-related cases

0

Harassment and Non-discrimination

We are committed to creating a workplace free of harassment and illegal discrimination. We do not discriminate based on race, color, gender, sexual orientation, gender identity and expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, veteran status, protected genetic information, or marital status. We regularly communicate our harassment and non-discrimination policies to all our employees and relevant stakeholders. Our employees can anonymously lodge any complaint or report misconduct, using various mechanisms. We maintain confidentiality, anonymity, and the protection of suppliers and employees who come forward with any information related to harassment and illegal discrimination, unless required by law to disclose. We have a personnel-run communication structure in place so that any issues may be voiced without the fear of reprisal. The notification office for whistle-blower tips can be reached at ethics@schaffner.com

Contributions to Political, Religious, or Ideological Organizations

We are strictly neutral in the matters of politics, religion, or ideologies. Therefore, no contributions are permitted that can be understood as supporting the cause of any such political parties, party officials, candidates, organizations, or individuals.

Cases of harassment or discrimination

0

Data Privacy & IT Security

Data privacy and IT security have become crucial components of our business and a part of our corporate governance framework as we move toward digitization. We are dedicated to preventing complex cybercrimes and illegal access to our clients' sensitive information and communications.

Cyber risks arising from phishing, ransomware, malware, security breaches, etc. are a serious area of concern for Schaffner, leading us to increase our focus on data privacy and IT security.

To safeguard the security of systems and the data stored in them, we have put in place a comprehensive and effective IT security system and comply

with all applicable privacy laws. In order to prevent unauthorized access, we have put in place administrative, technical, and physical precautions inside our systems and regularly test the effectiveness of our security and disaster-recovery mechanisms. As a demonstration of our digital responsibility to our stakeholders, including customers, consumers, and regulators, we have implemented a TISAX®-compliant information security management system to prevent information security breaches and cyber-attacks and ensure swift recovery from a disruptive event. Additionally, the leadership of Compliance, Security, and Operations collaborates to offer ad hoc training in response to issues that have been recognized as patterns in a specific risk area or uncertain situations.

Data privacy & IT security breaches

0

Automotive Information Security Management

TISAX®

Product Quality and Safety

We pride ourselves in providing superior quality products and services that meet and exceed our customers' expectations. We strive to continuously improve in delivering products and services that are consistently safe, defect-free, on time, and at competitive prices.

Our constant learning and innovation combined with operational excellence and superior production practices are key to customer satisfaction. Our organization meets the requirements of the ISO 9001 certification standards, ensuring that we consistently provide products that meet and exceed

customer and applicable regulatory requirements. Being an integral supplier of parts for our automotive clients, we are also IATF 16949-certified, which addresses critical aspects such as process efficiency, defect prevention, customer satisfaction, and supply chain optimization. To ensure reliability and consistency, all our products are thoroughly tested in our ISO/IEC 17025:2017-certified lab, thereby promoting customer confidence. We manage quality issues with utmost care and train and develop our employees to meet the highest level of customer expectations, which is reflected in the **Quality Policy**.

Our Certifications

Quality Management System

**ISO
9001:2015**

Automotive Quality Management System

**IATF
16949:2016**

Accredited Test Lab

**ISO
17025:2017**

Restriction of Hazardous Substances

The Schaffner Group has committed to the Restriction of Hazardous Substances (RoHS) policy that lays down the rules regarding restrictions on the use of certain hazardous substances in electrical and electronic equipment (EEE), in order to contribute to the protection of human health and the environment.

Schaffner RoHS declaration of conformity

Conflict Mineral Policy

According to Swiss regulations, companies with a registered office, headquarters, or a principal place of business in Switzerland are required to develop a supply chain policy by January 1, 2023, and ensure compliance with the new due diligence requirements for importing conflict minerals such as tin, tantalum, tungsten, and gold. We support the Conflict Mineral Policy to ensure that it does not directly or indirectly finance or benefit armed groups through mining or mineral trading in the Democratic Republic of Congo (DRC) and the adjoining countries.

California Proposition 65

Schaffner Group supports Proposition 65, which requires states to keep an up-to-date list of chemicals that are known to be carcinogenic or teratogenic to humans. Businesses must notify Californians about exposure to such chemicals. This proposition also safeguards the state's drinking water sources from being contaminated with substances known to cause cancer, birth defects, or other reproductive harm.

