



2023

Non-financial Report

HUBER+SUHNER

Introduction Non-financial Report

At HUBER+SUHNER, our commitment to sustainability is integral to our business strategy. This includes taking sustainability aspects into account when developing innovative solutions and delivering our climate and resource use targets. Beyond our environmental responsibilities, we are equally dedicated to fostering a diverse, inclusive, international, agile, and safe work environment for our employees.

In 2023, we continue to deliver on our sustainability targets and specifically on our focus topics. We achieved a 47 % reduction in the intensity of our operational emissions in comparison to our 2015 baseline and continue to be aligned with our science based target. Additionally, our ongoing efforts have resulted in a further 10 % year-on-year reduction in the intensity of our core environmental footprint.

This Non-financial Report outlines the progress the HUBER+SUHNER Group made by further implementing its sustainability strategy in 2023. It covers the obligations stipulated under Article 964b of the Swiss Code of Obligations and the Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO).

In various chapters, the report details the company's material [environmental matters](#), encompassing its CO2 reduction targets, [social considerations](#) such as employee welfare and human rights, and [governance matters](#), notably the efforts to combat corruption. For each of these issues, it describes relevant policies, measures and performance indicators. The chapter '[responsible supply chains](#)' specifically covers the due diligence obligations defined under the DDTrO.

Ernst & Young Ltd performed a [limited assurance engagement](#) on selected KPIs in accordance with [specific GRI standards](#) for this report.

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Sustainability strategy

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Introduction sustainability strategy

Sustainability is an integral part of business; it drives financial performance, especially in the medium and long term. At HUBER+SUHNER, our proactive approach to sustainability allows us to detect risks and opportunities early and improve the company's resilience in a changing world.

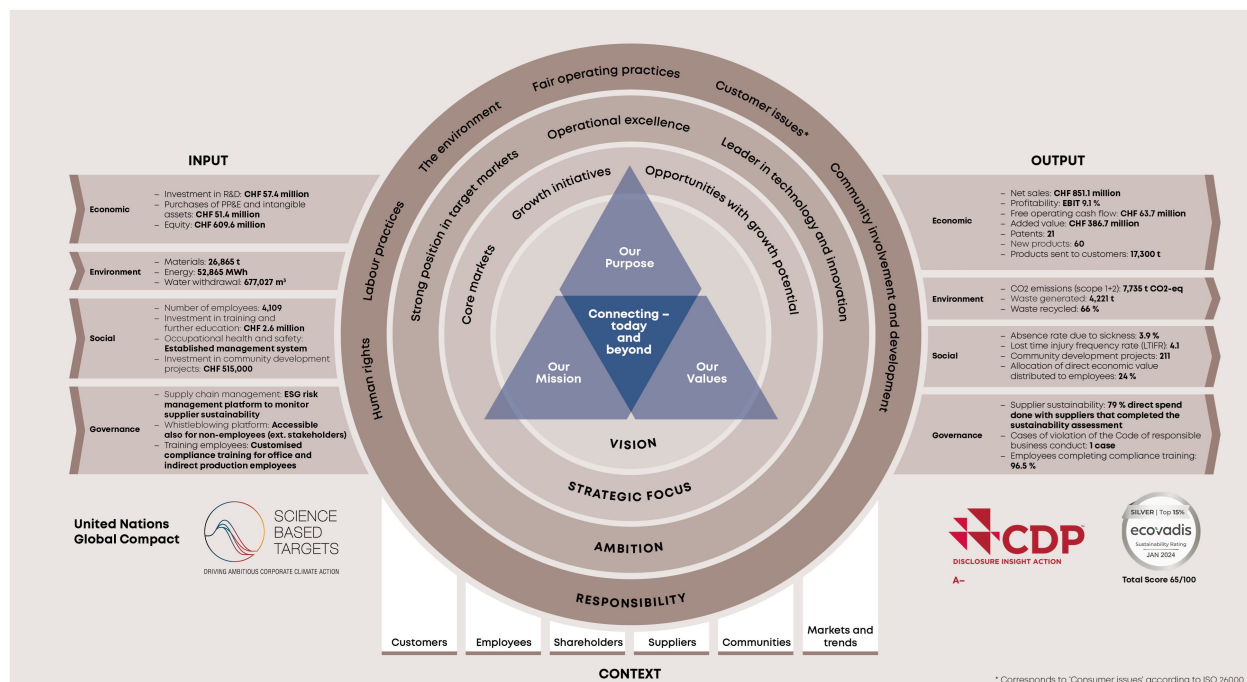
We want to be a company that positively contributes to global issues – including with our solutions and products. Taking sustainability aspects into account when developing innovative solutions is key to reaching our own sustainability goals and helping our customers reach theirs. Specifically, we aim to further improve our sustainability performance regarding the 13 material topics and three focus topics for the whole Group in order to manage risks and tap into opportunities. On this basis, we will achieve sustainable growth by accessing new revenues while restoring resources and saving costs.

