



SUSTAINABILITY REPORT

FOR 2024

RAFI GROUP

SUSTAINABILITY REPORT

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Dear readers,

In almost 125 years of company history, RAFI has grown into an international high-tech enterprise. We have our founder Ernst Bucher to thank for this, along with all the individuals who made their contribution in Berg and at all other locations since 1900. Our collaboration has led to ongoing innovations that not only propelled our company forward but also made a significant impact on the industry as a whole. Whether key switches, complex HMI systems, or EMS solutions – RAFI has always set new standards while also taking responsibility for our products and projects as well as the environment and society.

Sustainability is deeply ingrained in our organizational and management systems and is a fundamental aspect of our international corporate culture. We are therefore delighted to share the RAFI Group's Sustainability Report for 2023. We owe our successes to date first and foremost to our employees, who have advanced our ESG goals with great dedication and commitment.

The rising regulatory demands at the federal and EU level for companies to adopt sustainable development practices indicate the growing significance of this topic. With the Supply Chain Duty of Care Act, which has been in force for us since 2024, compliance with general human rights and the minimization of negative environmental impacts along the entire value chain are increasingly central to our operations. We are also preparing for the standardized EU reporting required by the CSRD Directive, which will come into force in 2026, and developing our corporate strategy accordingly.

In 2023, EcoVadis awarded us its silver medal for our sustainability efforts to date. This award motivates us to continuously develop in the three dimensions of sustainability and to constantly review and optimize our organization, processes, and products. To further intensify our commitment to sustainable business practices, we joined the UN Global Compact in early 2024. Based on ten universal principles and the 17 Sustainable Development Goals (SDGs), the initiative pursues "the vision of a more inclusive and sustainable economy for the benefit of all people, communities, and markets, both now and in the future."

This report serves to inform our stakeholders about the progress of our sustainability initiatives within the RAFI Group. In the 2023 fiscal year, we once again successfully addressed wide-ranging challenges and launched a number of innovations. In doing so, we strive to maintain a balance in the three key areas of environmental, social, and governance (ESG) while fostering integrated and holistic activities.

In mid-2023, we implemented an energy management system at our German locations that is certified in compliance with DIN EN ISO 50001:2018. This means that our three largest sites, the German plants in Berg and Überlingen and our Hungarian factory, are now certified. We have bolstered our existing energy team to advance the achievement of our strategic goals for reducing CO₂ emissions while ensuring compliance with regulatory standards. The step-by-step achievement of these goals is closely linked to the progress of the energy-related renovation of the main Berg site and the move to the energy-efficient new building in Bad Waldsee scheduled for early 2025.

We have also expanded our training concept by launching RAFI Academy, a global initiative aimed at providing accessible learning opportunities for our employees worldwide and fostering dialog across locations. In the spirit of ONE RAFI, the myRAFI app was developed as a modern communication tool that provides employees without a company e-mail address with convenient access to company learning materials and information.

These and numerous other initiatives enhance our daily work and are meticulously documented in this Sustainability Report. Be inspired by our efforts and join us in creating a more sustainable world! We look forward to receiving your feedback.



Dr. Lothar Seybold
CEO



Lothar Arnold
CFO



01

CORPORATE AND REPORT PROFILE

[GRI 2-1, 2-3→] In our third Sustainability Report, which covers the 2023 fiscal year, we present the RAFI Group in all its variety. The group consists of nine locations in six countries on three continents, and with different value systems. The locations also differ in their size and business focus. Despite this diversity, the entire RAFI Group is united under the slogan “ONE RAFI,” sharing the common principles of focus on customer benefit, employee wellbeing, and the long-term success of the enterprise. This dedication to the future comprises not only financial and business success but also our sustainability goals for preservation of a liveable planet. First, this report provides an overview of our company and the entire RAFI Group. Below you will find an explanation of the principles and criteria of our reporting, how these principles relate to the Sustainable Development Goals of the United Nations (SDGs), and how we evaluate the measures that we have implemented and that we intend to implement in the future.

RAFI GmbH & Co. KG
Hauptsitz
 88276 Berg, Germany
 HMI & E²MS

RAFI Eltec GmbH
 88662 Überlingen
 Germany
 E²MS

RAFI Systec GmbH & Co. KG
 88339 Bad Waldsee
 Germany
 HMI & E²MS

RAFI Electronics Co. Ltd.
 201103 Shanghai
 China
 HMI & E²MS

RAFI Poland sp. z o. o.
 65-048 Zielona Góra
 Poland
 Software Entwicklung

RAFI Hungaria Kft.
 5400 Mezötúr
 Hungary
 HMI & E²MS

RAFI Italia S.r.l.
 20040 Cambiago (Mi)
 Italy
 HMI

RAFI USA Inc.
 Lynnwood, WA 98037
 USA
 HMI

Xymox Technologies Inc.
 Milwaukee, WI 53224
 USA
 HMI

1.1 RAFI at a glance

[GRI 2-2→] Headquartered in Berg near Ravensburg, Germany, RAFI GmbH & Co. KG is a medium-sized enterprise with approx. 2,300 employees and eight subsidiaries in Germany, Europe, China, and the United States. The RAFI Group includes RAFI Eltec GmbH (Überlingen, Germany), RAFI Systec GmbH & Co. KG (Bad Waldsee, Germany), RAFI Hungaria Kft. (Mezötúr, Hungary), RAFI Italia S.r.l. (Cambiago, Italy), RAFI Poland sp. z o.o. (Zielona Góra, Poland), RAFI Electronics Ltd (Shanghai, China), Xymox Technologies Inc. (Milwaukee, USA), and RAFI USA Inc. (Lynnwood, USA).

The RAFI headquarters in Berg near Ravensburg, Germany

History

[GRI 201, 202→] Over the course of its almost 125-year company history, RAFI has developed from a producer of electromechanical components to a leading manufacturer in the field of human-machine communication for industrial applications. It sets new standards with a wide range of innovations in control components, HMI technology, and engineering and manufacturing services (E²MS). In 1900, Ernst Bucher founded the company in Ravensburg under the name “Optisches, mechanisches & elektrotechnisches Institut.” Electrical engineer Raimund Finsterhölzl took over the company in 1908. At the time it specialized in the manufacture of switches and light signaling systems. Finsterhölzl renamed the enterprise Rafi in 1912, combining the first two letters of his first and last name. RAFI belonged to the Hoesch Group from 1987 until 1994 and was then taken over by private shareholders. Since 2020, RAFI has been owned by the US investment company Oaktree Capital Management L.P.

Industries, suppliers, and clientele

[GRI 201, 202→] The RAFI Group generated sales of €498 million in fiscal year 2023, with €316 million earned at the Berg location alone. Our primary business areas and customers come from machinery and equipment manufacturing, robotics and automation, telecommunications, medical technology, and com-

mercial vehicles. Our wide array of products and services primarily consists of modular platform solutions for custom systems, standard components such as tactile switches and control and signaling components, digital solutions for easy process optimization, and E²MS services. We have established a scoring system for the evaluation and ranking of our suppliers. The assessment is conducted by the Purchasing department, which also awards the points. As part of automated monitoring processes, quality and environmental certifications are checked, along with compliance with guidelines and regulations on conflict materials.

Environmental management and resource conservation

[GRI 302, 305→] We operate a comprehensive quality management system certified in accordance with DIN EN ISO standards at all our locations. Our larger production facilities also adhere to environmental management practices in line with DIN EN ISO 14001:2015. We implement an energy management system certified in accordance with DIN EN ISO 50001:2018 at our German sites and in Hungary. At all our sites, we actively and continuously work on various measures for a more sustainable supply of electricity, heating, cooling, and water, as well as proper waste disposal. At the Berg site, we have long operated a combined heat, power, and cooling system which ensures optimized power, heat, and cooling generation. We also use photovoltaic systems to generate our own electricity in Berg and Überlingen and at RAFI Electronics in China. This is how we contribute significantly to climate protection and responsible use of resources. Since 2019, we have been procuring the rest of our electricity requirements at our German locations entirely from renewable sources. Since 2022, we have been investing an amount in the tens of millions of euros in order to implement energy-efficiency renovations of the buildings at the Berg location. The ground-breaking ceremony for our new production site in Bad Waldsee near Ravensburg was held in early 2023. We are planning to relocate parts of our production to the energy-efficient new building at the start of 2025.



Certificates
Quality management

DIN EN ISO 9001:2015
 IATF 16949:2016
 DIN EN ISO 13485:2016
 DIN EN ISO 14001:2015
 DIN EN ISO 16247
 DIN EN ISO 27001

Employment culture and personnel development

[GRI 2-7, 2-8, 401, 404→] RAFI offers its employees a wide variety of training and further training geared toward future needs while also providing attractive social security benefits, a modern working environment, and flexible working hours. In more than 4,000 qualification activities per year, our employees can keep themselves up to date with the latest knowledge. Our RIMA model for in-house professional training, which won the German Bildungspreis (education award), enables our skilled employees to receive further on-the-job training. Our screening process for leadership potential of young employees allows us to provide our staff with the best opportunities for career advancement. In our entire corporate group, there are currently around 70 trainees, retrainees, and cooperative study students undergoing training and obtaining qualifications for various occupational fields. In Germany, we work with the Baden-Württemberg Cooperative State University (DHBW) in the implementation of cooperative courses of study and enable students to gain practical experience as work students. We also make it possible for students at our German locations to gain practical experience as work students or interns. Students can prepare their final papers with our support. In our in-house training center in Weingarten, training courses tailored to today's electronics production requirements are organized in cooperation with the Electronics Soldering Technology Training Association (AVLE). Our expansion of the Bad Waldsee site includes the construction of a new general training center.



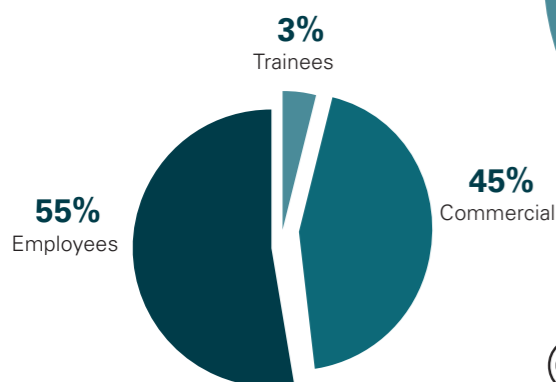
1,083


Female employees



1,243

Male employees



 4,000 qualification activities per year

 **70**

Trainees, retrainees, and cooperative study participants in training programs

1.2 Our contribution to sustainable development

[GRI 2-14, 3-3→] We see sustainability as one of the key tasks of a forward-looking corporate policy that addresses the social and ecological challenges of our time. As a global manufacturer and technology leader for innovative HMI solutions, we are committed to growth that is sustainable, conserves our planet's resources, respects the climate, and is consistent with our commitment to corporate social responsibility. We base our goals and actions, as well as the related documentation, on the Sustainable Development Goals (SDGs) of the United Nations and the reporting standards of the Global Reporting Initiative (GRI).



Goal determination and methodology

In 2015, the United Nations adopted the 2030 Agenda for Sustainable Development by unanimous decision of all member states. In this agenda, the global community defines 17 goals for social, economic, and environmentally sustainable development. The SDGs serve as a guideline for sustainable action by the government as well as the private sector, while also highlighting opportunities for future business fields. A growing number of companies and other

organizations are documenting their strategies, concepts, and measures for achieving the SDGs and making this documentation available to the relevant stakeholders and the public in the form of sustainability reports. To make it possible to compare and verify these reports, the Global Reporting Initiative (GRI) has compiled a framework of 36 standard modules with more than 120 indicators.

Reporting

[GRI 3-1, 3-2, 3-3→] In line with the SDGs and the updated standards of the “Core” option of the Global Reporting Initiative, valid since January 2023, we are publishing the third Sustainability Report for the entire RAFI Group for the 2023 fiscal year. We have formulated our report largely in gender-appropriate or gender-neutral language. Deviations from this are not meant to cause offense and are made solely for the sake of readability. On the following pages, we provide transparency to all stakeholders in regard to our current accomplishments in the area of sustainable business development in economic, ecological, and social terms, and we present our projects and objectives for the years to come. Sustainability for us is a holistic process of bringing to life a set of corporate values. We are committed to continuously developing and firmly embedding these values in our corporate culture, with the key areas of our business activities serving as a starting point. To this end, we have established an employee committee consisting of staff from various departments that is responsible for determining, implementing, and documenting our goals.

Materiality analysis and stakeholders

[GRI 2-29, 3-1, 3-2, 203→] During a workshop, we applied the GRI standards to evaluate RAFI’s most important indicators and their impact on key stakeholders. The selection and prioritization are presented in

our materiality matrix and determine the structure of our Sustainability Report. The size and positioning of the individual items reflect both the degree of their impact on the environment and society and their relevance to our business execution and stakeholders. We have identified our key stakeholders as investors, customers, and employees as well as the general public.

1.3 Our focus areas

Regarding the various business areas of the RAFI Group, we have identified four focus areas from the spectrum of the 17 Sustainable Development Goals. RAFI closely monitors the development of the indicators and strives for an agile expansion of these focus areas. The following four selected SDGs are highly relevant to the sustainable management and growth of our enterprise with the involvement of stakeholders from the areas of the environment, society, and the economy.

SDG 9: Industry, innovation, and infrastructure

[GRI 3-1→] Innovation and a pioneering spirit are integral components of RAFI’s DNA and have always driven our company’s success in the realms of both business and corporate social responsibility. With our innovative, customized HMI solutions, we enable particularly user-friendly interaction between machine and operator. The shorter response and adjustment times resulting from this make it easier

to use the end products in energy-efficient operation. Together with our customers, we work on efficiency-optimized electronic assemblies for electromobility. We are also currently examining alternative materials for housing manufacturing and are committed to our self-imposed goal of replacing petroleum-based plastics with recycled materials that offer the same or better product characteristics. As a member of the Component Obsolescence Group Germany (COGD), we are committed to sustainable obsolescence management. This means increasing the longevity of electronic products through improved component

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



and material availability and making product development more resource-efficient overall.

SDG 13: Climate protection measures

A drastic reduction in CO₂ emissions is the only way to protect the global climate and achieve compliance with the 1.5 degree target. To effectively support global climate protection efforts and the EU’s climate targets, we have committed to a strategy with short, medium, and long-term goals in order to achieve carbon neutrality by 2045. To this end, we are pressing ahead with the energy-efficient renovation of our existing buildings and are currently constructing a new, highly energy-efficient production facility. This new site will make our production even more resource-efficient and further reduce our consumption of primary energy starting in 2025. At the headquarters in Berg, we have been using the cogeneration of heat, power, and cooling as a resource-conserving source of heat and energy since 2013. We generate a portion of our energy through our own photovoltaic systems, and as of 2019, we have transitioned to using 100% green electricity for the remainder of our energy supply at our locations in Germany. All our product development and manufacturing is focused on responsible, efficient use of energy and materials. Our commitment to continuous improvement means we systematically monitor our processes and identify potential for optimization, especially in production.

13 CLIMATE ACTION



Implementing these measures will help us reach our energy targets and steadily reduce our ecological footprint.

SDG 8: Decent work and economic growth

Decent work and economic growth form the universal foundation for social progress. This is why RAFI ensures compliance with general human rights, applicable labor law, and fair compensation for all employees at all locations. With our sustainable growth strategy focused on the future viability of the company, we are committed to providing training and qualifications to junior staff and to ensuring that employees are able to reconcile the responsibilities of their family with those of their career. As part of our Occupational Health Management (OHM) program, we have also made additional social and health-promoting resources available to RAFI employees. Beyond our internal structures, we also look at our upstream suppliers. We use a systematic supplier management system to evaluate suppliers according to aspects such as integrity, environmental sustainability, and adherence to social standards.

8 DECENT WORK AND ECONOMIC GROWTH



With the structures and processes we have established, such as the system for monitoring our direct suppliers (and indirect suppliers if necessary), we ensure that we as a group of companies will comply with the German “Act on Corporate Due Diligence to Prevent Human Rights Violations in Supply Chains” starting from 2024.

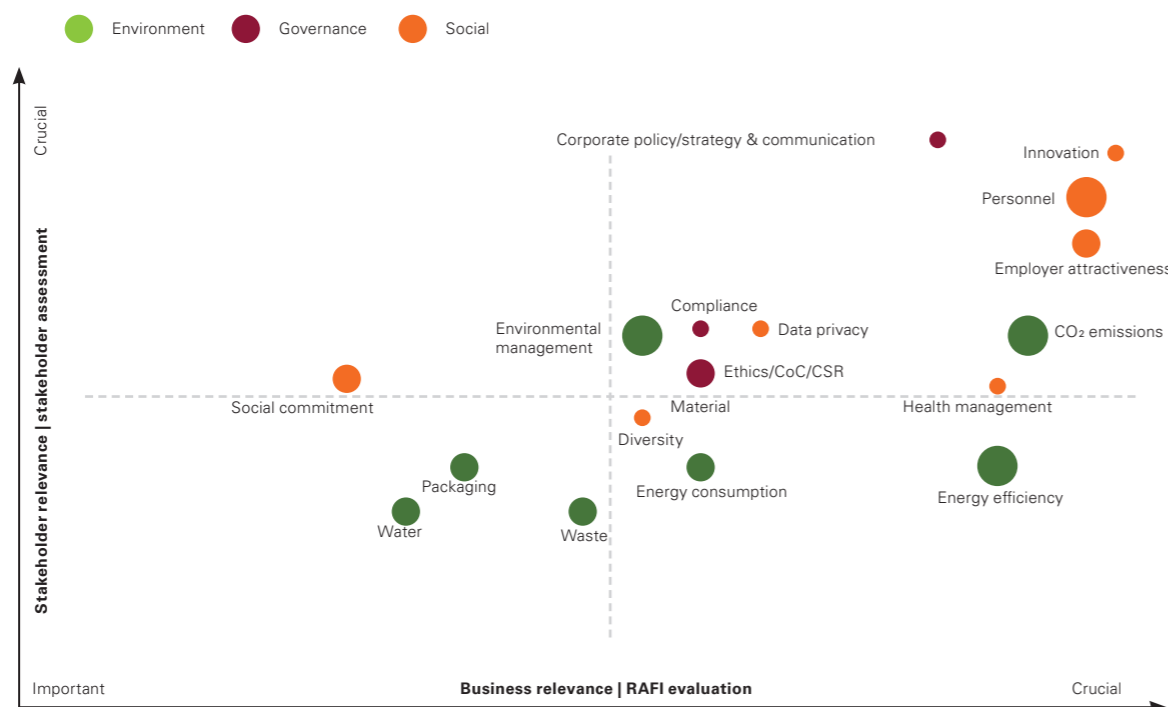
SDG 3: Health and well-being

A clean environment, healthy lifestyle, and good medical care have a crucial influence on human well-being. That is why ensuring the safety and health of our employees is our highest priority. To foster safety and health, we have incorporated a large number of benefits into our comprehensive occupational health management (OHM) program. In addition to the reliably regulated, safe handling of hazardous substances, we regularly conduct substitution tests in order to enhance employee safety and promote positive outcomes across the entire value chain. As a supplier to the medical technology sector, we also help shape technological progress in the healthcare sector with our developments and operating solutions for medical imaging devices such as ultrasound, X-ray, computerized tomography, and magnetic resonance imaging.

3 GOOD HEALTH AND WELL-BEING



Materiality matrix





02 GOVERNANCE

[GRI 3-3→] As a regionally based yet globally operating group, RAFI Group is characterized by uniform management standards and proactive operations. The management team demonstrates a focus on results and business success, translating this approach into effective action. Our employees communicate these values to our partners. At all times, we take account of targets, budget, and quality. At RAFI, we feel part of a greater whole and strive to achieve success both for our employees personally and for the company itself. This basic identification as a tightknit community is reflected in our corporate policy, flat hierarchies, many options for worker participation in decision-making, and corporate ethics. The values and guidelines formulated in our Mission Statement shape our relationship with business partners as well as our commitment to corporate social responsibility in our local communities.