Toxic Substances Control Act

Schaffner has also agreed to abide by the rules established by the Toxic Substances Control Act (TSCA), which covers the following topics:

- Controls on the import of chemicals
- Commercial chemical research
- Significant chemical risks and/or adverse chemical reactions found through research

REACH

The Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) regulation was implemented to streamline and improve the former legislative framework on chemicals of the European Union (EU). REACH places greater responsibility on the industry to manage the risks that chemicals may pose to human health and the environment. Schaffner monitors REACH regulation, investigates, and acts accordingly in case of a new update.

Sustainable Supply Chain

We consider supply chain management essential for reducing financial risks and operating ethically. Our suppliers are an integral part of our success and ESG journey. We work closely with them to raise their level of sustainability maturity and performance.

Our effort toward a sustainable business is reflected in our sustainable supply chain practices, especially the multi-tier Thai and Chinese suppliers that our business partners with. Our suppliers are expected to adhere to our Integrity Code as applicable. Additionally, we expect our suppliers to hold their suppliers to the same high standards regarding managing risks in their businesses.

We audit our suppliers based on the following criteria:

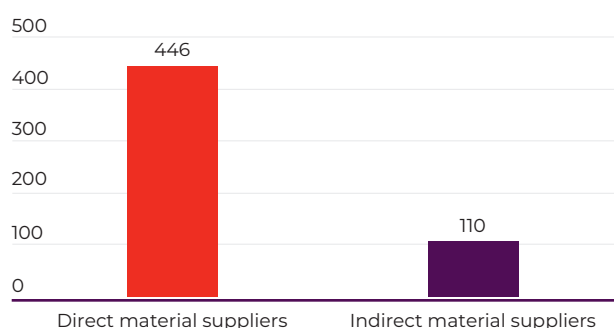
- Suppliers must uphold Schaffner's commitment to social responsibility and diversity, which includes human rights, forbidding the use of child labor or forced labor, freedom of association, and freedom from harassment and discrimination
- Suppliers must acknowledge and conduct their businesses ethically by implementing anti-corruption, -extortion and -bribery, conflict of interest, and whistle-blowing policies
- In addition to abiding by the applicable health and safety laws, suppliers are also required to maintain a safe and healthy work environment for their representatives and employees
- Suppliers must follow the legal and statutory law regarding restricted substances, economic sanctions, and conflict minerals
- All suppliers must comply with environmental protection laws and regulations, keeping in check their carbon footprint and pollution from hazardous substances
- Data privacy and the protection of intellectual property rights are also key points in the selection criteria for suppliers

Our Engagement Approach

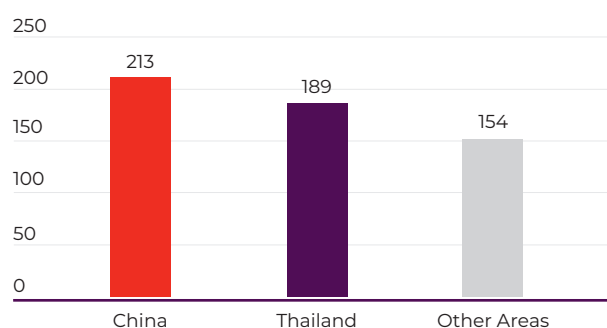
Timeframe	Activities Undertaken in FY 2021/22
Monthly	<ul style="list-style-type: none"> Sourcing conference to review projects, costs, and supply chain developments
Quarterly	<ul style="list-style-type: none"> Supplier quality and sourcing conference to review KPIs, supplier scores, and audit/visit plans, and share the lessons learned
Biannually	<ul style="list-style-type: none"> Reporting to the management on supply and cost trends Conference with R&D and sourcing to discuss joint projects, market trends, and product roadmaps Key vendor risk assessment
Annually	<ul style="list-style-type: none"> Key material risk assessment
As required	<ul style="list-style-type: none"> Task force established to manage crises, including the lockdown in Shanghai, Force Majeure and the conflict in Ukraine The establishment of a quality task force for updating compliance with regulations, such as new requirements on RoHS, US TSCA, and Europe packaging