Our business model: How we create and distribute value

HUBER+SUHNER creates value in multiple dimensions. The business model below shows how we transform economic, environmental, social and governance inputs into valuable outputs and outcomes for our five key stakeholder groups: employees, customers, shareholders, suppliers, and communities (which neighbour the company's sites) over time, concretely over the twelve months of the reporting period. Today, companies are required to disclose risks and opportunities they face as well as their own positive or negative impact on social wellbeing and natural resources. The business model discloses key data regarding our financial and non-financial economic, environmental, social and governance performance and impacts generated in 2023. As an organisation, we fully understand that the insufficient management of social and environmental impacts will eventually impact our financial performance.

HUBER+SUHNER strives to maintain and grow its technology and innovation leadership and achieve strong positions in target markets through the constant exchange between internal resources, external markets, and society at large. In all business activities, the Group focuses on its ability to sustain and create value in the short, medium and long term.

Figure 1: How we create and distribute value



Value distribution

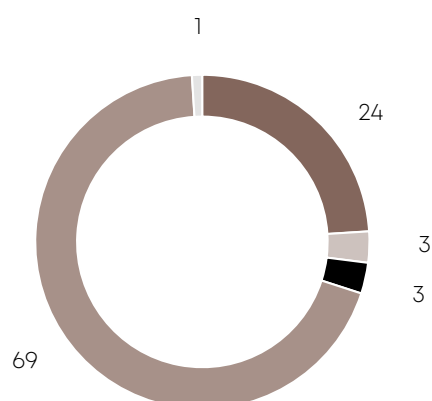
The direct economic value generated and distributed indicates how much value HUBER+SUHNER created as net sales and how this value is distributed among various stakeholders or is retained within the company. The following chart discloses how the economic value was distributed. In 2023, the direct economic value generated amounted to CHF 851.06 million.

24%

of direct economic value distributed to employees

In 2023, 24 % of the direct economic value distributed and retained directly or indirectly benefited employees, and 1 % the public sector in the form of income taxes. Shareholders received 3 % of the direct economic value, and 69 % were the operating costs. The economic value retained (3 %) remained in the company in the form of amortisation, depreciation, and retained earnings.

Figure 2 : Direct economic value distributed and retained 2023* (in %)



- Employees (personnel costs and benefits)
- Payments to providers of capital
- Economic value retained
- Operating costs
- Public authorities (income taxes)

* In previous years, we measured the global added value that directly or indirectly benefited employees, as opposed to the direct economic value distributed and retained. In 2022, this value stood at 68%. In 2023, the employee costs and benefits relative to the added value are 72%.

Material issues

Through a materiality assessment, HUBER+SUHNER identifies and prioritizes relevant environmental, social and governance issues.

