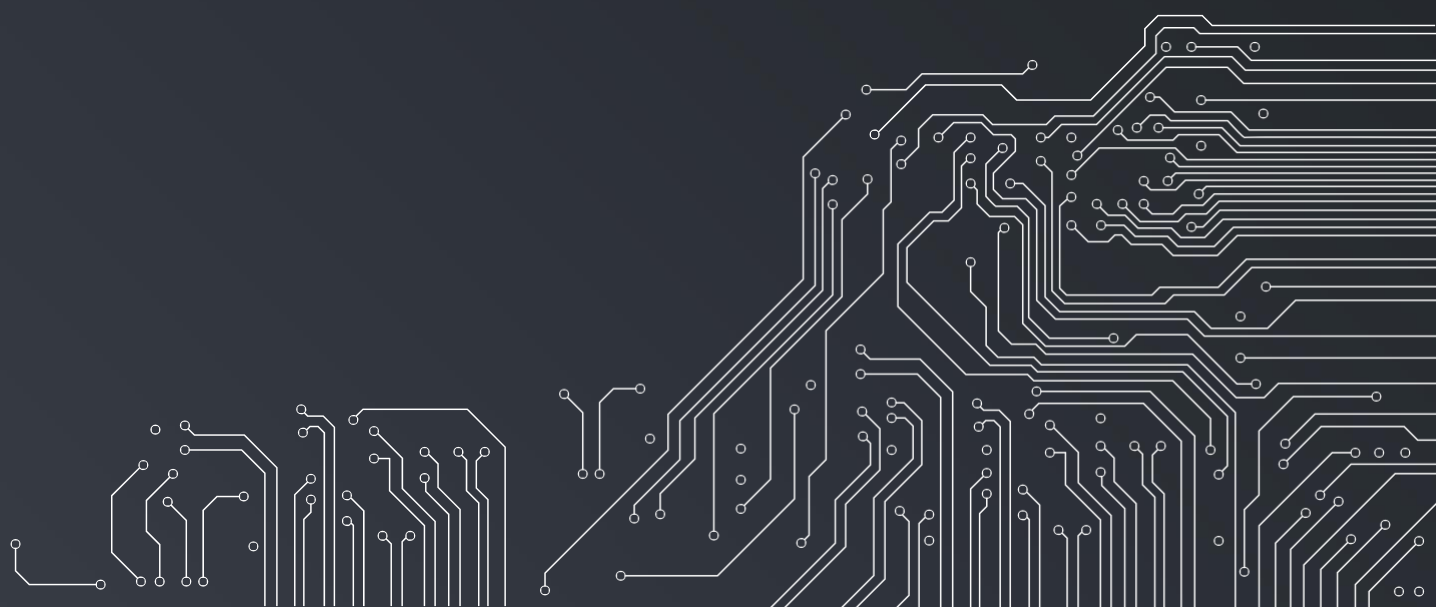
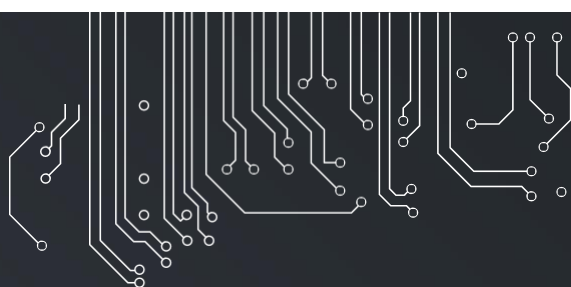
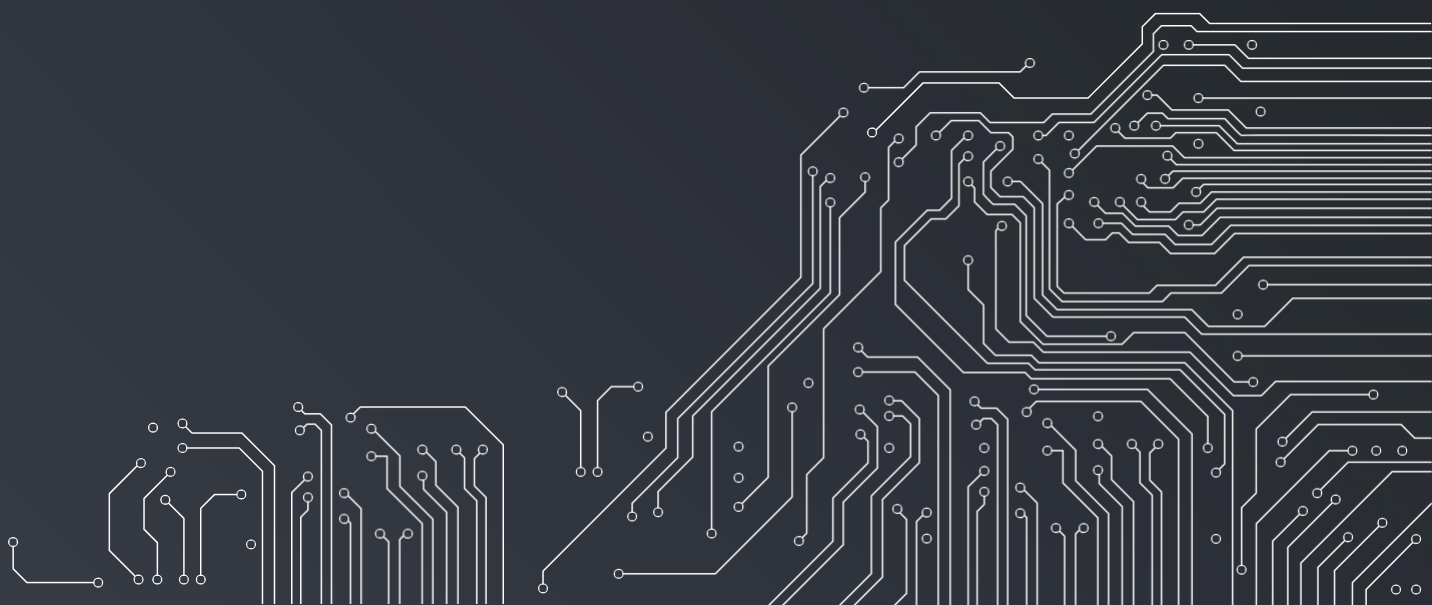
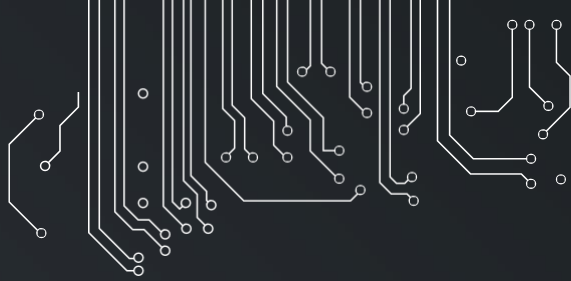


Facts, data, figures.  
Sustainability Statement 2024





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# Sustainability Statement 2024

## Sustainability at FRIWO

Sustainability is a core component of FRIWO's business model. The company develops innovative solutions that help its customers to use energy-efficient, resource-efficient technologies. By optimising production processes and using sustainable components, FRIWO contributes to improved efficiency and reduced environmental impact. In doing so, the company makes an indirect contribution to ensuring that modern technologies and applications remain economically viable and remain accessible to a broad range of users.

FRIWO is committed to conducting its business responsibly and therefore sustainably for the long term. This is evident in various aspects of the company's operations:

- strong, mutually beneficial relationships with customers and business partners
- personal development opportunities for employees and a stable working environment
- social responsibility, global commitment

### Coordination and management

Responsibility for sustainability at FRIWO is clearly defined and is firmly embedded at multiple management levels. Overall responsibility for environmental, social and governance (ESG) issues rests with the executive board, while a specialist ESG committee takes care of implementation and monitoring progress.

The ESG committee coordinates cross-departmental measures and develops strategies for complying with regulatory requirements such as the CSRD and EU taxonomy. Sustainability issues are integral to the company's corporate strategy and are monitored via regular reporting to the supervisory board and through internal and external audits.

### Environmental sustainability

At FRIWO, sustainable management means using resources responsibly, and continuously optimising internal processes. The company recognises the challenges faced by industry in realising energy and resource efficiency, and has had a clear focus on sustainable product solutions for many years. By developing chargers and power supplies for electrical applications, FRIWO is supporting the electrification of a range of appliances, including petrol chainsaws, lawn mowers, two and three-wheelers powered by internal combustion engines, and many other applications. In doing so it is helping to reduce carbon footprints and enable more environmentally friendly production processes. Through its space-saving technologies that allow more products to be transported in a smaller space, the company enables more efficient logistics, reducing resource consumption and environmental impact. A further focus is on advancing efficient manufacturing processes and developing innovative products – in close partnership with customers, industry experts and regulators.

FRIWO doesn't just support its customers, it also strives to minimise its own environmental impact. The company prioritises key areas with the greatest environmental impact. Efforts are focused on reducing pollutants and waste, and on making its products and processes more compatible with a circular economy.

## Social sustainability

At FRIWO, a global team of around 1,200 employees plays a key role in the success of the company. With a strong focus on sustainability, the company is driven by a shared goal – to develop the most advanced, most efficient power supply and drive solutions. The company encourages a culture of valuing independent action, open communication and constructive feedback. In addition to fair pay, FRIWO provides an inclusive workplace which offers numerous opportunities for professional and personal development.

## Governance

FRIWO has designed its governance structure around expert, transparent, sustainable reporting. This is based on legal requirements and aims to create long-term value. A key component is the consistent application of anti-corruption and anti-bribery measures, for which we provide clear compliance guidelines for all employees. Regular information sharing ensures that the entire team is always up to date with the latest developments in this area and maintains the highest ethical standards.

## Stakeholders

Securing an improvement in sustainability performance requires close partnership throughout the entire value chain. FRIWO therefore maintains a continuous dialogue with its stakeholders. These include people, companies, institutions and lobbyists who have the potential to impact the success of the company or who are affected by the activities of the Group. This includes in particular staff, customers, investors, suppliers and business partners.

In the 2024 reporting year, FRIWO engaged more intensively in dialogue around sustainability issues and, in particular, boosted its collaboration with customers, suppliers and employees. The core instrument here was a wide-ranging stakeholder dialogue process in which environmental, social and governance issues were discussed with and scrutinised by relevant stakeholders. In doing so, we identified key expectations, challenges and opportunities which will feed into ongoing strategic development of FRIWO's sustainability management systems.

## General disclosures

### Basis

The table below shows the general disclosure requirements set out in ESRS 2 – General Disclosures:

Disclosure requirement	Name with reference
ESRS 2 BP-1	General basis for preparation of sustainability statements
ESRS 2 BP-2	Disclosures in relation to specific circumstances
ESRS 2 GOV-1	The role of the administrative, management and supervisory bodies
ESRS 2 GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies
ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes
ESRS 2 GOV-4	Statement on due diligence
ESRS 2 GOV-5	Risk management and internal controls over sustainability reporting
ESRS 2 SBM-1	Strategy, business model and value chain
ESRS 2 SBM-2	Interests and views of stakeholders
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model
ESRS 2 IRO-1	Description of the process to identify and assess material impacts, risks and opportunities
ESRS 2 IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement

### Disclosure requirement BP-1 – General basis for preparation of sustainability statements

This consolidated Sustainability Statement for the Group has been prepared under partial use of the European Sustainability Reporting Standards (ESRS). In addition, it meets the requirements for non-financial reporting set out in Sections 315b and c of the German Commercial Code (*Handelsgesetzbuch*, abbreviated as HGB) (non-financial group statement).

Because practical experience with the application of the ESRS is currently limited, for FRIWO first time preparation of the sustainability statement entailed some uncertainty with respect to unanswered questions and the interpretation of these questions. The company has taken into account all relevant information available up to March 1, 2025.

The statement contains estimates – explicitly stated in the relevant sections – which may be refined further in subsequent reporting periods if additional information from the value chain and internal processes becomes available. In this respect, FRIWO relies heavily on an iterative process. As the number of companies required to prepare this report grows and as reporting practices become increasingly standardised, industry benchmarks and comparative analyses are likely to emerge. Until then, to ensure that it provides clarity with respect to the accuracy of its reporting, FRIWO will ensure maximum transparency in relevant sections of this statement concerning key assumptions, assessments and thresholds, including for example assumptions, assessments and thresholds for defining the value chain and end users, for performing double materiality assessment, and for calculating metrics.

In future years, FRIWO will further improve its internal processes and controls relating to the preparation of the sustainability statement, in particular by refining its double materiality assessment, data collection processes and reporting procedures.

The degree of consolidation in this report corresponds to that of the consolidated financial statements of December 31, 2024.

In addition to the company's own business operations, the double materiality assessment also takes into account the company's upstream and downstream value chain. Unless otherwise stated, policies, measures, targets and data relate exclusively to the business operations of the consolidated company.

For this reporting year, FRIWO has made use of the option to exclude from the sustainability report classified and confidential information such as intellectual property, know-how or the results of innovation.

#### **Note on numerical representations**

Rounding differences may have the result that numbers in this report do not add exactly to the totals given and that percentages cannot always be determined directly from the figures shown.

### **Disclosure requirement BP-2 – Disclosures in relation to specific circumstances**

#### **Time horizons**

Unless otherwise stated, the time horizons used in this sustainability statement are based on the ESRS framework. Based on the current reporting year, the short-term time horizon extends up to one year into the future, the medium-term horizon is from one to five years and the long-term time horizon refers to periods more than five years into the future.

#### **Value chain estimation**

Because some value chain data required for reporting ESRS metrics are not available, some of the figures in the table below are based on estimates. These estimates are based on indirect sources such as sector-average data and other proxies.

The basis for and actions taken in preparing these metrics are described below.

## Sources of estimation and outcome uncertainty

The metrics presented contain estimates and inherent uncertainties as a result of a number of factors. This can arise from the availability of reliable upstream and downstream value chain data and/or the precision of measurement techniques. The estimation methods used are summarised in the table below. Details of the resulting uncertainties can be found in the relevant sections of this sustainability statement.

ESRS disclosure requirement	Metric	Significant estimation and outcome uncertainties
E1 -5	Energy consumption and mix	▪ Calculation of energy from fossil sources and atomic energy
E1 -6	GHG emissions	▪ Scope 3 categories: 1. Purchased goods and services, 6. Business travel, 7. Employee commuting, 11. Use of sold products
E5 -5	Resource outflows	▪ Parts of total waste
S1 -6	Characteristics of the undertaking's employees	▪ Third gender
S1 -9	Diversity metrics	▪ Third gender
S1 -10	Adequate wages	▪ Use of contractual rather than actual wages
S1 -13	Training and skills development metrics	▪ Third gender
S1 -14	Health and safety metrics	▪ Use of contractual rather than actual working hours
S1 -15	Work-life balance metrics	▪ Third gender
S1-16	Remuneration metrics (pay gap and total remuneration)	▪ No adjustment for changes occurring over the course of the year

All forward-looking information in this report is based on assumptions and estimates and their occurrence is therefore not certain.

## Reporting

This depiction of sustainability performance covers the following Group companies:

- FRIWO AG, Ostbevern, Germany
- FRIWO Gerätebau GmbH, Ostbevern, Germany
- FRIWO Vietnam Co. Ltd., Bien Hoa City, Vietnam
- FRIWO Power Solutions Technology (ShenZhen) Co. Ltd., Shenzhen, China
- FRIEMANN & WOLF INDIA PRIVATE LIMITED, Bangalore, Karnataka, India
- FRIWO North America, Inc., Houston, Texas, USA

FRIWO manages its operational activities through the use of financial metrics and performance indicators, and there are therefore no non-financial performance indicators of material relevance to business operations (Section 289c(3)(5) of the HGB). Consequently, there is no direct relationship between the amounts reported in the consolidated financial statements pursuant to Section 289c(3)(6) of the HGB and the five non-financial aspects set out in Section 289c(2)(1 to 5) of the HGB.

The supervisory board has verified that the sustainability report (which also represents the consolidated non-financial report for financial year 2024 for the FRIWO Group and FRIWO AG) is lawful, proper and appropriate in accordance with Section 171(1)(4) of the German Stock Corporation Act (*Aktiengesetz*). In accordance with Section 317(2)(4) of the HGB, the report has been submitted to the auditor, but has not been subject to a substantive audit.

## Reporting changes

The information and data presented here has been structured based on the European Sustainability Reporting Standards (ESRS) classification, and not, as previously, on the Global Reporting Initiative (GRI) classification. This report also meets in full the requirements for non-financial statements set out in Sections 315b and c in conjunction with Sections 289b to e of the German Commercial Code (*Handelsgesetzbuch*) and in Regulation (EU) 2020/852 of the European Parliament. This means that it includes the information required by the German Non-Financial Reporting Directive Implementation Act (*CSR-Richtlinie-Umsetzungsgesetz*) on key environmental, social and employee matters, respect for human rights, and anti-corruption and anti-bribery matters.

## Factors relating to the business and the corporate environment

During the reporting year, the following changes to the preparation or depiction of sustainability information were made. In the previous year, business from charging systems for e-mobility was assigned to activity 3.3 (Manufacture of low-carbon technologies for transport) from Annex I of Taxonomy Regulation (EU) 2021/2139. The introduction of activity 3.18 (Manufacture of automotive and mobility components) in Taxonomy Regulation (EU) 2023/2485 clarified the classification of low-emission mobility solutions, so that FRIWO's battery and charging solutions are now correctly classified as part of activity 3.18.

## Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements

This ESRS sustainability statement also meets non-financial group statement requirements under Sections 315b and 315c of the German Commercial Code (*Handelsgesetzbuch*, abbreviated as HGB). To guarantee compliance with commercial law reporting obligations, the company makes the following declaration:

In contrast to previous years, FRIWO is for the first time using the ESRS framework in preparing its non-financial statement. This is a reporting standard officially recognised by the European Commission.

How the key matters set out in Section 289c(2) of the HGB and key issues for FRIWO map to ESRS categories is set out in the table below.

Aspect under Section 315c(1) HGB in conjunction with Section 289c(2) HGB	Mapping to ESRS standards	Selected content
Aspect 1 – environmental matters	ESRS E1 – Climate change	Strategies and actions for reducing greenhouse gas emissions, adaptation to climate change risks, transition plans for decarbonisation, promotion of renewable energy and energy efficiency
	ESRS E5 – Resource use and circular economy	Resource consumption and circular economy, waste prevention and recycling strategies
Aspect 2 – employee-related matters	ESRS S1 – Own workforce	Policies and actions relating to working conditions, health and safety
Aspect 3 – social matters	ESRS S1 – Own workforce	Policies and actions relating to social dialogue, equal treatment and equal opportunities
	ESRS S4 – Consumers and end-users	Policies for protecting consumers and end users, actions for ensuring product safety and ethical marketing, complaint handling mechanisms
Aspect 4 – respect for human rights	ESRS S1 – Own workforce	Actions for complying with human rights due diligence obligations
Aspect 5 – combatting corruption	ESRS G1 – Business conduct	Anti-corruption policies, management of integrity risks, reporting procedures for ethical misconduct, anti-bribery measures

No material risks from its own business operations or from business relationships, products or services that were likely to have a serious negative impact on non-financial factors within the meaning of Section 289c of the German Commercial Code were identified during the reporting period.

Similarly, no management-relevant performance indicators were identified, and no significant non-financial performance indicators within the meaning of Section 289c(3) of the HGB were therefore applicable.

The environmental disclosures in this sustainability statement include the information required under Article 8 of Regulation 2020/852 (EU Taxonomy Regulation) for FRIWO. This information can be found in the section "Disclosures under Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)".