Supplier Coverage & Spending

Our supplier base consists of 556 suppliers across all operations and facilities. The distribution of suppliers is as follows:

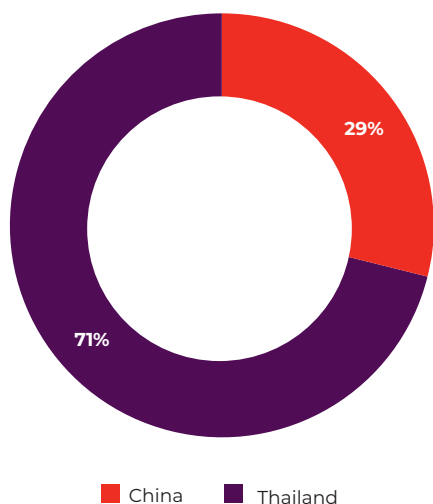


Graph 13: Distribution of Direct & Indirect Material Suppliers

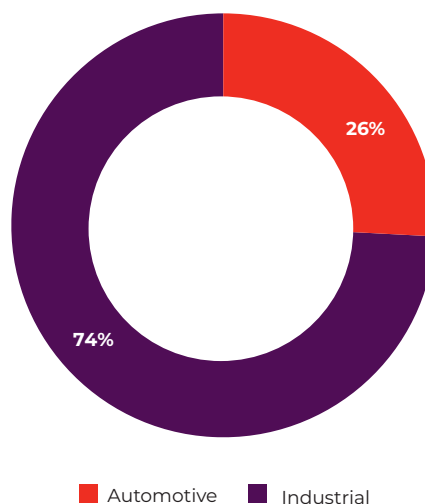


Graph 14: Geographic Distribution of Suppliers

The distribution of our supplier spending is as follows:



Graph 15: Distribution of Supplier Spending by Production Unit



Graph 16: Distribution of Supplier Spending by Business Division

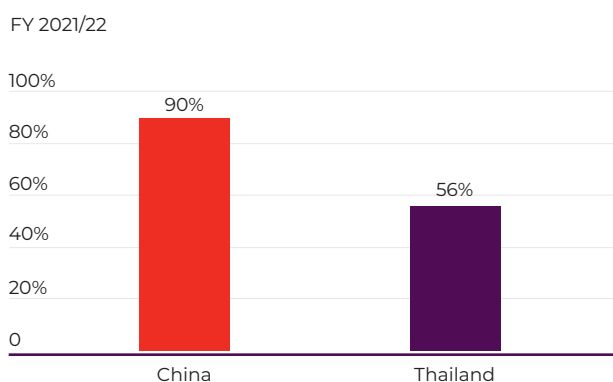
Sustainable Supply Chain Framework

Building a sustainable supply chain heavily depends on our ability to identify and recognize ethical suppliers. Operations may be disrupted due to unethical suppliers, which lowers an organization’s ability to serve its customers. Schaffner is working to create a robust supply chain sustainability framework for its operational teams by including comprehensive environmental and social sustainability criteria in the supplier selection process.

In 2021/22, we recruited four new suppliers (two from Thailand and two from China) based on our environmental and social sustainability criteria. We also conducted a pilot study through which we assessed our critical suppliers on certain environmental and social criteria. None of our critical suppliers were found to have any uncharacteristic environmental and social impacts from their business activities.

Supporting Local Suppliers

We recognize our obligation to support and develop local businesses in our industry. By developing a local supplier network and sourcing local goods and services, we hope to create sustainable livelihoods through our operations. The proportion of spending on local suppliers is as follows:



Graph 17: Proportion of Supplier Spending on Local Suppliers

Sustainable Materials

We are committed to enhancing the share of sustainable materials in our total material consumption. This allows us to decrease our business's negative impact on the environment by mitigating the damage caused during the extraction of new materials and by using recyclable materials that consume less energy during the recycling process. We will continuously reassess and incorporate more sustainable materials in the design and manufacturing of our products.

In our manufacturing process, we predominantly use copper and aluminum, two of the most recycled materials on the planet. Copper and aluminum can be recycled infinitely and the process of claiming these materials from recycling consumes considerably less energy than their extraction from virgin ores.