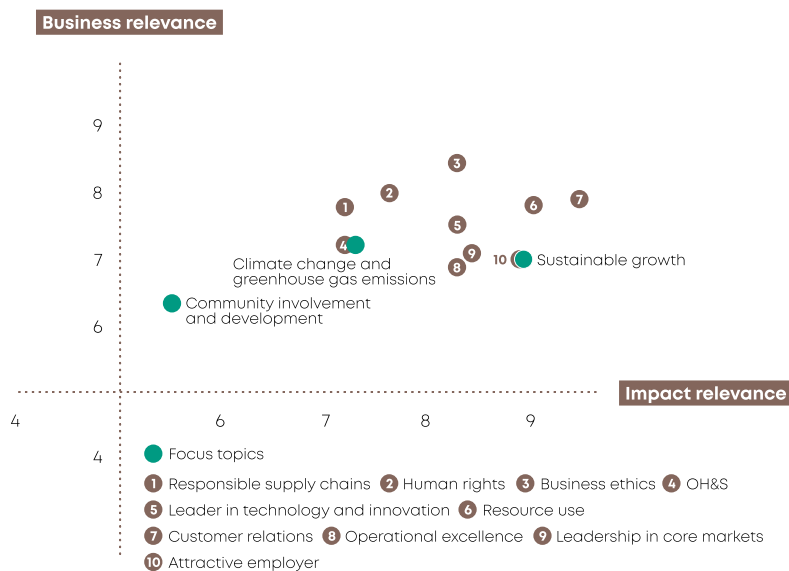
The last materiality (re)assessment took place in 2022. Using a double materiality approach, the Executive Group Management (EGM) assessed the business relevance (outside-in perspective) as well as the impact relevance (inside-out perspective) of all 13 material topics. The result is shown in the materiality matrix below. The reassessment revealed that the differences between the topics are rather small, which confirms that all topics are essential to the company. Hence, we manage all 13 issues actively and report on our progress in subsequent chapters.

As part of the materiality assessment, the EGM also confirmed the three material topics, initially defined in 2021, which are to be taken into special focus:

- **Sustainable growth** is a prerequisite for investments in favour of the environment and society, which in turn are an indispensable part of sustainability
- **Climate change and greenhouse gas emissions** are a top priority in the environmental area since climate change poses substantial risks to a functioning economy and the society overall
- **Community involvement and development** is important to all sites of the HUBER+SUHNER Group as we have a long-standing tradition to actively engage with the communities where we conduct business.

The material issues were identified in 2021 based on their strategic significance to the company. Despite a decrease in materiality from 2021 to 2022, our ongoing multi-annual strategy for managing these issues remains in place.

Figure 3: Material issues assessed for their business and impact relevance



Materiality assessment results: to make the small differences more visible, the graph only shows the upper right quadrant of the assessment matrix, spanning a rating scale from 0 to 10. Focus topics, strategically defined in 2021, are highlighted in green. Despite a decline in materiality of these topics in 2022, these areas are actively managed as integral components of a multi-annual strategy.

Focus topics

In 2021, the Executive Group Management (EGM) determined three focus topics, which have since been reaffirmed. The EGM defined clear targets for these focus topics for the coming years.

Approach

Sustainable growth

The financial health and commercial success of HUBER+SUHNER are the result of the Group's value creation, long-term and customer-focused innovation, and strong relationships with its employees, customers, shareholders, suppliers, local communities, and other stakeholders. Financial strength and economic success are prerequisites for investing in the interests of the environment and society, which in turn is an indispensable part of sustainability.

Core markets and focused market verticals are the basis of today's business. Their turnover is crucial to secure the company in its current size and setup. The aim is to be in attractive core markets which allow the company to use all its strengths to take a strong position. Their contribution is essential to reach today's goals and fund the growth initiatives. The business strategy includes four components that synergistically influence and strengthen each other: the entry into new markets, the ambition to strong positions in target markets, the development of innovative products and technologies, and the ability to sustain these positions through operational excellence.

Growth initiatives have been identified based on their potential for significant sales, profitable growth, and their strategic fit: aerospace and defense, data center, advanced driver assistance system (ADAS), electric vehicle, and rail communications. To succeed, HUBER+SUHNER ensures a dedicated approach, pre-investments in resources, and the formation of highly committed teams. Growth initiatives are expected to grow faster than the company and the markets. They have the potential in size and attractiveness to become core markets of the future.

Climate change and greenhouse gas emissions

The EGM decided to make climate change and greenhouse gas (GHG) emissions a focus topic because it considers this topic a crucial challenge to mankind, one that presents the company with both risks and opportunities.

In 2017, the company had two intensity-based greenhouse gas emissions reduction targets approved by the Science Based Targets initiative (SBTi). CEO Urs Ryffel officially signed the SBTi's net-zero commitment. In 2024, the company plans to submit new interim absolute targets for 2030 to reduce emissions across all three scopes to the SBTi for approval.