2.1 Organization and corporate responsibility

We take responsibility – for our employees and for society. Our customers can depend on the quality and reliability of our products. The responsible, sustainable use of resources is a fundamental principle of our company. A key aim is to continue the organizational integration of all RAFI Group companies into a common Group strategy. Within our ONE RAFI initiative, we are standardizing structures and processes across locations in order to consolidate strengths and take advantage of synergies. According to our corporate culture based on transparency, trust, and personal initiative, we encourage our employees to actively participate in the process. To quickly and efficiently end any improper practices or policy violations, control procedures and instances established at the Berg headquarters are implemented on a binding basis throughout the entire Group.

2.1.1 Management structure and communication

[GRI 2-9, 2-10, 2-11, 2-18→] RAFI attaches great importance to achieving a flat hierarchy with a transparent structure. This is the focus of our ONE RAFI strategy. At all production locations, we have implemented a uniform organizational model based on the three pillars Central Department, Product Evolution Process (PEP), and Product Manufacturing Process (PMP). The only exception is our location in Poland, which is not involved in production. Managing Directors Dr. Lothar Seybold and Lothar Arnold have led the RAFI Group since 2019. The management team in Berg makes all decisions that apply throughout the group. The highest decision-making body consists of the two Managing Directors and four officers with signing authority of RAFI GmbH & Co. KG. Employee suggestions can be addressed to team and department leaders or directly

Board of Directors Dr. Lothar Seybold (CEO,COO) Lothar Arnold (CFO)			Board of Directors
			Member of the management team
CEO	CFO	COO	Department
Product Evolution Process	Central Department	Product Manufacturing Process	Teams
Strategy, Products, Markets	Human Resources, Organizational Development, and Legal	Purchasing	
Sales Department	Controlling and Finance	Plant Production	
Development	Quality Management	Production Assembly	
Quality	IT	Logistics	
Equipment Management	Occupational Safety/OHM	Technology	
	Corporate Marketing		

to the management team. CEO Dr. Lothar Seybold and CFO Lothar Arnold report to the Supervisory Board at regular intervals. The Supervisory Board is the highest governance body and includes two representatives of the owner, US investment company Oaktree Capital Management L.P., as well as two other industry experts. The Board of Directors maintains regular contact with employees and uses videos and other media to inform them about strategic decisions and prospects for the future. With the new myRAFI employee app, we have launched an additional communication medium that replaces the discontinued intranet as well as "RAFI News," which was published in print form up to this point. The other communication channels are outlined in the guideline on cooperation in the RAFI Group published in 2023. To ensure that the Board of Management's requirements and goals are firmly anchored at all levels, all managers in the RAFI Group receive systematic further training in their own areas of expertise and in personnel management.

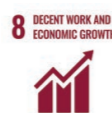


2.1.2 Corporate policy and strategy

[GRI 2-12→] The innovative capacity and economic success of our company are based on the commitment of our employees. [GRI 2-23→] To achieve optimal results, we strive for and encourage personal initiative, creativity, and a dedicated quest for quality. We collaborate with our employees to establish individual target agreements. These agreements are evaluated in employee appraisals held at least once a year as part of a program that identifies opportunities for optimizing the working environment. Across all hierarchical levels, our corporate culture is characterized by personal commitment as well as openness, straightforwardness, and honesty in our dealings with one another. The relevance of these values is reflected in the consistency of our Mission Statement, which has remained virtually unchanged since it was created in 2007 (→Appendix 8.1).

[GRI 2-17→] Our Board of Directors launched the ONE RAFI initiative to embed our corporate culture even more deeply at all locations. By making our organizational structure homogenous, standardizing our processes, and intensifying cooperation with our corporate subsidiaries in this way, we aim to consolidate our strengths and exploit newly identified synergy effects. Closer integration of all companies in the RAFI Group creates a growing need for a common Group strategy. This strategy has to meet the needs of the individual business units for independence and flexibility while allowing us to present ourselves as a unified corporate group. [GRI 2-13→] That is why we drafted an overall concept and set the course for our

local strategies in 2021. A fundamental feature of our new Corporate Strategy 2026, which includes a new strategy for RAFI GmbH & Co. KG as well as a newly drafted group strategy, is that all RAFI employees can actively take part and see their own interests represented. Only if it is fully embraced in practice can a strategy be successful. We decided on the agile Objectives and Key Results (OKR) method and adapted it to fit RAFI perfectly. For every cycle, we set new goals that are challenging but achievable. The combination of measurable results, demanding goals, and short implementation cycles ensures that all RAFI employees act in line with our strategic orientation. The approach tested at the Berg site is being rolled out to all RAFI Group companies since the end of 2023.



2.1.3 Business ethics

[GRI 2-6, 2-23, 2-24→] We have defined our business ethics standards in a Code of Conduct that is applicable throughout the group (→see 8.2). The ethical guidelines contained therein govern our work together within the Group as well as our relationships with suppliers, customers, and competitors. [GRI 2-16→] In the event of any ambiguity regarding validity and application or to report any potential violations, all RAFI employees are encouraged to contact their direct supervisors or trusted third parties. In serious cases, they should directly contact the Compliance Manager (CM) responsible for their location. Our whistleblowing policy also makes it possible to anonymously report serious misconduct to an internal or external body. Sanctions will be im-

posed in the case of violations of the business ethics guidelines.

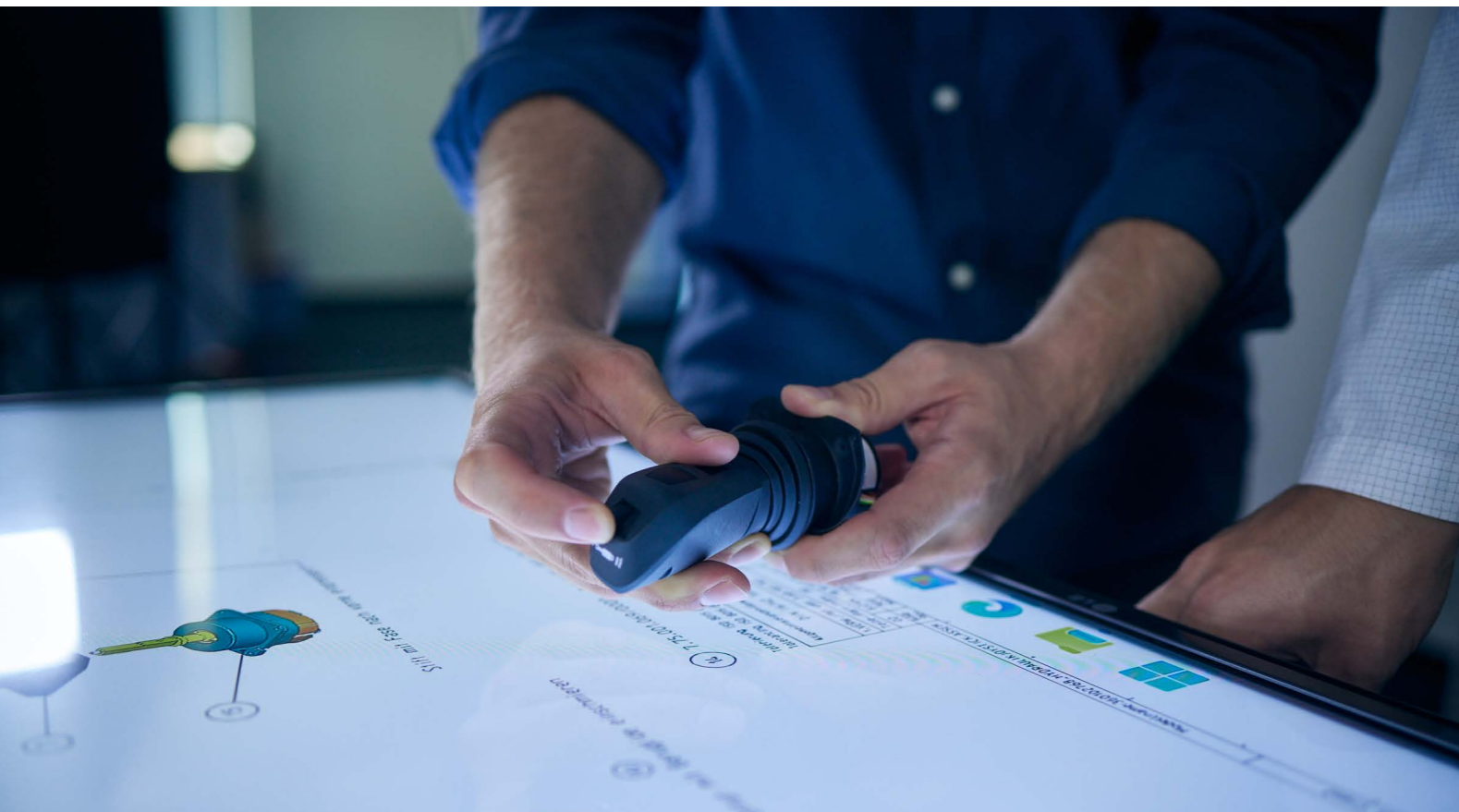
[SDG 8; GRI 2-27, 407, 408, 409→] Compliance with all laws that apply at the specific business location is the foundation of our company's ethical orientation. Because our company has its headquarters in Germany, German legal standards form the basis of our internal corporate guidelines. In all corporate activities, companies in the RAFI Group comply with all local and international legal standards. In our business relationships, we pay attention to the integrity, effective governance, and transparency of our partners. We also communicate these values by basing all external relationships on our comprehensive Code of Conduct. As an employer, we expressly reject child labor, forced labor, physical and psychological disciplinary measures, and discrimination of any kind. We also take preventive measures to ensure occupational safety, and we regularly review these measures to ensure that they continue to be up to date and effective. RAFI fully recognizes the principles of the International Convention on Human Rights, including the UN Declaration on Human Rights, and respects the right of all employees to form or join trade unions, provided that such action is within the framework of local laws and regulations.

[GRI 413-1→] As a global company, RAFI also fulfills its financial, social, and environmental obligations in its relations with the outside world. We are committed to supporting the positive development of local communities and showing respect for local cultural

characteristics, customs, and traditions (→see 2.3).

2.1.4 Compliance

[GRI 2-27, 205, 207, 410→] RAFI operates a structured compliance management system that includes defined rules, measures, and control instances for preventive and active compliance with applicable laws and regulations. In recent years, we have established a comprehensive role structure to better organize and monitor compliance tasks. All laws and regulations affecting any German RAFI Group locations were consolidated in an index of legal provisions so that appropriate roles within the company could be assigned. We regularly update this index and consider whether it can be extended to other locations. Experts who regularly source information on legal changes and their consequences for our corporate group fill these roles. These colleagues receive further training in their area of law at least every three years. All parties responsible for the compliance organization of the entire group meet at least once a year to discuss rights and obligations and to seek legal advice if required. A Compliance Manager (CM) at each company location is responsible for ensuring compliance with applicable laws and regulations. To assess the completeness and effectiveness of the local compliance organization and to derive appropriate measures for improvement, we introduced annual risk assessments in each RAFI Group site in 2021. The implemented measures and their final evaluation have demonstrated the comprehensive effectiveness of the compliance



structures throughout the group. [GRI 2-16→] RAFI is audited in the form of an external legal audit every two years. Major customers also audit us at irregular intervals. The consistently positive results of these audits confirm the effectiveness of our compliance management.

[GRI 205-2, 206→] In addition to legal compliance, prevention is another key compliance task. To raise awareness in the workforce, we conduct appropriate mandatory training courses on our in-house e-learning platform, including basic compliance training and courses on topics such as antitrust and competition law, anti-corruption, and our whistleblower guideline (→see 5.2.6).

2.1.5 Data privacy and information security

[GRI 418→] Only companies that handle their business and customer data in a trustworthy and responsible manner can be considered attractive employers and reliable business partners over the long term. RAFI has therefore taken a variety of actions to protect the data of employees, customers, and suppliers in recent years, and there were no reportable incidents in reporting years 2022 and 2023. After the headquarters gained certification according to DIN EN ISO 27001 in 2021, this was followed by the certification of RAFI Eltec in 2022 and RAFI Hungaria in 2023.

The actions in detail:

- Rollout of the EU General Data Protection Regulation (GDPR) for all EU locations of the RAFI Group
- Targeted training of data protection coordinators on how to advise employees
- Appointment of an external data protection officer
- DIN ISO 27001 certification of RAFI Eltec GmbH in 2022
- Targeted training of data protection coordinators on how to advise employees
- Appointment of an external data protection officer
- ISO 27001 certification of the company headquarters in Berg in 2021
- Rollout of an information security management system (ISMS)
- Annual data protection report provided to the management team by the data protection officer
- Annual information security report provided to the management team by the ISMS officer
- Basic training on data privacy and data security provided to all employees on a regular basis on the company's in-house e-learning platform
- Intensive training on data protection and data security provided to selected departments on a regular basis

2.1.6 Outlook and objectives

By intensifying the integration and strategic alignment of the entire Group, we are strengthening our future-proof positioning within the market. Starting in 2024, RAFI will be subject to the German law on corporate obligations to prevent human rights violations in supply chains. We have therefore evaluated our regular suppliers with a risk assessment process designed for this purpose. Suppliers assessed as critical are advised on appropriate preventive and corrective actions (→see 2.2.2). In addition, we are preparing for the new EU-wide reporting standards that will apply to us from 2025. We also continuously revise our goals and actions in the area of sustainable development. The energy management of the two companies RAFI Berg and RAFI Eltec was certified according to DIN EN ISO 50001 for the first time in 2023. We were also able to certify our subsidiaries RAFI Hungaria and RAFI Poland to DIN EN ISO 27001 for the first time. Our companies in Berg, Eltec, Poland, and Hungary are scheduled for recertification in accordance with DIN EN ISO 27001 in 2024.

2.2 Procurement, supply chain, and obsolescence management

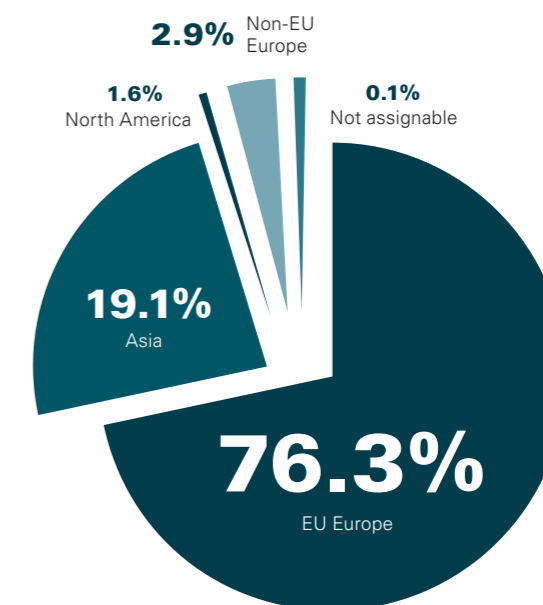
[GRI 2-6, 2-29, 204, 308→] Procurement plays a key role in the business activities of our company. With a volume of €376 million, procurement accounts for roughly two thirds of the annual sales of the RAFI Group. Purchasing and procurement are structured globally and include both direct procurement from producers and distribution, particularly in the major segment of electronic components. As an internationally operating company that is primarily engaged in B2B activities, we bear responsibility within the supply chain for both the environment and society. We successfully discharge this responsibility through active supplier management based on long-term cooperation with reputable, reliable partners who know what we expect and, if possible, also what our customers demand and expect. We operate a proactive obsolescence management system to ensure the long-term availability of our products despite ever-shorter product life-cycles, especially for electronic components. As a member of the Component Obsolescence Group Germany (COGD), we have also had a seat on the COGD Board since 2019.

2.2.1 Procurement

[GRI 2-6, 308, 414→] The RAFI Group currently has business relationships with a large number of suppliers. In terms of the geographical origin of our sources of supply, more than 75% of our order volume is generated within the EU, with just under 3% coming from European countries outside the EU. Around 20% of our group's suppliers are in Asia, and approx. 1.6% are in North America. There is a clear trend toward increasing procurement of materials from Asia. Measured in terms of the ori-

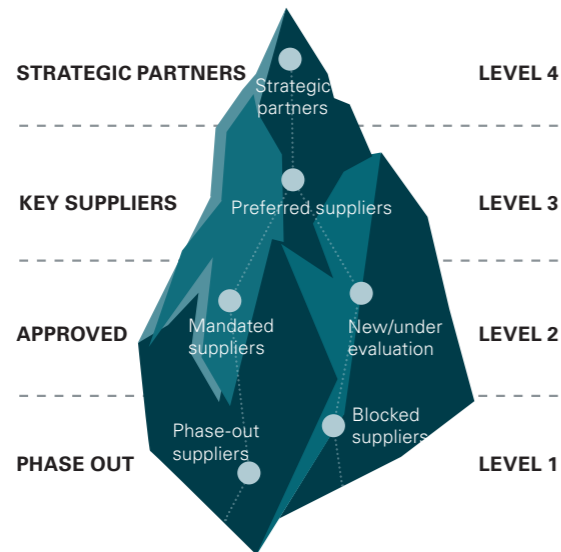
gin of commodities, materials, and components, the distribution is as follows:

Procurement of RAFI Group without Xymox



We strive for lasting supplier relationships characterized by trust and based on the applicable standards. These relationships are also based on contractual provisions from our supply and quality assurance agreements as well as additional contractual agreements such as tooling contracts and non-disclosure agreements. Our suppliers must present documentation of certified quality as well as environmental and energy management in accordance with DIN EN ISO 9001, IATF 16949, DIN EN ISO 13485, DIN EN ISO 14001, DIN EN ISO 50001, and DIN EN ISO/IEC 27001. We also require our suppliers to comply with our Code of Conduct. Our contract partners must complete standardized forms stating the origin of conflict minerals. The manufacturers and suppliers we commission pledge to comply with the RoHS and REACH criteria, and we conduct audits on a random basis to ensure this. We initiate an audit if there are indications that the above principles have been violated; if we find deficiencies, we then agree adequate corrective actions with the supplier. RAFI excludes from the supply chain any suppliers who fail to implement the agreed corrective actions in a timely manner. We rely on certified materials and environmentally friendly procedures in our manufacturing processes, including our numerous soldering processes. As far as technically possible and with approval by the customer, we have switched to ecological, water-based fluxes here. We also use fairly traded solder and soft solders for almost all such processes. Sustainability aspects play a crucial role when utility value analysis is used to make a decision regarding the awarding of contracts for machinery and capital goods. In our terms and conditions for awarding contracts for work on RAFI premises, we focus on high-quality and environmentally compatible service and construction work and require contractors to comply with our CSR guidelines.

2.2.2 Supplier audits and evaluation



re-approval. Due to more restrictive material approvals, additional restrictions on availability are emerging. After RoHS and REACH, the EU has further tightened the requirements with its SCIP regulation. Manufacturers will be required to report the use of substances of very high concern in a Europe-wide database. This concerns not only electronic components but also synthetic materials, metals, paints, and much more. The pandemic greatly disrupted supply chains, but they have now largely stabilized, and delivery times are returning to normal. To proactively counter such obsolescence risks and ensure that our products remain highly available, we joined the Component Obsolescence Group Germany (COGD) in 2017. Since 2019, we are represented on the COGD Board by our Life Cycle Manager. Within the COGD, which unites over 160 industrial companies, component manufacturers, and distributors, we develop coordinated procedures for proactive obsolescence management. This will enable us to adapt products and production

processes at an early stage and to make alternatives available when components are discontinued. Our focus is on sustainable solutions that counteract the accelerated discontinuation of components and materials. This involves anticipatory selection of materials and components that are as durable and permanently available as possible. That allows us to shape the conditions and structures for sustainable obsolescence management in association with other economic players. We can also make product development as a whole more environmentally friendly and resource-efficient.