## Governance

### **Disclosure requirement GOV-1 –**

#### **The role of the administrative, management and supervisory bodies**

FRIWO AG is a listed stock corporation under German law with its registered office in Ostbevern in Germany. It has three bodies, the annual general meeting, supervisory board and executive board, the roles and powers of which are derived from the German Stock Corporation Act (*Aktiengesetz*) and the company's articles of association. The company is managed by the supervisory board and executive board, which work together in a dual management system. Each has its own duties and competencies.

#### **Management committees and diversity**

Business conduct at FRIWO is based on a clear governance framework with a structured division of responsibilities between the executive and supervisory boards. The executive board is comprised of two members and is responsible for operational implementation of corporate strategy. The supervisory board is comprised of six members and supervises senior management and adherence to sustainability and compliance standards.

Diversity is a core component of the governance strategy. FRIWO strives to achieve a balanced gender distribution, international experience and a range of professional expertise on its committees, with the aim of realising a greater diversity of perspectives and facilitating sustainable, financially beneficial decision-making.

In 2024, the executive board was still composed entirely of men. Since January 1, 2025, the proportion of women on the executive board is now 50 percent. The proportion of women on the supervisory board is 16.67 percent.

#### **Strategic responsibility and management**

The executive board bears overall responsibility for developing and implementing corporate strategy and for risk management. Sustainability issues are an integral component of business conduct and are regularly considered in strategic decision-making.

The supervisory board monitors the work of the executive board and sets out strategic guidelines. In particular, it monitors implementation of sustainability targets, of regulatory requirements and of ESG risks.

#### **Professional expertise and continuous professional development**

The members of the FRIWO executive and supervisory boards have extensive corporate governance, finance, legal, sustainability, risk management and technology experience. This expertise is essential for ensuring that the company is managed effectively and for purposively integrating ESG criteria into corporate strategy.

To ensure that the members of the management and supervisory bodies remain up to date in their knowledge of sustainability and governance issues, FRIWO operates a structured training programme. Regular training and workshops keep members up to date with the latest developments in the fields of climate risk, regulatory requirements (e.g. CSRD, EU taxonomy, CSDDD, EUDR), the circular economy and corporate social responsibility. To ensure a broad knowledge base, both internal experts and external specialists are involved in this process.

Specific expertise is required, particularly in the fields of ESG reporting and sustainable business conduct. Board members are provided with regular information about new legal requirements and international standards.

In addition, FRIWO brings in external consultants and ESG experts for the purpose of continuously developing relevant skills. This enables the company to be quick to identify new trends and to develop its governance structures accordingly. Ensuring a diversified skills profile within the management committees contributes to sound decision-making with respect to financial, environmental and social challenges.

All members of the executive and supervisory boards undergo an annual assessment of their skills with the aim of identifying any knowledge gaps and determining specific further education and training measures. The objective is for the committees to have a balanced mix of business experience, regulatory expertise and in-depth ESG expertise so that they are able to make sustainable business decisions of the highest quality.

### **Specific disclosures on business conduct**

FRIWO aims for a high standard of corporate ethics and compliance. Adherence to internal policies and codes, including a code of conduct, an anti-corruption policy and human rights principles, is mandatory for all employees and business partners.

To comply with regulatory requirements and ensure ethical conduct, the company has implemented an internal and external reporting system. This includes procedures for reporting potential breaches and regular audits of compliance with governance standards.

## **Disclosure requirement GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies**

Sustainability is firmly enshrined in FRIWO's business conduct. The executive board regularly reviews the ESG strategy and its impact on the business model. Sustainability risks and opportunities feed into corporate planning and are monitored by means of internal monitoring mechanisms.

The supervisory board receives quarterly reports on material ESG activities, regulatory developments and sustainability initiatives. These address key topics such as climate risks, resource efficiency, social responsibility and corporate ethics.

An ESG committee supports the executive board in implementing the ESG strategy and develops measures to meet regulatory requirements, including the Corporate Sustainability Reporting Directive (CSRD).

## **Disclosure requirement GOV-3 – Integration of sustainability-related performance in incentive schemes**

Listed companies that are required to produce a remuneration report under Section 162 of the German Stock Corporation Act (*Aktiengesetz*) are, due to the similarity of ESRS-2 GOV-3 to existing regulations, permitted to refer to this report. This is also recognised by the EU, and ESRS 2.AR7 therefore specifies that affected companies may incorporate their remuneration report by reference. FRIWO makes use of this incorporation by reference in this report.

## **Disclosure requirement GOV-4 – Statement on due diligence**

FRIWO pursues a comprehensive due diligence strategy aimed at guaranteeing human rights, social and environmental standards throughout the value chain. The company has implemented a supply chain risk management system based on international standards such as the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

Regular risk analysis helps to identify potential breaches promptly and initiate appropriate countermeasures. This includes supplier audits, training for business partners, and the implementation of procurement policies stipulating mandatory environmental and social standards.

To increase transparency, a reporting and whistleblowing system has been established. This enables employees and external stakeholders to report breaches anonymously.

## **Disclosure requirement GOV-5 – Risk management and internal controls over sustainability reporting**

The sustainability reporting process over the reporting year consisted of multiple individual data processes, each organised by data process managers at Group level.

Responsibility for the overall process and for coordinating and managing the process rests with the Project Management Office and Financial Accounting department.

Internal controls have been prioritised based on risk. Among the most important reporting risks is the provision of incorrect or incomplete data. To mitigate these risks, process-specific controls have been implemented, in particular the dual control principle and plausibility checks (e.g. completeness checks, discrepancy analysis).

The implementation of controls is being continuously expedited at all process levels. The next step will be to establish an internal control system to verify the effectiveness of these controls and corresponding reporting to the executive and supervisory boards.

# Strategy

## **Disclosure requirement SBM-1 – Strategy, business model and value chain**

### **Strategy and business model**

FRIWO pursues a long-term business strategy that targets sustainable value creation, innovation capacity and social responsibility. As a global company, FRIWO provides a diversified portfolio of products and services to a wide range of different markets and customer groups. Its strategic alignment is built on core pillars of innovation, efficiency and sustainability, with the aim of combining financial success with environmental and social responsibility.

The long-term corporate strategy takes into account both external market trends and regulatory developments, with the aim of exploiting growth opportunities and minimising risks. Major areas of focus are digital transformation, sustainable use of resources and adapting to social and economic change.

### **Business model and value chain**

The company's business model spans the entire value chain, ranging from research and development (R&D), production and the supply chain, to sales, customer support and recycling solutions.

1. Inputs
  - a. Procurement of raw materials, processed materials and components from selected suppliers
  - b. Use of sustainable and environmentally friendly materials where possible
  - c. Integration of digital technologies to boost efficiency
2. Production processes and business processes
  - a. Development and manufacture of products/services in compliance with international standards
  - b. Optimisation of production processes in order to minimise emissions and waste
  - c. Ensuring high quality and safety standards
3. Outputs
  - a. Provision of innovative, sustainable solutions for customers in a range of sectors
  - b. Advancing the circular economy through take-back, recycling and repair programmes
  - c. Improving resource efficiency through digital control systems

## **Market and customer oriented**

The company exclusively serves B2B customer groups in a range of different markets. The focus is on creating long-term customer value through bespoke products and services. By regularly talking to stakeholders – including customers, investors and partners – the company continuously incorporates market requirements into its business strategy.

## **Sustainability factors in the value chain**

Sustainability is an integral component of the company's corporate strategy and is embedded throughout the value chain:

- Environment: Carbon footprint reduction, energy efficiency measures and sustainable procurement
- Social responsibility: Respect for human rights and fair working conditions throughout the supply chain
- Governance: Transparent business conduct and compliance with regulatory requirements

## **Managing and developing business strategy**

Sustainability-related areas of the business strategy are monitored by a steering committee, which evaluates progress at regular intervals and decides what measures are required to develop these areas further. The supervisory board and management team play an active role in the process of reviewing material sustainability topics and in adjusting corporate strategy.

## **Disclosure requirement SBM-2 – Interests and views of stakeholders**

### **Engaging with stakeholders in determining corporate strategy**

FRIWO pursues a sustainable corporate strategy geared towards the expectations and needs of relevant stakeholders. A continuous dialogue with these stakeholders enables the integration of economic, social and environmental factors into the business strategy and ensures long-term value creation.

FRIWO's key stakeholders include customers, employees, investors, suppliers, civil society organisations, state institutions and regulators. Each of these groups has its own expectations, which play a key role in business development. Customers, for example, expect sustainable, high-quality products, while investors are increasingly concerned with ESG factors. Employees value fair working conditions, career opportunities and a healthy corporate culture. Suppliers and business partners demand transparency and a long-term partnership based on shared sustainability principles. Civil society and non-governmental organisations (NGOs) are increasingly demanding that businesses should be environmentally and socially responsible, particularly with respect to climate change mitigation and human rights.

Finally regulators, through laws and regulations, create a mandatory framework for sustainable business activities to which companies must adhere.

FRIWO engages in systematic dialogue with these groups using a variety of communication formats. Customer surveys, feedback platforms and direct conversations provide valuable insights into market needs and enable the company to better steer the development of product strategies. Regular employee surveys and internal dialogue forums are used to continuously improve employee satisfaction and working conditions. Investors are provided with information on progress on sustainability at AGMs and through financial reports. Suppliers are encouraged to actively engage with sustainability topics through audits and workshops, with the aim of ensuring that social and environmental standards are being adhered to throughout the value chain.

### **Integration of stakeholder interests into business strategy**

Insights from ongoing dialogue with stakeholders feed directly into FRIWO's strategic direction. The focus is on four key topics: Climate change mitigation, the circular economy, responsible supply chains and corporate social responsibility.

Stakeholders have expressed clear expectations in the area of climate change mitigation, while investors and employees are calling for more action to reduce greenhouse gas emissions throughout the value chain. In response, FRIWO has initiated the process of calculating its scope 3 emissions. In addition, the company has also identified further measures for reducing greenhouse gases.

Social responsibility in the supply chain is another key stakeholder concern. Customers, NGOs and state institutions expect companies to ensure that their suppliers are resolute in complying with human rights and environmental standards. FRIWO has therefore introduced a supplier evaluation program that makes ESG factors an integral component of the business relationship. In addition, measures have been introduced to improve monitoring of the upstream value chain, including regular supplier audits. Largely in response to the requirements set out in the Corporate Sustainability Due Diligence Directive (CSDDD), FRIWO has taken measures to identify and avoid risks, with the aim of ensuring that all business partners meet minimum social and environmental standards.

Within the company too, social factors play an increasingly important role. Employees value fair working conditions, flexible working and an inclusive corporate culture. In recent years, FRIWO has developed targeted programmes aimed at promoting diversity and equal rights. The needs of the workforce are identified through regular employee surveys, and the company uses these insights to develop measures aimed at improving job satisfaction.

## Disclosure requirement SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

### Material impacts of company activities on the environment, society and economy

FRIWO's business model exerts a variety of environmental and social impacts throughout the value chain. The most significant impacts are in the areas of climate change, resource use and the circular economy, own workforce, consumers and end users, and business conduct. These areas were identified in the double materiality assessment. A total of 12 material impacts were identified. In addition, two material risks and one material opportunity were identified.

Presentation of material impacts, risks and opportunities:

Description of IROs	Topic	Sub-topic	Sub-sub-topic	Type	Value chain
The manufacture of electrical and electronic equipment is relatively energy-intensive. The energy required is often still produced using fossil fuels.	Climate change E1	Energy	–	Actual negative impact	Own operations
Energy consumption in downstream transport and use of the products gives rise to greenhouse gas emissions and thus contributes to climate change.	Climate change E1	Energy	–	Actual negative impact	Downstream value chain
The use of FRIWO power supplies and chargers will result in many energy sources being switched from fossil fuels to electric drive solutions.	Climate change E1	Climate change mitigation	–	Actual positive impact	Downstream value chain
The effects of climate change, heavy rainfall events and flooding can result in damage to buildings, damage to energy infrastructure, landslides and power outages. For FRIWO, this may give rise to risks such as increased manufacturing and energy costs, and higher insurance premiums.	Climate change E1	Climate change adaptation	–	Risk	Own operations
Increases in heavy precipitation events, flooding and severe dust formation during heat waves may increase demand for IP-certified devices.	Climate change E1	Climate change adaptation	–	Opportunity	Own operations
The manufacture of chargers, power supplies and digital drive solutions gives rise to end user electrical waste.	Resource use and circular economy E5	Waste	–	Actual negative impact	Downstream value chain
Potting of products makes recycling more difficult, as the materials are permanently bonded by the potting process and difficult to separate. This reduces product recyclability, as it makes separate end-of-life recycling of materials complex and cost-intensive.	Resource use and circular economy E5	Resource outflows relating to products and services	–	Actual negative impact	Own operations

A consistently high level of leadership quality and management competence within the company, supported by specific development and training opportunities, contributes to clear communications, fair decision-making and a supportive working environment. This helps promote worker satisfaction within the company.	Own workforce S1	Equal treatment and opportunities for all	Training and skills development	Actual positive impact	Own operations
An in-house app at FRIWO Vietnam that can be used to make wage elements available flexibly and in advance means that workers in the company are better able to cover short-term expenses. This enables them to avoid the use of informal or high-interest loan offerings, boosting their financial stability.	Own workforce S1	Working conditions	Adequate wages	Actual positive impact	Own operations
An uneven gender distribution in the German workforce and possible pay differences may lead to inequality of opportunity, specifically with respect to the participation of women in society.	Own workforce S1	Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value	Actual negative impact	Own operations
The German administrative office is located in a high-pay area. In addition, the Ostbevern site is very peripheral, which carries staff recruitment risks. As a result, FRIWO may face financial risks both in terms of pay and in worker recruitment.	Own workforce S1	Skilled workers and workplaces (S1, individual)	–	Risk	Own operations
High product quality reduces the risk of safety-related defects and protects end users from potential hazards during use.	Own workforce S4	Personal safety of consumers and/or end users	Health and safety	Actual positive impact	Downstream value chain
Recurring informal get-togethers – such as company events in Vietnam, the summer party, Christmas party and other events in Germany – give rise to a corporate culture characterised by cohesion, trust and mutual esteem. This has a positive effect on the satisfaction and loyalty of company workers.	Business conduct G1	Corporate culture	–	Actual positive impact	Own operations
The limited number of long-term contracts with suppliers can help suppliers maintain their business flexibility. This enables them to manage capacity autonomously and rapidly adapt to market changes, placing the relationship between the company and suppliers on a market-oriented, dynamically adaptable foundation.	Business conduct G1	Management of relationships with suppliers, including payment practices	–	Actual positive impact	Own operations
Sourcing raw materials from countries which are highly vulnerable to corruption may increase the likelihood of unethical business practices such as corruption or bribery in the supply chain. This can have a negative impact on the integrity of business conduct and requires increased attention to compliance with ethical standards throughout the value chain and in the company's own operations.	Business conduct G1	Corruption and bribery	Incidents	Potential negative impact	Own operations

**Financial effects of material risks**

Sustainability risks such as climate change, regulatory changes and supply chain disruption can have a financial impact on revenue, costs and investments. FRIWO regularly assesses these risks and includes them in its financial planning. Carbon reduction, resource efficiency and sustainable procurement measures help to minimise long-term financial burdens and secure a competitive advantage.

**Managing material IROs**

FRIWO regularly identifies and evaluates material sustainability impacts, risks and opportunities. The company uses risk analysis, life cycle assessment-oriented methodologies and product carbon footprints (PCF). The company consciously exploits opportunities such as innovative circular economy models and sustainable product solutions to unlock growth potential and minimise risks.

**Business model resilience**

FRIWO is improving the resilience of its business model by adapting early to regulatory and market changes. Sustainability innovations, a diversified supply chain and digital transformation processes increase resilience to external shocks. The long-term strategy is aimed at reconciling environmental, social and financial sustainability and so ensuring the future viability of the company.

## Managing impacts, risks and opportunities

### **Disclosure requirement IRO-1 –**

### **Description of the process to identify and assess material impacts, risks and opportunities**

To comprehensively identify and assess impacts, risks and opportunities, a double materiality assessment was performed in accordance with the requirements of the ESRS standard. The aim was to identify both existing and potential material impacts of the company's business operations and sites throughout the value chain on the environment and society. At the same time, the company also analysed financial risks and opportunities for FRIWO arising from climate change, regulatory requirements and stakeholder feedback.

**The evaluation steps are described below.**

#### **Step 1: Identifying relevant topics and IROs**

##### **Selection of subject matter experts**

In evaluating IROs, FRIWO makes use of the expertise offered by experienced specialists and effective local management.

Experts at the company headquarters have been selected based on their many years of service and their professional expertise. Many of the experts selected have been with the company for well over a decade. Their extensive experience and cross-departmental expertise enable a sound assessment of impacts, opportunities and risks relevant to the business. This contributes significantly to ensuring that the double materiality assessment is broad-based.

At FRIWO's Vietnam site, the general manager is responsible for all management tasks. This country-specific management structure differs from the multi-level structure established in Europe, giving rise to a core leadership role. By being closely involved in all operational processes and through continuous dialogue with the management team in Ostbevern, this ensures integrated management of the site.

##### **Training**

Training on double materiality assessment in the context of the CSRD: The introduction of CSRD-compliant reporting imposes new requirements on the company. To meet these requirements, all selected experts were trained in double materiality assessment. The training took the form of practical workshops run by a specialist consulting company.

The first step involved FRIWO carrying out a comprehensive analysis of internal and external factors in order to identify relevant IROs. The stakeholder analysis component considers expectations held by key stakeholders such as customers, investors, employees and regulators. This is complemented by analysis of sectors and competitors, which provides important insights into sectoral trends and regulatory developments. A central role is played by materiality assessment, which, in accordance with the principle of double materiality, considers both the impact of the company on the environment and society and the financial risks and opportunities for the company. In addition, internal risk and opportunity assessments are performed to determine the financial and operational impact of the identified sustainability issues on the business model. The identified issues are assigned to appropriate ERS categories with the aim of ensuring that reporting is consistent and standardised.

## Step 2: Scoring IROs

Having identified material IROs, these IROs are scored on a scale of zero to five. This score is based on a number of criteria, including the extent of the impact on the environment, society and business processes, and the likelihood of occurrence, scope and irremediable character of the impact. In addition, the time horizon is also considered in order to distinguish between short, medium and long-term impacts. Another core evaluation criterion is the financial significance, i.e. the extent to which an identified risk or opportunity can influence profitability and value creation at the company. This evaluation is based on the company's internal risk management system. In addition, this score also incorporates regulatory and social requirements. Various methods are used to ensure the objectivity and comparability of the analysis, including scenario analysis, the LEAP approach, and expert feedback. The prioritised IROs then serve as a foundation for strategic decision-making and specific sustainability management measures.

Negative and positive impact score categories and scale						
Category	0	1	2	3	4	5
<b>Extent</b>	Negligible	Minimal effect (negative/positive)	Low effect (negative/positive)	Moderate effect (negative/positive)	High effect (negative/positive)	Very high effect (negative/positive)
<b>Scope</b>	Negligible	Local or multiple individuals	Regional or individual groups of people	National or roughly the number of workers	Continental or large/multiple groups of people	Global or general public
<b>Irremediable character</b>	Very easy to resolve	Relatively easy to resolve or short-term	Resolution will incur costs and take time	Difficult to resolve or medium term	Very difficult to resolve or long term	Irreversible
<b>Likelihood of occurrence</b>	> 0 % Negligible	20 % Very unlikely	40 % Fairly unlikely	60 % Fairly likely	80 % Very likely	< 100 % Almost certain to occur*
<b>Impact materiality (IM)</b>	= $\emptyset$ (extent + scope + irremediable character) x likelihood of occurrence					

### Assessment of actual impact

The first step in assessing actual impact is to calculate the severity. This is determined from the average of extent, scope and irremediable character.