Community involvement and development

Community involvement and development became a focus topic because it stands out due to its many aspects. It includes the promotion of education, culture, and sports, as well as support for groups at the edge of social and workplace exclusion in the catchment area of our sites. Open, honest, and fair dealings with local and regional administrative authorities are also part of this complex topic.

HUBER+SUHNER has the goal of spending at least 0.5 % of the budgeted earnings before interest and taxes (EBIT) or CHF 500,000, whichever one is higher, for community development.

Progress

The Group is mostly on track regarding its targets. In 2024, we will review these targets and define a new target for sustainable growth.

Sustainable growth: Net sales share from growth initiatives in 2023 was 31 % (plus 5 percentage points y-o-y). The goal was to achieve 33 % of net sales from growth initiatives by 2023. Despite narrowly missing this target, our growth initiatives contributed significantly to our net sales in 2023.

Climate change and greenhouse gas emissions: In 2023, HUBER+SUHNER managed to further reduce its scope 1+2 GHG emission by 19 % (year-on-year) to 7,735 t CO₂-eq and remains on track with its SBTi commitment.

Community involvement and development: In 2023, HUBER+SUHNER supported 211 community development projects with a total CHF 515,000 in the form of cash or contributions in kind, along with paid leave hours for employees involved in these projects, thereby achieving our spending goal in community involvement and development.

Table 1: Score card focus topics

| Score card | | | |
|---|---|--|---------------|
| Focus topic | 2023 | Target | Time horizon |
| Sustainable growth | 31 % of net sales from growth initiatives | > 33 % of net sales from growth initiatives | 2023 |
| Climate change and greenhouse gas emissions | 7 735 t CO ₂ -eq (scope 1+2) | 8 400 t CO ₂ -eq (scope 1+2)* | 2025 |
| Community involvement and development | CHF 515 000 spent on 211 community development projects | The company sets aside and spends at least 0.5 % of the budgeted EBIT or CHF 500 000**, whichever is higher, for community development projects as a matter of principle | Annual target |

* This SBTi approved target will be replaced by new science-based targets in 2024.

** The funds will be provided from the operating business as well as from the Swiss-based HUBER+SUHNER Foundation (see chapter [Community involvement and development](#)).

Sustainability governance

HUBER+SUHNER has embedded sustainability within its organization. A well-defined governance structure, with clearly assigned responsibilities, enable effective monitoring of the progress in implementing the Group's sustainability strategy.

The Board of Directors

The Board of Directors (BoD) convenes at least five times annually. During at least two of these meetings, the Executive Group Management (EGM) reports on relevant sustainability-related matters. The BoD oversees the implementation of the company's sustainability strategy and targets. The BoD is also responsible for approving the company's sustainability reporting.

Management

The CEO is responsible for approving and overseeing the implementation of the company's sustainability strategy. The Head of Global Sustainability reports to the members of the extended EGM and the CEO on the progress in implementing the company's strategic targets. Sustainability-related objectives constitute a component of the extended EGM's variable compensation package.

Global sustainability

The Head of Global Sustainability is responsible for proposing and implementing the company's sustainability strategy. In this role, the Head of Global Sustainability directs a global network of local environmental and corporate responsibility managers who are responsible for coordinating and implementing the sustainability strategy at the company's various sites. Together with this network, the Head of Global Sustainability also monitors relevant sustainability compliance obligations and assesses sustainability related risks.

Product compliance

The purpose of the product compliance team is to ensure that HUBER+SUHNER operates in compliance with all relevant legislation and regulations related to materials used in our products. Its responsibilities include coordinating and overseeing all material-compliance activities at HUBER+SUNER, including:

- Establishment of a company product compliance guideline
- Creation of an up to date material compliance database and reporting system
- Provision of training, information, and support to ensure involvement and consultation of all employees and business partners

This involves regular assessments of our upstream supply chain, the implementation of processes to monitor and track compliance, as well as to corporate responsibility managers, who are responsible for coordinating and implementing the sustainability strategy at the company's different sites.

Sustainable sourcing

The global sourcing team is responsible for engaging with suppliers on sustainability issues. In 2023, HUBER+SUHNER formulated a due diligence policy, which is compliant with due diligence requirements under the Swiss Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO).