2.2.4 Outlook and objectives

Purchasing was previously organized independently by the individual RAFI companies. In 2023, in accordance with the ONE RAFI strategy, we changed to managing purchasing centrally from the Berg location to improve coordination. In our purchasing guidelines, we refer to the current Code of Conduct

of the RAFI Group, which will be a mandatory requirement for all individual orders in the future. We will expand our supplier classification to include additional criteria for environmental management, energy management, and human rights. We will incorporate these criteria into the standard audits for our key suppliers and strategic partners. We are committed to supporting our suppliers in their development of sustainable value creation. We also want to drive improvements in this area. To further anchor awareness of these goals in our group, we have appointed a team at our Berg headquarters to be responsible for sustainability in Purchasing. The team will coordinate actions in Berg before a planned roll-out at our other locations. As emissions along the supply chain are also playing an increasingly crucial role, we are developing a catalog of criteria to take this factor into account in the long term when classifying and selecting suppliers. We are constantly advancing our recycling and reusability concepts to

[GRI 308, 414→] To evaluate business relationships, RAFI operates an active supplier management system that classifies suppliers into four categories. New or standard suppliers, preferred suppliers, and strategic partners are assigned to levels 2 to 4. Business relationships assigned to level 1 are not continued. Responsibility for supplier selection lies with Strategic Purchasing, which uses our requirements profile to evaluate suitability in coordination with Development, Quality Management, and Logistics. In order to objectively evaluate our supplier relationships, we have implemented a scoring system and a risk analysis process in line with the statutory duty of care in the supply chain. We also query quality requirements, reliability and other economic factors, valid certification in accordance with DIN ISO 14001, existing compliance guidelines, and policies on conflict materials. Verification is carried out by our independent supplier management team, which conducts supplier assessments and on-site audits throughout the world at regular intervals. We store the results of these evaluations in our ERP system along with the certification information. Due to GDPR regulations, this data is only partly accessible across locations. RAFI Electronics largely applies its own approach to the assessment and qualification of its suppliers.

2.2.3 Life cycle and obsolescence management

[GRI 301→] As a leading manufacturer of electronic products, RAFI is confronted with ever-shorter product lifecycles for electronic components and assemblies. Rapid discontinuation of older components increases the effort required to supply identical systems and provide them with compatible spare parts over an extended period of time. In the case of products subject to approval in the automotive industry or medical technology, component changes must be reported to customers or approval bodies and may require extensive, costly validation procedures right up to complete



minimize packaging waste on a lasting basis throughout the entire supply chain (→see 4.2).

2.3 Charitable, local commitment at our locations

[GRI 413→] As a company rooted in the region and steeped in tradition, we are committed to societal interaction that goes above and beyond our business activities. Our commitment to Corporate Social Responsibility (CSR) extends to various locations worldwide and includes targeted donations and sponsorships that support regional projects, initiatives, and associations. With its plant fire department at the Berg site, RAFI also makes an important contribution to firefighting and disaster control beyond the boundaries of the factory premises. (→see 6.2.2).

2.3.1 Supporting sports, culture, and traditions

[GRI 413-1→] Supporting sports is a key aspect of our commitment to social responsibility. RAFI Berg is a sponsor of the soccer clubs VfB Stuttgart and SC Freiburg, as well as the Freiburg Soccer School. We are also a sponsoring partner of the handball club TV Überlingen 1885 and provide support to Überlingen's sailing and motorboat club as well. We also sponsor the Propain Factory Enduro cross bike team. Our support also extends to the Ravensburg Towerstars ice hockey club, the FV Ravensburg soccer club, and "RAFI Stadium," the home venue of TSV Berg. As part of our expansion plans for the Bad Waldsee site, we are increasing our commitment to supporting local clubs, including those dedicated to volleyball and soccer.

In the context of our support for children and young people, we are committed to the Tübingen Support Association for Children with Cancer. We support the Bad Waldsee Child Protection Association, which uses our annual donation to offer complimentary swimming lessons and distribute new school backpacks to first-graders at Easter. Our Hungarian organization is dedicated to promoting educational equity and provides support to the "Teleki Blanka Gymnasium" school to ensure that all children have access to the same learning opportunities. In Hungary, donations and sponsorship activities also provide financial assistance for the medical on-call service at the hospital in Mezötúr. Another area of focus is the support of regional culture and traditions by providing financial assistance to local music and carnival groups. We are actively involved in the Ravensburg Rod Festival by contributing funds and making the traditional festival badges. Upon request, we also provide direct financial support for initiatives and activities that have a regional and youth developmental focus. We are also committed to the promotion of young talent and providing career guidance in the education and training sector (→see 5.1).

In addition, nature conservation is a crucial component of our efforts to foster sustainability. As a partner of Wildrettung Berg wild animal sanctuary, we finance thermal imaging cameras for drones, for example. These cameras help locate young fawns hidden in tall grass, allowing us to rescue them from potential harm before agricultural work is carried out. After a successful rescue, the animals are carefully returned to their place of origin. Through our collaboration, we are contributing to the conservation of native wildlife and embracing our commitment to promoting sustainable ecological practices in our region.

Through our "RAFI Heroes" campaign, which was launched in 2023, we can directly support the charitable work of our RAFI employees. Out of all the nominations we received, we chose five particularly worthy projects as the winners of the "RAFI Heroes – Spotlight on Charity Work" campaign. These projects will collectively receive €15,500 to support the projects and organizations they are affiliated with:

- "Leuchtende Augen e.V."
- "Katzentatzen Bad Saulgau e.V."
- "Jugendfeuerwehr Baidnt"
- "Wohngruppe Wolfgang Ravensburg – St. Elisabeth Stiftung"
- "Zeltlager Rot"

2.3.2 Outlook and objectives

In the coming years, we intend to expand our CSR activities by implementing a newly formulated corporate strategy for donations and sponsorships. We want to enhance the public perception of RAFI as a socially responsible partner beyond its current sports cooperations.



- Propain Factory Enduro
- Berg wild animal sanctuary
- Ice hockey club "Ravensburg Towerstars"
- Freiburg Soccer School
- ProKeeper Academy Upper Swabia
- FV Ravensburg
- TSV Berg
- Local sports, music, and carnival clubs
- Ravensburg Rod Festival



03

ENVIRONMENTAL MANAGEMENT AND CLIMATE PROTECTION

[GRI 3-3→] The management is acutely conscious of its responsibility to effectively and sustainably reduce the environmental impact from the business activities of RAFI GmbH & Co. KG. This awareness spurred the company management to implement an environmental management system according to ISO 14001 in 2011. RAFI undergoes regular certification processes, from which it derives its short and medium-term environmental goals. When making any investments and when operating our plants, we pay close attention to systematic improvement of energy efficiency and use regular reviews to evaluate our actions. We also introduced an ISO 50001-certified energy management system at our European production sites in 2023. We are committed to the climate protection goals and are taking effective initiatives to reduce the greenhouse gases we emit on a lasting basis with the aim of being CO₂-neutral in Scopes 1 and 2 by 2030. Any residual emissions that cannot be avoided will then be offset. We are aiming for complete greenhouse gas neutrality in Scopes 1, 2, and 3 by 2045.¹ To ensure that information is exchanged directly with the Board of Directors, overall responsibility for environmental protection as well as occupational health and safety lies with the Central Department under direct management of the Chief Financial Officer (CFO).

3.1 Criteria and measures

[SDG 13, GRI 2-27→] Protecting the environment and preventing environmental pollution play an essential role for RAFI. For this reason, environmental responsibility, sustainable management, and continuous reduction of the consumption of resources are key criteria in our corporate decision-making. To ensure that these guiding principles are integrated into daily business operations and can be quantified and validated, the company's management established an environmental management system aligned with ISO 14001 in 2011. This system was rolled out across all production sites as of 2023. Within this framework, we define the environmental targets for materials and assign them to the relevant departments annually (→see 3.2). In 2023, we introduced an ISO 50001:2018-certified energy management system at all of our European production sites to systematically record and use energy flows more efficiently. Environmental aspects are taken into account and investigated in the development of both RAFI products and custom products. We use recycled or recyclable materials in production wherever possible (→see 4.1). In consultation with our stakeholders, we seek to leverage additional savings potential in transport and packaging. To do this, we involve our suppliers and customers wherever possible in setting up transport and packaging systems

that conserve resources (→see 4.2). In the selection and qualification of our numerous suppliers, we take guidance from verifiable requirements such as the ESG standards for sustainable corporate governance (→see 2.2.2). To evaluate the defined environmental targets, RAFI collects data on the generation and consumption of energy, heating, and cooling, as well as the recycling rate and the amount of waste generated (→see 3.2 and 4.1.1). The data is determined on a site-specific basis using calibrated measuring systems of the supply and disposal companies. One objective in 2023 was to establish the most thorough data collection possible, including the US subsidiary Xymox, which has been part of the RAFI Group since mid-2023.

We also use on-site measuring systems for detailed data collection and precise, local evaluation. [GRI 302-4→] To improve the energy balance of our buildings and production sites, we ensure all new buildings are designed according to today's energy standards. We also equip existing buildings with solutions that reduce consumption – such as by converting lighting systems to energy-saving LED technology. Specifically, the F building at the Berg site underwent an energy-focused renovation in 2023. In 2023, we also initiated the construction of a new, state-of-the-art, energy-efficient production plant in Bad Waldsee.



¹ The Greenhouse Gas Protocol defines the categorization of emission loads into scopes. This standard mandates the recording of emissions from Scopes 1 and 2, while the recording of emissions from Scope 3 is optional. The first scope includes direct emissions from sources that are owned or controlled by the company, while the second scope comprises indirect emissions from the generation of purchased power and steam as well as externally sourced heating and cooling. The third scope lists all other indirect emissions generated along the company's value chain over the entire life cycle of its products.



3.2 Energy efficiency and reducing consumption



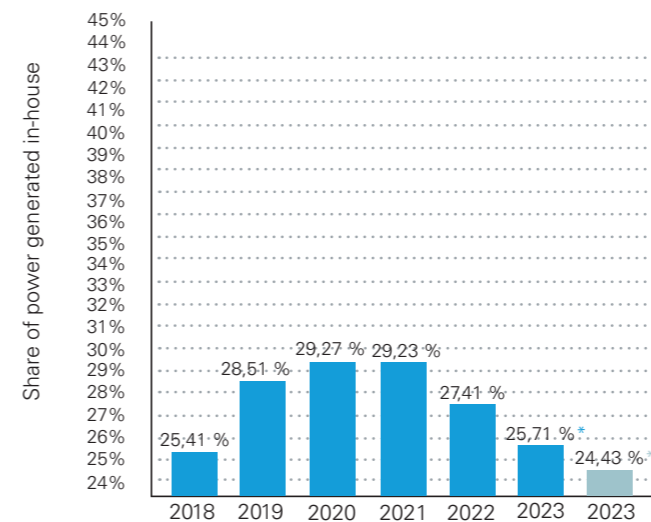
[SDG 13, GRI 302-→] In addition to the introduction of our standard-compliant energy management in accordance with DIN EN ISO 50001:2018, we are upgrading our entire energy measurement technology to ensure even more detailed and accurate data collection. To improve internal energy efficiency, we are putting our in-house manufacturing processes to the test and evaluating energy requirements as a key procurement criterion for new machines and equipment to be installed. The medium-term goal is to record every energy-intensive production stage and to allocate the stages to individual products. This will indicate the carbon footprint and product-specific energy costs. [GRI 302-1→] Photovoltaic systems are being installed in all new buildings and buildings undergoing renovation, with the energy generated being fed into the respective low-voltage grids of the factories. Our combined heat and power plant continues to cover the basic energy supply of our factory in Berg.

3.2.1 Regenerative production of energy and external procurement

[GRI 302-1, -4→] In 2023, around 25.71% of the electricity used in the entire RAFI Group was generated in-house. If the amount of power generated in-house at any time exceeds the factory's own requirements, we feed the surplus into the public grid. Since 2019, the external power required to cover the total electricity demand in all German factories has come entirely from renewable sources, with the CO₂ emissions from power falling to zero. Since 2021, 100% of the power supplied has come from Austrian hydroelectric power.

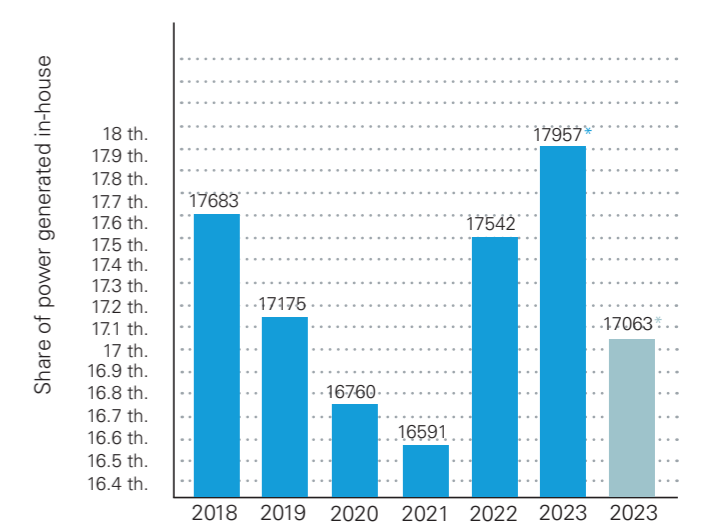
An absorption chiller generates cooling using the excess heat generated by the combined heat and power plant in Berg. A buffer tank with a capacity of 100 m³ is used to temporarily store additional surplus heat, which is then used for heating or cooling purposes as needed. The remaining cooling requirements are covered using an electricity-driven, magnetically mounted turbo compressor.

GRI 302-1b): Share of power generated in-house per year



* with Xymox
* without Xymox

GRI 302-1a): Total power consumption (external procurement) per year



* with Xymox
* without Xymox

3.2.2 Resource mix, energy intensity, and reducing consumption

[GRI 302-1→] As the figures show, the entire RAFI Group covers all its energy needs with natural gas and electricity. One of the key objectives of the 2024 climate neutrality strategy to be further developed is the transition away from natural gas as an energy source in the future.²

[GRI 302-3→] The energy intensity of the RAFI Group comprises the total energy consumption shown, which is made up of gas consumption, externally purchased electricity, and the use of photovoltaic power from in-house generation. The energy intensity ratio is calculated using the formula of total energy consumption/organization-specific

parameters.³ Due to the large number of different products and the associated frequency of product changes, we selected the organization-specific parameter Sales as a uniform basis of calculation. The energy intensity ratio is thus determined using the measurement unit **MWh/t €**.⁴

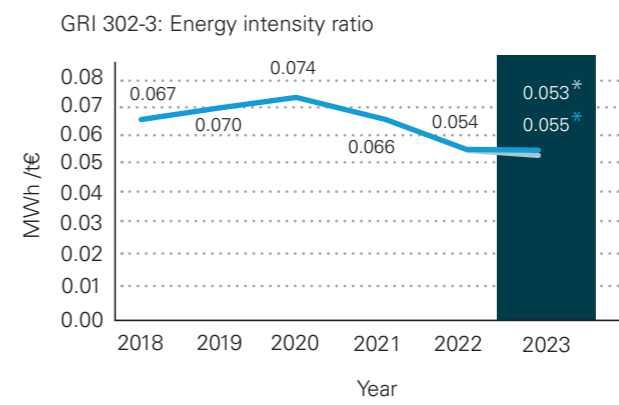
[GRI 302-4→] Only measures concerning the energy types electric power, heating, and cooling were previously included in the calculation of energy consumption. The fleet consumption of our own vehicle fleet is also recorded and documented for the first time in this Sustainability Report. Since RAFI in Germany has been purchasing certified

green power or hydroelectric power since 2019, power-saving activities would no longer have a reducing effect because the CO₂ factor for these sources is 0 g/kWh. For this reason, we calculated the power savings achieved since 2019 according

to the dual reporting method of the Greenhouse Gas Protocol (GHG) using the values of the CO₂ emission factor electricity mix [g/kWh] defined by the Federal Environment Agency.

Year	Gas consumption (MWh)	Oil consumption (MWh)*	Power consumption from external procurement (MWh)	PV power consumption (MWh)	CHP power sales (MWh)	Total energy consumption (MWh)
2018	13,800	84	13,232	350	-124	27,342
2019	15,248	90	12,397	344	-175	27,904
2020	15,545	82	11,912	340	-212	27,667
2021	15,670	85	11,852	316	-126	27,797
2022	13,963	80	12,733	335	-92	27,019
2023	14,563	75	13,572	280	-116	26,670*
2023						28,374*

* Weingarten included * RAFI Electronics relocated * without Xymox * with Xymox



² In accordance with GRI 302-1, power generated in-house from natural gas is not shown separately on the consumption balance sheet and is only included in fuel consumption. Heating and cooling energy consumption is included only in natural gas or power consumption.

We determine the CO₂ emission factors of the power mix, natural gas, and light heating oil based on the corresponding standards and methods of the Federal Environment Agency.

The consumption values were converted from TJ to kWh based on the ratio of 1 TJ = 277777.78 kWh. For determination of emission factors, see the following: "Development of the specific carbon dioxide emissions of the German electricity mix in the years 1990 to 2020" and "CO₂ emission factors for fossil fuels" (umweltbundesamt.de).

GRI 302-4: Reduction in energy consumption (MWh)

Assignment	Effective year	Energy savings (MWh)
LED illumination	2018	31
LED illumination	2019	28
LED illumination	2020	56
Optimization of compressed air generation	2020	328
Optimization of compressed air generation	2021	5
Optimization of compressed air generation Eltec	2021	240
LED illumination Eltec	2021	140
Optimization of IT hardware	2020	40
Optimization of process cooling	2020	30
Renovation of Building A	2022	350
Renovation of Building F	2023	250

³ Organization-specific parameters include:
- Product units
- Production volume (tons, liters, MWh)
- Size (such as footprint in m²)
- Number of full-time employees
- Monetary units (such as revenue or sales)

⁴ The sales figures are internal data from the ERP system and may differ from the financial statements prepared in accordance with commercial law.

3.3 Emissions generation and reduction



[SDG 13, GRI 305-1] An important concern for us is the continuous reduction of emissions that have a detrimental effect on the climate. Our climate protection efforts not only contribute to RAFI's economic success but also position us as a forward-thinking strategic partner of our customers, committed to the common good. The majority of the CO₂ emissions caused by RAFI and reported in "Scopes" in accordance with the Greenhouse Gas Protocol come from business and production operations. The first scope includes direct emissions from sources that are owned or controlled by the company, while the second scope comprises indirect emissions from the generation of purchased power and steam as well as externally sourced heating and cooling. The third scope lists all other indirect emissions generated along the company's value chain over the entire life cycle of its products. Our report records Scope 1 and 2 emissions for the entire RAFI Group based on the CO₂ emission factors defined by the Federal Environment Agency for the electricity mix, natural gas, and light heating oil, as well as RAFI's fleet consumption.

3.3.1 Recorded greenhouse gas emissions

[GRI 305-1-1] The direct emissions relevant to

Scope 1 within the RAFI Group are the greenhouse gas emissions generated from fossil-fuel combustion in the gas boilers for the generation of heat and the natural-gas-fired combined heat and power plant for the generation of both power and heat. Any surplus heat is used to generate cooling using an absorption chiller. Scope 1 now also encompasses the consumption of the company's own vehicle fleet, which we are reporting on here for the first time.