### Assessment of potential impact

As with actual impact, the first step in assessing potential impact is to calculate the severity. The result of this calculation is then multiplied by the likelihood of occurrence. The likelihood of occurrence is not used for calculations involving potential impacts with human rights implications.

Risks and opportunities score categories and scale						
Category	0	1	2	3	4	5
Potential extent	Negligible	Minimal (financial) effect	Tangible (financial) effect	Affects business operations	High (financial) effect	Endangerment/safeguarding of operations
Likelihood of occurrence	> 0 % Negligible	20 % Very unlikely	40 % Fairly unlikely	60 % Fairly likely	80 % Very likely	< 100% Almost certain to occur
<b>FINANCIAL MATERIALITY (FM)</b>	= Potential extent x likelihood of occurrence					

### Evaluating risks

Risks were evaluated based on potential extent modified by a likelihood of occurrence factor. The total is determined by multiplying potential extent by likelihood of occurrence.

### Evaluating IROs

IROs were evaluated with individual subject matter experts from the executive board, Project Management Office, Facilities, Safety and Environment, Accounting & Finance, Human Resources, Product Management & Marketing and Global Procurement & Purchasing departments.

### Step 3: Determining the materiality of an IRO

To better enable participants to get to grips with the content, the training courses were divided into three modules, environment (E), social (S) and governance (G). This modular structure enabled a detailed exploration of the specific requirements in each of these areas.

#### Environment module (E)

The focus was on identifying climate impacts, risks and opportunities and on incorporating regulatory requirements into environmental analysis. Participants were given a comprehensive overview of climate-related ESG requirements and their potential impact on the company.

- **Integration of SASB standards:** These standards were used to systematically analyse environmental factors such as waste management, water use and emissions.
- **Analysis of GERICS climate data:** These data were used as the basis for assessing climate risks at the company's sites in Germany and Vietnam, and for determining potential risk mitigation measures.

#### Social module (S)

The social module explored corporate responsibility in the areas of occupational safety, health and fair working conditions in the upstream and downstream value chain.

- **Assessment of social opportunities and risks:** Participants analysed social impact drivers, including employee satisfaction, equality and compliance with social standards throughout the supply chain.
- **Site-specific requirements:** Particular attention was paid to differences between sites, especially in Germany and Vietnam, with the aim of enabling the company to address social challenges with greater precision.

#### Governance module (G)

In the field of governance, the focus was on assessing risks and opportunities relating to ethical standards, transparency and compliance.

- **Analysis of regulatory requirements:** Participants developed governance guidelines aimed at ensuring responsible business conduct.
- **Assessment of compliance risks:** The training programme looked at potential risks from inadequate transparency and at actions to strengthen governance structures.

These workshops ensured that FRIWO was optimally prepared to identify and evaluate IROs. After the scoring process, material IROs were then identified. This involved examining which IROs were of material importance to the company and its stakeholders. The materiality assessment was based on the concept of double materiality, which takes into account both financial materiality, i.e. materiality for the company, and the impact materiality of the company on the environment and society.

The analysis employs materiality thresholds which specify the degree of materiality required for an IRO to be considered reportable. These thresholds are based on quantitative and qualitative factors, such as the extent of potential financial losses, the intensity of environmental or social impacts, and stakeholder expectations. Priority is given to IROs which exceed these thresholds. These IROs are included in reporting. FRIWO has consciously selected a threshold of 3 because a threshold of 3 ensures that the company's reporting remains focused on genuinely material direct environmental and social impacts, and financial risks and opportunities.

With respect to financial materiality, this means that FRIWO prioritises those risks and opportunities that, through climate change, market changes, supply chain dependencies or regulatory developments, have a significant impact on the company. At the same time, impact materiality aims to capture environmental and social drivers which exert a significant impact in areas such as raw material consumption, emissions, the company's own workforce or workers in the value chain.

### **Validating the results**

After identifying, scoring and determining the materiality of an IRO, the results are then validated. In this step the objective is to review the assumptions made and analysis used with the aim of creating a firm, reliable foundation for sustainability reporting and risk management-related decision-making.

Validation involves a multi-step process incorporating both internal and external perspectives. Internally, the results are agreed upon by relevant departments, the sustainability management team and the senior management team. Externally, stakeholders such as investors, suppliers and scientific experts may be brought in to identify additional perspectives and potential blind spots. In addition, benchmarks and comparison with industry standards may be used to more broadly contextualise the results.

Discrepancies or inconsistencies identified during validation may necessitate further review of individual IROs or changes to the assessment methodology. Only after the validation process has been successfully completed are final IROs included in reporting and employed as a basis for strategic decision-making.

## **Disclosure requirement ESRS E1 IRO-1: Specific disclosures on climate impacts and risks**

For companies, the impact of climate change gives rise to both risks and opportunities. In identifying and assessing material climate change-related impacts, risks and opportunities (IRO), both direct and indirect climate impacts are analysed. To ensure that decision-making on strategic actions is based on a firm foundation, this analysis takes into account both physical climate risks and transition risks.

### **Climate impacts**

FRIWO assesses its own direct and indirect climate impacts throughout the value chain. This encompasses scope 1, 2 and 3 greenhouse gas (GHG) emissions, energy consumption and the energy mix. It also includes potential effects on ecosystems, water resources and biodiversity. In performing this analysis, the company takes into account regulatory requirements and the objectives of the Paris Climate Agreement.

### **Physical climate risks**

Physical climate risks arise from direct and long-term consequences of climate change, and can have a significant impact on the company's business operations, supply chains and infrastructure. The materiality assessment process included analysis of the extent to which climate-related physical risks can affect the company. As part of this analysis, a distinction was made between acute and chronic risks.

Acute physical climate risks include extreme weather events such as storms, heavy rainfall events, floods and heat waves, which can cause short-term damage to production facilities, supply chains and critical infrastructure. These events can potentially result in business interruptions, increased maintenance costs, limited availability of resources and an increase in insurance premiums.

Conversely, chronic physical climate risks relate to long-term changes in climate conditions, such as increases in average temperatures, changes in patterns of precipitation and rising sea levels. These developments may affect the availability of natural resources, particularly water, reduce the efficiency of production processes and require adaptation measures. In addition, they also increase climate-related migration.

The company regularly analyses the potential impact of these risks and incorporates this into its risk-preparedness. The focus is on climate change adaptation and supply chain optimisation measures. Early identification and assessment of physical climate risks is crucial for minimising long-term negative impacts on business operations and exploiting sustainable growth opportunities.

## **Transition risks**

In addition to physical risks, the transition to a low-carbon economy also presents significant challenges. Transition risks arise from legislative change, technological developments and shifting market requirements. They include, for example, stricter emissions regulations, an increase in carbon prices and the switch to climate-friendly technologies. To remain competitive and ensure regulatory compliance, companies will need to adapt their business models accordingly. Assessment of these risks involves scenario analysis to identify the potential financial and operational impact of decarbonisation.

Analysis and assessment of climate impact and physical and transitional risks forms the foundation for developing climate strategies and emissions reduction measures. By employing forward-looking risk management, the company aims to minimise long-term negative consequences for the business, while exploiting opportunities for sustainable value creation.

## **Disclosure requirement ESRS E5 IRO-1: Specific disclosures on resource use and circular economy**

Efficient use of resources and transitioning to a circular economy are essential factors for a company's long-term competitiveness and sustainability. Double materiality assessment looks in particular at risks from shortages of natural resources, rising raw material prices and regulatory requirements relating to waste prevention and recycling.

A core risk is the company's dependence on non-renewable raw materials, which, in the event of rising prices or supply difficulties, could lead to operational constraints. Conversely, opportunities arise from innovations in material efficiency, product recycling and the development of resource-efficient business models. By increasing its use of sustainable materials, optimising its production processes and using circular value creation models, the company is helping to reduce waste and emissions while securing long-term raw material supplies.

## **Disclosure requirement ESRS G1 IRO-1: Specific disclosures on business conduct**

Responsible and transparent business conduct is the foundation for sustainable business activity and for minimising governance risks. Double materiality assessment analyses compliance, corruption prevention, business ethics and transparency-related risks.

Regulatory risks arise from more onerous reporting obligations, tax transparency requirements and anti-corruption requirements. Misconduct in these areas can have legal consequences, but can also lead to reputational damage that places the company's long-term success in jeopardy. To mitigate these risks, the company relies on robust governance structures and clear compliance guidelines.

In addition, internal systems of controls have been established to ensure that social and environmental standards are being adhered to throughout the value chain.

### **Managing and monitoring sustainability topics**

Prioritisation of sustainability topics is based on the materiality assessment and is dependent on their potential financial, environmental and social impact. FRIWO carries out regular assessments to monitor progress in this area. Key metrics and performance indicators provide a continuous measure of the success of this process. A structured monitoring process ensures that, as a fixed element of corporate governance, sustainability is actively reviewed and updated.

### **Disclosure requirement IRO-2 – Disclosure requirements in ESRS covered by the undertaking's sustainability statement**

Identifying and covering the ESRS IRO-2 disclosure requirements ensures that the company's sustainability statement meets all relevant reporting obligations and ensures complete and comparable reporting. The results of this analysis are integrated into the company's business processes by incorporating them into internal reporting and existing management mechanisms. The Project Management Office, Facilities, Safety and Environment, Accounting & Finance, Human Resources, Product Management & Marketing and Global Procurement & Purchasing departments, and the ESG committee were brought on board in order to ensure that the requisite data was collected and analysed, and prepared for reporting in standardised form. By systematically coupling this to operational and strategic decision-making processes, the company is able to efficiently meet regulatory requirements and purposively manage sustainability topics.

### **Prioritisation and monitoring of the disclosure requirements covered**

The disclosure requirements identified in the IRO-2 analysis are prioritised according to their materiality and strategic significance. Particular attention is paid to areas with high regulatory risk and areas that have a material impact on the environment, society or enterprise value. To ensure ongoing compliance with ESRS requirements, regular reviews and internal audits are performed. Structured monitoring and a transparent reporting process enable continuous adaptation to new regulatory developments and stakeholder expectations. This ensures that the company's sustainability statement meets the highest standards and acts as an integral component of business conduct.

# Environmental information

## ESRS E1 - Climate Change

Climate change is one of the biggest challenges facing the global economy and is increasingly influencing technological developments and market requirements. FRIWO takes its responsibility seriously and develops innovative power supply and drive solutions that actively contribute to the decarbonisation of a range of sectors. By developing sustainable, efficient technologies, FRIWO helps its customers to reduce energy consumption, reduce emissions and electrify their products. In doing so, FRIWO is making an important contribution to meeting regulatory requirements and achieving global climate targets, while at the same time boosting its competitiveness in a changing market environment.

The table below shows the disclosure requirements identified during materiality assessment with respect to the standard ‘E1 – Climate change’:

Disclosure requirement	Name with reference
ESRS E1-1	Transition plan for climate change mitigation
ESRS E1-2	Policies related to climate change mitigation and adaptation
ESRS E1-3	Actions and resources in relation to climate change policies
ESRS E1-4	Targets related to climate change mitigation and adaptation
ESRS E1-5	Energy consumption and mix
ESRS E1-6	Gross scopes 1, 2, 3 and total GHG emissions
ESRS E1-7	GHG removals and GHG mitigation projects financed through carbon credits
ESRS E1-8	Internal carbon pricing
ESRS E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

### Disclosure requirement E1-1 – Transition plan for climate change mitigation

Climate change requires business to adopt new ways of thinking and necessitates innovative solutions for a sustainable future. FRIWO actively contributes to decarbonisation by developing energy-efficient power supply and drive solutions that reduce emissions in a range of sectors.

While there is currently no formal transition plan, FRIWO is continuously pursuing measures to improve energy efficiency and develop climate-friendly technologies. Continuous development of products contributes to reducing customer energy consumption and supporting sustainable value creation along the length of the supply chain.

## **Disclosure requirement E1-2 – Policies related to climate change mitigation and adaptation**

To assess climate-related risks and opportunities, FRIWO performs scenario analysis that examines a number of different global warming scenarios and their potential impact on the company. Double materiality assessment looks at both financial risks and environmental impacts with the aim of creating a firm foundation for prioritising relevant topics.

Although the company does not currently have a formal climate management policy, FRIWO is continuously monitoring regulatory developments, market requirements and technological advances. The incorporation of climate drivers into the corporate strategy creates a solid base for future actions aimed at managing climate-related risks and opportunities.

## **Disclosure requirement E1-3 – Actions and resources in relation to climate change policies**

Although the company does not currently have a dedicated climate management policy, FRIWO is taking specific action to implement a range of climate change mitigation measures and is making appropriate financial and human resources available:

- **Energy efficiency measures:** Use of advanced energy efficiency technologies in production facilities and office buildings.
- **Sustainable mobility:** Electrification of the vehicle fleet, increased use of alternative mobility concepts, and promotion of sustainable mobility through the provision of charging stations for electric vehicles and free charging stations for electric bikes.
- **Research and development:** Investment in innovative decarbonisation and resource conservation solutions, further development of environmentally friendly products, and optimisation of production processes.

Through these actions, FRIWO is making an active contribution to climate change mitigation, while at the same time boosting its competitiveness in a changing market environment. The progress of climate change mitigation measures is measured using defined metrics, which are published regularly in the sustainability report.

Through these strategic choices, FRIWO is ensuring that it proactively addresses the challenges posed by climate change and is supporting sustainable value creation for all stakeholders.

## **Disclosure requirement E1-4 – Targets related to climate change mitigation and adaptation**

No specific targets for measuring effectiveness have been implemented at present. Ongoing policy development work is being carried out to define suitable management mechanisms and measurable indicators to realise long-term improvements in this area. Climate-related topics are, however, continuously reviewed and updated.

### **Scope 1, 2 and 3**

Climate change mitigation is an integral component of corporate strategy at FRIWO. This is designed around the requirements set out in the Paris Agreement and EU taxonomy requirements. The focus is on reducing scope 1, scope 2 and scope 3 emissions which directly affect the company's carbon footprint and on which operational decision-making has a significant effect.

FRIWO has established a comprehensive monitoring system to review progress and ensure that targets are met. Emissions data is collected and analysed regularly in order to rapidly identify any discrepancies and initiate appropriate countermeasures. Calculations are performed in accordance with Greenhouse Gas Protocol specifications.

In addition, FRIWO is continuously assessing its emissions based on the latest scientific insights and regulatory developments. Where required, the company dynamically adapts to ensure that its actions are in line with international climate change mitigation regulations. In the long term, by resolutely decarbonising its business processes, FRIWO is striving to ensure that the company undergoes an enduring transformation and to actively contribute to reducing global CO<sub>2</sub> emissions.

### **Assessing FRIWO's endeavours**

Consistently reviewing and evaluating the company's climate-related endeavours is essential for ensuring the effectiveness of the measures taken and modifying them where required. The company pursues a data-driven approach built on continuously collecting and analysing relevant environmental metrics.

Standardised methods based on Greenhouse Gas Protocol specifications and EU taxonomy reporting requirements are used to measure progress. Emissions data are validated internally by the ESG Committee. This ensures a high level of transparency and ensures comparability of carbon footprint calculations over many years.

FRIWO bases its approach on international climate change mitigation initiatives such as the Science Based Targets Initiative (SBTi), with the aim of ensuring that its climate change mitigation efforts are in line with global requirements. In the event that new scientific insights or regulatory requirements arise, FRIWO reviews its existing endeavours and adapts them where required.

Assessment of climate-related endeavours feeds directly into strategic planning. Where individual components of these endeavours are found not to be achieving the expected emissions reductions, alternative approaches are examined and new initiatives developed. This dynamic evaluation process ensures that FRIWO remains on a climate-friendly development pathway over the long term and consistently lives up to its climate change mitigation responsibilities.

#### **Changes compared to the previous year**

The change in greenhouse gas emissions is analysed annually and compared with figures for the previous year. In the last reporting year, progress was made in reducing CO<sub>2</sub> emissions, particularly through increased energy efficiency.

For scope 1 emissions, measures targeted at optimising production processes resulted in a 9.7 percent reduction in direct emissions compared to the previous year. Positive effects on the company's carbon footprint were achieved in particular by an increase in electrified operating equipment and investment in advanced heating and cooling systems.

The company achieved a 26.7 percent reduction in scope 2 emissions through measures to reduce energy consumption at the company's business premises.

Despite these successes, challenges remain, especially in decarbonising the supply chain and fully converting to climate-neutral production processes. In the coming year therefore, FRIWO will bolster its investment in additional emissions-reduction technologies and deepen its collaboration with partners throughout the value chain.

#### **Disclosure requirement E1-5 – Energy consumption and mix**

FRIWO is pursuing the objective of continuously optimising its energy consumption through efficient energy use. Total energy consumption in the reporting year was 5,566.1 MWh, a 30.5 percent drop compared to the previous year.

To further reduce energy consumption, FRIWO is deploying targeted efficiency measures. This includes the use of advanced control systems, optimisation of production processes and investment in energy-efficient technologies.

Energy consumption and mix	2024
1) Fuel consumption from coal and coal products (MWh)	0
2) Fuel consumption from crude oil and petroleum products (MWh)	426.0
3) Fuel consumption from natural gas (MWh)	0
4) Fuel consumption from other fossil sources (MWh)	0
5) Consumption of purchased or acquired electricity, heat, steam or cooling from fossil sources (MWh)	3,075.7
<b>6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)</b>	<b>3,501.7</b>
Share of fossil sources in total energy consumption (%)	55.3
<b>7) Consumption from nuclear sources (MWh)</b>	<b>26.7</b>
Share of consumption from nuclear sources in total energy consumption (%)	0.5
8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	0
9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	2,463.8
10) Consumption of self-generated non-fuel renewable energy (MWh)	0
<b>11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)</b>	<b>2,463.8</b>
Share of renewable sources in total energy consumption (%)	44.3
<b>Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11)</b>	<b>5,566.1</b>
Non-renewable energy production (MWh)	3,102.4
Renewable energy production (MWh)	2,463.8
Energy intensity per net revenue	2024
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh/€)	0.0000598

### Information on establishing metrics

The share of fossil fuels in total consumption was 55.3 percent, meaning that the use of coal and natural gas continued to play a significant role. Consumption of fossil fuels resulted from internal fuel use and from electricity from fossil sources obtained from external suppliers. The share of nuclear energy in the energy mix in the reporting year was 26.7 MWh, which corresponds to a total share of 0.5 percent.

### Methodology and validation

Energy consumption is recorded and calculated using internationally recognised standards. These include the DIN ISO 16247 energy audit standard and the Greenhouse Gas Protocol. All data are derived from internal measurement systems, external energy billing and production figures. To guarantee the quality of these data, these figures are checked regularly and compared with data from previous years.

A key component of this data validation process is internal plausibility checks, in which energy consumption is analysed and compared with production volumes and operating times. To ensure transparency and comparability, this is supplemented by an external review carried out by independent test institutions.

### **Energy intensity per net revenue**

Energy intensity describes the relationship between total energy consumption and net revenue and is a key metric for assessing energy efficiency in business processes. Energy intensity in the reporting year was 0.0000598 MWh per euro. Reducing this figure still further is a key element of the company's sustainability philosophy, and is achieved through targeted measures such as reducing specific energy consumption and optimising operating procedures.

### **Disclosure requirement E1-6 – Gross scopes 1, 2, 3 and total GHG emissions**

To ensure transparency and to put in place specific emissions reduction measures, FRIWO systematically records direct and indirect emissions throughout the value chain. Total GHG emissions in the reporting year were 31,482.6 tonnes of CO<sub>2</sub> equivalents (t CO<sub>2</sub>e).