Grievance mechanism and the whistleblowing steering committee

To address cases of misconduct, HUBER+SUHNER provides employees and supply chain workers with a grievance mechanism. Reports are handled by the whistleblowing steering committee, composed of two area compliance officers (legal compliance, human rights, and labour) and the corporate responsibility communication lead. The committee is the liaison to the independent operator of the platform as well as the person who filed the report. The number of violations of the Code of responsible business conduct are reported to the BoD annually.

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Introduction environment

This section zooms in on the company's environmental risks and impacts. Supported by facts and figures, it shows how HUBER+SUHNER works to keep its environmental impact as low as possible, while also actively managing the risks that result from changes in our natural environment. In continuously reducing our environmental impact, we pursue ambitious emissions reduction and resource efficiency targets.

Environment - Performance 2023 at a glance



*The -3 percentage points reflect an increase in non-recyclable waste.

y-o-y

Ernst & Young Ltd performed a limited assurance engagement on selected environmental KPIs for 2023, these are summarized in [Addendum 3: Detailed environmental performance indicators](#).

Environmental footprint

HUBER+SUHNER regards care for the environment as an important and vital aspect of its sustainability efforts. As stated in our environmental policy, we strive to continuously improve our environmental performance. Although environmental stewardship for many years has been a priority of HUBER+SUHNER, we have intensified our efforts to improve our environmental performance over the past few years.

Approach

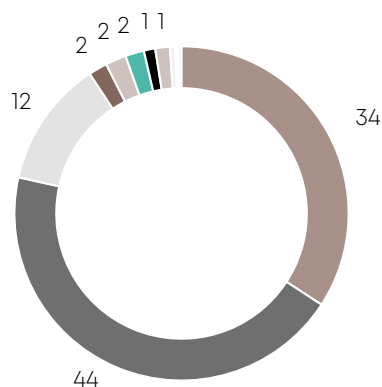
As early as 1999, the company implemented an environmental management system according to ISO 14001 and obtained certification for its sites in Switzerland. Today, two-thirds of all production sites are certified: Pfäffikon and Herisau, Switzerland; Changzhou, China; and Tczew and Krzeszowice, Poland; Warren, New Jersey, United States; and Cambridge, United Kingdom.

Since 2009, HUBER+SUHNER has used life cycle analysis (LCA) to determine its environmental performance annually on a quantitative basis and, since 2019, the significant environmental aspects as required by the ISO 14001 standard. The procedure is described in the company's environmental management processes. It is based on the LCA phases according to ISO 14040. In 2022, for the first time, all sites under the full operational control of HUBER+SUHNER AG (head office) provided at least data on energy consumption and employee commuting. The data on raw materials and commercial goods, transport of goods within the Group and to customers, as well as business travel, were taken from central systems. Based on the number of production employees and the manufacturing activities carried out, it is estimated that more than 95 % of the company's environmental impact has therefore been recorded. HUBER+SUHNER has applied an inventory analysis based on input-output models. Each production site is considered a unit into which energy and materials enter (input) and from which emissions, waste, wastewater, and products are generated (output).

Figure 4: Environmental impact 2023

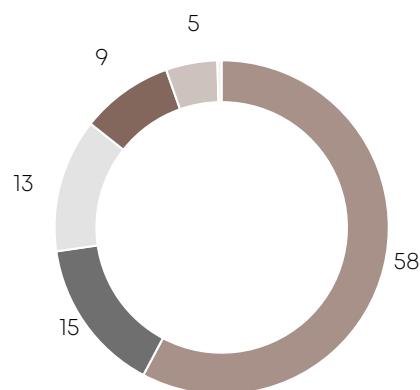
Figure 4 shows how the various material and energy flows contribute to the total environmental impact of HUBER+SUHNER. The total balance is our complete environmental impact. The core balance includes those material and energy flows that the company can directly influence.