Appendices

GRI Index

Indicator Number	Indicator Description	Section, Page Number	Remarks
GRI 102: General Disclosures 2016			
Organizational Profile			
102-1	Name of the organization	About the report, Pg.	
102-2	Activities, brands, products, and services	About Schaffner, Pg.	The Schaffner Group is a global leader in EMC filter solutions for high-potential industrial markets and electromobility. The Group's portfolio includes EMC filters, electromagnetic components, power quality filters, and related services. Schaffner's products protect power electronic systems in industrial applications, such as machines and robotics, medical technology, building-systems engineering, and electrical infrastructure against interference from the electricity grid. In electric and hybrid vehicles, Schaffner EMC filters prevent interference in the on-board power electronics and ensure reliable operation. For the automobile industry, Schaffner also develops and manufactures antennas for keyless authentication systems.
102-3	Location of headquarters	Geographic presence, Pg.	
102-4	Location of operations	Geographic presence, Pg.	
102-5	Ownership and legal form		Schaffner Holding AG is a public limited company incorporated in Switzerland and has its registered office in Luterbach. On September 30, 2022, the share capital consisted of 635,940 ordinary registered shares with a total nominal value of CHF 20,668,050. On September 30, 2022, there were 1,047 shareholders registered with voting rights in the share register of Schaffner Holding AG (prior year: 1,099). Of the total issued shares, 0.9% were held by Schaffner Holding AG as treasury shares (prior year: 0.9%). On September 30, 2022, shares of unregistered owners amounted to 12.5% of the issued shares (prior year: 14.9%).
102-6	Markets served	Business focus, Pg.	
102-7	Scale of the organization	Diversity, equity, and inclusion, Pg.	
102-9	Supply chain	Sustainable supply chain, Pg.	

GRI Index

102-10	Significant changes to the organization and its supply chain		The COVID-19 pandemic had a significant impact on Schaffner's operations. Therefore, the Group focused on expediting localization and alternative sources development in different regions. The Schaffner Group set up a new SOU, leveraged local PRU resources for global material responsibilities, merged a divisionalized sourcing team, set up the 4-eye rule, and developed an Indirect material sourcing team for an expert approach. The Group is also focused on identifying cost drivers, cost breakdown, and inventory control.
102-11	Precautionary principle or approach	Risk management, Pg.	
102-12	External initiatives		UN Global Compact, yearly COP
Strategy			
102-14	Statement from senior decision-makers	CEO message, Pg.	
102-15	Key impacts, risks, and opportunities	Risk management, Pg.	
Ethics and Integrity			
102-16	Values, principles, standards, and norms of behavior	About Schaffner, Pg.	
102-17	Mechanisms for advice and concerns about ethics	Business conduct, ethics, and integrity, Pg.	
Governance			
102-18	Governance structure	Corporate governance, Pg.	
102-19	Delegating authority	Corporate governance, Pg.	
102-22	Composition of the highest governance body and its committees	Corporate governance, Pg.	
102-23	Chair of the highest governance body	Corporate governance, Pg.	
102-26	Role of highest governance body in setting purpose, values, and strategy	Corporate governance, Pg.	

GRI Index

Stakeholder Engagement			
102-40	List of stakeholder groups	Stakeholder management, Pg.	
102-42	Identifying and selecting stakeholders	Stakeholder management, Pg.	
102-43	Approach to stakeholder engagement	Stakeholder management, Pg.	
102-44	Key topics and concerns raised	Stakeholder management, Pg.	
Reporting Practice			
102-45	Entities included in the consolidated financial statements		Annual Report
102-46	Defining report content and topic boundaries		
Materiality assessment, Pg.		CEO message, Pg.	
102-47	List of material topics	Materiality assessment, Pg.	
102-48	Restatements of information		There has been no restatement of information for the reporting period.
102-49	Changes in reporting		No changes
102-50	Reporting period	About the report, Pg.	
102-51	Date of most recent report	About the report, Pg.	
102-52	Reporting cycle		Annually
102-53	Contact point for questions regarding the report		Please contact karin.wyss@schaffner.com for any query or feedback on the report.
102-54	Claims of reporting in accordance with the GRI Standards	About the report, Pg.	
102-55	GRI Content Index		GRI Index
102-56	External assurance		We did not seek the support of any third-party assurance service provider to assure this report.