Scope 1 emissions – direct emissions from the company's own facilities and vehicles – were 184.3 t CO<sub>2</sub>e. Scope 2 emissions from procurement of electricity, heat, steam and cooling were 3,715.7 t CO<sub>2</sub>e. It is possible to further increase the share of renewable energies in the electricity mix, and this would reduce scope 2 emissions accordingly.

Scope 3 emissions across the upstream and downstream value chains were 27,582.7 t CO<sub>2</sub>e, and this therefore comprises the largest share of total emissions. Major drivers are emissions from purchased goods and services (scope 3.01), and use of sold products by end customers (scope 3.11). The company also compiles data on business travel (scope 3.06) and employee commuting (scope 3.07). To further reduce these emissions, FRIWO is working closely with suppliers, is developing resource-efficient products and operates a sustainability-focused business travel policy.

GHG emissions calculations are performed in conformity with the Greenhouse Gas Protocol and EU taxonomy requirements. Data is collected annually.

GHG emissions milestones and target years	Retrospective			
	2022	2023	2024	% 2024/2023
<b>Scope 1 greenhouse gas emissions</b>				
Gross scope 1 GHG emissions (tCO <sub>2</sub> eq)	242.4	204.1	184.3	-9.7
Gross stationary energy consumption-related Scope 1 GHG emissions (tCO <sub>2</sub> eq)	242.4	204.1	116.3	-43.0
Gross mobile energy consumption-related Scope 1 GHG emissions (tCO <sub>2</sub> eq)	–	–	67.9	–
<b>Scope 2 greenhouse gas emissions</b>				
Gross location-based scope 2 GHG emissions (tCO <sub>2</sub> eq)	5,757.4	5,323.8	3,715.7	-30.2
Gross market-based scope 2 GHG emissions (tCO <sub>2</sub> eq)	-	-	3,507.7	-
<b>Significant scope 3 greenhouse gas emissions</b>				
Total gross indirect (scope 3) GHG emissions (tCO <sub>2</sub> eq)	-	-	27,582.7	-
Purchased goods and services (tCO <sub>2</sub> eq)	-	-	9,631.3	-
Business travel (tCO <sub>2</sub> eq)	-	-	648.7	-
Employee commuting (tCO <sub>2</sub> eq)	-	-	459.3	-
Use of sold products (tCO <sub>2</sub> eq)	-	-	16,843.4	-
<b>Total GHG emissions</b>				
Total GHG emissions (location-based) (tCO <sub>2</sub> eq)	-	-	31,482.6	-
Total GHG emissions (market-based) (tCO <sub>2</sub> eq)	-	-	31,274.7	-

\* Because this is the first year of using the ESRS, the way the calculations are performed has changed. As a result, it may not be possible to show figures for the base year (2023).

GHG intensity per net revenue	2024
Total gross GHG emissions (location-based) per net revenue (tCO <sub>2</sub> eq/€)	0.00033844
Total gross GHG emissions (market-based) per net revenue (tCO <sub>2</sub> eq/€)	0.000336205

### Compilation of metrics

GHG emissions are recorded and accounted for in accordance with the GHG Protocol, the internationally recognised standard for calculating and reporting greenhouse gas emissions. Scope 1, 2 and 3 emissions are accounted for in accordance with the Corporate Accounting and Reporting Standard (2004) and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).

Emissions are calculated based on a combination of primary and secondary data. For scopes 1 and 2, the calculation uses company-specific consumption data and emission-specific conversion factors. For scope 3 emissions, to ensure that emissions throughout the value chain are captured as accurately as possible, figures are collected using a combination of in-house data sources, industry standards, recognised estimation methods, and studies by governments and universities.

Reporting includes only legally required information. No optional calculations are taken into account. All emissions figures for the reporting year were validated in accordance with regulatory requirements. In accordance with the GHG Protocol, only scope 3 categories 3.01 (Purchased goods and services), 3.06 (Business travel), 3.07 (Employee commuting) and 3.11 (Use of sold products) were calculated and analysed in detail. Because emissions from the remaining scope 3 categories were estimated as being small, they were classified as not material, so that under the relevance principle set out in the GHG Protocol they do not need to be considered further. To ensure that emissions data are as accurate and comparable as possible, the calculation methods and data sources used are evaluated and updated annually. Metrics have been carefully compiled and internally reviewed. At the time of writing they have not been externally validated.

Category	Methodology
<b>Scope 1</b>	Heating oil consumption during the reporting period was determined from the invoices available and multiplied by a specific emission factor. For the company's own vehicle fleet, fuels were evaluated based on filling station receipts (UTA) and multiplied by a specific emission factor.
<b>Scope 2</b>	Electricity consumption during the reporting period was determined from the invoices available and multiplied by a specific emission factor.
<b>Scope 3</b>	–
3.1 Purchased goods and services	Emissions were primarily determined based on expenditure. Emissions were calculated based on financial expenditure multiplied by emissions-specific factors per monetary unit. Weight-base data collection was performed in isolated cases only.
3.6 Business travel	For air travel, the company used primary data from the travel agency. For hotel stays, the number of overnight stays in a country was multiplied by the country-specific emission factor for that country and a total then calculated.
3.7 Employee commuting	Germany: Primary data (employee survey on travelling to work) Vietnam: Country average data multiplied by number of employees
3.11 Use of sold products	Because the products sold are not direct energy consumers, the analysis considered only the expected energy loss from sold chargers, power supplies and drive solutions over the course of their expected service life. Validation was performed using data from universities, governments, the Fraunhofer Institute and private companies.

Carbon emissions intensity details the amount of greenhouse gas emissions produced compared to the company's economic output. It is calculated by dividing total GHG emissions (scopes 1, 2 and 3) by net revenue or another relevant benchmark, such as quantity produced or value added. This metric facilitates comparability across different reporting years and provides an indication of the effectiveness of climate change mitigation measures.

#### **Disclosure requirement E1-7 – GHG removals and GHG mitigation projects financed through carbon credits**

FRIWO does not currently undertake any measures involving the active removal of greenhouse gases and does not finance any greenhouse gas mitigation projects through carbon credits. The use of such mechanisms does not currently form part of the company's climate strategy.

#### **Disclosure requirement E1-8 – Internal carbon pricing**

FRIWO has not introduced any internal carbon pricing at present. Instead, the company employs other mechanisms to account for climate-related costs and reduce emissions. This includes identifying potential reductions and efficiency measures based around external market mechanisms and regulatory developments.

#### **Disclosure requirement E1-9 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities**

Climate change is increasingly shaping the business environment and market requirements. FRIWO is continuously observing these developments and analyses potential climate-related risks and opportunities through double materiality assessment and scenario analysis.

There are, however, currently no quantifiable financial effects from material physical or transition risks that require reporting under ESRS E1-9. Because of the significant methodological complexity involved in identifying such effects, FRIWO is making use of the phase-in provisions for the first reporting year. This means that FRIWO will gradually develop the methodology for quantifying these effects over the next few years.

## E5 – Resource use and circular economy

FRIWO pursues a sustainable resource use and circular economy strategy with the aim of minimising its environmental impact and exploiting long-term business opportunities. Global challenges such as raw material shortages, increasingly stringent environmental regulations and rising demand for sustainable products mean that this topic is becoming ever more important.

Material risks include dependence on non-renewable resources, rising material costs, and regulatory requirements relating to waste prevention and recycling. In addition, supply bottlenecks and higher environmental levies could impact operating cost structure. Opportunities arise from the development of innovative, more resource-efficient products, increased use of sustainable materials, and from closed cycles that reduce long-term dependence on primary raw materials. By continuously optimising production processes and through strategic collaboration across the value chain, the company is striving to improve its use of resources and systematically incorporate circular economy principles.

The table below shows the disclosure requirements identified during materiality assessment with respect to the standard 'E5 – Resource use and circular economy':

Disclosure requirement	Name with reference
ESRS E5-1	Policies related to resource use and circular economy
ESRS E5-2	Actions and resources related to resource use and circular economy
ESRS E5-3	Targets related to resource use and circular economy
ESRS E5-5	Resource outflows
ESRS E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities

### Disclosure requirement E5-1 – Policies related to resource use and circular economy

FRIWO is actively striving towards more sustainable resource use and in doing so is guided by international sustainability strategies and guidelines such as the European Green Deal and the EU's circular economy guidelines. While a formal resource use and circular economy policy is still under development, the company is already implementing targeted actions to reduce material use, minimise waste and make value chains more sustainable.

## **Disclosure requirement E5-2 – Actions and resources related to resource use and circular economy**

FRIWO is taking targeted action throughout the value chain aimed at optimising resource use and incorporating circular economy principles. A key focus is on increasing material efficiency during production. Advanced manufacturing technologies and optimised processes are used to minimise material losses, and where possible residual materials are returned to the production cycle or recycled externally.

The company is also continuously increasing the proportion of recycled raw materials in its products and packaging. In close partnership with suppliers, FRIWO evaluates and implements sustainable alternative materials with the aim of reducing the use of primary raw materials. In addition, FRIWO is endeavouring to make its products longer lasting, to minimise resource consumption over the product life cycle as a whole, and to enable easy disassembly for recycling.

To promote closed-loop material cycles, for selected products the company also offers take-back and reprocessing programmes. These programmes help keep valuable materials in circulation and reduce waste. Investment in research and development also plays a key role in developing more resource-efficient production methods.

## **Disclosure requirement E5-3 – Targets related to resource use and circular economy**

Financial year 2024 was the first year in which the company recorded and evaluated resource use and circular economy metrics. The aim is to identify trends and use this information to update existing measures. No specific targets for measuring effectiveness have been implemented at present. Ongoing policy development work is being carried out to define suitable management mechanisms and measurable indicators to realise long-term improvements in this area.

## Disclosure requirement

### E5-5 – Resource outflows

The company aims to make responsible use of natural resources and systematically records all material flows used or disposed of within its business operations. The total amount of waste generated in the reporting year was 154.5 tonnes.

To minimise resource use, the company employs efficient processes and measures aimed at reducing and reusing materials. During the reporting period, 83.1 percent of the materials used were able to be recycled or reused.

The company regularly reviews material flows and works with suppliers and waste disposal partners to identify and implement sustainable alternatives. By continuously optimising its processes, the company is striving to further reduce resource outflows and to consistently adhere to circular economy principles.

Waste generated by treatment type	2024
<b>Waste generated in t</b>	<b>154.5</b>
Waste diverted from disposal in t	128.4
Preparation for reuse	40.9
Recycling	24.6
Other recovery operations	62.9
Waste directed to disposal in t	26.0
Incineration	5.7
Landfill	0
Other disposal operations	20.3
Non-recycled waste in t	26.0
Non-recycled waste as a %	16.8

\* Rounding differences

A large proportion of the waste generated in the course of FRIWO's business operations consists of electronic waste. This arises primarily through production processes, from no longer usable components and from disposal of defective products. This material primarily consists of printed circuit boards and electronic components.

### Compilation of metrics

Waste quantities are determined using data from internal waste management systems and notifications from waste disposal service providers and production facilities. The quantities cited are broken down into defined categories using a standardised procedure. All relevant operating sites are included.

The recycling rate is determined by calculating the ratio of recycled waste (preparation for reuse, recycling, other recovery operations) to total waste generated. These data are aggregated in accordance with national and international environmental standards and incorporated into the company's reporting.

Waste generated includes all waste generated in the reporting year, broken down by treatment type and waste type. Data is recorded in accordance with the requirements set out in the European Sustainability Reporting Standards (ESRS E5-5 – Resource outflows) and relevant environmental regulations.

A distinction is made between

- **waste for recycling (e.g. recycling, reuse), which is recirculated, and**
- **waste for disposal (e.g. incineration, landfill), which has to be definitively disposed of.**

This breakdown enables a reliable calculation of the company's circular economy rate.

To ensure high data quality and comparability, data on waste volumes undergoes a multi-stage verification process:

- **Internal review by the Facility, Safety and Environment Management Department to ensure that the data are plausible and consistent.**
- **Reconciliation with external service providers, in particular waste disposal companies, which provide legally required evidence of waste treatment.**

This structured approach enables the company to ensure robust reporting on its waste streams and contributes to the further development of a resource-efficient circular economy.

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**Disclosure requirement E5-6 –  
Anticipated financial effects from resource use and circular economy-related  
impacts, risks and opportunities**

Sustainable resource use and advancing the circular economy are core elements of FRIWO's corporate strategy. The company is continuously monitoring the financial effects of changes in resource use, regulatory developments and market requirements.

Currently, there are no quantifiable financial effects of material risks or opportunities relating to resource use and circular economy that would require reporting under ESRS E5-6. Because determining such effects is methodologically demanding and robust data require detailed analysis, FRIWO is making use of the phase-in provisions for the first reporting year. This permits the company to initially refrain from making these disclosures and to gradually provide qualitative and later quantitative information over the next few years.

## Social information

### **ESRS S1 – Own workforce**

FRIWO's employees are the core factor in ensuring successful long-term growth of the company. To ensure that they remain motivated and productive over the long term, FRIWO provides an attractive working environment, fair pay and specific advancement and staff development activities.

To ensure consistent, clear reporting, the terms 'workers', 'employees' and 'non-employee workers' are used uniformly throughout this report. The workers at the company include both employees and non-employee workers.

Employees means all permanent employees of FRIWO who, taking into account national law applying to the parent company, form part of the active core workforce of the consolidated group companies. This does not include trainees, employees on sabbatical, furloughed or suspended employees or long-term absentees.

Non-employee workers are workers who work for FRIWO but are not directly employed by the company, and are therefore not included on the payroll. This includes, in particular, external interim managers and freelance workers employed under service or work contracts.

This clarity of definition ensures that reporting on FRIWO's workers is consistent and that this distinction is transparent.

The table below shows the disclosure requirements identified during materiality assessment with respect to the standard 'S1 – Own workforce':

Disclosure requirement	Name with reference
ESRS S1-1	Policies related to own workforce
ESRS S1-2	Processes for engaging with own workforce and workers' representatives about impacts
ESRS S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns
ESRS S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions
ESRS S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
ESRS S1-6	Characteristics of the undertaking's employees
ESRS S1-7	Characteristics of non-employee workers in the undertaking's own workforce
ESRS S1-8	Collective bargaining coverage and social dialogue
ESRS S1-9	Diversity metrics
ESRS S1-10	Adequate wages
ESRS S1-11	Social protection
ESRS S1-12	Persons with disabilities
ESRS S1-13	Training and skills development metrics
ESRS S1-14	Health and safety metrics
ESRS S1-15	Work-life balance metrics
ESRS S1-16	Remuneration metrics (pay gap and total remuneration)
ESRS S1-17	Incidents, complaints and severe human rights impacts

## Disclosure requirement S1-1 – Policies related to own workforce

Human resources management is based on clearly defined policies on promoting equality of opportunity, on diversity, on inclusion, and on continuous development of the workforce. Companies face the need to establish strategies and programmes that create a safe, fair and motivating working environment while meeting the challenges posed by a changing labour market. FRIWO's policy encompasses the following topics:

### Corporate policy

For FRIWO, respect for and compliance with international labour and human rights is axiomatic. The company's approach is based on the United Nations Guiding Principles on Business and Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights. In addition, the labour policy is also explicitly aligned with the basic principles of the International Labour Organisation (ILO) and its core labour standards, which include freedom of association and the right to collective bargaining, and which prohibit child and forced labour.

For human rights due diligence purposes, FRIWO also monitors the upstream supply chain. Suppliers are audited, and these audits include ensuring they are in compliance with social standards, environmental requirements and labour rights.

A further key element is equal treatment and diversity. At FRIWO, diversity means more than just equal opportunities – it also means valuing different opinions, cultural backgrounds and individual perspectives. In a company with as international an outlook as FRIWO, this has proven to be a forward-thinking approach. This diversity is actively fostered through open, respectful intercultural communication.

FRIWO has put in place the following mechanisms for monitoring and putting these principles into practice:

- a works council that serves to represent the interests of employees
- an AGG officer to ensure compliance with the German General Act on Equal Treatment (*Allgemeines Gleichbehandlungsgesetz*, abbreviated as AGG)
- an occupational safety officer and occupational safety committee to identify and mitigate risks

### **Pay structure and fair pay**

All FRIWO employees are paid a competitive salary consistent with market pay rates and based on national industry standards. Rates of pay are in accordance with the *Entgeltrahmenabkommen* industry pay agreement, and every role is assigned to the appropriate pay scale on the basis of a clearly defined job description.

FRIWO's pay policy is based on objective criteria such as role, responsibility and duties, and is independent of personal characteristics such as gender or origin. In addition to a fixed basic salary, there are also variable, performance-related components intended as an incentive to performance. To ensure fair pay at all times, FRIWO regularly compares its pay rates with reference sector and market pay rates.

### **Training and staff development**

Ongoing staff development is a core element of the company's human resources strategy. FRIWO supports professional and personal development involving both internal and external training provision. Training courses cover both professional topics (e.g. accounting, IT, quality management) and soft skills (communication, presentation, foreign languages). In addition, FRIWO provides regular mandatory training sessions on occupational health and safety, the German General Act on Equal Treatment, IT security and data protection, and corruption prevention and compliance.

## Occupational health and safety

At FRIWO, employee health and safety is the number one priority. The company ensures that all workplaces meet the highest safety standards and promotes a vigorous safety culture. This includes:

- regular visits by an occupational health physician
- a number of safety officers to monitor compliance with regulations
- ISO 9001 certified (quality management)

Thanks to these actions, in 2024 FRIWO was able to achieve a zero accident rate.

Employees are obliged to report potential health or safety risks immediately. The company employs proactive safety management systems to identify and minimise risks at an early stage.

In addition to these internal measures, FRIWO also bears responsibility for non-employee workers involved in the company's business operations. This involves ensuring that non-employee workers also work under fair working conditions and preventing violations of labour law standards.

## Disclosure requirement S1-2 – Processes for engaging with own workforce and workers' representatives about impacts

Transparent, participatory dialogue between FRIWO and its workforce is essential for ensuring sustainable working conditions and for identifying potential risks promptly. FRIWO therefore makes use of a variety of formats for engaging with and exercising the participation rights of workers, in order to give due weight to the interests of the workforce. For this reason, FRIWO attaches great importance to fostering a relationship with its employees that is built on dialogue.

A key element of this engagement is regular employee surveys, which provide valuable insights into employee satisfaction, needs and expectations. These surveys enable FRIWO to identify specific measures for improving the working environment, and in doing so to boost the long-term motivation and productivity of the workforce. In addition, in Vietnam the company holds regular company events which enable dialogue between the company and the workforce with the aim of assessing employee satisfaction.

Beyond this, participation by worker representatives plays an important role. FRIWO works closely with the works council to ensure fair working conditions and to comply with legal requirements. This includes negotiations aimed at specifying working time models and at preserving protection mechanisms in the event of restructuring or operational changes.

Alongside formal structures, FRIWO increasingly fosters a culture of open feedback that enables direct dialogue between management and the workforce. Employee meetings, dialogue forums and digital communication platforms help ensure that employees' concerns are taken seriously and taken into account in decision-making processes.

Engagement with non-employee workers is a particular challenge, as they are not under FRIWO's direct authority. Companies are, however, required to ensure transparency and fairness for these workers too. The company ensures that this is the case through actions such as working closely with external service providers.

### **Disclosure requirement S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns**

To ensure sustainable working conditions, FRIWO possesses effective mechanisms for identifying and remedying negative impacts. A core component is the creation of safe, trusted channels for employees to raise concerns and report grievances. One example is an anonymous mailbox, situated in an easily accessible location in front of the HR department.