Total balance* (in %)



- Copper
- Commercial goods
- All other materials
- Transport products
- Transport intercompany
- Paper/packaging
- Electricity
- Commuting
- Business traffic < 1 %
- Disposal < 1 %
- Fuel < 1 %
- Heating < 1 %

Core balance (in %)



- Electricity
- Heating
- Disposal
- Chemicals
- Fuel
- Water < 0.4 %

*Unlike our greenhouse gas inventory, which distinguishes between different emission scopes, our environmental impact accounting delineates between a total balance and a core balance to differentiate between our operational impact and our impact across our value chain.

In 2023, the largest share of the company's environmental impact came from commercial goods which accounted for 44 %. In contrast to previous years, the extraction, processing, and transport of copper which accounted for 34 %, has only the second largest impact. The growing impact from commercial products is a result of a shift in our business mix, leading to a reduction in our own value creation.

Other significant environmental aspects were the remaining raw, auxiliary, and process materials (12 %) [1], product transports to customers and between HUBER+SUHNER sites (4 %), paper and packaging material (2 %), electricity (1 %), and commuting (1 %).

Looking at the company's core balance, the significant environmental aspects were electricity (58 %), heating (15 %), and waste disposal (13 %), followed by direct emissions of chemicals (9 %) [2] and fuel (5 %).

[Addendum 1](#) provides further details on the scope and methodology on our life cycle impact assessment (LCIA).

[1] In particular: glass fiber, plastics, metals other than copper, refrigerants, sulphur hexafluoride, dry ice, and solvents.

[2] Losses of solvents, sulphur hexafluoride, dry ice, and refrigerants

Objectives

Our life cycle analysis determines most environmental targets of our production, which generally relate to the top three environmental aspects of the core balance. At all sites, we aim to avoid air and water pollution and to minimise the use and disposal of toxic and hazardous chemicals. Our efforts to reduce our environmental footprint go hand in hand with our efforts to reduce our [resource use](#) and [greenhouse gas emissions](#), which are detailed in subsequent chapters.

Progress

In 2023, we reduced both the absolute impact of our core and total balance. However, only the intensity of the company's core balance is decreasing (see Figure 5 left side), whereas the company's total impact is showing a slight increase.

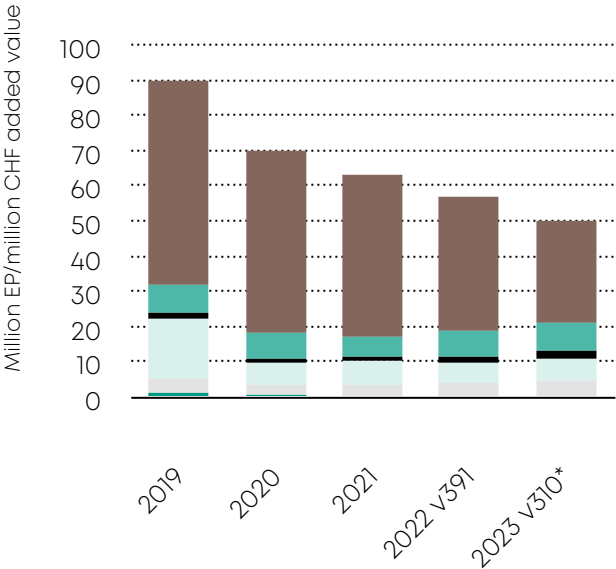
Core balance: Encouragingly, the downward trend in the intensity of the environmental impact (core balance) continued in 2023. It decreased by a further 10 % compared to the previous year (see Figure 5 left side). This reduction is almost exclusively due to the production and purchase of more green electricity.

Total balance: In 2023, there was a decrease of 5 % in the overall environmental impact compared to the previous year, as illustrated in figure 5 (right side). The transition to greener sources of electricity is not the sole factor contributing to this change; a decrease in the utilization of copper has also played a significant role. Furthermore, we have conscientiously implemented measures to reduce our environmental impact, including efforts to mitigate the impact of product transportation and packaging. The growing impact from commercial products is a result from a shift in our business mix as explained above.