[GRI 305-2-1] Indirect emissions in Scope 2 are the CO₂ emissions generated for the production of power purchased at the specific location. The CO₂ emission factors used for the calculation were taken from the International Energy Agency (IEA). RAFI in Germany has been purchasing exclusively certified green power since 2019 and power exclusively from 100% Austrian hydroelectric generation since 2021. Therefore the CO₂ emissions calculated for externally sourced electricity are quantified as zero for this period.

[GRI 305-3-1] To calculate the emissions falling under Scope 3, which are not yet included in our reporting, we are currently working on "clustering" our purchased materials and recording them by weight. Based on this information, we will be able to allocate

the appropriate CO₂ emission loads to the materials in the next step. As RAFI serves as a supplier for further integrated end products across multiple business areas, accurately assessing the carbon footprint of our products throughout their entire utilization phase remains a challenge.

GRI 305-2: Indirect energy-related GHG emissions (Scope 2) in tons of CO₂

Year	Medium	Total Scope 2 CO ₂ emissions
2018	Power	5,325
2019	Power	1,608
2020	Power	1,581
2021	Power	1,485
2022	Power	2,038
2023	Power	2,307*
2023	Power	1,948*

* with Xymox * without Xymox

3.3.2 Emission intensity and reduction

[GRI 305-4-1] As for the determination of the energy intensity ratio (→see 3.2.2), we also use sales as an organization-specific parameter for calculation of the emission intensity ratio. The total greenhouse gas emissions from Scopes 1 and 2 are divided by

this parameter, so the emission intensity ratio is determined in the unit tons per thousand € sales (t/t €). As we included the fleet consumption of our vehicle fleet in our reporting for the first time in 2023, we are introducing a split presentation for 2023 just for this year.

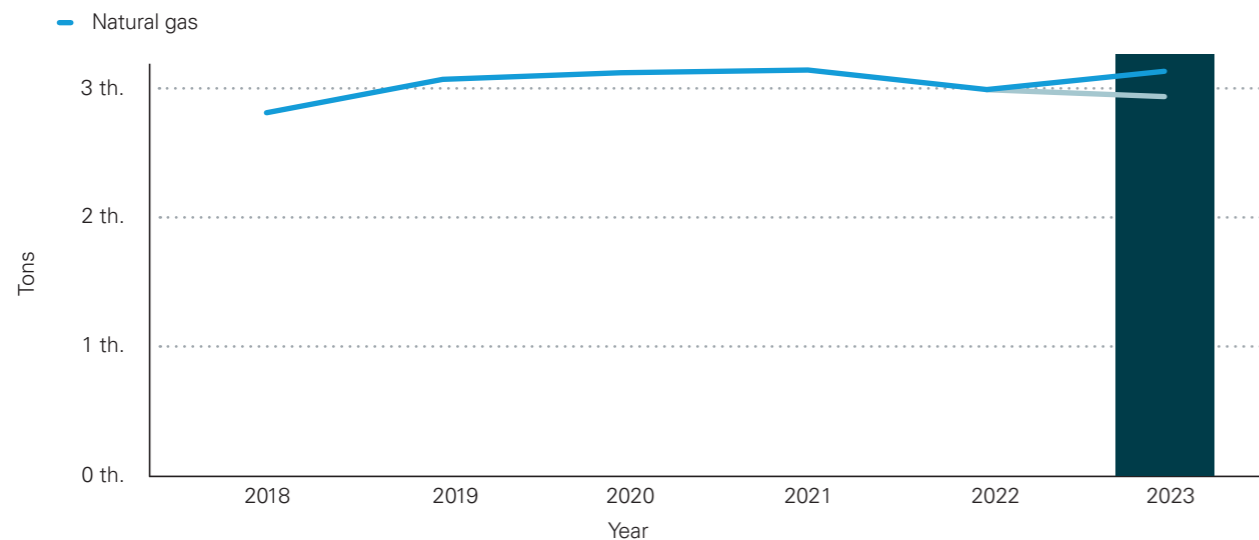
[GRI 305-5-1] In addition to cutting energy consumption, switching energy procurement to lower-emission or completely climate-neutral sources also helps reduce greenhouse gas emissions. Because we have been purchasing our electricity completely from emission-free sources since 2019 (→see 3.2.2), further reduction measures would have no positive impact on our carbon footprint in this area. With our combined approach, we nevertheless attach great importance to sustainability and reducing consumption in all new procurement and modernization measures. With a focus on the reduction of emissions from the change in power procurement (Scope 2), this results in a CO₂ reduction of 39.2% in relation to the base year of 2017.⁵ The reduction in CO₂ savings in 2022 is due to the commissioning of a new factory building for RAFI China, which has doubled the existing operating space. For better comparability of the key figures, we present the total results for 2023 both including and excluding the newly acquired subsidiary Xymox.

GRI 305-1: Direct GHG emissions (Scope 1) in metric tons of CO₂

Year	Medium	CO ₂ emissions, Scope 1, natural gas, in tons	Medium	CO ₂ emissions, Scope 1, heating oil, in tons	Medium	Total CO ₂ emissions, Total Scope 1, diesel, in tons	Medium	Total CO ₂ emissions, Scope 1, gasoline, in tons	Total CO ₂ emissions, Total Scope 1, in tons
2018	Natural gas	2,800	Oil	22	Diesel		Gasoline		2822
2019	Natural gas	3,089	Oil	24	Diesel		Gasoline		3113
2020	Natural gas	3,131	Oil	22	Diesel		Gasoline		3153
2021	Natural gas	3,167	Oil	23	Diesel		Gasoline		3190
2022	Natural gas	3,008	Oil	21	Diesel		Gasoline		3029
2023	Natural gas	2,928	Oil	20	Diesel	109	Gasoline	101	3158*
2023	Natural gas		Oil		Diesel		Gasoline		2995*

* with Xymox * without Xymox

GRI 305-1: Direct GHG emissions (Scope 1, tons per medium)



* with Xymox * without Xymox

Year	Sales (t €)	Emission intensity ratio (t/t €)	Total CO ₂ emissions (t)
2018	408,482	0.020	8,125
2019	396,261	0.012	4,697
2020	373,975	0.013	4,712
2021	418,929	0.011	4,652
2022	498,675	0.010	5,046
2023	520,466	0.011	5,711*
2023	506,922	0.010	5,168*
2023	506,922	0.011	4,959*

* with Xymox (and vehicle fleet) * without Xymox (with vehicle fleet) * without Xymox

GRI 305-5: Reduction of GHG emissions

Year	CO ₂ reduction compared to 2018 (t)	Total CO ₂ emissions (t)	CO ₂ reduction%
2018	150	8,125	1.81%
2019	3,578	4,697	43.24%
2020	3,563	4,712	43.06%
2021	3,623	4,652	43.78%
2022	3,229	5,046	39.02%
2023	2,584	5,691	31.23%

⁵ As previously, the CO₂ emission factors of the German Federal Environment Agency were used to calculate GHG emissions for the German power mix.

3.3.3 Emissions of other pollutants

[GRI 305-7→] Other environmentally harmful emissions at the Berg location result from operation of the CHP. The exhaust gases produced during the combustion process are regularly checked by an independent measuring body. This ensures compliance with the statutory limits for the air pollutants carbon monoxide (CO), nitrogen oxide (NO₂), formaldehyde (CH₂O), and sulfur oxide (SO₂). We have also installed an NOx sensor that monitors the nitrogen oxide emissions in the exhaust gas and continuously registers them as a daily average.

Pollutant	Unit	Limit value	Measured value
Carbon monoxide (CO)	g/m ³	0.30	0.023
Nitrogen oxides (NO ₂)	g/m ³	0.50	0.403
Formaldehyde (CH ₂ O)	mg/m ³	30.0	22.6
Sulfur oxides (SO ₂)	g/m ³	0.0089	0.0038

Measured values of the commissioned independent measuring station from August 2022

All measurements to date have confirmed compliance with applicable limit values, with the measurements finding values significantly below the limits in some cases. Every four years, we also submit an emissions declaration in accordance with Section 27 of the Federal Pollution Control Act. For the declaration, we use the online tool of the State Institute for the Environment, Measurements, and Nature Conservation of Baden-Württemberg. We enter the emissions from the annual operating time of the CHP into this online tool along with the volume flow determined during the measurement and the measured values for the air pollutants. These figures are then converted into annual loads. For the most recent reporting year of 2020, the annual loads were as follows:

Pollutant	Measured value
Carbon monoxide (CO)	313 kg/a
Nitrogen oxides (NO ₂)	7,733 kg/a
Formaldehyde (CH ₂ O)	254 kg/a
Sulfur oxides (SO ₂)	21.29 kg/a

Annual loads in kg per year calculated on the basis of the measured values for 2020

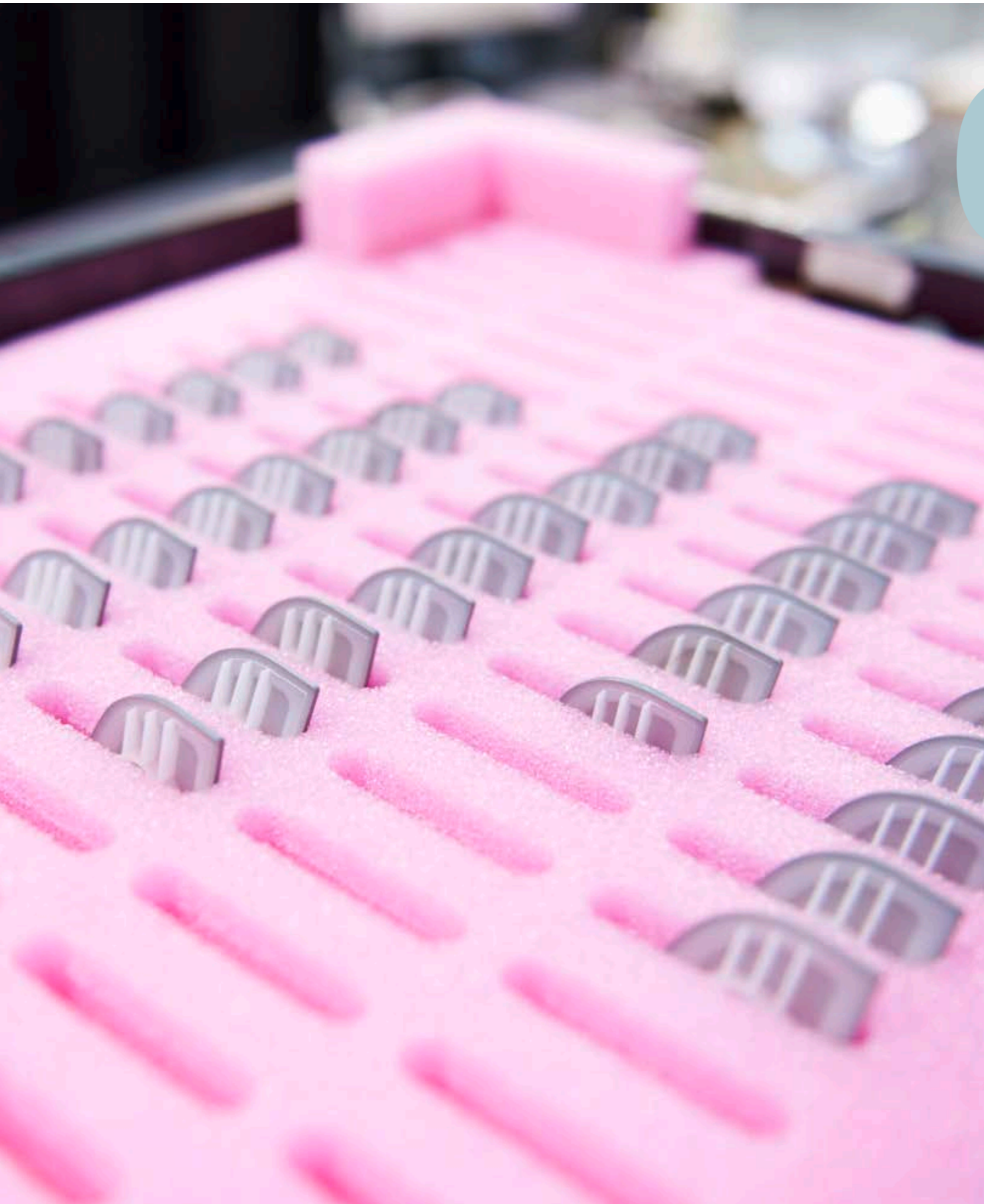
3.3.4 Outlook and objectives

In 2023, the RAFI Group set itself the strategic goal of being CO₂-neutral in Scopes 1 and 2 from 2030 and achieving CO₂ neutrality in all Scopes by 2045. Furthermore, we began clustering our purchased preliminary products in 2023 in order to enable realistic recording of the emissions from the upstream supply chain that fall under Scope 3 by recording their weight. With the help of databases, these actual values can be used to create a company-specific Scope 3 for the upstream value chain. We rely on information from our customers to accurately capture data from the downstream value chain.

In spring 2022, we took an important step towards achieving CO₂ neutrality by modernizing the energy infrastructure at the RAFI Campus in Berg. The overall project comprises several construction phases over a period of three years. Building A was renovated in the first construction phase in 2022. This involved adding new exterior insulation and a ventilated metal façade made of certified recycled aluminum. From an energy standpoint, all components are designed for maximum reduction of CO₂ emissions. The renovation of buildings F and G to be more energy-efficient started in 2023. Additionally, we aim to finish the energy-efficient modernization of building E in 2024. Building B will be vacated by the end of 2024 and production will be moved to the new factory currently under construction in Bad Waldsee. Initial projections of the physical effects suggest energy savings of up to 45% and a significant reduction in CO₂ emissions of around 340 tons per year.

The new construction of our plant in Bad Waldsee, which started in 2023 and will feature an energy-efficient and low-consumption building infrastructure, is expected to be ready for occupancy at the end of 2024. The new plant combines a modern administration building with a training center and production facilities for plastics, machine production, metal processing, toolmaking, and tool development.





04 DISPOSAL, REUSE, AND RECYCLING

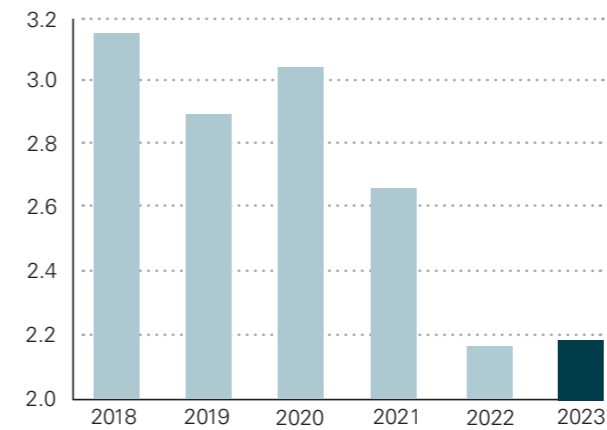
[GRI 3-3, 306→] RAFI attaches great importance to recycling and proper disposal of waste, with our primary goal being waste prevention. In this context, we are working with customers and suppliers on concepts that reduce the volume of waste by saving packaging materials and using returnable or reusable packaging. As early as in the development stage, we consider ways to reduce waste generated by new products. For example, we ensure that the production panels in printed circuit board manufacturing are optimally utilized in terms of space. We also minimize plastic waste in injection molding, and we take care to avoid hazardous substances when selecting materials. The exact planning of film cutting ensures ultra-efficient material use and reduces scrap in film production.

4.1 Waste and hazardous materials management

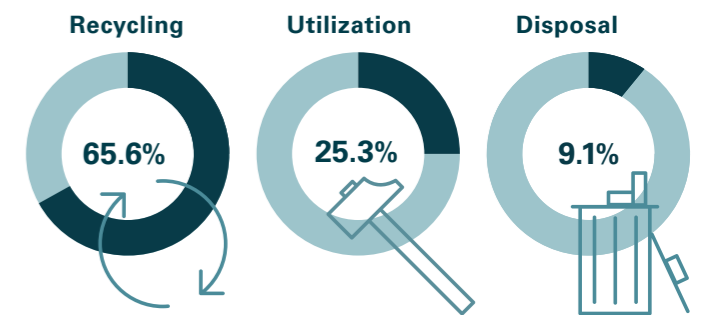
[GRI 306-1→] Through our initiatives to prevent waste and increase recycling, we reduced waste generation in the RAFI Group to approx. 2.2 metric tons per €1 million in sales in 2023. The remaining waste is disposed of through recycling, material recovery, and – if not otherwise possible – thermal recovery or disposal.

4.1.1 Recycling, recovery, and disposal

[GRI 301-2, 306-2, -3, -5→] In 2023, the recycling rate in terms of material quantity was 65.6%. The percentage of material recovery was 25.3%. Only 9.1% of the material quantity went into waste disposal. In the RAFI Group, we have achieved a waste sorting separation rate exceeding 92%. Of the total volume of waste generated at RAFI, approx. 8% is



Waste generated in metric tons per €1 million in sales



Evaluation of recovery and disposal processes

classified as hazardous. It therefore requires special disposal procedures to ensure safe and environmentally sound disposal of the pollutants contained in it. When carrying out such procedures, our company strictly follows the requirements of the EU Directive on the Restriction of Hazardous Substances (RoHS) in electrical and electronic equipment and the EU regulation on the Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH). To verify RoHS and REACH compliance, we have set up a component database that enables corresponding status queries for each individual component.

2018	2019	2020	2021	2022	2023
81.54%	81.15%	92.88%	91.38%	92.11%	89.89%

Separation rate

4.1.2 Handling chemicals and critical substances

[SDG 3, GRI 416→] Due to RAFI’s high degree of in-house production, hazardous substances are primarily used in our production areas. However, we strive to reduce the use of hazardous substances as far as possible in order to lessen the harm to both people and the environment. Starting in the product development stage, we do everything possible to avoid critical substances. Here, we take into account the criteria set out in the EU regulation on the Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH) and the EU Directive on the Restriction of Hazardous Substances (RoHS) in electrical and electronic equipment. We have also established our own guidelines that go beyond the REACH and RoHS requirements. These guidelines prevent the use of critical substances as far as possible, both in manufacturing and in the products themselves. In consultation with the responsible specialist areas, our Hazardous Substance Management monitors all substances used and regularly checks whether alternatives are available. Before introducing new hazardous substances, we carry out substitution tests to develop alternative solutions at an early stage.