In addition, FRIWO offers a suggestion system, which enables employees to submit suggestions for improving working conditions and processes at any time. These suggestions are systematically reviewed and may feed into the company's strategic development process.

Another key tool is the whistleblowing system, which enables employees to anonymously or openly report labour law violations, discrimination or inappropriate working conditions. The system is multilingual and to ensure accessibility for all employees is available in German, Vietnamese, Chinese and English.

In addition to internal reporting systems, FRIWO also employs transparent grievance mechanisms which enable employee concerns to be dealt with through a structured, clearly documented process. Procedures are clearly defined and communicated to all employees in a clearly comprehensible form. Key points include fixed timescales for processing grievances, the option of talking directly to an independent body, and a structured process for resolving reported problems.

To ensure that these mechanisms are effective, staff managing this process must submit an annual activity report. This report also includes actions aimed at realising improvements in the coming year. The AGG officer, for example, can plan specific measures for the following year in order to better prevent discrimination and unfair working conditions.

As well as internal control mechanisms, external review is also important for ensuring fair working conditions. Regular audits, both internal and by independent audit bodies, help to identify potential risks promptly and to initiate appropriate actions.

Because non-employee workers are not directly employed by the company, engaging with these workers is particularly challenging. FRIWO is nevertheless committed to guaranteeing fair and safe working conditions for non-employee workers too. This is achieved by integrating appropriate standards into contracts with suppliers and by carrying out regular monitoring of external service providers.

In addition to formal grievance mechanisms, FRIWO fosters a culture of openness and trust in which employees feel that they can safely raise any concerns they may have. Managers play a core role in this by modelling a transparent and respectful communication culture and actively championing any concerns raised by employees.

Ongoing development of these processes contributes to boosting employee trust, ensuring compliance with social standards and establishing a sustainable corporate culture.

#### **Disclosure requirement S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions**

Ensuring that working conditions are sustainable is a key task for FRIWO. We undertake specific actions aimed at minimising risks to FRIWO's workforce and at the same time exploiting opportunities for a long-term, motivated workforce. These measures are based on international standards, such as the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, and are aimed at ensuring fair, safe, equitable working conditions, though they are also in part influenced by local circumstances.

Below, we explore core measures in the areas of occupational health and safety, work-life balance, diversity, prevention of violence and discrimination, fair pay, social dialogue, freedom of association and staff development and training.

## Health and safety

For FRIWO, employee health and safety is the number one priority. A safe, healthy, productive working environment is axiomatic and is reinforced by wide-ranging accident prevention and health promotion measures. These include regular safety training, hazard analysis and ergonomic workspaces. In addition, all employees are required to perform tasks safely and to report potential risks immediately. FRIWO has established an occupational safety committee, has appointed a number of safety specialists, and has an occupational health physician who visits the company regularly. All sites are ISO 9001 certified.

## Work-life balance

As well as physical health, there is an increasing focus on mental well-being. FRIWO promotes well-being through flexible working and a wide variety of actions. Flexible working hours, work from home opportunities and family-friendly offerings help employees achieve a healthy work-life balance. This is underpinned by offers such as fruit baskets, company bikes and the option of bringing your dog into the office with you.

To ensure that the company is continuously improving, the efficacy of these measures is verified through regular health and safety audits, employee surveys and analysis of workplace accident statistics.

## Adequate wages

FRIWO's pay policy is a key driver of employee satisfaction and competitiveness. FRIWO is committed to paying fair wages consistent with market rates, and in keeping with collective agreements, legal requirements and international standards such as ILO conventions. Company pay rates are in accordance with the *Entgeltrahmenabkommen* industry pay agreement. Every role has a clear job description which ensures that the role is assigned to the appropriate pay scale within this system.

## Promoting diversity and protection from discrimination

An inclusive, discrimination-free working environment is a core component of the company's corporate philosophy. For FRIWO, equality of opportunity and encouraging a diverse workforce are cornerstones of human resources management.

Measures aimed at preventing violence, bullying and sexual harassment in the workplace include the introduction of clear codes of conduct, regular training for managers and employees, and anonymous reporting systems for people experiencing these behaviours. FRIWO ensures that incidents are resolutely investigated and appropriate sanctions imposed. There is also an AGG officer who can be contacted by any staff member with questions or complaints relating to discrimination or harassment, and who monitors compliance with the German General Act on Equal Treatment (*Allgemeines Gleichbehandlungsgesetz*, abbreviated as AGG).

### **Social dialogue and freedom of association**

Constructive social dialogue is essential for a stable, sustainable working environment. To ensure that it gives due consideration to the interests of its employees, FRIWO encourages collaboration with employee representatives, trade unions and works councils. The works council plays an important role in upholding workers' rights and encouraging open dialogue within the company.

The company fully respects freedom of association and the right to collective bargaining. FRIWO supports dialogue between management and the workforce through regular discussions, structured feedback processes and by communicating transparently about any business decisions that directly affect the workforce.

### **Development and training**

Continuous training of its workforce is a core requirement for any company hoping to enjoy long-term competitiveness. In an era of technological change, digital transformation and shifting market requirements, it is essential that employees have regular opportunities to extend their capabilities and learn new skills. FRIWO therefore relies on comprehensive staff training and development programmes both to enhance its employee's individual career opportunities and to boost its innovation capacity. In addition, there is a specific development program for future executives.

## Metrics and targets

### **Disclosure requirement S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities**

FRIWO has not yet defined any quantifiable, company-wide targets aimed at reducing negative impacts and advancing positive impacts.

Nonetheless, FRIWO is resolutely pursuing the goal of minimising negative impacts on employees and advancing positive developments. Occupational safety is an excellent example of this, with the paramount objective of continuously preventing work-related accidents. The accident rate is currently zero – and the company aims to maintain this high level of safety permanently. FRIWO is ensuring that this happens by mandating that the entire workforce must undertake safety training and safety instruction. In addition, the company will regularly review and update all of its occupational health and safety guidelines.

A further goal is to encourage diversity and inclusion, which plays a core role in the company's human resources strategy.

## **Disclosure requirement S1-6 – Characteristics of the undertaking's employees**

The demographic structure of a company's employees reveals information about the composition of the workforce and makes it possible to initiate measures aimed at promoting diversity and boosting employee retention. The company employs a total of 1,193 people (for reasons of materiality, this figure excludes sites in China, India and the USA).

Gender distribution is an important point of analysis. 52.8 percent of the total workforce are women, 47.2 percent men. The proportion of women in executive positions is 14.3 percent, with men making up 85.7 percent. The company is aiming to create a gender-appropriate demographic structure and to use specific advancement measures to further increase the proportion of women in management positions.

The company has also determined average length of service, with the aim of obtaining insights into employee retention. Currently, the average length of service in Germany is 12.6 years and in Vietnam 4.1 years. Companies with a high average length of service benefit from stable teams and high levels of know-how within the business. Staff turnover during the reporting period was 13.2 percent in Germany and 4.6 percent in Vietnam. In addition, a 40.4 percent termination rate occurred as a one-off effect of the sale of the Ostbevern production facilities to Bever Elektronik GmbH.

Regular collection and evaluation of these metrics enables human resource strategies to be shaped accordingly. Continuously reviewing employee demographics in conjunction with corporate objectives ensures that measures to promote diversity, fair pay and long-term employee retention are implemented effectively and contribute to a long-term improvement in working conditions.

The tables below show the regional distribution of employees and the gender distribution overall, for temporary and permanent employees, for non-guaranteed hours employees and for full-time and part-time employees:

Employees	2024
Total employees (head count)	1,193
Total employees (full-time equivalents)	1,192.0

Employees by gender (head count)	2024
<b>Total number of employees</b>	<b>1,193</b>
Male	563
Female	630
Other	0
Not reported	0

Employees in significant countries (head count)	2024
Germany	93
Vietnam	1,100

Employees by contract type and gender (head count)	2024
<b>Number of permanent employees</b>	<b>879</b>
Male	394
Female	485
Other	0
Not reported	0
<b>Number of temporary employees</b>	<b>221</b>
Male	116
Female	105
Other	0
Not reported	0
<b>Number of non-guaranteed hours employees</b>	<b>93</b>
Male	53
Female	40
Other	0
Not reported	0
<b>Number of full-time employees</b>	<b>1,190</b>
Male	563
Female	627
Other	0
Not reported	0
<b>Number of part-time employees</b>	<b>3</b>
Male	0
Female	3
Other	0
Not reported	0

In the table below, the figures are only for sites with at least 50 employees or sites representing at least 10% of total employees.

Employees by contract type and region (head count)		2024
<b>Total number of workers</b>		<b>1,193</b>
Germany		93
APAC		1,100
<b>Number of permanent employees</b>		<b>879</b>
Germany		88
APAC		791
<b>Number of temporary employees</b>		<b>221</b>
Germany		5
APAC		216
<b>Number of non-guaranteed hours employees</b>		<b>93</b>
Germany		0
APAC		93
<b>Number of full-time employees</b>		<b>1,190</b>
Germany		90
APAC		1,100
<b>Number of part-time employees</b>		<b>3</b>
Germany		3
APAC		0

Employee turnover 2024	Germany	Vietnam
Employee turnover (%)	13.2	4.6

### Compilation of metrics

**Employees:** These data do not include trainees, employees on sabbatical, furloughed or suspended employees, long-term absentees and temporary agency workers.

**Full-time equivalents:** Calculations are based on contractually agreed weekly working hours compared to the standard number of working hours in the relevant country.

**Significant countries:** Countries in which there are at least 50 employees representing at least 10% of total employees.

The figures in the "Other" and "Not reported" categories are identical, as FRIWO's human resources records system does not currently distinguish between these two categories. To ensure that, when added together, the figures produce the correct totals, the relevant number is shown in the "Not reported" column only.

These metrics are based on data from the main human resources data system as at December 31, 2024. The staff turnover rate is calculated by dividing the number of employees who left the company by the average number of employees over the course of the reporting year.

**Disclosure requirement S1-7 –  
Characteristics of non-employee workers in the undertaking’s own workforce**

Non-employee workers in the undertaking’s own workforce includes all people who are not directly employed by FRIWO but perform work under contractual agreements. This includes, in particular, temporary workers, self-employed workers and employees of external service providers who work on company premises or on behalf of the company. At FRIWO, this is mainly external interim managers and freelancer workers.

Non-employee workers in the undertaking’s own workforce (head count)	2024
Total number of non-employee workers in the undertaking’s own workforce	156

**Compilation of metrics**

The data includes workers who work for FRIWO but are not directly employed by the company, and are therefore not included on the payroll. This includes, in particular, external interim managers and freelance workers employed on service or work contracts.

The metrics for non-employee workers were determined on December 31, 2024 on the basis of human resources and contract data. The data compiled includes the total number of non-employee workers, the proportion of non-employee workers as a percentage of the total workforce and the average number of hours worked per week by non-employee workers. Data was collected via notifications from employment agencies and analysis of contractually agreed working hours.

**Disclosure requirement S1-8 –  
Collective bargaining coverage and social dialogue**

Since withdrawing from the collective bargaining regime in 2009, working conditions at FRIWO are no longer subject to the general sectoral collective agreement, but are regulated individually or by works agreements. Nonetheless, an after-effect of this agreement is that the company’s pay and working time models remain aligned with the former collective agreement.

**Disclosure requirement S1-9 –  
Diversity metrics**

Collecting diversity metrics enables the company to transparently analyse the diversity of staff at the company and lays the foundation for specific actions for advancing opportunity for all. Metrics compiled include gender distribution, age distribution, the proportion of employees from an immigrant background and the proportion of employees with a disability.

During the reporting period, 52.8 percent of employees were female, and 14.3 percent of executives were female. The age distribution reveals that 17.2 percent of the workforce is aged under 30, 58.1 percent between 30 and 50, and 24.7 percent over 50. 5.4 percent of employees at FRIWO Deutschland have a disability.

Regular analysis of these metrics enables the company to measure its progress in implementing diversity and inclusion strategies and to identify specific actions for fostering a corporate culture of diversity and equality of opportunity.

Diversity metrics	2024
Top management level (head count)	7
Male	6
Female	1
Not reported	0
Top management level (%)	/
Male	85.7
Female	14.3
Not reported	0.0

Age distribution of employees	2024
Total employees (head count)	93
Under 30	16
30 – 50	54
Over 50	23
Total number of employees (%)	/
Under 30	17.2
30 – 50	58.1
Over 50	24.7

\*Germany only

### Compilation of metrics

Diversity metrics include gender distribution, age structure and other diversity characteristics, to the extent that these can be collected with the employee's consent in accordance with data protection legislation. To ensure that the workforce is represented in full, gender distribution is divided into the categories "Male", "Female", "Other" and "Not recorded". The age distribution is subdivided into the categories "Under 30", "30–50" and "Over 50", and is shown both as an absolute number and as a percentage of the total workforce.

Diversity metrics are compiled on the basis of data stored in the main human resources data system as at December 31, 2024. Gender distribution at top management level is recorded both as an absolute number and as a percentage. Where specific data are not available in full, the company uses estimates based on statistical reference values.

The metrics compiled have not been externally audited.

**Disclosure requirement S1-10 – Adequate wages**

All employees are paid a competitive salary consistent with market pay rates and national industry standards. The pay scale is based on role, responsibility and duties, and is independent of personal characteristics such as gender or origin. The fixed basic salary is supplemented by a variable, performance-related component intended to create an additional incentive. Pay is reviewed regularly and adjusted where necessary as part of the staff development appraisal process.

Adequate wages	2024
Employees earning below the applicable adequate wage benchmark (%)	0

All employees at FRIWO are paid a wage aligned with recognised wage standards. Pay within the European Economic Area (EEA) is based on applicable regulations. Pay outside the EEA is based on national legislation and established benchmarks. 60 percent of the median wage before tax and 50 percent of the average wage before tax are used as reference values for adequate pay. These figures are calculated using available labour market data. The minimum wage includes both basic salary and defined additional benefits and is determined separately for each country. In regions outside the EEA, this is determined at subnational level. Metrics are calculated on the basis of the pay data recorded in the Group human resources data system on December 31, 2024. For Vietnam, the company takes into account the statutory minimum wage for Region I – Ho Chi Minh City, Hanoi, which came into force on July 1, 2024.

The data collected have not been externally audited.

**Disclosure requirement S1-11 – Social protection**

FRIWO is committed to ensuring that its employees have comprehensive social protection and ensures that they have access to fair, reliable social benefits. These include workplace pensions, health services and other support measures that contribute to the financial and social security of the workforce. The table below shows the percentage of employees who are covered by social protection against specific life events:

Employees who are covered by social protection against the following life events (%)	Germany	Vietnam
Illness	100	100
Unemployment	100	Not recorded
Employment injury and acquired disability	100	Not recorded
Parental leave	100	Not recorded
Retirement	100	Not recorded

### Compilation of metrics

Metrics relating to social protection include coverage of employees by social protection against major life events including illness, unemployment, employment injury and acquired disability, parental leave, and retirement.

The data are based on the information on social protection and additional benefit programmes recorded in the main human resources system on December 31, 2024. The data takes into account domestic legal regulations and social protections provided by the company. Where data is not available or not directly recorded, this data is supplemented by analysing company-specific arrangements and relevant regulations in the specific country.

The data collected have not been externally validated.

### Disclosure requirement S1-12 – Persons with disabilities

Equal participation of people with disabilities is an important component of the demographic structure of FRIWO's workforce and FRIWO's corporate philosophy.

Persons with disabilities	2024
Employees with a disability (%)	5.4

\*Germany only

### Compilation of metrics

Metrics relating to persons with disabilities include the proportion of employees who, in accordance with the Convention On The Rights Of Persons With Disabilities (CRPD) definition of "persons with disabilities", have long-term physical, mental, intellectual or sensory impairments which in interaction with various barriers may hinder their participation in society on an equal basis with others. The convention states that disability should be understood as an interaction between individual impairments and social and environmental barriers.

Data was compiled on the basis of voluntary self-reported status recorded in the main human resources system on December 31, 2024, as well as official notifications where data protection legislation permits their processing.

The data have not been externally validated.

## Disclosure requirement S1-13 – Training and skills development metrics

Continuous employee training and skills development is a key element of the company's corporate strategy. During the reporting period, 100 percent of employees took part in mandatory and in non-mandatory training sessions. The average number of hours of training per employee was 23.2 hours.

Special emphasis was placed on professional qualifications, digital skills and executive development. In addition, 15.1 percent of the workforce took part in internal or external sustainability training. This was supplemented by mandatory training courses on occupational safety, equal treatment, IT security, data protection, corruption prevention, and dealing with gifts, invitations and other benefits.

The effectiveness of training measures is evaluated regularly through measures such as feedback from participants and skills testing. The aim is to continuously raise the level of employee education and to safeguard their long-term employability.

	2024
<b>Employees that participated in regular performance and career development reviews (%)</b>	<b>100</b>
Male	100
Female	100
Not reported	/

	2024
<b>Average number of training hours per employee</b>	<b>23.2</b>
Male	19.9
Female	39.0
Not reported	0

\*Germany only

### Compilation of metrics

Training-related metrics compiled include the rate of participation in regular performance and career development reviews and the average number of training hours per employee. This includes all internal and external training measures that contribute to skills development. These metrics cover the gender categories "Male", "Female", and "Not recorded".

The metrics are based on the data on training measures and employee appraisals recorded in the main human resources system on December 31, 2024. The participation rate is calculated as the percentage of employees who participated in at least one appraisal or training session in the reporting year. The number of training hours is determined based on documented training courses per person, and reported as an average value for the entire workforce and subdivided by gender.

These metrics have not been externally validated.

## Disclosure requirement S1-14 – Health and safety metrics

Health and workplace safety are core components of corporate responsibility. The company compiles metrics on accident frequency, illness rates and participation in health and safety programmes. This is done for measurement purposes and to facilitate continuous improvement in these areas. FRIWO has set up an occupational safety committee and appointed a number of safety specialists. In addition, an occupational health physician visits the company regularly. To ensure high safety and quality standards, all sites are ISO 9001 certified (quality management).

There were 0 accidents during the reporting period. FRIWO provides safety instruction to raise awareness of occupational safety and accident prevention.

Regular internal audits, risk analysis and employee surveys are conducted to analyse the effectiveness of these measures. The objective is to minimise the risk of work-related accidents, promote employee wellbeing and establish a sustainable safety culture.

Health and safety	2024
Percentage of people in its own workforce who are covered by the undertaking's health and safety management system based on legal requirements and/or recognised standards or guidelines	100
Employee fatalities as a result of work-related injuries and work-related ill health (number)	0
Non-employee worker fatalities as a result of work-related injuries and work-related ill health (number)	–
Recordable work-related accidents among employees (number)	–
Recordable work-related accidents among non-employee workers (number)	–
Recordable work-related accidents among employees (%)	0
Recordable work-related accidents among non-employee workers (%)	–
Recordable work-related ill health among employees (number of cases)	–
Days lost by employees to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health (number)	0

### Compilation of metrics

Compilation of health and safety metrics includes various indicators that measure the impact of work-related risks on the workforce.

The data are compiled based on incidents that had been documented in the main occupational health and safety management system as at December 31, 2024. Work-related accidents are classed as reportable if there is a legal requirement that they be reported or if they result in a significant absence from work. Ill health is recorded if it can clearly be shown to have a work-related cause. The accident rate is calculated by comparing reported incidents with total number of hours worked.

Health and safety metrics include the number of, and days lost to reportable work-related accidents and incidents of work-related ill health. In addition, the rate of reportable work-related accidents per 1,000,000 working hours was also calculated. Figures are compiled both for employees, recorded in S1-6, and for non-employee workers, recorded in S1-7.