GRI Index

GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundary		Each chapter, wherein material topic is discussed.
103-2	The management approach and its components		Each chapter, wherein material topic is discussed.
GRI 201: Economic Performance 2016			
201-1	Direct economic value generated and distributed	Economic value generated and distributed, Pg.	
201-4	Financial assistance received from the government		We did not receive any financial assistance from the government during the reporting period.
GRI 204: Procurement Practices 2016			
204-1	Proportion of spending on local suppliers	Sustainable supply chain, Pg.	
GRI 205: Anti-corruption 2016			
205-1	Operations assessed for risks related to corruption	Anti-corruption, Pg.	
205-2	Communication and training about anti-corruption policies and procedures	Anti-corruption, Pg.	
205-3	Confirmed incidents of corruption and actions taken	Anti-corruption, Pg.	None reported during this reporting period.
GRI 206: Anti-competitive Behavior 2016			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		None reported during this reporting period.
GRI 301: Materials 2016			
301-1	Materials used by weight or volume	Sustainable supply chain, Pg.	Currently, we are in the process of measuring this data, which we will disclose subsequently.
301-2	Recycled input materials used	Sustainable supply chain, Pg.	

GRI Index

GRI 302: Energy 2016			
302-1	Energy consumption within the organization	Energy management, Pg.	
302-2	Energy consumption outside of the organization	Energy management, Pg.	Currently, we are in the process of measuring this data, which we will disclose subsequently.
302-3	Energy intensity	Energy management, Pg.	
302-4	Reduction of energy consumption	Energy management, Pg.	
GRI 303: Water and Effluents 2018			
303-4	Water discharge	Water management, Pg.	
303-5	Water consumption	Water management, Pg.	
GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	Emissions management, Pg.	Currently, we are in the process of measuring this data, which we will disclose subsequently.
305-2	Energy indirect (Scope 2) GHG emissions	Emissions management, Pg.	Currently, we are in the process of measuring this data, which we will disclose subsequently.
305-3	Other indirect (Scope 3) GHG emissions		Currently, we are in the process of measuring this data, which we will disclose subsequently.
305-4	GHG emissions intensity	Emissions management, Pg.	
305-5	Reduction of GHG emissions	Emissions management, Pg.	
GRI 306: Waste 2020			
306-3	Waste generated	Waste management, Pg.	
306-5	Waste directed to disposal	Waste management, Pg.	
GRI 307: Environmental Compliance 2016			
307-1	Non-compliance with environmental legislation and regulations		None reported during this reporting period.

GRI Index

GRI 308: Supplier Environmental Assessment 2016			
308-1	New suppliers that were screened using environmental criteria	Sustainable supply chain, Pg.	All our suppliers including new suppliers are required to comply with our Supplier Code of Conduct that considers environmental sustainability criteria.
308-2	Negative environmental impacts in the supply chain and actions taken	Sustainable supply chain, Pg.	None identified during this reporting period.
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	Employee development and retention, Pg.	
GRI 403: Occupational Health and Safety 2018			
403-1	Occupational health and safety management system	Workplace health and safety, Pg.	
403-5	Workers' training on occupational health and safety	Workplace health and safety, Pg.	
403-8	Workers covered by an occupational health and safety management system	Workplace health and safety, Pg.	
403-9	Work-related injuries	Workplace health and safety, Pg.	
GRI 404: Training and Education 2016			
404-1	Average hours of training per year per employee		Currently, we are in the process of measuring this data, which we will disclose subsequently.
404-2	Programs for upgrading employee skills and transition assistance programs	Development and retention, Pg.	
404-3	Percentage of employees receiving regular performance and career development reviews		Currently, we are in the process of measuring this data, which we will disclose subsequently.
GRI 405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	Diversity, equity, and inclusion, Pg.	