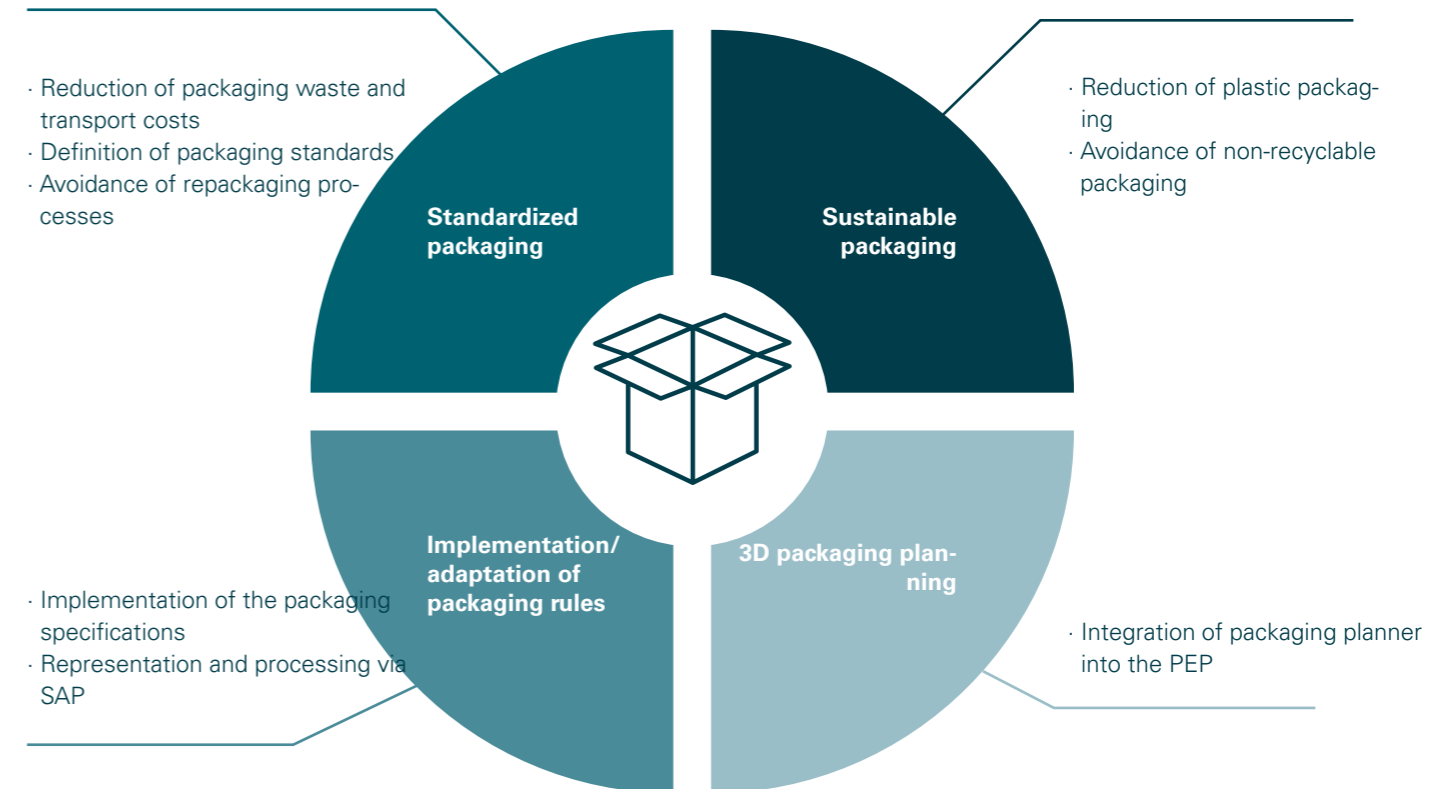
	2018	2019	2020	2021	2022	2023
Total waste	1,291.95	1,144.41	1,138.91	1,108.62	1,086.71	1,140.83
· Hazardous	75.20	72.26	73.99	74.99	74.28	95.76
· Not hazardous	1,221.94	1,072.17	1,064.91	1,033.87	1,008.64	1,045.23
· Hazardous proportion	6.2%	6.7%	6.9%	7.2%	7.4%	8.4%
Waste for recycling	968.50	850.82	785.14	724.39	785.35	748.87
· Hazardous	13.02	14.19	13.55	19.86	13.59	31.24
· Not hazardous	948.65	836.49	771.56	704.52	779.47	714.99
Waste for recovery	247.07	218.64	276.52	290.24	258.23	288.76
· Hazardous	41.41	37.71	37.49	35.86	37.92	49.32
· Not hazardous	205.65	180.92	239.02	254.38	220.51	239.65
Waste for disposal	88.40	75.12	77.24	93.69	106.09	103.93
· Hazardous	20.77	20.36	22.95	18.72	22.15	15.64
· Not hazardous	67.64	54.76	54.30	74.97	83.94	86.27

Shares of hazardous waste broken down by recovery method in tons

4.2 Sustainability in packaging

[GRI 301→] The products manufactured and sold by RAFI are predominantly complex mechatronic control units for human-machine interaction and consist of a large number of components. Suitable packaging is required both for delivery of the individual parts and for transport of the finished products. This packaging must ensure the protection of the transported goods and safe, easy handling. Our goal is to further reduce the consumption of packaging materials in proportion to sales trends in all supply

streams. To do this, we have taken measures to reduce the volume of packaging, to reuse returnable packaging, and to use an increased proportion of recycled materials. We are successively expanding the concepts we have rolled out for using packaging multiple times, for goods carriers, and for filling and padding materials. Wherever technically possible and economically viable, we use recycled materials in packaging. We have also launched an initiative to replace cardboard packaging with solutions that are more environmentally friendly.



4.2.1 Packaging generation and recycling

The packaging generation at RAFI can be broken down into the following three goods flows:

- Material deliveries to RAFI
- Material deliveries within the company and its locations
- Material and product deliveries from RAFI to its customers

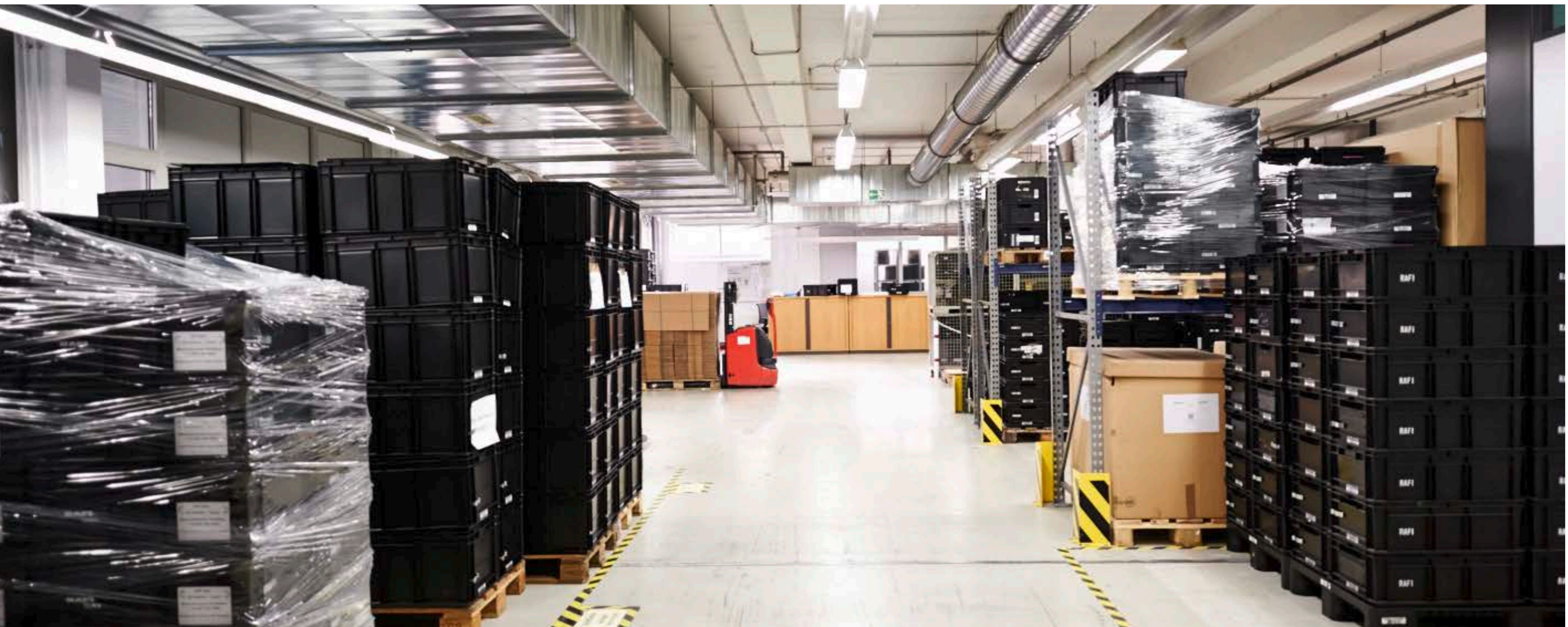
[GRI 301-2→] As separate processes, unpacking incoming goods and packing outgoing goods generate a large volume of material. In addition to the outer packaging, this also includes the filling and padding material to protect sensitive parts. By dovetailing these material flows, we have been able to significantly improve the sustainability of our packaging. To do this, we implemented a new recycling model in the second quarter of 2020. We now make the disposable pallets used for goods delivery and the filling and padding material produced during unpacking available for reuse in goods dispatch.

4.2.2 Returnable packaging in goods transport

[GRI 301-3→] A second factor in ensuring the sustainability of our material logistics processes is the changeover to returnable packaging in goods transport. We now use returnable packaging for almost all internal material deliveries between (and within) our locations. We also use standard lattice boxes for packaging in intra-European goods transport on regular transport routes, especially when mechanical components are involved. However, this is not a suitable solution for the electronic components that we purchase from manufacturers and distributors all over the world. This is because the comparatively high weight of the returnable packaging in relation to the usable contents has a negative impact on the energy footprint of the goods transport. We also work closely with our suppliers of individual components to minimize repackaging processes and the use of plastic.

4.2.3 Outlook and objectives

Beyond material delivery and internal goods transport, we also want to win over customers in the future with updated concepts for increased use of returnable packaging. The crucial criteria for this are the regularity of deliveries, the weight and dimensions of the products, and the transport routes and destinations. When selecting suitable transport packaging, it is also necessary to take into account special requirements such as impact and drop resistance, tightness, and EMC protection, along with special customer requests regarding the packaging design. In addition, it is important to take into account the processing time and cleaning of this packaging. This sustainable packaging option is only viable when both parties are able to handle returnable packaging, typically through a central warehouse in business-to-business transactions, rather than business-to-consumer transactions.





05



TRAINING AND CONTINUING EDUCATION

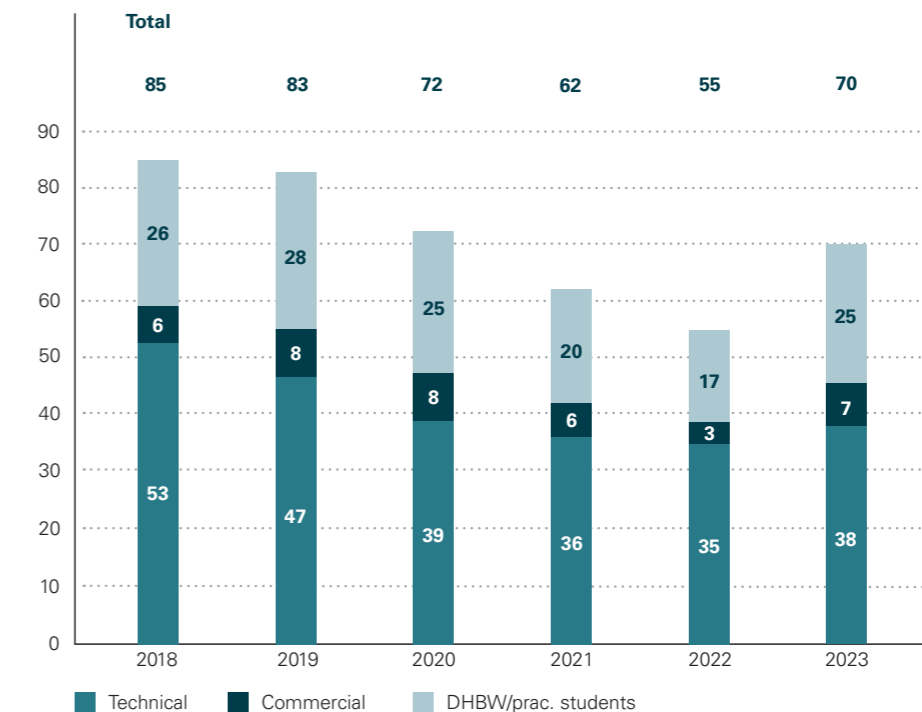
[GRI 3-3→] One of the key objectives of our group is to continuously enhance the skills of our employees, provide training in line with requirements, and prepare them for the latest developments and technologies. The focus is therefore on lifelong learning. RAFI Academy was set up to ensure the successful cultivation of knowledge and skills internationally. The Academy is therefore the central point of contact for global lifelong learning and forms the framework for international cooperation in the spirit of ONE RAFI in the realms of training and continuing education as well as specialist and management development. The Academy facilitates the transfer of knowledge between sites and the development of overarching skillsets that are coordinated and aligned with RAFI's specific needs. We achieve this through tailor-made training and education programs and by creating an excellent learning environment. Through the Academy, we are enhancing our skills, fostering individuals, and unleashing potential.

5.1 Training and fostering young talent

[GRI 2-8, 404→] Needs-based training is a key aspect of our sustainable human resources planning. This means that the number and occupational fields of the traineeships on offer vary depending on foreseeable demand, projected employee turnover, and strategic positioning of the company. In Germany, RAFI currently offers training opportunities in 14 professions that require on-the-job vocational training. A total of 8 cooperative study programs are also available at the Berg and Überlingen locations. On the key date of December 31, 2023, the two locations were providing vocational training to 24 on-the-job trainees, 3 retrainees, 20 cooperative-study students, and 3 student interns. After a number of years with high trainee intakes at RAFI Hungaria, five trainees and two cooperative-study students are currently employed there. In accordance with our collective agreement,

all candidates who successfully complete a training program at our headquarters in Berg are offered a fixed-term employment contract lasting at least twelve months. Members of the youth and trainee representation body are awarded permanent employment contracts.

In 2023, the Berg site was the first industrial company to be awarded the "Cooperative Training Promotion Prize" by the district of Ravensburg for outstanding commitment to vocational training. The prize was conferred for the third time. The selection jury consisted of representatives of the Lake Constance-Upper Swabia Chamber of Industry and Commerce, the Ulm Chamber of Crafts, the Ravensburg District Craftsmen's Association, and the Ravensburg District Office, as well as Bernd Vogt, who serves as the district's Managing Headmaster of Vocational Schools.





5.1.1 Structure and evaluation of the training

Training at RAFI is organized in a decentralized manner at the various locations in Germany. A responsible instructor is entrusted with the technical training for each profession on offer. Trainees also have training officers at their disposal who serve as points of contact in each department they pass through. This means that at the Berg location alone a total of around 75 employees are involved in training tasks, including 2 full-time training managers. Two training managers also work at the Überlingen site, but they are not employed full-time in this role. Other training officers staff the specialist departments there as well. We ensure the top-notch quality of our training programs through regular internal and external further training courses. We also schedule regular feedback and assessment meetings between trainees and students and their trainers as well as the training managers.

The need for internal training has grown in recent years. This is due to higher levels of employee turnover and more intense competition for qualified specialists on the labor market. It is also becoming increasingly difficult to find candidates suitable for training. As a result, we have not always been able to fill all training and study positions in recent years.

5.1.2 Activities and projects during the training period

We want to ensure trainees and students develop a high level of satisfaction and loyalty to the company through a variety of campaigns and projects throughout the training period. At the start of training, a “get-acquainted” day helps break the ice, making it easier to establish contacts and reinforcing the team structure. Over the last two years, new trainees and

students at the Berg site have begun their training by spending two and a half days at a mountain hut in order to get to know each other and the RAFI world better. Annual excursions, team events, and barbecues bolster cohesion and help in the development of social skills. Our 2023 team event, organized by our headquarters in Berg, took us to one of our customers, Kässbohrer in Laupheim. At a site visit involving a group of more than 50 trainees, students, and trainers, we gained valuable insight into the company. This was followed by a fun-filled finale in the afternoon in the form of a visit to an event venue in Neu-Ulm. To improve methodological expertise, training programs also include various projects carried out in a wide array of team constellations. Trainees and students work together in the annual trainee project in Berg – from brainstorming to cost determination through to feasibility studies and production – in order to make a promotional item that is offered at school fairs and marketing events. At the project management seminar held during the second year of training at RAFI’s headquarters, a project group for 2023 concentrated on coordinating a half-day event centered on sustainability for all trainees and students at the company headquarters in Berg. This was followed by a trip to the Lupberger Honey Farm in Fronreute in July. At this event, trainees and students had the opportunity to learn about beekeeping and the conservation of bees. In addition, the focus of the second year of training at the Berg site was declared to be “sustainability.” At this stage of their training, all junior staff in Berg increasingly deal with issues of sustainability. It starts with a theoretical training course, followed by the participants’ assessment of their own workplace so that they can identify and implement specific improvements on site.

Then the training cohort develops a sustainability campaign for all trainees and students. We arranged multiple international opportunities as part of ONE RAFI 2023, including sending a student to our US subsidiary Xymox in Milwaukee. Additionally, we made it possible for two students to participate in theory seminars abroad and supported an industrial mechanics trainee in completing a language internship in Spain. For the past two years, there has been a collaborative effort between factories to establish cross-location learning groups between Berg and Überlingen for trainees in the profession electronics technician in devices and systems as well as production technologies. The mandatory Basic Metals training for trainees at both sites is carried out jointly in the training workshop at the headquarters in Berg. We are also continuing our exchange programs this year. As a further team-building initiative, trainee get-togethers were rolled out in 2022 as an optional offer outside of working hours with activities subsidized by RAFI, including bowling and darts.

5.1.3 Partnerships and initiatives for career orientation

Our company provides extensive vocational training in the region, so we take our responsibility to actively support young people in choosing a career very seriously. To this end, we work together with regional schools, universities, educational institutions, and the employment office. At the Berg site, we took on a total of 61 school interns in 2023. We also attended various school and education fairs. We collaborated with schools to host on-site events such as job application training and career presentations. We also invited several school classes to take tours of our facilities. RAFI trainees who have completed the

Chamber of Industry and Commerce training course to become “training ambassadors” volunteered to participate in various school events. In 2023, we successfully hosted another Girls’ Day event in Berg and conducted two internal training days to showcase our company as an appealing option for young people seeking vocational training opportunities.

5.1.4 Outlook and objectives

We aim to increase our training rate and modernize the training program as a whole in order to maintain our quality standards and remain competitive on the market for the best young talent. This is particularly important in the face of demographic change. Since 2022, a major topic in our training programs has been digital transformation. This focuses attention on digital opportunities, e.g. for conserving resources and for knowledge transfer. In this context, we chose two platforms in 2023 for implementation in Berg in 2024. One platform will assist in the digital transformation of the training organization, while the other will present the training content of the metal workshop in a digital format. A major modernization project involves the relocation of our metal training workshop from Berg to our new factory building in Bad Waldsee by the end of 2024. We will also further expand our commitment as a major vocational training company in the Upper Swabia region by intensifying our cooperation with local schools and educational institutions and increasing our involvement in social projects. In 2024, we plan to offer scholarships and educational awards to outstanding external school students as well. Finally, we aim to raise awareness about the important topic of inclusion among our trainees and students by partnering with a workshop for people with disabilities. We will also prioritize the promotion of international exchange in 2024. The rollout of the new RAFI Academy signifies our commitment to



enhancing future collaboration within the group, creating new synergies, and improving our collective learning experience. Over the course of the year, we aim to develop offers tailored especially to our training programs.

5.2 Further training, qualification, and retraining

[GRI 2-7, 401, 402, 404→] The goal of our human resources work is to attract motivated, qualified, and satisfied employees and to retain them permanently at RAFI. With regard to market dynamics such as globalization and sustainability, digital transformation, and technological change, our human resources development is in line with our Mission Statement and overall corporate strategy. As an innovative technology leader with the highest quality standards, we carry out more than 4,000 qualification measures per year and continuously train our employees according to the latest state of knowledge. We are currently developing a comprehensive training concept on ESG topics that will be available to all RAFI employees in the first half of 2024. Thanks to special career planning and development programs for each individual, we secure the potential offered by our future managers as well as our distinctive innovation capacity. To support agile personnel development, annual human resource meetings are held with the division and departmental heads. We sys-

tematically implement the initiatives derived from these meetings in personnel deployment, planning, and recruitment. HR Controlling as well as employee surveys regularly evaluate the success of our HR strategy. We have already received several awards for our training programs, which we are continuously expanding.