The data have not been externally validated.

**Disclosure requirement S1-15 –  
Work-life balance metrics**

Promoting work-life balance is a core component of FRIWO's human resources policy and contributes to long-term employee satisfaction and performance. The company compiles metrics on flexible working, parental leave arrangements and other measures aimed at encouraging a better work-life balance.

Work-life balance	2024
Employees entitled to take family-related leave (%)	100
Entitled employees that took family-related leave broken down by gender (%)	5.5
Male	2.7
Female	18.8
Other	–
Not reported	–

**Compilation of metrics**

Work-life balance metrics compiled include use of flexible working, exercising the right to parental leave, and the availability and use of support services such as childcare or care allowance (*Pflegeunterstützung*). Flexible working includes part-time working, flexitime, working from home and sabbaticals. Terminology relating to employees and gender are based on the definitions set out in S1-6.

Data collection was based on information recorded in the main human resources system on December 31, 2024. The participation rate for flexible working is calculated as the proportion of employees who have made use of one of the available flexible working options. Both the absolute number and the percentage of eligible employees taking parental leave are shown. Where data are not available or incomplete, they have been extrapolated on the basis of sector-specific reference data.

The data have not been externally validated.

## **Disclosure requirement S1-16 – Remuneration metrics (pay gap and total remuneration)**

Analysis of remuneration metrics includes the collection of data on the pay gap. In 2024, the unadjusted gender pay gap between female and male employees was +23.0 percent in Vietnam and +29.9 percent in Germany. Under the ESRS, this is designated as an unadjusted pay gap because the calculation does not take into account factors such as function, responsibilities, level of seniority, education and experience.

The ratio of the total annual remuneration of the highest paid individual and the median total remuneration for all employees (excluding this person) in the reporting year was 169.8 to 1. This means that the highest paid individual received 169.8 times the median income of the remaining workforce. The appropriateness of this ratio depends on factors such as sector, company size and geographic location.

### **Compilation of metrics**

Compilation of pay metrics includes the analysis of gender-specific pay differences and total pay within the company.

Gender pay gap: The percentage difference between the median salary of all female employees and the median salary of all male employees, not adjusted for factors such as function, level of seniority or professional experience.

Highest pay: The ratio of the total annual remuneration of the highest paid individual and the median total remuneration for all employees. This ratio indicates the degree to which the highest pay differs from average employee pay.

The metrics are calculated based on pay data recorded in the main payroll system on December 31, 2024. The gender pay gap is determined on an unadjusted basis by comparing the median salaries of all female and male employees. Total remuneration is calculated by comparing the remuneration of the highest paid individual with the median salary of all employees.

Pay metrics have not been externally validated.

## **Disclosure requirement S1-17 – Incidents, complaints and severe human rights impacts**

Consistently respecting internationally recognised labour and human rights has long been part of FRIWO's corporate culture. This is founded on documents including the Universal Declaration of Human Rights and the United Nations Guiding Principles on Business and Human Rights. These principles have been affirmed by the signatory states to the International Covenant on Civil and Political Rights (CCPR) and the International Covenant on Economic, Social and Cultural Rights (CESCR).

During the last reporting period, FRIWO received a total of 0 complaints relating to discrimination and harassment.

FRIWO was not subject to any fines, penalties or compensation for damages as a result of incidents or complaints. In addition, there were no final convictions for violations of labour or human rights in the reporting period. Similarly, FRIWO was not the subject of any proceedings at an OECD national contact point, and there were no inquiries from the Business and Human Rights Resource Centre (BHRRRC). In addition, no incidents came to light during the reporting period that violated the UN Guiding Principles on Business and Human Rights, the International Labour Organization Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises.

No severe human rights incidents such as forced labour, human trafficking or child labour were identified. Consequently, there were no fines, penalties or compensation for damages in relation to such incidents.

### **Compilation of metrics**

The metrics compiled relate to human rights violations and work-related complaints.

The data were collected from FRIWO's compliance and complaints system on December 31, 2024. Cases of discrimination and complaints are identified through internal investigations and reports from the established whistleblowing system. Serious incidents are evaluated on the basis of defined criteria aligned with international human rights standards. Financial sanctions were determined from reports by the legal and compliance departments.

The data have not been externally validated.

## ESRS S4 – Consumers and end-users

Products and services from FRIWO are a core component of modern life and are used by numerous consumers and end users in a range of different industries. While technological development offers numerous benefits, it also gives rise to some challenges, particularly in the areas of consumer protection, product safety and sustainability.

FRIWO believes that it has a responsibility to protect consumers and end users and to ensure that its products meet the highest safety and quality standards. This responsibility includes product safety measures and protecting sensitive consumer data.

In the markets in which FRIWO operates, the company takes into account local regulatory requirements and international standards. These measures are implemented through specific policies aimed at minimising risk and ensuring long-term positive impacts for consumers and end users.

The table below shows the disclosure requirements identified during materiality assessment with respect to the standard 'S4 – Consumers and end users':

Disclosure requirement	Name with reference
ESRS S4-1	Policies related to consumers and end-users
ESRS S4-2	Processes for engaging with consumers and end-users about impacts
ESRS S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns
ESRS S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions
ESRS S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

## **Disclosure requirement S4-1 – Policies related to consumers and end-users**

FRIWO makes use of a structured policy for managing material impacts on consumers and end users. This policy consists of strategies and actions aimed at minimising potential risks from and maximizing opportunities related to the use of its products. There is a particular focus on product safety, sustainability and compliance with regulatory requirements.

To meet these requirements, FRIWO will develop a policy that ensures that its sustainability measures are subject to continuous review and are updated where necessary. FRIWO sells its products and services exclusively to business customers, who are also able to purchase products directly through its online shop. Direct interaction with end consumers is therefore very limited, as a result of which engagement with the consumer perspective is mostly indirect – through business partners, industry associations and external experts with good insight into the needs of and challenges faced by end users.

To ensure that its products are used sustainably and responsibly, the company takes into account market and regulatory requirements and feedback from the value chain.

FRIWO is committed to respecting human rights and ensuring that its business practices are in keeping with internationally recognised standards. These include in particular the United Nations Guiding Principles on Business and Human Rights, the International Labour Organization Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises.

FRIWO's policies related to consumers and end-users are in line with internationally recognised instruments. The company ensures that its business activities are in harmony with these instruments and that the interests of consumers and end-users are fully protected.

FRIWO has put in place specific mechanisms for monitoring compliance with these principles, including continuous review of substances covered by the REACH Regulation and continuous quality audits.

## **Disclosure requirement S4-2 – Processes for engaging with consumers and end-users about impacts**

FRIWO sells its products and services exclusively to business customers, who are also able to purchase products directly through its online shop. Direct interaction with end consumers is therefore very limited, as a result of which engagement with the consumer perspective is mostly indirect – through business partners, industry associations and external experts with good insight into the needs of and challenges faced by end users.

To ensure that actual and potential impacts on consumers and end-users are considered in business decision-making, FRIWO considers various sources of information:

- feedback from business customers, who mediate between the company and end users
- customer feedback from the online shop
- stakeholder dialogue

Responsibility for incorporating these insights into strategic decision-making lies with the Vice President Global Quality. The effectiveness of existing processes is reviewed at regular intervals to ensure that they are in keeping with current market requirements and serve the interests of consumers and end users.

Because direct interaction with end users is very limited, the effectiveness of existing engagement mechanisms is evaluated by means of:

- analysis of complaints and support requests
- feedback from business partners
- appraisals from the online shop (e.g. ratings, frequent customer questions)
- stakeholder dialogue

Where this analysis flags up a need for action, internal processes will be updated to make the company's products and services even more consumer and end-user friendly.

### **Disclosure requirement S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns**

FRIWO primarily sells its products and services to business customers. Although direct interaction with end users is therefore very limited, the company recognises its responsibility to identify potential negative impacts of its products and to remediate these impacts.

Where material negative impacts are identified, FRIWO works closely with its direct business partners and relevant stakeholders to develop appropriate measures to remediate these impacts. These may include changes to product design, supply chain optimisation measures or enhanced quality controls. The effectiveness of these measures is subject to regular internal audits.

Because the extent to which FRIWO interacts directly with end users is very limited, a variety of channels are used to collect and process consumer and end user concerns. The primary channel involves complaints and enquiries being passed on by business partners and distributors, who mediate between the company and end users. In addition, consumers and end users can contact FRIWO via its online shop, enabling feedback to be collected directly and incorporated into future product development. Where necessary, FRIWO uses external instruments to ensure that consumers and end-users have a means to report any concerns.

FRIWO also sets out clear requirements for its business partners to ensure that they have transparent, effective complaint mechanisms in place. This may include a contractual obligation to set up reporting systems or may be supported by initiatives aimed at bolstering fair and efficient complaint procedures run in conjunction with industry organisations.

To ensure that reported concerns are properly addressed, FRIWO monitors feedback received and, where deficits are identified, initiates corrective action. The effectiveness of channels for raising concerns is evaluated regularly by evaluating notifications, obtaining feedback from partners and through external audits.

Although FRIWO does not operate direct channels for end users to raise concerns, business partners are encouraged to provide secure, trustworthy structures for reporting concerns.

#### **Disclosure requirement S4-4 –**

#### **Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions**

FRIWO sells its products and services exclusively to business customers and does not have any direct contact with end consumers. Nonetheless, the company takes a proactive approach to identifying potential material impacts on consumers and end users and initiating appropriate actions.

To identify potential or actual negative impacts on consumers and end-users, FRIWO regularly analyses feedback from the value chain, and regulatory and market developments. This is achieved by working closely with sales partners and evaluating complaint and warranty data.

Where material negative impacts are identified, FRIWO develops specific measures aimed at remediating these impacts. This may include changes to product design (e.g. safer materials, improved efficiency), marketing (e.g. transparent labelling, education on proper use) or sales (e.g. training for business partners). In addition, FRIWO also examines whether there is a need for collaboration with industry associations or other relevant stakeholders to develop wider ranging solutions.

FRIWO ensures that appropriate mechanisms for remedying material negative impacts are in place. Regular reviews, audits and feedback from business partners are used to monitor the effectiveness of these measures. Where required, existing processes are subject to further development to ensure that consumers and end users are and remain protected and safe.

In accordance with ESRS 2 MDR-A, FRIWO has defined specific action plans and resources for managing its material impacts, risks and opportunities related to consumers and end-users. These measures are designed to ensure the safety, user-friendliness and sustainability of products throughout the value chain.

These action plans include content such as:

- **Product optimisation:** Improvements to safety standards and product longevity aimed at minimising potential risks to end users.
- **Sustainability strategies:** Integration of resource-efficient materials and production processes aimed at reducing environmental impacts.
- **Sales and communication activities:** Ensuring transparent labelling and education on safe use of the company's products by business partners and distributors.
- **Cross-industry collaboration:** Collaboration with other market participants to promote consumer protection best practices.

The financial and organisational resources that FRIWO deploys to implement these actions include:

- investment in research and development aimed at continuously improving safety and efficiency standards
- implementation of monitoring systems to identify any possible risks from using its products at an early stage and initiate appropriate countermeasures
- the effectiveness of these measures is reviewed regularly and is evaluated using internal audits, market analysis, and feedback from customers and partners

#### **Actions aimed at preventing or mitigating material negative impacts**

FRIWO has implemented or planned various measures aimed at minimising potential or actual negative impacts on consumers and end users. These include:

- **Product development and product safety:** Introducing and continuously improving product design safety standards with the aim of reducing potential risks to end users.
- **Transparent information sharing:** Ensuring that all relevant product information is clear and comprehensible for business partners so that it can be correctly passed on to end users.
- **Sustainable supply chain practices:** Taking environmental and social standards into account in selecting and working with suppliers in order to prevent indirect negative impacts throughout the value chain.

#### **Measures to remediate actual material negative impacts**

Where material negative impacts are identified, FRIWO employs specific remediation measures. Depending on the nature of the impact, these may include:

- **Product changes or recalls** where safety-related defects are identified.
- **Revision of distribution or marketing practices** where it is determined that consumers or end users have been provided with inadequate or unclear information.
- **Initiatives to promote positive social outcomes for consumers and end users**

In addition to measures aimed at minimising risk, FRIWO actively engages in promoting positive social effects that benefit consumers and end users. Examples include:

- promoting sustainable, environmentally friendly or resource-efficient alternative products
- involvement in sector-specific initiatives aimed at promoting consumer rights and product safety
- supporting research projects or partnerships that develop innovative solutions enabling its products to be used more safely and more sustainably

## Evaluating the effectiveness of measures

A variety of methods are used to review the effectiveness of these measures:

- collection and analysis of complaints and support requests with the aim of identifying patterns of potential negative impacts at an early stage
- feedback from business partners and market analysis to assess whether the measures taken are achieving the desired positive effects.
- internal and external audits to ensure compliance with quality and safety standards

If this analysis reveals that changes are required, new initiatives are launched or existing measures updated with the aim of continuously enhancing the company's sustainability and protecting consumers and end users.

## Measures to mitigate material risks

FRIWO has identified and implemented various measures to mitigate material risks arising from impacts and dependencies related to consumers and end-users:

- **Product quality and safety:** Continuously improving product design to ensure that products meet the highest safety standards and do not expose end users to health or functional risks.
- **Regulatory compliance:** Monitoring of legal requirements and sector-specific standards to ensure that all products and services comply with applicable regulations.
- **Data and consumer protection:** Where relevant, ensuring that privacy policies and IT security measures meet the highest standards, helping to reinforce business customer and end-user trust.
- **Reputation management:** Proactive communication with business partners and stakeholders in order to identify potential risks and initiate appropriate countermeasures early.

The effectiveness of these measures is evaluated using regular quality controls, risk assessments and customer and partner feedback. Insights from these evaluations are used in continuously optimising the company's corporate strategy.

### Actions for exploiting material opportunities

In addition to minimising risk, FRIWO also recognises opportunities from further developing its strategies related to consumers and end users. The following measures are used to exploit these opportunities:

- **Expansion of sustainable product offerings:** Developing more environmentally friendly or resource-efficient alternatives that meet consumers' growing sustainability expectations.
- **Innovation and digitalisation:** Integrating new technologies aimed at making products more efficient, safer, or more customer-friendly.
- **Strategic partnerships:** Collaborating with business partners and industry organisations to unlock new market potential and develop common standards for improved consumer friendliness.
- **Customer-centric services:** Provision of additional services or information to business partners to make end use of products safer and easier.

These measures are aimed at exploiting the opportunity to position FRIWO as a responsible, forward-looking company while at the same time expanding its market opportunities.

FRIWO is aware that its business activities could potentially have a material impact on consumers and end users. The company has put in place specific measures, in particular marketing, sales and data use measures, aimed at ensuring that its practices do not give rise to or exacerbate any negative effects.

- **Responsible sales and marketing:** FRIWO ensures that advertising and selling of its products and services is clear, transparent and ethical. This includes providing complete, comprehensible product information to business partners and end users in order to ensure proper use.
- **Data use and consumer protection:** To enhance trust among customers and end users, the company processes and stores personal data in accordance with applicable data protection laws and the highest security standards.
- **Product and service design:** The development process for new products and services takes into account potential impacts on consumers and end users, with the aim of minimising safety risks and misuse.

### Approach to tensions between negative impacts and business pressures

FRIWO takes a balanced approach when dealing with conflicts between business objectives and the prevention or mitigation of material negative impacts. Where such conflicts arise, an internal risk assessment is performed in which business opportunities are weighed against potential negative consequences for consumers and end users. Existing strategies are modified or additional control mechanisms introduced as necessary in order to prevent or mitigate negative effects.

### **Reporting of severe human rights issues or incidents**

FRIWO continuously monitors potential human rights risks throughout its value chain. No severe human rights issues or incidents related to consumers or end users were reported during the reporting period.

In the event of such an incident occurring, the company is committed to undertaking a comprehensive analysis of the incident, to taking appropriate remedial action and, where necessary, to involving external partners or regulators in investigating and resolving the problem. Potential actions include:

- Reviewing and modifying internal policies and processes to prevent future incidents.
- Working with business partners to ensure that human rights standards are observed throughout the value chain.
- Transparent reporting of measures taken and results achieved where dictated by regulatory requirements or ethically necessary.

Through these actions, FRIWO ensures that human rights considerations are consistently taken into account in its consumer and end-user relationships and that negative impacts are systematically prevented or resolved.

### **Resources deployed to manage material impacts on consumers and end-users**

FRIWO ensures that an appropriate level of financial, human and organisational resources is available to responsibly manage material impacts on consumers and end-users.

#### **Human and organisational resources**

In managing material impacts on consumers and end users, FRIWO makes use of cross-departmental personnel and organisational structures. The objective is to identify and effectively prevent negative impacts at an early stage and to continuously review and further develop processes. In doing so, FRIWO contributes to a responsible, risk-focused approach to managing consumer and end-user issues.

#### **Financial resources and investment**

In order to ensure that identified risks are managed effectively and opportunities exploited, FRIWO invests specifically in:

- Research and development to improve product quality and safety.
- Monitoring and complaints mechanisms to systematically record and analyse feedback from the value chain.
- Technological solutions to more efficiently implement, for example, sustainability matters and data protection requirements.

### **Transparency and controls**

The effectiveness of the resources deployed is reviewed regularly. The review process involves internal audits, external certification and reporting to senior management. Where required, additional resources will be made available or existing measures modified to ensure that material impacts on consumers and end-users are managed appropriately.

Through these measures, FRIWO ensures that its business activities are carried out responsibly, and proactively addresses potential risks to consumers and end users.

### **Disclosure requirement S4-5 –**

#### **Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities**

No specific targets for measuring impacts have been formulated or implemented at present. Ongoing policy development work is being carried out to define suitable management mechanisms and measurable indicators to realise long-term improvements in this area. Relevant topics are, however, continuously reviewed and updated.

### **Specifying aspirations**

In defining its aspirations in the field of consumer and end-user protection, FRIWO uses the following procedures:

- Analysis of market and industry requirements in order to identify relevant topics and challenges.
- Evaluation of regulatory developments and consideration of national and international standards.
- Feedback from business partners and stakeholders. This provides direct insights into user behaviour and end-user needs.
- Results from internal audits and risk analysis that flag potential weaknesses in products, services or communication processes.

Because FRIWO does not have any direct contact with end consumers, it is primarily through business partners that the company takes account of consumer interests.

## Governance information

### ESRS G1 – Business conduct

#### Managing impacts, risks and opportunities

Responsible business conduct is the foundation for sustainable growth and long-term success. FRIWO's approach to corporate governance is based on transparency, integrity and regulatory compliance. FRIWO uses clear management structures, effective risk management and ethical business principles to ensure that all of its business activities are in line with international standards and legal requirements.

As part of its sustainability reporting process, FRIWO applies the requirements set out in ESRS G1 to ensure that business is conducted to the highest standard with respect to business ethics, corruption prevention, data protection, fair business practices and relationships with suppliers and stakeholders. The company takes into account the OECD Guidelines for Multinational Enterprises, United Nations principles for responsible corporate governance, and relevant national and international laws and regulations.

To implement these principles, FRIWO has established internal management mechanisms and processes that ensure that its business operations comply with regulations, are socially responsible and are financially sustainable. These structures are designed to identify risks promptly, exploit business opportunities, and secure the long-term trust of customers, investors and the public.