GRI Index

GRI 406: Non-discrimination 2016			
406-1	Incidents of discrimination and corrective actions taken	Business conduct, ethics, and integrity, Pg.	None reported during this reporting period.
GRI 407: Freedom of Association and Collective Bargaining 2016			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human rights, Pg.	None identified during this reporting period.
GRI 408: Child Labor 2016			
408-1	Operations and suppliers at significant risk for incidents of child labor	Human rights, Pg.	None identified during this reporting period.
GRI 409: Forced or Compulsory Labor 2016			
409-1	Operations and suppliers at a significant risk for incidents of forced or compulsory labor	Human rights, Pg.	None identified during this reporting period.
GRI 414: Supplier Social Assessment 2016			
414-1	New suppliers that were screened using social criteria	Sustainable supply chain, Pg.	All our suppliers including new suppliers are required to comply with our Supplier Code of Conduct which considers social sustainability criteria.
414-2	Negative social impacts in the supply chain and actions taken	Sustainable supply chain, Pg.	None identified during this reporting period.
GRI 415: Public Policy 2016			
415-1	Political contributions		None
GRI 416: Customer Health and Safety 2016			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		None reported during this reporting period.
GRI 417: Marketing and Labeling 2016			
417-2	Incidents of non-compliance concerning product and service information and labeling		None reported during this reporting period.
417-3	Incidents of non-compliance concerning marketing communications		None reported during this reporting period.

GRI Index

GRI 418: Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data privacy and IT security, Pg.	None reported during this reporting period.
GRI 419: Socioeconomic Compliance 2016			
419-1	Non-compliance with social and economic laws and regulations		None reported during this reporting period.

SASB Index

Indicator Number	Indicator Description	Section, Page Number	Remarks
Energy Management			
RT-EE-130a.1	(1) Total energy consumed, (2) percentage grid electricity, and (3) percentage renewable	Energy management, Pg.	
Hazardous Waste Management			
RT-EE-150a.1	Amount of hazardous waste generated and percentage recycled		Currently, we are in the process of measuring this data, which we will disclose subsequently.
RT-EE-150a.2	Number and aggregate quantity of reportable spills, quantity recovered		0 spills during the reporting period.
Product Safety			
RT-EE-250a.1	Number of recalls issued, total units recalled		No recall reported during this reporting period.
RT-EE-250a.2	Total amount of monetary losses as a result of legal proceedings associated with product safety		No incident reported during this reporting period.
Product Lifecycle Management			
RT-EE-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances		Currently, we are in the process of measuring this data, which we will disclose subsequently.
RT-EE-410a.2	Percentage of eligible products, by revenue, that meet ENERGY STAR® criteria		Currently, we are in the process of measuring this data, which we will disclose subsequently.
Materials Sourcing			
RT-EE-440a.1	Description of the management of risks associated with the use of critical materials	Product quality and safety, Pg.	

SASB Index

Business Ethics			
RT-EE-510a.1	Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior	Anti-corruption, Pg.	
RT-EE-510a.2	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Anti-corruption, Pg.	No incident reported during this reporting period.
RT-EE-510a.3	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations		No incident reported during this reporting period.
Activity Metrics			
RT-EE-000.A	Number of units produced by product category		Please refer to the Annual Report, Pg.
RT-EE-000.B	Number of employees	Diversity, equity, and inclusion, Pg.	

UNGC

Ten Principles of the UN Global Compact		Page number
Human Rights		
Principle 1:	Business should support and respect the protection of internationally proclaimed human rights	
Principle 2:	Make sure that they are not complicit in human rights abuses	
Labor		
Principle 3:	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	
Principle 4:	The elimination of all forms of forced and compulsory labor	
Principle 5:	The effective abolition of child labor	
Principle 6:	The elimination of discrimination in respect of employment and occupation	
Environment		
Principle 7:	Businesses should support a precautionary approach to environmental challenges	
Principle 8:	Undertake initiatives to promote greater environmental responsibility	
Principle 9:	Encourage the development and diffusion of environmentally friendly technologies	
Anti-corruption		
Principle 10:	Businesses should work against corruption in all its forms, including extortion and bribery	



Schaffner Group
Nordstrasse 11e
4542 Luterbach
Switzerland
P + 41 32 681 66 26
info@schaffner.com

[schaffner.com](https://www.schaffner.com)

schaffner
MORE POWER TO YOU