5.2.1 Development of skills and increasing flexibility

[GRI 404-2→] In 2020, we developed the RAFI competency model to define the skills that are essential for the systematic development of employee capabilities in alignment with our company’s needs. As an additional tool, we provide our managers with a training matrix to help them identify the right qualification measures for the skills required. This makes it easier to select measures that can fill specific competency gaps or boost skills. It also facilitates individual adaptation to existing needs.

[GRI 404-1→] Due to the wide variety of requirements and high level of order fluctuation in the industries RAFI supplies, flexibility in personnel deployment and personnel planning is crucial. Our internal and external qualification measures ensure that our employees have a broad range of expertise. This means that they can be deployed both internally

at different workplaces and for related tasks in other departments. Our internal training program includes over 300 courses on a wide variety of topics and learning formats. The company’s own experts and external trainers conduct the training courses. The range also includes training courses that are booked and held at specialized service providers. (→see 5.2.6).

annual potential assessments (POS) to identify potential managers at an assessment center. Candidates are then acquainted with future management tasks through individual development plans, making it possible for RAFI to conduct succession planning in a systematic and sustainable manner. Approximately 70% of participants in the POS program secure a managerial role within three years. For those who are already in management positions, we offer special annual training courses that are in line with RAFI strategy. These courses ad-

Training: in-house and external

Year	2020	2021	2022	2023
Number of training sessions	3,033	3,175	4,474	-
Number of hours	11,529	16,476	6,800	20,475
Number of hours/employee	4.6	7.2	7.7	9.1
ACTUAL total costs	€305,369.06	€332,593.57	€636,075.71	-

Scope and cost of training measures per year⁶

5.2.2 Further training programs: upskilling, reskilling, cross-skilling

One of the essential components of the RAFI competency model is systematic development of managers in order to fill vacant management positions preferably from within the company’s own ranks. The RIMA model we developed in-house for the main site in Berg offers another option for human resources development. The “RAFI in-house modular training and further training” program, a winner of the Chamber of Industry and Commerce Education Award, is dedicated to targeted development of our workforce on all performance levels. At some locations, we also offer “PEP me up,” a program consisting of three modules for developing and strengthening human resources. This program is open to employees in the form of workshops held several times a year. In our training center for electrical engineering, we offer courses for external manufacturers and government authorities in addition to the training we provide for our own staff. Since 2020, we have been providing our European locations with access to formats such as e-learning, online training, webinars, and blended learning through the LEARNIE digital learning platform.

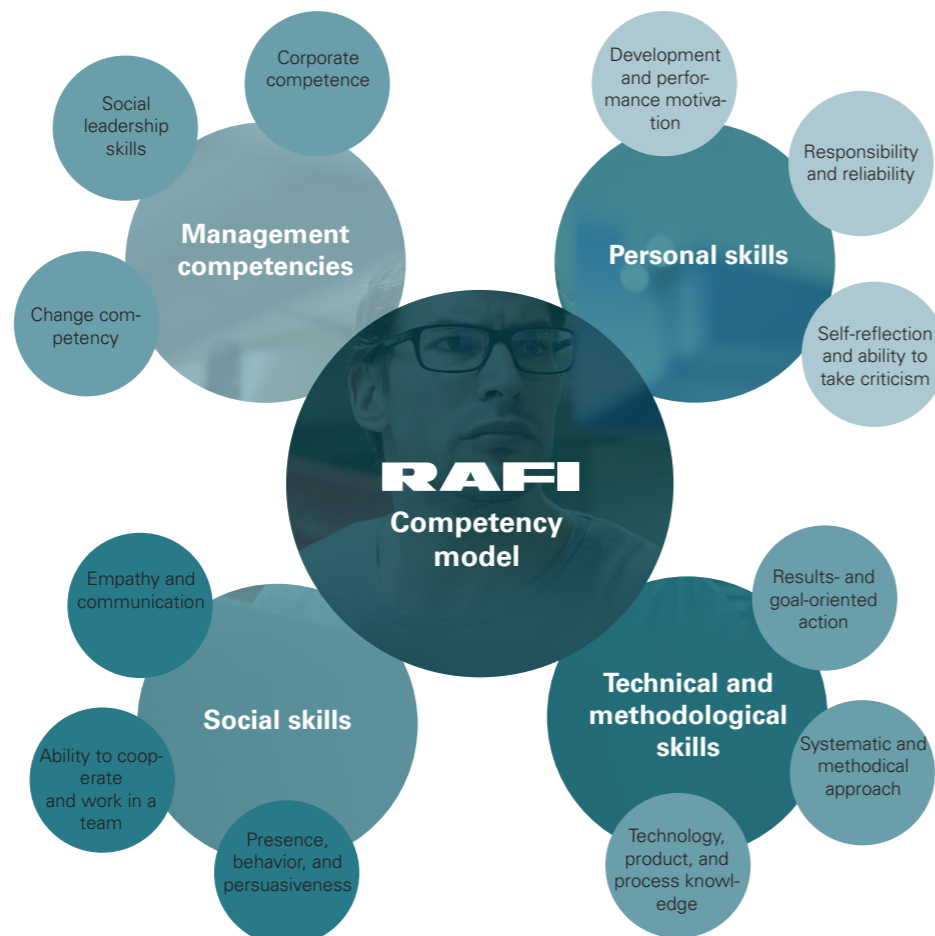
5.2.3 Leadership development using potential assessments

At our locations in Berg and Überlingen, we carry out

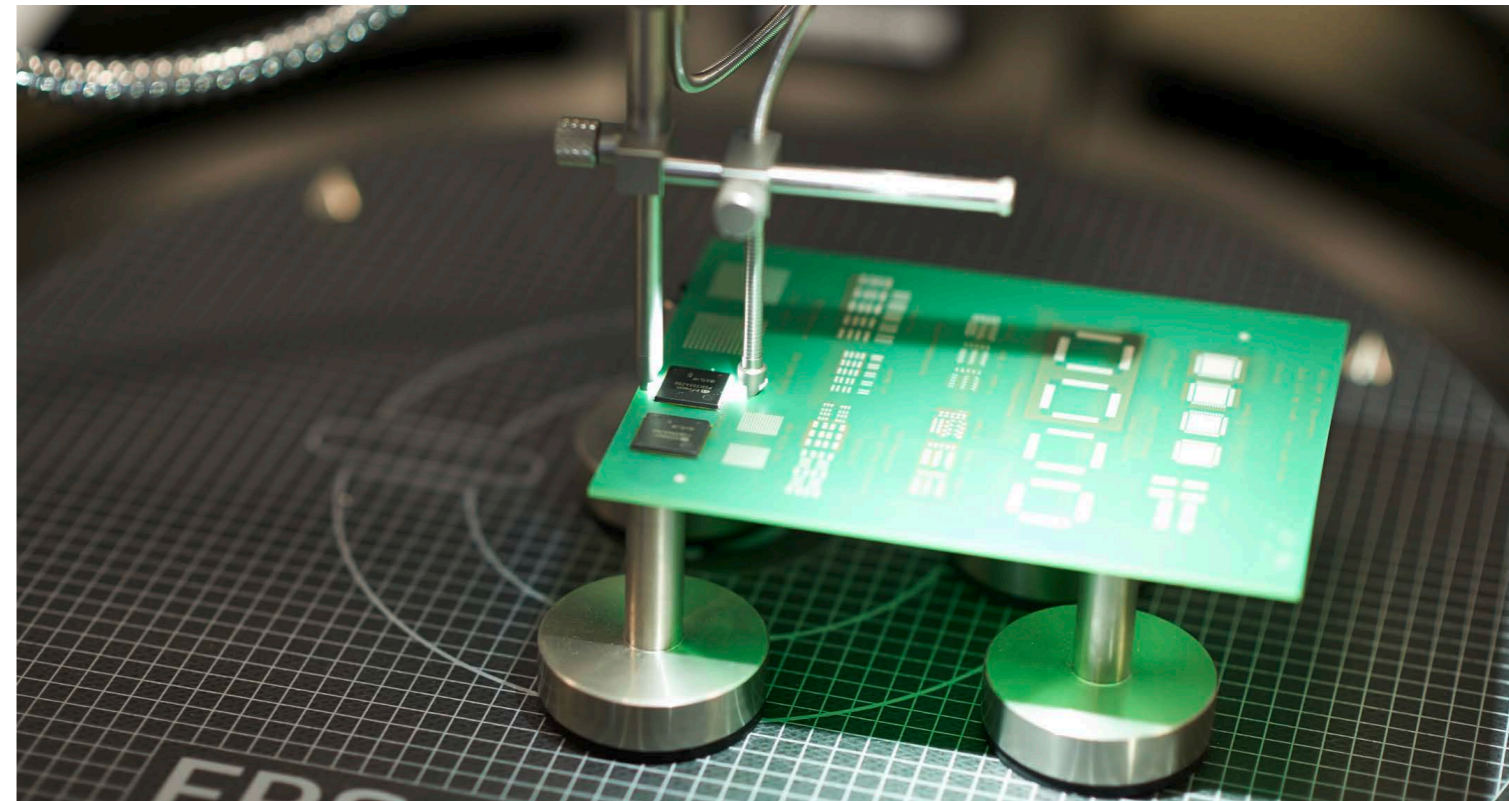
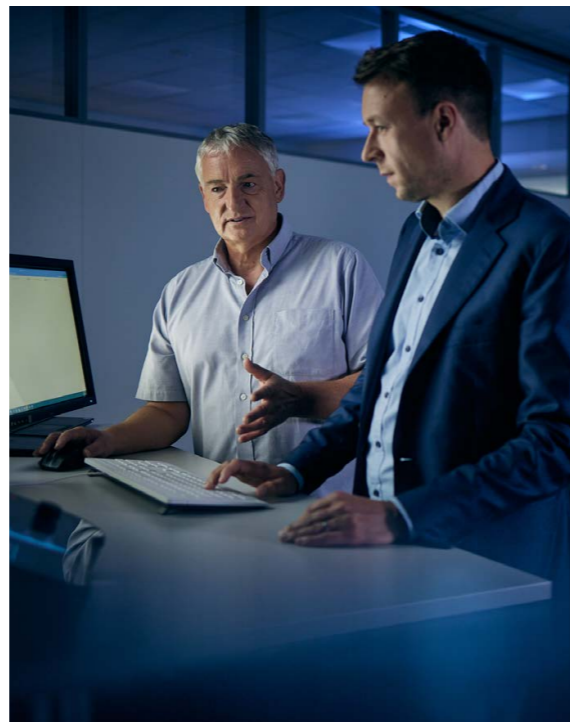
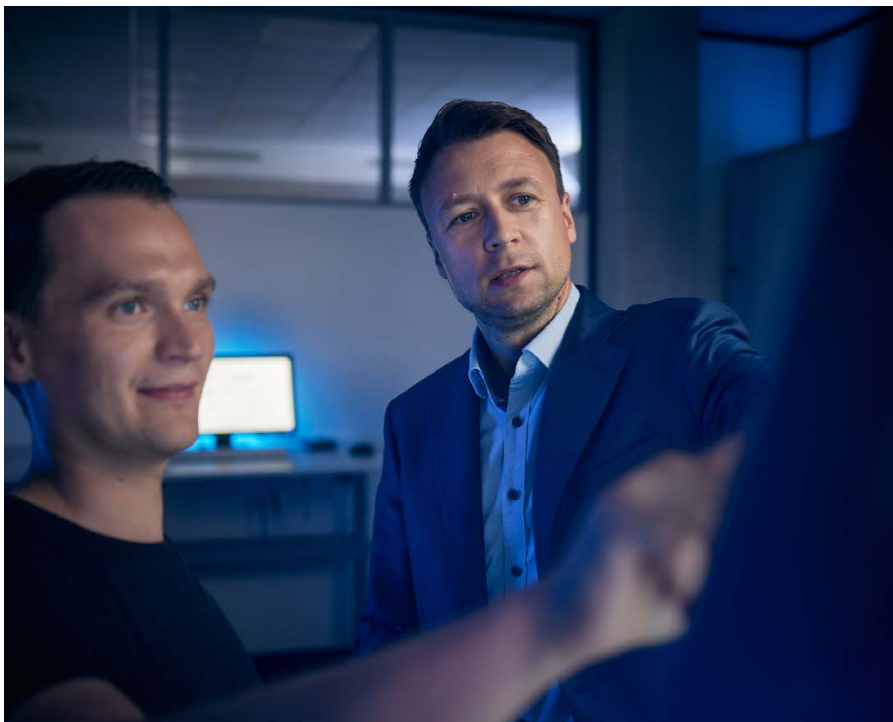
dress current topics and developments such as “Results-oriented leadership in a culture of respect and performance” or “Leadership in change.” In 2024, we will focus on the role of the manager as a coach. We continuously update our management tools and adapt them to the needs of employees. We have issued a guide summarizing the RAFI leadership principles and tools for our leaders.

5.2.4 Step-by-step development of employee qualifications with RIMA

The RIMA model we apply at our main site in RAFI Berg helps us to advance our employees from trainee to master’s degree level so they can become experts in their respective fields. The process of training to become an expert is geared toward the needs and existing potential of the individual. In the qualification process, targeted and individually tailored training, vocational education programs, and courses can be carried out in addition to the annual qualification measures. The training programs are in line with our corporate strategy as well as the needs of our customers. Since 2012, over 100 employees have received further training to obtain individual qualifications through RIMA. Funding was granted to 13 individuals in 2023, and applications for 2024 have already been received. In the context of RIMA, we provide internal retraining programs designed to em-



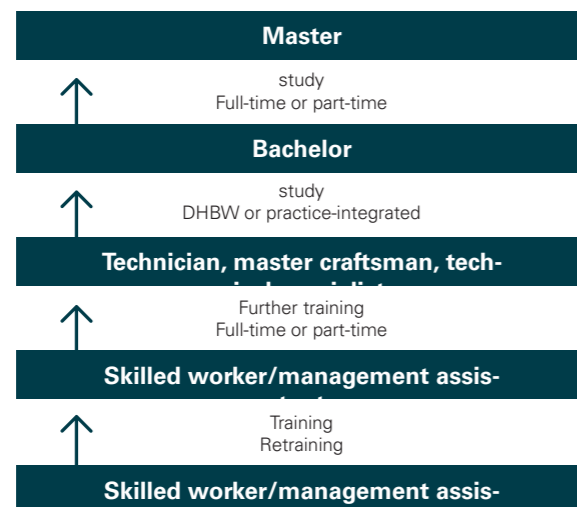
⁶ The total costs include only expenses for external trainers and qualification-related travel expenses. They do not take into account hourly rates of employees and internal trainers, maintenance and personnel costs of the training center, and expenses for vocational training.



power employees without specialized qualifications or vocational training to acquire skills certified by the Chamber of Commerce and Industry in a specific occupation, ensuring that they remain employable. In 2022, the model was extended to our location in Überlingen. Participants in the retraining programs benefit from a training period that is one-third shorter than usual while continuing to be paid their previous salary. The funding options associated with RIMA also include pausing of the employment contract, reductions in working hours, granting of educational leave, and a financial contribution covering two-thirds of further training costs up to a maximum of €5,000. The flexibility of the RIMA model enables further training on a full-time or part-time basis or with on-the-job arrangements. For part-time further training, the RIMA funding amount in 2023 was more than €8,800, with an average grant of around €2,700 per person.

RIMA total funding

	2019	2020	2021	2022	2023
Bachelor study	9	1	5	3	3
Master study	2	7	3	5	3
Master craftsman	2	1	3	-	-
Technician	1	1	-	-	-
Partial qualification	9	4	5	4	4
Practice-int. study	1	1	2	2	1
Retraining	4	3	2	3	2
Thereof full-time	6	4	5	6	4
Thereof part-time	22	14	15	11	9



5.2.5 Personality development with “PEP”

RAFI attaches great importance to the personal development of its employees. With our “PEP me up” program, we have been offering modular workshops in our German companies to improve personal skills and identification with the company multiple times a year since 2017. The training courses, which are open to all employees, follow the “Of RAFI for RAFI” slogan and are designed and implemented by an internal project team. The goal of the workshops is to increase personal development potential through self-management and increasing readiness for change. The results are a closer identification with RAFI as a company, and an increased sense of belonging bolstered by material that covers topics such as cooperation and communication.

5.2.6 Digital training platform

Since 2020, a new online training resource has been available to our employees in the form of the LEARNIE digital learning platform. The formats provided on the platform range from e-learning and online training to webinars and blended learning. Participants can access and digitally manage the courses

whenever and wherever it suits them. A total of 20 employees were trained as authors, enabling them to prepare topics and content for e-learning courses with special relevance for RAFI. The team has since been expanded to include authors in Hungary and Überlingen. The content is prepared and compiled by a large number of employees. We also procure e-learning training on general topics from external providers – including mandatory courses such as compliance, occupational health and safety, and IT security as well as wide-ranging offers for voluntary training, such as courses on common software applications. A total of 285 courses can currently be booked or accessed through LEARNIE. These include 197 online courses and webinars, 83 in-house classroom training courses, and 5 courses in a blended learning format. The courses on the platform, which has also been available at RAFI Eltec in Überlingen and RAFI Hungaria since 2022, will be rolled out to other subsidiaries in phases. This will establish LEARNIE as a standardized learning portal across all locations and countries.

5.2.7 Training center for electronic engineering qualifications

As a manufacturing company in the electrical industry, ensuring our employees obtain new qualifications in the field of electronics is essential. For this reason, we organize training courses tailored to the current requirements and developments in electronics production. These courses are implemented in our in-house training center in Weingarten together with the Soldering Technology Electronics Training Association (AVLE). In addition to AVLE soldering training, the course program also includes SMT process training and fire safety assistant training. Our courses are taken not only by our own employees but also by participants from leading electronics groups, small and medium-sized contract manufacturers, and state and federal offices from the entire DACH region. Upon request, we can also conduct needs-specific training at customer sites. Our training center is equipped with the latest technology in accordance with AVLE 1505, 1510, and 1511 guidelines, making it a European leader in this area. Our sponsors replace

Training center

	2019	2020	2021	2022	2023
Number of training sessions	304	193	226	601	595
Trained units	5,830	3,222	4,166	10,328	9,990
Number of participants	236	158	308	631	583
Satisfaction very good	97%	98%	98%	99%	99%
Total costs in €	€201,240.00	€200,740.00	€200,740.00	€220,125.00	€247,239.12
Saved teaching costs in €	€169,243.95	€187,760.00	€115,705.00	€55,554.24	€32,860.00

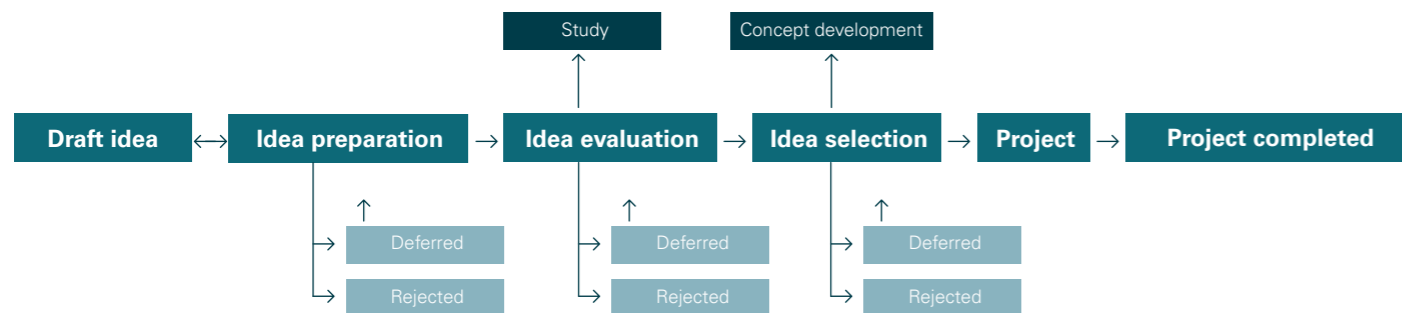


the technical equipment for hand soldering every three years so that it remains state-of-the-art at all times. We have the most modern soldering equipment available from a wide array of manufacturers. Our instructor is certified according to IPC-A-610 and IPC-7711/7721 as well as AVLE 1515 and AVLE 1516. That makes us the only provider in Europe authorized to conduct soldering training for the police. As one of the largest employers in the region, RAFI also contributes its training expertise in educational settings and offers soldering courses for international students in cooperation with Ravensburg-Weingarten University (RWU). Soldering equipment that is no longer state-of-the-art is given away at little cost to cooperating schools and universities.