The table below shows the disclosure requirements identified during materiality assessment with respect to the standard 'G1 – Business conduct':

Disclosure requirement	Name with reference
ESRS G1-1	Corporate culture and business conduct policies
ESRS G1-2	Management of relationships with suppliers
ESRS G1-3	Prevention and detection of corruption and bribery
ESRS G1-4	Confirmed incidents of corruption or bribery
ESRS G1-6	Payment practices

## **Disclosure requirement G1-1 – Corporate culture and business conduct policies**

FRIWO pursues a structured approach to fostering a values-based corporate culture. Key principles such as integrity, transparency and sustainability are enshrined in a company-wide code of conduct that is mandatory for all employees and business partners. This code of conduct forms the basis for responsible conduct in all business units and is regularly reviewed and updated. The company places a strong emphasis on ethical business practices, encouraging a culture of open feedback and consistent compliance with regulatory requirements.

Business conduct is based on established governance standards and international guidelines, including the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. In addition, FRIWO takes into account industry-specific regulations and requirements, particularly in the areas of electromobility, medical technology and industrial automation. Further, the company is guided by the provisions of the United Nations Convention against Corruption. Measures to promote responsible business conduct, integration of sustainability goals into corporate strategy and mechanisms for representing the interests of internal and external stakeholders.

Risk management processes ensure early identification of potential failures to uphold corporate values or breaches of regulatory requirements. FRIWO uses a compliance management system to ensure compliance with legal requirements and internal guidelines. The company has in place mechanisms for identifying, reporting and investigating concerns relating to unlawful conduct or breaches of the code of conduct. These include internal reporting channels for employees. The management team treats feedback from these channels as high priority, carefully reviews it and takes it into account in developing internal processes and corporate culture. To clarify the circumstances around any potential breaches and identify any preventive measures, each report received is analysed using fixed procedures.

### **Anti-corruption and anti-bribery policies**

FRIWO does not currently have a comprehensive anti-corruption policy. If necessary, the company will review whether additional anti-corruption or anti-bribery measures are required.

Within the company, departments such as sales and purchasing, and the executive team are at particular risk of corruption and bribery. To reduce this risk, international anti-corruption policies are applied regularly and risk minimisation measures are implemented in the value chain.

FRIWO provides employees and external stakeholders with secure, anonymous reporting channels for reporting any breaches or ethical concerns. These include internal reporting channels and an external whistleblowing system. The company ensures that appropriate protection measures are in place to protect employees submitting reports from retaliatory measures in keeping with Directive (EU) 2019/1937.

The compliance officer is responsible for receiving and processing these reports.

The company has processes in place for independently and objectively investigating reports relating to business conduct, including corruption and bribery. These investigations are carried out by means of internal reviews and audits, and ensure that breaches are followed up decisively.

FRIWO does not currently have a specific animal welfare policy. Should this become relevant to the company, the company will review whether such a policy is required.

**Minimum disclosure requirement MDR-A –  
Actions and resources in relation to material sustainability matters**

To realise its sustainability ambitions, FRIWO employs actions and resources that ensure environmental, social and ethical responsibility throughout the value chain. These include investing in alternative technologies, promoting diversity and inclusion, and human rights due diligence initiatives. In the electromobility field, for example, FRIWO is developing sustainable drive systems that help reduce emissions.

The effectiveness of these measures is reviewed regularly, including through internal audits, supply chain analysis, external reporting and analysis of sustainability metrics. This structured approach enables the company to ensure that sustainability is taken into account in all business processes and is subject to continuous improvement.

Senior managers make a significant contribution to sustainability topics by entrenching sustainable values in their business units and ensuring compliance with social and environmental standards. Training and professional development programmes foster a sustainability mentality and support senior managers in integrating appropriate measures into operational processes.

**Minimum disclosure requirement MDR-T –  
Tracking effectiveness of policies and actions through targets**

FRIWO tracks a number of sustainability-related targets with the aim of systematically monitoring the effectiveness of its policies and actions. To this end, the company has set specific targets in areas such as resource conservation, occupational safety and social responsibility.

To ensure that these targets are met, actions are continuously updated and incorporated into business processes. Progress reports, internal and external audits, and stakeholder dialogue ensure transparent and objective evaluation of the effectiveness of the actions taken.

**Minimum disclosure requirement MDR-M –  
Metrics in relation to material sustainability matters**

To ensure transparent reporting on material sustainability matters, FRIWO compiles key environmental, social and governance metrics. These include carbon emissions, energy and water consumption, waste generated, and work-related metrics such as accident rate, diversity metrics and collective bargaining coverage. To enable the company to measure progress in sustainability matters and identify specific improvements, these data are collected, analysed and compared to the defined targets annually.

**Disclosure requirement G1-2 –  
Management of relationships with suppliers**

At FRIWO, fair, transparent business practices are a core component of corporate governance. This includes in particular dealing with business partners throughout the value chain responsibly and compliance with contractual obligations. To avoid late payment and, in particular, to ensure that small and medium-sized enterprises (SMEs) can rely on receiving payment from FRIWO, the company employs a structured, transparent invoice processing and payment settlement procedure.

A key aspect of this business practice is the avoidance of late payments, especially to small and medium-sized enterprises. There are clearly defined payment terms, which are communicated transparently to all business partners. FRIWO has established processes to ensure on-time payment of invoices and avoid negative financial impacts on its business partners.

The company uses clear payment terms, transparent drafting of contracts and digital invoice processing to ensure efficient, predictable payment processing. To ensure that invoices are processed efficiently and prevent delays resulting from submission of invoices to other points within the organisation, invoices should be sent to a single point of contact, specifically either the finance department or a dedicated email address.

To ensure rapid, transparent invoice processing, FRIWO has implemented a structured approval process. Incoming invoices go through a standardised approval workflow, ensuring that each invoice is reviewed and approved promptly. Workers in the finance department can track the current approval status of all invoices at any time, ensuring a high level of transparency and controllability.

After approval, invoices are immediately transferred to the booking system. A weekly payment run scheduled for Friday ensures that all invoices due by the end of the week are paid. Should delays nonetheless occur, FRIWO communicates proactively in order to work with affected business partners to develop sustainable solutions. As an additional safeguard, outstanding items are reviewed regularly in order to identify and actively manage potential late payments at an early stage.

## **Disclosure requirement G1-3 – Prevention and detection of corruption and bribery**

FRIWO is committed to the highest ethical standards and has a zero-tolerance policy on corruption and bribery. To ensure integrity and transparency in all business units, the company has established a compliance management system that includes mechanisms for preventing, detecting, investigating and prosecuting cases of corruption and bribery.

The company has clear internal policies that provide employees and business partners with guidance on compliant conduct. These policies are enshrined in a company-wide code of conduct and are regularly reviewed and updated. To ensure that all relevant stakeholders understand these policies, they are communicated through internal communication channels, company policies and external business partner agreements.

### **Procedures for preventing, detecting and combating corruption and bribery**

To minimise the risk of corruption, FRIWO has implemented specific prevention and control mechanisms. These include:

- **internal guidelines and codes of conduct** which contain clear guidance on receiving and offering gifts, invitations and other benefits
- **regular internal audits** aimed at reviewing compliance with anti-corruption rules
- **processes** for assessing business partners for potential corruption risks
- **suspicion reporting systems** that enable employees and external stakeholders to anonymously and confidentially provide information on suspected breaches

All reported cases are investigated independently and objectively. To avoid conflicts of interest, FRIWO ensures that the persons or committees entrusted with investigating such allegations are organisationally isolated from the management chain. Where required, the results of these investigations are communicated to members of the administrative, management and supervisory bodies to enable them to take appropriate action.

### **Anti-corruption training**

FRIWO does not currently offer specific anti-corruption and anti-bribery training programmes. Consequently, the percentage of functions-at-risk that would be covered by such training is not recorded. If the company plans to introduce training of this nature, it will document and communicate this accordingly.

## **Disclosure requirement G1-4 – Confirmed incidents of corruption or bribery**

No convictions for violating anti-corruption and anti-bribery laws have been handed down to FRIWO in financial year 2024.

### **Confirmed incidents of corruption or bribery in the reporting period**

No incidents of corruption or bribery within the company or by its employees were identified in the reporting period. Further no legal actions were brought against FRIWO.

## **Disclosure requirement G1-6 – Payment practices**

FRIWO attaches great importance to fair and transparent payment practices, particularly when dealing with small and medium-sized enterprises. On-time invoice payment is essential for maintaining trustful business relationships and ensuring financial stability in the value chain. To ensure efficient, reliable payment processing, FRIWO has established a weekly payment run. At FRIWO Germany this takes place on Fridays, and ensures that all invoices due by the end of the week are paid. This structured process provides suppliers with a high level of predictability.

### **Average payment time**

During the reporting period, for FRIWO Germany the average time required to settle invoices, measured from the start of the contractual or statutory payment period, was consistent with the company's standard payment terms. Internal analysis showed that the average payment period at FRIWO Germany was 56.4 days and at FRIWO Vietnam 80.8 days. This confirms that actual payment processes in practice are in line with standards.

Almost 100 percent of payments at FRIWO Germany were made in accordance with the agreed standard payment terms.

There were no pending legal proceedings relating to late payment during the reporting period.

FRIWO pursues a proactive approach to avoiding late payments. This includes the automation of invoicing processes, regular internal analysis to optimise payment processing, and close communication with suppliers, especially SMEs, to find individual solutions in the event of liquidity problems.

## Disclosure pursuant to Article 8 of the Taxonomy Regulation (EU) 2020/852

The EU Taxonomy Regulation is a standardised classification system for green economic activities forming part of the EU's action plan on financing sustainable growth. Under Article 8 of the Taxonomy Regulation (EU) 2020/852, FRIWO is required to disclose the extent to which its economic activities can be classified as environmentally sustainable within the meaning of the taxonomy. This disclosure includes the company's taxonomy-eligible and taxonomy-aligned turnover, capital expenditure (CapEx) and operating expenditure (OpEx).

Taxonomy-eligible activities are identified on the basis of the six environmental objectives set out in the EU taxonomy:

- climate change mitigation
- climate change adaptation
- the sustainable use and protection of water and marine resources
- the transition to a circular economy
- pollution prevention and control
- the protection and restoration of biodiversity and ecosystems

In reporting year 2024, FRIWO conducted a comprehensive analysis of the taxonomy eligibility and taxonomy alignment of its business activities. The results of this analysis are presented in table form in accordance with legal requirements and explained in the relevant sections of the sustainability report.

### Framework

#### Project team

FRIWO has assembled an interdisciplinary team to determine the taxonomy eligibility and taxonomy alignment of its business activities. The team of in-house specialists from the executive board, Project Management Office, Management Accounting, Sales and other relevant departments is supported by external sustainability experts.

Team members received training on EU taxonomy requirements from external experts in the form of workshops and meetings on sustainability reporting for financial year 2024. The team's core role included

- establishing a **clear, comprehensible process** for identifying and evaluating taxonomy-eligible activities
- **identifying relevant data sources** and verifying the completeness, accuracy and relevance of the data collected
- ensuring that any **changes to regulatory requirements** and any new publications over the course of the reporting year were properly taken into account

### Special notes on reporting

Reporting on the taxonomy complies with the requirements set out in the Taxonomy Regulation (EU) 2021/2178, Article 8 of which sets out specific disclosure requirements. This includes, in particular, application of the technical screening criteria for determining taxonomy alignment and the methodology for calculating taxonomy-relevant financial KPIs.

FRIWO ensures that the collection and processing of required data complies with the principles of reliability, comparability and consistency. The reporting was validated using internal control mechanisms by the Management Accounting department and other relevant departments.

For reporting purposes, FRIWO notes that it does not undertake any business activities in the fields of electricity generation, co-generation of power and heat/cool, or production of heat/cool from fossil gas. Similarly it does not carry out any activities in the field of nuclear energy. FRIWO's business activities therefore do not fall into any of the categories listed in Taxonomy Regulation (EU) 2022/1214. The Taxonomy Regulation (EU) 2022/1214 templates are not relevant for this reporting year and have therefore been ignored.

Because some definitions in the EU Taxonomy Regulation are still pending and some formulations are ambiguous, application of the framework sometimes requires a degree of individual interpretation. Classification of FRIWO's activities is based on publicly available information at the time that this report was compiled. In future years, once the final regulation has been published and applied, such information may differ significantly from the information set out in this report.

### Avoidance of double counting

Correctly determining and reporting taxonomy-aligned financial KPIs requires the studious avoidance of double counting, particularly in allocating turnover, capital expenditure and operating expenditure to multiple taxonomy-eligible economic activities. To achieve this, FRIWO employs the following measures:

- **Clear allocation of business activities:** Each activity is assigned to a specific activity in accordance with EU taxonomy technical screening criteria. Overlaps between different activities are avoided through a clear demarcation of business activities.
- **Consistent calculation methodology:** Financial KPIs are determined using standardised, clearly defined calculations, which exclude double counting. Particular care is taken to ensure that investment and operating expenses that contribute to multiple environmental objectives are not counted multiple times.
- **Documenting methodology and assumptions:** Allocation of taxonomy-eligible and taxonomy-aligned turnover, CapEx and OpEx is clearly documented. The methodology used to avoid double counting will be reviewed as part of the process of compiling the next report.
- **Consultation with in-house experts and involvement of external experts:** To ensure that data is of high quality, there is close consultation between relevant departments, and external sustainability experts have been brought on board.

These measures ensure that disclosure of taxonomy-eligible and taxonomy-aligned economic activities meets regulatory requirements and ensure the comparability and transparency of reporting.

## Taxonomy eligibility

### Procedure for determining taxonomy eligibility

Under the Taxonomy Regulations, an economic activity is considered taxonomy eligible if it has the potential to be classified as sustainable, but does not yet meet the full criteria for taxonomy alignment. In addition, taxonomy-eligible economic activities are those that are explicitly named, defined and described in currently applicable Taxonomy Regulations.

In the current reporting year, a systematic analysis of FRIWO's business units was undertaken to determine whether any of the activities they perform can be classified as any of the economic activities defined in the EU taxonomy. A key element of this process involves identifying the NACE codes for company-specific business activities and comparing these activities with supplementary publications by the European Commission.

To identify taxonomy-eligible economic activities, the following taxonomy regulations were examined:

- **Taxonomy Regulation (EU) 2021/2139** on the climate change mitigation and climate change adaptation environmental objectives
- **Taxonomy Regulation (EU) 2022/1214** with amendments concerning certain energy sectors
- **Taxonomy Regulation (EU) 2023/2485** adding additional economic activities to the climate change mitigation and climate change adaptation environmental objectives
- **Taxonomy Regulation (EU) 2023/2486** on the protection of water and marine resources, the transition to a circular economy, pollution prevention, and maintenance of biodiversity and ecosystems environmental objectives

### Identification of taxonomy-eligible economic activities

Using a structured approach, FRIWO was able to identify two significant taxonomy-eligible activities for reporting. These concern the following **economic activities contributing to the environmental objective of climate change mitigation**:

- Activity 3.6: Manufacture of other low carbon technologies
- Activity 3.18: Manufacture of automotive and mobility components

FRIWO has identified these activities as taxonomy eligible as they are the closest match for the core business in the power supply equipment, charging technologies and e-mobility solutions fields. FRIWO products directly contribute to electrification and decarbonisation, so that the primary environmental objective to which they contribute is climate change mitigation.

To avoid double counting, activity 3.4 'Manufacture of batteries' from Taxonomy Regulation (EU) 2021/2139 was not recorded separately. Instead, relevant aspects of battery manufacture were allocated to activities 3.6 and 3.18 depending on the intended use of the FRIWO product. This applies also to 1.2 'Manufacture of electrical and electronic equipment' for the circular economy environmental objective from Annex II of Taxonomy Regulation (EU) 2023/2486. Allocating FRIWO's activities to these categories is viewed as appropriate as the primary focus of FRIWO's activities is on contributing to the climate change mitigation environmental objective.

### **Activity 3.6: Manufacture of other low carbon technologies**

Activity 3.6 (Manufacture of other low-carbon technologies) from the previous year was retained. Significant FRIWO product groups can be allocated to this activity.

One FRIWO product group contributes to the replacement of emissions-intensive internal combustion engines with electrical alternatives. This is true in particular for charging systems for electric drive systems, which are a core component of products able to replace conventional fossil-fuel-driven technologies. An illustrative example of this is the replacement of tools using conventional internal combustion engines by tools using battery-powered electric drives. Also worth mentioning is an innovation in lawn mower technology which enables hand-operated mowers with internal combustion engines to be replaced by electric robotic lawn mowers.

A further product group is the FOX product range. This range features high efficiency and low standby losses, meets existing efficiency standards, and boasts extraordinarily low leakage currents and a long service life, thereby delivering significant efficiency gains and reduced carbon emissions in its area of application.

### **Activity 3.18: Manufacture of automotive and mobility components**

In the previous year, business from charging systems for e-mobility was assigned to activity 3.3 (Manufacture of low-carbon technologies for transport) from Annex I of Taxonomy Regulation (EU) 2021/2139. The introduction of activity 3.18 (Manufacture of automotive and mobility components) in Taxonomy Regulation (EU) 2023/2485 clarified the classification of low-emission mobility solutions, so that FRIWO's battery and charging solutions are now correctly classified as part of activity 3.18.

Activity 3.18 explicitly includes components for low or zero emission vehicles. These include FRIWO charging and mobility systems for personal mobility devices powered by the physical activity of the user or a zero emissions motor. These technologies are also used in L-category vehicles with exhaust CO<sub>2</sub> emissions of 0 g CO<sub>2</sub>eq/km.

Adapting to the new regulations results in a clearer, more accurate classification of business activities and an increase in the turnover, investment and operating expenses designated as taxonomy eligible.

## Other economic activities

In addition to the core business, other economic activities have been identified that might potentially be covered by the EU taxonomy. These include activities contributing to climate change mitigation, climate change adaptation and the circular economy:

- **Climate change mitigation** (Annex I of Taxonomy Regulation (EU) 2021/2139)
  - 6.13. Infrastructure for personal mobility, cycle logistics
  - 7.7. Acquisition and ownership of buildings
  - 9.1. Close to market research, development and innovation
- **Climate change adaptation** (Annex II of Taxonomy Regulation (EU) 2021/2139)
  - 6.13. Infrastructure for personal mobility, cycle logistics
  - 7.7. Acquisition and ownership of buildings
  - 8.2. Computer programming, consultancy and related activities
- **The circular economy** (Annex II of Taxonomy Regulation (EU) 2023/2486)
  - 2.3. Collection and transport of non-hazardous and hazardous waste
  - 5.2. Sale of spare parts

Although other economic activities taken together are potentially relevant, the workload involved in processing each individual activity exceeds the expected benefits. This issue should, however, be reviewed and where necessary expanded on in subsequent reporting periods. This report therefore focuses on FRIWO's core activities, which directly contribute to reducing greenhouse gas emissions and climate change mitigation.

Other economic activities that are not explicitly covered by the EU taxonomy are, in accordance with the delegated regulations, classified as taxonomy non-eligible. This includes some business activities that may be in alignment with EU environmental objectives, but that are not included in existing EU taxonomy activities. In the event that new taxonomy regulations expand the list of taxonomy-eligible economic activities, these economic activities will be taken into account in subsequent reporting periods.

## Taxonomy alignment

### Procedure for determining taxonomy alignment

According to Article 3 of Taxonomy Regulation (EU) 2020/852, an economic activity is considered “environmentally sustainable” and therefore taxonomy aligned if it contributes substantially to realising one or more of the above six environmental objectives, does not cause significant harm to any of the other five EU environmental objectives (DNSH = do no significant harm) and complies with the minimum safeguards relating to occupational safety and human rights.