5.2.8 Outlook and objectives

Our objectives in the area of training and further education include the development of our newly established RAFI Academy and the expansion of the con-

tent of the digital learning platform LEARNIE. In addition to successive expansion of the range of digital courses, we connected two of our subsidiaries (in Überlingen and Hungary) to the learning portal in 2022. A second focus is coordinating the development of our young managerial talent throughout the Group. Since 2023, the management principles and processes that were agreed and communicated in the management training courses have been implemented across the group through local management training sessions and cross-location development programs. Through this management development program, our goal is to foster a modern, outcome-driven management approach across the entire RAFI Group, underpinned by a culture of respect and performance. The employee training courses on respectful and mindful interpersonal behavior (“PEP me up”) that have been established for years at the Berg site are being expanded to the other German locations. This will lead to a uniform corporate culture with common values and rules of play.



5.3. Innovative capacity and fostering innovation



[SDG 9, GRI 402→] We have firmly integrated the fostering of innovation into our organization as a key success criterion and guiding principle of our business activities. We strive to continuously improve the structural conditions for an innovation-oriented corporate culture. This will keep us fit for the future so we maintain our competitive edge through new ideas, processes, and developments. Here we rely on the wealth of ideas of our employees and expressly motivate them to participate creatively. Our structurally embedded innovation process invites all employees to develop their own suggestions and ideas and enter them into our “INVISION” innovation database.

5.3.1 Internal innovation competition

As part of our annual innovation competition held at the Berg site, our employees submit between 20 and 40 new ideas every year, which are initially screened and evaluated by a team of experts. In the second step, the submitters present their proposals to an interdisciplinary body and put them up for discussion. The Board of Directors confers the title of “TOP Innovator of the Year” in special recognition of the best idea. The winner then receives a trophy and a token cash prize of €2,000, which RAFI contributes to a charity designated by the winner. In 2023, our long-standing employee Benjamin Ummenhofer was recognized with this award for his outstanding idea and the development of the technical basis for SAFETY TOUCH®. The SAFETY TOUCH® provides future HMIs with a reli-

able touchscreen input with regard to the functional safety requirements in commercial vehicles, medical technology, and industrial applications.

5.3.2 Innovation workshop i24

In addition to the innovation process, our i24 initiative offers selected employees the opportunity to devote one day per year to the broad topic of innovation. Each i24 day has a specific slogan. The participants, who are selected from a wide range of disciplines, then work in small groups to develop innovative ideas related to the slogan. The creativity of those involved is reflected in the broad spectrum of proposals and ideas generated. Some of these ideas can be immediately implemented, while projects of greater complexity require more time and development.

5.3.3 Hackathon

RAFI has been hosting a hackathon event in Berg every two to three years since 2022. Participants aim to develop a prototype from a concept within just two days. Apart from the implementation of new ideas, another purpose of the hackathon is to encourage team building. This is because all employees at the respective RAFI location can participate in teams of up to six people and work on making innovative ideas a reality. The projects are presented to a jury of RAFI experts, who select a winning team whose innovation will be further developed within the company. Additionally, promising ideas from our “INVISION” innovation database are also considered for further development if deemed particularly feasible.



06

EMPLOYER ATTRACTIVENESS

[GRI 3-3→] The headquarters of the RAFI Group are situated in the thriving economic hub of Upper Swabia, where we are encountering growing competition for the best specialists. We are therefore making every effort to safeguard our reputation and image as an attractive employer both here and at our international locations. This is designed to enhance employee loyalty and sustain the high caliber of our workforce by minimizing staff turnover over the long term. In addition to the numerous ways in which we make daily work easier, we ensure a family-friendly work environment and show appreciation for the voluntary activities of our employees. We actively promote work-life balance and offer numerous benefits and prevention programs for promoting work safety as well as the health and well-being of our employees. At the headquarters in Berg, we operate a comprehensive occupational health management system, and we will extend this system in stages to our international facilities in the future.

6.1 Employment models and fringe benefits

[GRI 2-7→] Safety in the workplace is always a top priority at all RAFI locations. The RAFI Group is guided by country-specific standards and the economic significance of its operating sites when providing additional services and offers. Ensuring employee satisfaction is a very important issue for us everywhere. We therefore endeavor to align our international work organization with the above-average conditions at our headquarters.

[GRI 401-2→] RAFI Berg offers its employees an attractive package of fringe benefits, bonuses, and discounts that go beyond the collective agreement. We create the framework for high employee satisfaction through a wide range of benefits: flexible working time models, a variety of time bank options, sabbaticals, a company-sponsored pension plan, partial retirement models, and allowances for local transport, cafeteria meals, childcare, organization of excursions and events, and support for volunteer work.

6.1.1 Remuneration, allowances, and bonuses

[GRI 2-30, 407→] RAFI GmbH & Co. KG at the Berg site is bound by collective agreements and

recognizes the collective agreements of the metal and electrical industry. [GRI 404-3→] In addition to attractive basic salaries, individual performance bonuses are determined in annual performance reviews. Our company pays vacation and Christmas bonuses as well as an annual profit-sharing bonus based on the company's results for the previous fiscal year. We also offer our employees many other bonuses and fringe benefits. At our foreign locations, we pay above-average salaries and encourage a feeling of community throughout the group as defined in our ONE RAFI initiative. All on-site company cafeterias are subsidized. This is how we ensure our employees can choose from a fresh and varied range of food and beverages. And over 25% of the dishes are classed as organically farmed vegetarian or vegan food. In addition, RAFI is committed to providing its employees at all locations with company and private insurance by contributing to individual retirement benefits and offering private accident and disability insurance. At its headquarters in Berg, RAFI has implemented a three-pillar model for income in retirement, which was awarded the German BAV prize in 2016.

6.1.2 Employee-employer relationship

[GRI 402→] A sense of “WE” as a company is at the center of all our business activities. As a globally operating industrial company with regional ties, we attach great importance to being down-to-earth and creating a friendly environment. We express our appreciation for our employees with a variety of campaigns and events. Most important here are the summer party, the annual company party, and the Christmas party. The latter involves an invitation to a special year’s-end event with a supporting program and extensive buffet. Staff at the individual locations also organize further company celebrations. What’s more, RAFI offers financial and organizational support for events that promote a feeling of community among employees. The Berg location is home to 15 company sports clubs, the RAFI Big Band, and the RAFI factory fire department. They offer our employees a variety of opportunities to get together. These activities are conducive to health and encourage social and cultural involvement that extends beyond the working day. We have also established a program of sporting activities in Überlingen and Poland. The “EGYM Wellpass” was launched in late 2022, offering employees at German locations a membership that grants access to a wide range of sport and leisure activities. Since the start of 2023, our employees have been able to lease bicycles from our

contractual partner “Business Bike.” Additional employee benefits are available through the “Corporate Benefits” platform.

6.1.3 Support for charitable and volunteer activities

[GRI 413-1→] The individual RAFI Group locations actively play their part as companies embedded in their local communities. In addition to supporting sports, cultural, and social institutions, our commitment extends to a number of other cooperative ventures and initiatives. Depending on the location, these activities vary in type and intensity. For example, RAFI Berg and Eltec focus in particular on sporting activities, while RAFI Systec supports financially disadvantaged families in the region with in-kind and cash donations. Together with the Kinderschutzbund child welfare organization, RAFI Systec also promotes equal opportunity in education. Looking at the group as a whole, concepts for sponsoring projects are still in the initial stages and will be developed independently at each location.

RAFI Berg is a cooperation and education partner of more than 10 schools and universities in the region. We make a crucial contribution to education and help young people with their first career steps. We present ourselves to the public as a modern industrial company at events such as Trainee Day, Open Day, or guided tours of our plant throughout the year. We also support our employees in their volunteer work by giving them paid time off for volunteer activities or training that takes place during working hours.

6.1.4 Working time models, time banks, mobile working

RAFI sees working time flexibility as helping to secure jobs over the long term. With our location-specific working time models that are as flexible as possible, we offer our employees ways to achieve work-life balance. This requires a culture of mutual trust, candor, and honesty between management and employees. We strive to keep the volume of overtime low and continuously adjust our recruitment processes to the current order backlog. In Berg, the weekly working time stipulated by the RAFI collective agreement is 38 hours. Trainees and DHBW cooperative study students have a working time of 35 hours per week.

At the German RAFI locations, we maintain a flexible working time model without core working hours as far as possible. To keep the capacity utilization of our machines as efficient as possible, various production areas work in shifts. Some 40% of employees at our foreign locations benefit from flexible working time models. Depending on the location, overtime hours are either collected in a personal



flexitime bank, which each employee can use as they wish, or paid out. Employees also have a company working time bank as well as a long-term account. Accumulation of hours in these time banks also allows for extended absences – such as to care for family members, go on sabbaticals, take early retirement, or participate in individual continuing education and training opportunities. This model has become established above all at the German locations. Depending on the nature of their work, our employees have the option of mobile work. In 2019, RAFI Berg specified the regulations for this in a company agreement drawn up in cooperation with the Works Council. By offering individual work arrangements that are variable in both time and location, we help employees balance the demands of career and family and meet the needs of many employees for increased flexibility.

6.1.5 Employee satisfaction

We attach great importance to long-term employment relationships in order to maintain high performance quality and effectively manage knowledge, particularly with regard to retention of in-house expertise. We recognize and reward employees who have dedicated many years of service to the company, and we regularly assess the level of satisfaction

of our employees. We identify areas for optimization and implement strategies for maximizing the identified potential. Because our success as a company is built on satisfied and motivated employees, our management in Berg works closely with the Works Council and other employee associations. As the members of these bodies come from a wide range of business areas, the decisions they make are widely accepted by the entire workforce. Under the ONE RAFI initiative, measures resolved in Berg are implemented at other RAFI locations when possible. This means they also benefit from the local co-determination and participation rights defined in the German Works Constitution Act.



[GRI 401-1→] The satisfaction of our employees is reflected in particular in the length of service and low level of sick leave at RAFI. Last year, we were pleased to report a decline in the employee turnover rate of 2.5 percentage points to 7.9%. We conduct talks with employees who hand in their notice to find out their reasons for leaving. Based on their answers, we derive targeted measures to keep employee satisfaction at a high level. In addition, we involve the Works Council in surveying employee satisfaction on a regular basis. We also ask our foreign subsidiaries to regularly survey their employees and to include them in decision-making processes. We also study public employer ratings for Germany on platforms such as Kununu, Glasdoor, and ausbil-

dung.de. RAFI achieves recommendation rates of 93% (Kununu) and 100% (ausbildung.de) as well as top values in employee satisfaction.

6.1.6 Outlook and objectives

We want to use a new employer branding strategy rolled out in 2023 to further raise awareness of RAFI as an attractive employer and boost the quality and quantity of applications. We are also committed to retaining our workforce, fostering the development of our employees, and minimizing employee turnover. Since 2023, we have implemented a potential assessment process at all our locations to provide young specialists and management talent with attractive career opportunities through tailored devel-

opment measures. With coordinated training and support programs for leaders and employees, we can consolidate the spirit of respectful cooperation in the corporate culture at all our locations and hierarchy levels.

To foster employee engagement, we have scheduled regular activities, including an after-work get-together in 2024 and a celebration of the 50th anniversary of our company sports group (BSG). The my-RAFI app, launched in mid-2023 for internal communication, also provides a platform for employees to engage in networking activities, such as coordinating carpooling arrangements. We are developing a mobility concept for the German RAFI sites to facili-

tate transportation to and from the new production facility in Bad Waldsee and to optimize commuting efficiency. RAFI is looking to expand its partnerships with the municipality of Berg and increase its involvement as the town's largest employer. A kick-off meeting with the municipal authority has already taken place.

6.2. Occupational health and safety

[GRI 403→] Occupational Health Management (OHM) at RAFI considers the health of employees to be our most valuable asset and one that must be safeguarded and fostered through effective measures.

In line with our responsibility as an employer, we attach great importance to safety in the design of our workplaces, take preventive measures to ensure a safe working environment, and provide our employees with information and prevention resources. Our established workplace health promotion program (WHPP), coordinated by the cross-location health promotion working group, fosters health-conscious behaviors among employees and cultivates a work environment that promotes well-being.



6.2.1 Occupational safety

[GRI 403-1,-2→] The primary prevention goal is to prevent accidents and injury to the health of our employees. The responsibility for determining and reviewing the protective measures in accordance with the Occupational Health and Safety Act and other guidelines lies with the responsible line managers, supported by our Occupational Health and Safety Committee (OHSC). In risk assessments, relevant and potential hazards and stress factors are systematically analyzed, identified, and evaluated in order to assess, define, and implement the necessary protective measures to ensure health and safety in the workplace.

At our German sites, we carry out regular workplace inspections with our Occupational Health and Safety Committee team and supplement these with department-specific inspections in various operational areas. And of course we have appointed a separate safety officer for each department.

[GRI 403-4,-5→] In general and workplace-specific briefings, all employees are made aware of the possible hazards and risks by their supervisors and, depending on the hazard potential, are provided with the prescribed personal protective equipment (PPE) and safety-relevant rules of conduct. We enlist the help of experts to ensure that workstations are designed ergonomically to minimize strain.

[GRI 403-3→] Our qualified company physician provides medical support and conducts general and occupational medical check-ups for employees at our German sites. First-aid personnel are ready and available everywhere to provide immediate assistance and treatment in case of minor injuries. The medical equipment for first aid is readily available in every building through several freely accessible first-aid kits.

6.2.2 Accident management and fire safety

[GRI 403-9→] RAFI operates a long-established accident management system at all of its locations in Germany. Reporting internal accidents to supervisors and safety specialists ensures that accidents are accurately recorded for statistical purposes. In our statistical record keeping, we differentiate between reportable and non-reportable incidents, which are then broken down into accidents relating to travel or commuting, occupational accidents, and sports accidents. We collect these figures annually

and discuss the trends on a quarterly basis. In the event of accidents at work, we carry out an accident analysis in order to take preventive measures and adapt the risk assessments to the relevant working environment. In the future, close calls will also be reported to supervisors and analyzed so that preventive actions can be taken.

Fire safety is an essential part of operational safety. The fire safety officer advises and supports the management of the German RAFI sites in preventive fire safety matters. To fight fires, RAFI has established its own factory fire department on the Berg campus. The 24 active members of the fire department regularly participate in drills and are always ready to respond to emergencies using the department's own vehicles. We also collaborate with the Berg volunteer fire department for joint operations and mutual assistance. All RAFI employees are eligible to join the factory fire department, provided they meet the necessary requirements for firefighting service. Every firefighter has opportunities for advancement and access to all training. The entire team elects the fire commanders. The equipment, which always complies with the latest regulations, ensures maximum safety during use. Sustainability and energy efficiency are taken into account when procuring new equipment. Firefighting exercises are carried out as resource-efficiently as possible so as not to waste water or energy. Instruction is provided on proper disposal of waste and hazardous substances on a regular basis.

6.2.3 Promoting health and reintegration

[GRI 403-6→] We support our employees in maintaining their vitality and health through a wide range of preventive activities that foster health and well-being. Our company sports group (BSG) in Berg offers 15 different athletic activities including running, cycling, swimming, bowling, workouts, skiing, squash, badminton, tennis, bouldering, archery, and more. We also invite employees to take part in our BSG activities in Überlingen. Moreover, the neighboring locations have the opportunity to participate in the athletic activities available in Berg at any time. In cooperation with our partner "EGYM Wellpass," we give our employees at RAFI Berg and in Überlingen the opportunity to access a variety of sports and leisure activities in their region at a discounted rate.



Over 15% of employees have now opted for a membership allowing exercise at gyms or yoga studios, swimming pools, or climbing centers, for example. Other employees use the Wellpass for access to meditation courses, wellness programs, nutritional coaching, and a wide range of other services.

Our company integration management (CIM) provides personalized and empathetic support to assist employees in reintegrating into the workplace after illness-related absences. It can be supported by the company physician, safety specialists, and the Works Council as needed.

6.2.4 Outlook and objectives

Our company sports group will mark its 50th anniversary in 2024. This means we can look back on a half-century of promoting health, supporting public welfare, fostering team spirit, and engaging in athletic activities. We will celebrate this event with additional offers and by expanding our health promotion program to include additional periodic preven-

tive services. To expand our reach to include other RAFI locations, we also make our presentations on prevention and health promotion available online. The OHM is also actively involved in the risk analysis for the relocation to the new factory building in Bald Waldsee and the subsequent briefings on occupational health and safety measures. When the new factory goes into operation at the end of 2024, it will have its own safety officer and regular OHSC visits will take place on site.



07

EQUALITY OF OPPORTUNITY AND DIVERSITY

[GRI 3-3→] RAFI’s management is actively committed to increasing the proportion of female employees in the company and is intensifying its measures to advance the careers of women so they can assume management positions. We also support families and working mothers at our German locations by providing allowances for childcare services. As an important factor that contributes to the success of the company, diversity is firmly embedded in our corporate culture and also plays a major role in the selection of personnel. We reject any form of discrimination and are uncompromising in our demand for respectful interaction between all employees. At our Berg location, we offer employees from the age of 54 special benefits, age-appropriate workplaces, and a wide range of employment options based on flexible working time models. We are also committed to the inclusion of people with disabilities both within the company and in partnerships with sheltered workshops.

7.1 Gender structure and advancement of women

[GRI 405→] As an engineering and manufacturing company, we have a gender structure that is typical for the industry. At the Berg site, our commitment to collective bargaining and the collective wage agreement (CWA) ensures that men and women are paid equally in every position.

[GRI 405-1,-2→] The group-wide unadjusted wage difference is approx. 25%. The proportion of female employees in the entire RAFI Group was around 47% in 2022, with women predominantly employed in commercial departments or in production. 5% of management positions in the group are occupied by women.

Gender structure at the locations in 2023

	Total		Berg		Hungaria		Eltec		Electronics	
	Absolute	Percentage	Absolute	Percentage	Absolute	Percentage	Absolute	Percentage	Absolute	Percentage
Total	2,326	100%	1,121	48.19%	489	21.02%	393	16.90%	135	5.80%
M	1,243	53%	712	64%	156	32%	215	55%	64	47%
F	1,083	47%	409	36%	333	68%	178	45%	71	53%

	Italia		Systec		USA		Poland		Xymox	
	Absolute	Percentage	Absolute	Percentage	Absolute	Percentage	Absolute	Percentage	Absolute	Percentage
Total	64	2.75%	24	1.03%	6	0.26%	10	0.43%	84	3.61%
M	33	52%	18	75%	3	50%	10	100%	32	38%
w	31	48%	6	25%	3	50%	0	0%	52	62%

7.1.1 Advancement and career development of women

[GRI 405-1→] To increase the proportion of female employees, particularly in technical jobs, we participate in initiatives such as Girls' Day Academy and German Girls' Day. This offers young female school students the opportunity to get to know our technical vocational training as well as our professions that require university degrees. Promoting women in technical areas and in management positions is part of our HR strategy. We currently have no women in senior management positions. To change this, we plan to intensify our commitment to the career development of women and initiate additional measures to increase the proportion of women in the company. To this end, a working group was established in 2023 to focus on advancing the representation of women in leadership roles. In addition, a Bachelor thesis is currently being written on this topic, the results of which will be used to derive initial actions.

7.1.2 Parental leave, integration, and help with the provision of care

[GRI 401-3→] Our flexible working time models and mobile working options are a great help for reintegrating employees after parental leave. In 2023, a total of 56 employees took parental leave. As part of our activities to help employees balance family and career, we are making particular efforts to support working mothers. Offers at our Berg location such as our childcare allowance and special childcare provided during school and daycare center holidays in cooperation with Ravensburger Spieleland are generally fully utilized. In response, we are expanding these offers on an ongoing basis. We also offer our employees flexible working hours and the opportunity to work remotely whenever feasible.

Parental leave – Berg 2023



7.2 Diversity and equality of opportunity

[GRI 405→] As an internationally active company, we know how important the diversity of our workforce is for our daily success. New ideas, experiences, and points of view make our lives richer, broaden our perspective, increase our flexibility, and improve our ability to innovate. We have therefore enshrined this principle in our corporate strategy and in our Code of Conduct. RAFI embodies diversity and promotes respectful coexistence regardless of gender and age, social or national origin, sexual identity, professional experience, restricted ability, or chosen life model. In the strategic context of ONE RAFI, we want to grow even closer to our national and international subsidiaries in the coming years in order to make better use of our common potential. A first step in this direction has been taken with the establishment of RAFI Academy, which will allow us to make even better use of and foster potential across all locations in the future.

7.2.1 Internationality and non-discrimination

[GRI 405-1→] In 2023, the workforce in the entire RAFI Group consisted of people from more than 35 countries. At the German locations, just under 85% of employees hold German nationality. To encourage international exchange, we work closely with our foreign subsidiaries. In 2023, we resumed our trainee exchange programs at the Berg site, which had been put on hold due to the pandemic. We arranged for a student to spend a month at our US subsidiary Xymox in Milwaukee. Exchange programs are also planned again for 2024. We will also promote international project work. Comprehensive induction training also involves providing new employees with temporary assignments at our international subsidiaries and at our headquarters in Berg on a regular basis.

[GRI 406→] We are dedicated to upholding non-discrimination policies, adhere to applicable guidelines such as the General Equal Treatment Act (GATA), and take appropriate action against any violations in accordance with the statutory provisions. In addition to the Works Council, an official General Equal Treatment Act representative is also available to employees as a point of contact. In the event of a complaint of discrimination, RAFI has an established procedure for examining cases in detail with the involvement of the Works Council and taking appropriate actions if the complaint is substantiated.

7.2.2 Age structure and measures for enhancing financial security in old age

[GRI 401-2→] The average age of all employees in the RAFI Group was 42 years in 2023. A good third of the employees belong to the 51-to-67 age group. RAFI strives to make the workday easier for older colleagues and to provide them with the best possible support through age-appropriate benefits and workplace design. With our company retirement plan, par-

Group overview at all locations

Year	2018		2019		2020		2021		2022		2023
Gender	M	F	M	F	M	F	M	F	M	F	Total
Number	14	3	19	9	21	8	25	14	6	19	56
Avg. duration in months	1.5	9	2	16	2	24	2	17	2	16	3.3

tial retirement, and working time models that include working time banks, we offer employees at our German locations attractive conditions for retiring before the statutory retirement age if they wish to do so (→ see 6.1.4). Starting from the age of 53, employees enjoy increased protection against dismissal, and from the age of 54 additional earnings protection. Ongoing needs-oriented succession planning ensures that older employees pass on their expertise before retirement. In addition, a digital solution for knowledge transfer was rolled out in 2023.

7.2.3 In-house and cooperative inclusion services

RAFI is committed to the inclusion of people with disabilities. As of 2023, we had 64 employees with disabilities on the payroll of the RAFI Group. They are supported by an officially appointed representative for severely disabled employees at the Berg site. This representative also monitors compliance with specific legal provisions such as increased protection against dismissal and a higher number of vacation days. We address the special needs of our employ-

Age structure: active group employees in 2023 without Xymox

Year	16-20	21-30	31-40	41-50	51-60	61-67
Total	51	407	556	559	484	173
Male	40	251	333	286	219	73
Female	11	156	223	273	265	100

Average age by location in 2023 without Xymox

Berg	Hungaria	Eltec	Electronics	Italia	Systec	USA	Poland
42 years	43 years	43 years	37 years	48 years	49 years	32 years	Approx. 28 years

ees with disabilities in cooperation with the company physician and the occupational health management established in Berg. We are also able to offer individual measures in addition to ergonomic equipment and auxiliary devices in the workplace (→ see 6.2.3). Our occupational health management also organizes information events and campaigns on the subject of health on a regular basis. RAFI attaches great importance to inclusion, both inside and outside the organization. For this reason, we have been partnering with workshops and educational institutions for individuals with disabilities for years, engaging people to do tasks such as maintenance of our green spaces and assembly work. To underscore the growing importance of inclusion, a training collaboration with a workshop for people with disabilities is planned in 2024.

7.2.4 Outlook and objectives

In 2024, a newly established working group will focus on promoting gender diversity, particularly at the locations in Germany. Our aim is to provide better support for women within the company and to take action to increase the share of women in leadership

roles. To further strengthen our commitment to inclusivity, we are organizing an exchange program between trainees and students at the Berg site and the non-profit IWO gGmbH – a workshop for people with disabilities and a training center for the long-term unemployed. We aim to collaborate closely to enhance our employees' awareness of how to deal with people with disabilities and draw conclusions about the accessibility of our premises. In this way, the entire workforce can benefit from the exchange. Finally, within the framework of ONE RAFI, the Group will continue to cultivate its internationalization through initiatives such as RAFI Academy and various employee exchange programs between employees at different locations.



08 APPENDIX

What sets us apart.

RAFI – Sets the global benchmark as an innovative designer of human-machine communication. Is characterized by independent action, healthy growth, and earning power. Offers unrivaled service to its customers around the world.

WE – Have a feel for future trends, make room for new ideas, and innovate wherever possible. Systematically pursue our goals and fully complete the associated tasks. Adhere to our rules and agreements. Take responsibility for what we do. Foster a sense of mutual trust and are open and honest with each other. Openly address and resolve conflicts. Actively use praise and criticism.

I – Agree on clear, coordinated, and transparent goals and personally commit myself to achieving them. Know my customer's needs and expectations, take them seriously, create the best solution, and actively seek feedback. Complete assigned tasks and am responsible for achieving lasting results. Report bottlenecks as well as how to eliminate them at an early stage. Actively participate in training according to my needs. Provide information in a targeted manner and obtain all information necessary to complete my tasks.

8.1 Mission Statement



8.2 RAFI Code of Conduct

Corporate Responsibility Policy/Code of Conduct

The purpose of this Code of Conduct is to define the principles and requirements that apply to our employees, suppliers, and business partners in the course of business, based on the corporate policy of the RAFI Group. This Code of Conduct applies to all of RAFI's business activities globally. All RAFI employees and business partners are responsible for implementing this Code of Conduct with regard to their responsibility for people and the environment.

Ethics and law

At all of its operational locations, RAFI complies with the applicable local legislation. As the company is domiciled in Germany, this Code of Conduct is based on German legislation. For certain regions, countries, or functions, stricter guidelines or more detailed instructions may apply, but these must comply with this Code of Conduct. Should any provision in this policy be in conflict with local legislation, the provisions of the local legislation shall take precedence.

Suppliers and Board of Directors

RAFI suppliers and RAFI-affiliated subsidiaries must commit to the principles of this Code of Conduct. They must also always exercise due care in the selection of their suppliers and sub-suppliers on the basis of objective, factual criteria and in accordance with the principles of this Code of Conduct. Furthermore, they must communicate and ensure compliance with these principles.

We expect our other business partners to share the values we describe in this Code of Conduct and to also commit to adhering to them.

1. Social responsibility

At RAFI, social responsibility means the commitment to compliance with all applicable laws and to responsible treatment of society and the environment. This means that all RAFI employees are obliged to uphold applicable law and to act only within its boundaries in the course of their business activities.

RAFI recognizes its financial, social, and environmental responsibilities as a global company and strives to promote positive development in communities where the company operates, while respecting local cultures and customs. We conduct business with a high level of integrity.

1.1 Respect for universal human rights

RAFI respects, protects, and furthers applicable and internationally recognized law and regulations for the protection of human rights and the rights of children in all areas over which it can exert influence. We ensure that all forms of child labor, forced labor, and compulsory labor are ruled out and that we are

not complicit in the violation of human rights. The same applies to matters such as human trafficking, all forms of (modern) slavery, involuntary prison labor, bonded labor, and other forms of forced labor. In addition, we guarantee the standards on the legal minimum age for employment of children defined in International Labour Organization (ILO) Conventions 138 and 182.

1.2 Equality of opportunity and freedom from discrimination

Anti-discrimination by ensuring equal opportunities and equal treatment is key to ensuring we deal with people in a manner that is fair, open, and free of prejudice. RAFI fosters diversity and ensures a working environment characterized by respect and tolerance. At RAFI, we believe that the highest level of innovation, competitiveness, creativity, productivity, and efficiency can be achieved through diversity, as well as conduct towards the people in the company that is respectful and free of prejudice. We are therefore committed to neutrality and impartiality with regard to gender, sexual orientation, religious beliefs, political convictions – provided such convictions are based on tolerance towards those who think differently as well as the principles of democracy and freedom – ideology, ethnic or social origin, skin color, age, and disability or illness.

1.3 Environmental protection

Innovation leadership and the highest standards of environmental consciousness go hand in hand. Every business organization bears responsibility for the environmental compatibility and sustainability of the products and services it offers, as appropriate for its portfolio of products and services. RAFI systematically pursues its self-imposed goals for environmental protection based on the RAFI Environmental Strategy. We are committed to always utilizing state-of-the-art and environmentally compatible materials and technologies in order to avoid and minimize environmental impact on a lasting basis. This includes in particular the resource-saving use of natural resources. We comply with environmental protection laws and recognized environmental regulations while using natural resources sparingly and in an environmentally friendly manner in order to permanently reduce energy consumption, waste, carbon emissions, and water consumption, as well as to preserve water quality. To make this possible, RAFI operates a systematic and effective environmental management system according to ISO 14001 and an energy management system according to ISO 50001.

1.4 Product conformity and safety

RAFI and its products are represented on all

markets relating to human-machine interaction, with a large number of people all over the world coming into contact with our products every day. As far as possible, we avoid risks, disadvantages, and hazards to the health and safety of our customers and end users as well as to the environment resulting from the use of our products. We comply with the standards and legal and regulatory requirements applicable to all our products and services, such as the requirements of REACH, RoHS, and the Dodd-Frank Act, as well as product safety standards, labeling requirements, and packaging guidelines. We also implement responsible and effective management of chemicals.

1.5 Occupational health and safety and working hours

RAFI is committed to compliance with all applicable regulations for the occupational health and safety of its employees. We ensure that personal protective equipment is used as intended, that safety is guaranteed in the handling of machinery, that ergonomic principles are applied in the workplace, and that fire safety requirements are complied with and implemented. We continually nurture and maintain the health, performance, and associated personal satisfaction of our employees by improving working conditions and processes as well as by implementing a wide range of health and safety initiatives. In regard to working hours, we comply with all applicable national statutory regulations and provisions agreed in collective bargaining.

1.6 Minimum wage

Employee remuneration should ensure a standard of living that is customary in the specific location. We ensure such appropriate pay for our employees. Their remuneration must never be below the minimum required by law.

2. Corporate responsibility

Corporate responsibility in the daily actions of a company's employees arises from the obligation to comply with legal requirements and to behave responsibly in regard to the environment and society. The principles we follow are based in particular on honesty, integrity, transparency, fairness, and respect.

2.1 Avoidance of conflicts of interest

Conflicts of interest arise when private interests are at odds with the interests of the company. In this context, it is detrimental to the company if personal interests are placed above those of a company with which RAFI maintains a contractual relationship. To the greatest possible extent, RAFI avoids any conflicts between personal and business interests. Our employ-

ees are therefore obliged to make decisions exclusively on the basis of objective criteria and without any influence from personal interests and relationships.

2.2 Anti-corruption

Corruption is defined as the misuse of decision-making authority or influence entrusted to an individual in the public or private sector so that the individual gains a (private) advantage or benefit. Corruption is always a serious offense, as it can in particular lead to decisions made on improper grounds that are contrary to the company's interests. Our employees are strictly prohibited from engaging in corruption in any form. Employees may neither grant nor accept bribes, kickbacks, improper donations, or other improper payments or benefits to or from customers, public officials, or other third parties. The company does not tolerate contributions or benefits to or from third parties outside the legally established limits.

2.3 Gifts, hospitality, and entertainment

To exclude conflicts of interest, RAFI employees are not permitted to directly or indirectly accept benefits that are outside a reasonable scope appropriate to the situation and/or legal framework. Our suppliers and business partners therefore refrain from giving our employees gifts, hospitality, and/or invitations to events. Our employees must internally report offers of inappropriate benefits from suppliers and/or business partners.

2.4 Relations with public institutions

RAFI strictly complies with all applicable legal requirements in regard to any relationships with government representatives, authorities, and public institutions. For public tenders, the applicable legal requirements and the rules of free and fair competition must be observed without fail. If a (potential) business partner is excluded from public tenders, this must be reported to RAFI before a contract is awarded.

2.5 Business partners that act as intermediaries or representatives

We must be informed in advance if external consultants, particularly those that act as intermediaries or representatives, are engaged by RAFI business partners for the purpose of initiating or handling a business relationship. The applicable statutory provisions must be observed without fail in all cases. Our business partners must ensure in particular that any remuneration paid to consultants is not misused as a means of corruption and that such remuneration is paid exclusively for consulting and mediation services that have been actually and demonstrably rendered. A key characteristic indicating this is an appropriate relationship be-

tween the remuneration to be paid and the service or work to be performed.

2.6 Money laundering and financing of terrorist organizations

Money laundering occurs when illegally acquired funds or other unlawfully obtained assets are fed back into the legal economic cycle with the origin of the funds concealed. Financing of terrorism occurs when financial or other resources are expended or provided for the support of terrorist organizations, associations, or criminal activity.

RAFI posts incoming and outgoing payments directly to the corresponding products or services supplied. We also ensure that no applicable legal provisions against money laundering or terrorist financing are violated and that no business relationships with such companies are maintained.

2.7 Customs, taxes, and export control

As a global operator with cross-border supply and business relationships, RAFI recognizes that cross-border trade in particular is subject to certain restrictions, licensing requirements, prohibitions, and other surveillance measures imposed by means of export controls. Therefore we comply with all applicable regulations for the import and export of our goods, services, and information, as well as with all laws relating to customs, foreign trade, and taxes.

2.8 Free and fair competition

RAFI fully respects the globally applicable competition laws and antitrust laws that protect free and fair competition. We are aware that cartels and other distortions of competition can harm RAFI as well as its competitors, suppliers, and customers, and can in particular harm end consumers. For the benefit of all market participants, we do not enter into any anti-competitive agreements, neither verbally nor in writing. We also do not consult with competitors, suppliers, or customers regarding information that is relevant to competition.

2.9 Insider trading and business information

RAFI is committed to the prevention of insider trading. This means that internal and not normally public company information is treated confidentially. Such information is also neither used nor disclosed to others for the purpose of acquisition or sale of shares, other securities, or financial instruments. Therefore we always treat (insider) information that is relevant to the exchange price of stocks in a manner that complies with capital market regulations. Business information such as data and reports on business activities and the like are always made public in a truthful manner and in accordance with applicable laws.

2.10 Company assets

RAFI always respects the tangible and intangible assets of other companies. Our employees who deal with the business assets of third parties as part of the business relationship must treat these assets with care and not misuse them or use them for private gain.

2.11 Information security and protection of intellectual property

RAFI respects the patents, trade secrets, and proprietary knowledge of its business partners. RAFI does not publish or disclose such information to third parties unless the business partner expressly provides written consent in advance. RAFI uses an effective process to identify pirated and counterfeit materials in order to prevent their use. Counterfeit and pirated materials discovered are not further processed, and RAFI notifies the original equipment manufacturer (OEM) or the appropriate law enforcement authorities. RAFI complies with all national laws on the sale of its products to non-OEM customers while contractually ensuring that they are used in compliance with the law.

2.12 Data protection

To protect privacy, special legal regulations for the handling of personal data and information regarding employees, customers, suppliers, and other data subjects exist both nationally and internationally. RAFI complies with the applicable data protection laws in force in each jurisdiction. In addition, personal information is processed exclusively for the intended purpose, in accordance with the principles of data avoidance and data economy, and in compliance with the statutory provisions.

2.13 Supply chain security

RAFI strives to ensure that all operating and processing locations where products destined for RAFI are manufactured, processed, handled, stored, and/or shipped, or where services are provided to RAFI, are protected from unauthorized access by third parties within a reliable and secure supply chain characterized by integrity. This applies in particular with regard to IT and data security standards.

2.14 Employee representation

We are publicly committed to working together with trade unions and employee representatives in a manner characterized by trust, shared interests, and transparency. We respect the fundamental right of all employees to participate in and form such associations. If this right is restricted by local laws, we support legal alternatives of employee representation.

2.1 Freedom of association and collective bargaining

RAFI undertakes, within the framework of local laws and regulations, to grant employees the right to freedom of association, to join a trade union and to participate in collective bargaining.

Training, reservation of control and the right to make changes

We provide our employees with continuous training in a verifiable manner in order to ensure implementation of our basic principles and compliance with this Code of Conduct. RAFI reserves the right to have experts and/or RAFI representatives verify compliance with the basic principles of this Code of Conduct at the premises of business partners. During such a review, representatives of the business partner may be present at any time. Also, any such review must take place only upon prior notice, during regular operating hours, and in compliance with applicable law, in particular in accordance with trade secrecy and data protection laws.

RAFI reserves the right to require business partners to fill out a self-assessment form (compiled by RAFI or a contracted third party) on compliance with the basic principles of this Code of Conduct and/or to request confirmation of compliance from the business partner.

References to the applicability of statutory provisions are for clarification purposes only. Unless the statutory provisions are directly amended or expressly excluded in this Code of Conduct, these provisions shall apply even without such clarification.

RAFI is entitled to amend this Code of Conduct at any time without stating any reasons. Business partners will be informed of future changes directly and/or by electronic means on a case-by-case basis.

Consequences of violations of the RAFI Code of Conduct

In cases of serious violations, the Compliance Officer, local Human Resources management, or the Occupational Safety Officer will conduct appropriate investigations.

Any acts inconsistent with this policy will be immediately corrected. Disciplinary actions can be taken which can lead to consequences up to termination of employment. There are no adverse work-related consequences as a result of an employee reporting violations of this policy. A corresponding whistleblowing policy has been implemented.

RAFI is also obligated to its business partners to comply with the same basic principles set forth in this RAFI Code of Conduct, to pass them on within the supply chain, and to ensure compliance with them.

If a business partner violates any of the above principles, RAFI has sole discretion on whether to terminate a business or supply relationship with the business partner. Nevertheless, RAFI reserves the right to take alternative measures if and to the extent to which the business partner concerned can plausibly demonstrate that, to avoid the aforementioned consequences, it has promptly remedied the violation and implemented suitable countermeasures to prevent future violations.

Berg, May 10, 2022



Dr. Lothar Seybold
CEO



Lothar Arnold
CFO

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Ravensburger Str. 128–134
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E-mail: info.headquarters@rafi-group.com
rafi-group.com

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RAFI GmbH & Co. KG

A RAFI Group company

Ravensburger Str. 128 – 134

88276 Berg, Germany

T +49 751 89-0

F +49 751 89-13 00

info.headquarters@rafi-group.com

rafi-group.com