Taxonomy alignment is determined in a multi-stage process:

1. Verification of substantial contribution: Application of the technical screening criteria to determine whether the identified activities contribute substantially to at least one of the six environmental objectives.
2. Verification of no significant harm: Technical examination to verify that the activities do not have a significant negative impact on other environmental objectives.
3. Verification of compliance with minimum safeguards: Ensure that the company meets the minimum social and governance requirements set out in Article 18 of the Taxonomy Regulation. Verify compliance with international standards, in particular the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and the ILO core labour standards. Consider anti-corruption measures, respect for workers’ rights and transparency of business conduct. Documentation and disclosure of any breaches and of actions taken to improve compliance structures.

This structured approach enables FRIWO to ensure that the process for determining and presenting taxonomy alignment is transparent, in compliance with regulatory requirements, and meets stakeholder expectations.

### Explanation of verification of taxonomy alignment

To ensure that economic activities meet the requirements set out in the EU taxonomy, taxonomy alignment at FRIWO was verified systematically and in stages. The focus was on evaluating the extent to which an activity made a substantial contribution, compliance with DNSH criteria, and fulfilment of minimum social responsibility and corporate governance safeguards.

### **Evaluating substantial contribution**

Whether an activity contributes substantially to one of the six environmental objectives set out in the EU taxonomy is determined on the basis of the technical screening criteria.

For activity 3.6, 'Manufacture of other low-carbon technologies', the company examined whether the calculations made in the context of GHG accounting could be used to determine emission savings in accordance with the requirements set out in the EU taxonomy. This data set has already been compiled as part of the CSRD audit. Because, for capacity reasons, no product level full life cycle assessments are available, this issue was passed to the specialist departments.

This economic activity involves the manufacture, repair, maintenance, retrofitting, repurposing or upgrade of mobility components for personal mobility devices powered by the physical activity of the user, a zero-emissions motor, or a mix of zero-emissions motor and physical activity.

With respect to activity 3.18, 'Production of automotive and mobility components', the charging solutions produced by FRIWO are manufactured for personal mobility devices and therefore fulfil the taxonomy technical screening criteria. The vehicles concerned are L-category vehicles as defined in Article 4 of Regulation (EU) 168/2013, which are powered by a zero-emissions motor or a mix of a zero-emissions motor and physical activity. The technical screening criterion for zero emissions of 0 g CO<sub>2</sub>eq/km is therefore met.

### **Verification of do no significant harm (DNSH)**

DNSH criteria ensure that economic activities do not have a negative impact on other EU taxonomy environmental objectives.

For the climate change adaptation environmental objective, a climate risk analysis was conducted for selected risks for major FRIWO sites in Germany, Vietnam, China, India and the USA. This analysis enables the identification of climate change-associated risks. To meet EU taxonomy requirements in full, in the coming year a more detailed assessment of climate-related risks for each business activity will be performed and specific actions identified.

With respect to the protection of water and marine resources, and biodiversity and ecosystems environmental objectives, climate risk analysis examined specific aspects of environmental impact for all sites. This lays the groundwork for a systematic examination of environmental factors in the company's business operations. In the next reporting year, the company aims to undertake a full environmental impact assessment in order to identify potential improvements and risks and determine appropriate actions.

With respect to the circular economy, FRIWO is pursuing a strategy of favouring sustainable materials, recyclability and waste prevention. The principles of design for longevity and recyclability are already embedded in the company's product development activities. To further encourage the circular economy, over the next year the company will further develop its documentation on the use of secondary raw materials and work to improve traceability of materials through the supply chain.

The pollution prevention and control audit focused on regulatory requirements, such as the REACH Regulation on the registration, evaluation, authorisation and restriction of chemicals (Regulation (EC) No 1907/2006), the POPs Regulation on persistent organic pollutants (Regulation (EU) 2019/1021), and the RoHS Directive on the restriction of the use of hazardous substances in electrical and electronic equipment (Directive 2011/65/EU and RoHS 3 Directive 2015/863/EU). FRIWO's business activities always comply with legal requirements set out in the respective regulations. The company also broadly fulfils the more far-reaching criteria set out in the EU taxonomy, which preclude the manufacture, placing on the market or use of these substances.

No ozone-depleting substances pursuant to Regulation (EC) No. 1005/2009 or mercury pursuant to the Mercury Regulation (Regulation (EU) 2017/852) are used in the manufacturing process for lithium-ion batteries.

In summary, we can say that a solid foundation for structured analysis of DNSH criteria has been created. FRIWO has analysed the relevant criteria and has already identified actions to be taken. In view of the high level of detail set out in the requirements and the far-reaching nature of legislative developments, the company will not be declaring full conformity this year. In coming years, FRIWO will continue along its path of meeting technical screening criteria with the aim of building out existing taxonomy alignment potential.

### **Analysing compliance with minimum safeguards**

The minimum safeguards set out in Article 18 of Taxonomy Regulation (EU) 2020/852 are procedures implemented by a company carrying out an economic activity to ensure that the following principles are applied:

- OECD Guidelines for Multinational Enterprises
- United Nations Guiding Principles on Business and Human Rights, including the fundamental principles and rights from the eight core conventions set out in the International Labour Organization Declaration on Fundamental Principles and Rights at Work
- International Bill of Human Rights

Compliance with minimum social and governance requirements was analysed on the basis of existing internal policies. The principles set out in the regulation are already incorporated into company policies. Particular attention is attached to occupational health and safety, corruption prevention and transparency in business conduct. Existing mechanisms for complying with these requirements were reviewed and confirmed to be taxonomy aligned.

## Summary of KPIs

As part of the company's reporting processes, the company produces a management overview encompassing the following KPIs:

### Management summary

in €'000	Turnover <sup>1</sup>					CapEx <sup>1</sup>					OpEx <sup>1</sup>				
	2024	in %	2023	in %	Delta in %	2024	in %	2023	in %	Delta in %	2024	in %	2023 <sup>5</sup>	in %	Delta in %
<b>Taxonomy-eligible and taxonomy-non-eligible activities</b>															
3.6 Manufacture of other low carbon technologies	25,638	28%	40,100 <sup>2</sup>	36%	22%	142	10%	200 <sup>2</sup>	5%	52%	72	2%	2,000 <sup>2</sup>	10%	9%
3.18 Manufacture of automotive and mobility components <sup>3</sup>	27,997	30%				664	47%				806	17%			
Taxonomy-non-eligible activities	39,388	42%	71,000	64%		621	44%	3,800	95%		3,890	82%	17,500	90%	
<b>Total</b>	<b>93,023</b>	<b>100%</b>	<b>111,100</b>	<b>100%</b>		<b>1,427</b>	<b>100%</b>	<b>4,000</b>	<b>100%</b>		<b>4,768</b>	<b>100%</b>	<b>19,500</b>	<b>100%</b>	
<b>Of which potentially taxonomy-aligned economic activities</b>															
3.18 Manufacture of automotive and mobility components	27,997	30%	28,400	26%	4%	664	47%	200	5%	42%	806	17%	2,000	10%	7%
<b>Total</b>	<b>27,997</b>	<b>30%</b>	<b>28,400</b>	<b>26%</b>		<b>664</b>	<b>47%</b>	<b>200</b>	<b>5%</b>		<b>806</b>	<b>17%</b>	<b>2,000</b>	<b>10%</b>	

<sup>1</sup> Figures as reported in the consolidated income statement.

<sup>2</sup> Because the figures in the previous year's report were not broken down by taxonomy economic activity, the previous year's figures are shown as a cumulative figure.

<sup>3</sup> Classified under economic activity 3.3, 'Production of low-carbon transport technologies', in financial year 2023. Taxonomy Regulation (EU) 2023/2485 defined a separate economic activity for the manufacture of components for low-carbon technologies, 3.18 'Manufacture of automotive and mobility components'.

<sup>4</sup> Because this activity has been reclassified, as described in footnote 2, the technical screening criteria need to be reapplied. Because it was not possible to do this in full in financial year 2024, the word "potential" has been added. The section on taxonomy alignment makes clear that FRIWO's activities under activity 3.18 contribute substantially to climate change mitigation, but that FRIWO still needs to carry out a full DNSH analysis to demonstrate actual alignment.

<sup>5</sup> Including salary payments in 2023

Total turnover in 2024, which includes both taxonomy-eligible and taxonomy-non-eligible activities, was €93.0 million, and is therefore less than the total turnover of €111.1 million in 2023. The composition of taxonomy-eligible and taxonomy-non-eligible turnover have changed since the previous year.

The **proportion of turnover from taxonomy-eligible economic activities** in 2024 increased by 22 percent, with 25.6 million euros for activity 3.6 and 28 million euros for activity 3.18. This underlines the company's increasing commitment to sustainable mobility solutions and electric drive systems. The **proportion of turnover from taxonomy-non-eligible activities** decreased from 64 percent to 42 percent of total turnover. There is the potential to further increase climate change mitigation-related taxonomy-eligible turnover.

**Taxonomy-eligible capital expenditure as a proportion** of total capital expenditure increased by 52 percent compared to the previous year. This increase in capital expenditure is primarily related to research and development of products in sustainable business units undertaking activities 3.6 and 3.18. FRIWO's business policy is geared towards future-proof and potentially sustainable business activity, with a clear focus on developing innovative, climate-friendly technologies.

**The proportion of taxonomy-eligible operating expenditure** compared to taxonomy-non-eligible operating expenditure increased by 9 percent compared to the previous year. Of particular note is the growth in OpEx for the manufacture of automotive and mobility components (activity 3.18), which is associated with the expansion of this business unit.

The proportion of **potentially taxonomy-aligned** turnover, CapEx and OpEx has increased when compared to actual taxonomy-aligned turnover, CapEx and OpEx for the previous year. The change in status to "potential" taxonomy alignment results from the legal reclassification of economic activities relating to mobility components from activity 3.3 to activity 3.18 in the course of financial year 2024, which requires a re-evaluation of the technical screening criteria. Analysis of the taxonomy alignment of economic activities has shown that FRIWO's economic activity 3.18 does contribute substantially to climate change mitigation. To be able to show actual taxonomy alignment, however, the company still needs to carry out a full DNSH analysis.

Ostbevern, April 2025



Dominik Wöffen  
Member of the executive board



Ina Klassen  
Member of the executive board

Taxonomy Regulation (EU) 2021/2178 template

Turnover

Proportion of turnover from products or services associated with taxonomy aligned economic activities — disclosure covering year 2024

Financial year 2024		2024		Substantial contribution criteria						DNSH criteria ('Does not significantly harm')						Minimum safeguards	Proportion of taxonomy-aligned (A.1.) or eligible (A.2.) turnover, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
Economic activities (1)	Code <sup>2</sup> (2)	Turnover <sup>3</sup> (3)	Proportion of turnover (4)	Climate change mitigation [5]	Climate change adaptation [6]	Water [7]	Pollution [8]	Circular economy [9]	Biodiversity [10]	Climate change mitigation [5]	Climate change adaptation [6]	Water [7]	Pollution [8]	Circular economy [9]	Biodiversity [10]	Minimum safeguards [17]			
		in €'000	in %	y/n; n-el <sup>1</sup>	y/n; n-el <sup>1</sup>	y/n; n-el <sup>1</sup>	y/n; n-el <sup>1</sup>	y/n; n-el <sup>1</sup>	y/n; n-el <sup>1</sup>	y/n	y/n	y/n	y/n	y/n	y/n	y/n	in %	E	T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (taxonomy aligned)																			
Turnover of environmentally sustainable activities (taxonomy aligned) (A.1.)		0	0 %	0%	0%	0%	0%	0%	0%	n	n	n	n	n	n	y	25.60%		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)				el; n-el <sup>4</sup>	el; n-el <sup>4</sup>	el; n-el <sup>4</sup>	el; n-el <sup>4</sup>	el; n-el <sup>4</sup>	el; n-el <sup>4</sup>										
Manufacture of other low-carbon technologies Manufacture of automotive and mobility components	CCM 3.6	25,638.23	27.56%	el	n-el	n-el	n-el	n-el	n-el										
	CCM 3.18 <sup>5</sup>	27,996.86	30.10%	el	n-el	n-el	n-el	n-el	n-el										
	Turnover of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)	53,635.09	57.66 %														10.50 %		
Turnover of taxonomy-eligible activities (A.1+A.2)		53,635.09	57.66 %														36.10 %		
B. Taxonomy-non-eligible activities																			
Turnover of taxonomy-non-eligible activities (B)		39,387.54	42.34 %																
Total (A + B)		93,022.63	100.00 %																

1 'y' = 'yes', taxonomy-eligible and taxonomy-aligned activity with the relevant environmental objective; 'n' = 'no', taxonomy-eligible but not taxonomy-aligned activity with the relevant environmental objective; 'n-el' = 'not eligible', taxonomy non-eligible activity for the relevant environmental objective.

2 CCM: climate change mitigation; CCA: climate change adaptation; WTR: water and marine resources; PPC: pollution prevention and control; CE: circular economy; BIO: biodiversity and ecosystems.

3 Turnover as reported in the consolidated income statement.

4 'el' = 'eligible', taxonomy-eligible activity for the relevant objective; 'n-el' = 'not eligible', taxonomy non-eligible activity for the relevant objective.

5 Classified under economic activity 3.3, 'Production of low-carbon transport technologies', in financial year 2023. Taxonomy Regulation (EU) 2023/2485 defined a separate economic activity for the manufacture of components for low-carbon technologies, 3.18 'Manufacture of automotive and mobility components'.

Capital expenditure (CapEx)

Proportion of CapEx from products or services associated with taxonomy aligned economic activities — disclosure covering year 2024

Financial year 2024		2024		Substantial contribution criteria						DNSH criteria ('Does not significantly harm')						Minimum safeguards	Proportion of taxonomy-aligned (A.1.) or eligible (A.2.) CapEx, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
Economic activities (1)	Code <sup>2</sup> (2)	CapEx <sup>3</sup> (3)	Proportion of CapEx (4)	Climate change mitigation [5]	Climate change adaptation [6]	Water [7]	Pollution [8]	Circular economy [9]	Biodiversity [10]	Climate change mitigation [5]	Climate change adaptation [6]	Water [7]	Pollution [8]	Circular economy [9]	Biodiversity [10]	Minimum safeguards [17]			
		in €'000	in %	y/n; n-el <sup>1</sup>	y/n; n-el <sup>1</sup>	y/n; n-el <sup>1</sup>	y/n; n-el <sup>1</sup>	y/n; n-el <sup>1</sup>	y/n; n-el <sup>1</sup>	y/n	y/n	y/n	y/n	y/n	y/n	y/n	in %	E	T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (taxonomy aligned)																			
CapEx of environmentally sustainable activities (taxonomy aligned) (A.1.)		0	0 %	0%	0%	0%	0%	0%	0%	n	n	n	n	n	n	y	5.00%		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)				el; n-el <sup>4</sup>	el; n-el <sup>4</sup>	el; n-el <sup>4</sup>	el; n-el <sup>4</sup>	el; n-el <sup>4</sup>	el; n-el <sup>4</sup>										
Manufacture of other low-carbon technologies	CCM 3.6	141.56	9.92%	el	n-el	n-el	n-el	n-el	n-el										
Manufacture of automotive and mobility components	CCM 3.18 <sup>5</sup>	664.05	46.55%	el	n-el	n-el	n-el	n-el	n-el										
CapEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		805.61	56.48 %														0.00 %		
CapEx of taxonomy-eligible activities (A.1+A.2)		805.61	56.48 %														5.00 %		
B. Taxonomy-non-eligible activities																			
CapEx of taxonomy-non-eligible activities (B)		620.78	43.52 %																
Total (A + B)		1,426.39	100.00 %																

1 'y' = 'yes', taxonomy-eligible and taxonomy-aligned activity with the relevant environmental objective; 'n' = 'no', taxonomy-eligible but not taxonomy-aligned activity with the relevant environmental objective; 'n-el' = 'not eligible', taxonomy non-eligible activity for the relevant environmental objective.  
2 CCM: climate change mitigation; CCA: climate change adaptation; WTR: water and marine resources; PPC: pollution prevention and control; CE: circular economy; BIO: biodiversity and ecosystems.  
3 CapEx as reported in the consolidated income statement.  
4 'el' = 'eligible', taxonomy-eligible activity for the relevant objective; 'n-el' = 'not eligible', taxonomy non-eligible activity for the relevant objective.  
5 Classified under economic activity 3.3, 'Production of low-carbon transport technologies', in financial year 2023. Taxonomy Regulation (EU) 2023/2485 defined a separate economic activity for the manufacture of components for low-carbon technologies, 3.18 'Manufacture of automotive and mobility components'.

Operating expenditure (OpEx)

Proportion of OpEx from products or services associated with taxonomy-aligned economic activities — disclosure covering year 2024

Financial year 2024		2024		Substantial contribution criteria						DNSH criteria ('Does not significantly harm')						Minimum safeguards	Proportion of taxonomy-aligned (A.1.) or eligible (A.2.) OpEx, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
Economic activities (1)	Code <sup>2</sup> (2)	OpEx <sup>3</sup> (3)	Proportion of OpEx (4)	Climate change mitigation [5]	Climate change adaptation [6]	Water [7]	Pollution [8]	Circular economy [9]	Biodiversity [10]	Climate change mitigation [5]	Climate change adaptation [6]	Water [7]	Pollution [8]	Circular economy [9]	Biodiversity [10]	Minimum safeguards [17]			
		in €'000	in %	y/n; n-el <sup>1</sup>	y/n; n-el <sup>1</sup>	y/n; n-el <sup>1</sup>	y/n; n-el <sup>1</sup>	y/n; n-el <sup>1</sup>	y/n; n-el <sup>1</sup>	y/n	y/n	y/n	y/n	y/n	y/n	y/n	in %	E	T
<b>A. Taxonomy-eligible activities</b>																			
<b>A.1. Environmentally sustainable activities (taxonomy aligned)</b>																			
OpEx of environmentally sustainable activities (taxonomy aligned) (A.1.)		0	0 %	0%	0%	0%	0%	0%	0%	n	n	n	n	n	n	y	10.40%		
<b>A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)</b>				el; n-el <sup>4</sup>	el; n-el <sup>4</sup>	el; n-el <sup>4</sup>	el; n-el <sup>4</sup>	el; n-el <sup>4</sup>	el; n-el <sup>4</sup>										
Manufacture of other low-carbon technologies	CCM 3.6	71.58	1.50%	el	n-el	n-el	n-el	n-el	n-el										
Manufacture of automotive and mobility components	CCM 3.18 <sup>5</sup>	806.20	16.91%	el	n-el	n-el	n-el	n-el	n-el										
OpEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		877.78	18.41 %														0.00 %		
<b>OpEx of taxonomy-eligible activities (A.1+A.2)</b>		877.78	18.41 %														10.40 %		
<b>B. Taxonomy-non-eligible activities</b>																			
OpEx of taxonomy-non-eligible activities (B)		3,889.59	81.59 %																
<b>Total (A + B)</b>		4,767.37	100.00 %																

1 'y' = 'yes', taxonomy-eligible and taxonomy-aligned activity with the relevant environmental objective; 'n' = 'no', taxonomy-eligible but not taxonomy-aligned activity with the relevant environmental objective; 'n-el' = 'not eligible', taxonomy non-eligible activity for the relevant environmental objective.  
2 CCM: climate change mitigation; CCA: climate change adaptation; WTR: water and marine resources; PPC: pollution prevention and control; CE: circular economy; BIO: biodiversity and ecosystems.  
3 OpEx as reported in the consolidated income statement.  
4 'el' = 'eligible', taxonomy-eligible activity for the relevant objective; 'n-el' = 'not eligible', taxonomy non-eligible activity for the relevant objective.  
5 Classified under economic activity 3.3, 'Production of low-carbon transport technologies', in financial year 2023. Taxonomy Regulation (EU) 2023/2485 defined a separate economic activity for the manufacture of components for low-carbon technologies, 3.18 'Manufacture of automotive and mobility components'.