Figure 5: Environmental impact total balance and core balance 2023

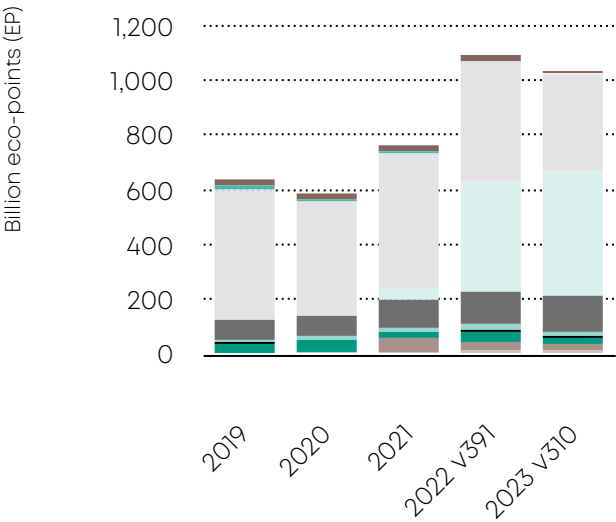
Figure 5 illustrates that until 2022, the overall environmental impact experienced a substantial increase. This rise is primarily attributed to the expansion of the scope of collected data.

Intensity of the environmental impact
(core balance)



- Water
- Chemicals
- Disposal
- Fuel
- Heating
- Electricity

Environmental impact
(total balance)



- Communing
- Transport intercompany
- Transport products
- Business traffic
- Paper/packaging
- All other materials
- Commercial goods
- Copper
- Disposal
- Fuel
- Heating
- Electricity

* We updated the 2023 background data using v310 of the ecoinvent data, released at the end of 2023.

Planned actions

As mentioned above, our efforts to reduce our environmental footprint are aligned with our efforts to reduce our [resource use](#) and [greenhouse gas emissions](#). While we describe these in more detail in the following chapters, our ambitions for 2024 include minimising our resource use by, for example, building on advanced analytics to reduce our operational scrap, further reducing our emissions by implementing our transition plan, and limiting the use of plastics in packaging.

Resource use

Resource efficiency, with its monetary and ecological aspects, is a material sustainability topic for HUBER+SUHNER. At the same time, resource efficiency is gaining increasing relevance as we see a growing number of supply chain disruptions, rising material and energy prices, and volatility in global demand, in particular for some of the metals used in our products. As stated in our environmental policy, we strive to continuously improve our environmental performance and make the most efficient use possible of raw and auxiliary materials, energy, and water.

Approach

As part of the company's environmental management, the production sites have targets to improve their resource efficiency. Based on these targets we continuously monitor:

- The intensity of energy consumption
- The intensity of waste not sent to recycling
- The intensity of water withdrawal
- Material consumption

Objectives

As of 2022, we introduced three new global reduction targets to monitor resource efficiency as part of our environmental management. These targets include the intensity of total energy consumption; the intensity of waste sent to landfill or incineration; and the total water withdrawal. In 2023, HUBER+SUHNER's added value reached CHF 386.7 million. This value, calculated from profit before tax and depreciation plus personnel costs, minus other financial results, serves as the denominator for intensity.

Progress

As shown below, in 2023, our focus on resource efficiency yielded results, showing reductions in the intensity of our water consumption. We were also able to maintain a stable energy consumption, despite the ramp-up of new energy-intensive production.

Table 2: Resource use performance 2023

| KPI | 2021 | 2022 | 2023 | Difference 2022/2023 | Difference 2021/2023 | Target 2030 |
|--|-------|-------|-------|-------------------------|-------------------------|------------------------------------|
| Intensity of energy consumption [MWh/million CHF] | 131 | 136 | 136 | 0.3 | (4) | 15 % reduction from 2021 base year |
| Intensity of waste sent to landfill or incineration [kg/million CHF] | 3 632 | 3 346 | 3 739 | 12 | 3 | 25 % reduction from 2021 base year |
| Intensity of total water withdrawal [m3/million CHF] | 2 349 | 2 203 | 1 751 | (21) | (25) | 20 % reduction from 2021 base year |

Energy: Despite our efforts to reduce energy consumption, as shown below, the intensity of our energy usage remained stable despite implementing several energy-saving initiatives. The main reason behind this is our continuous ramp-up

of our production capacity for radar antennas to be used in advanced driver assistance systems (ADAS). Contributors to the reduction in energy intensity, despite the growing demand from the antenna production, were:

- Reduction in heat loss through a roof replacement at the production site in Tczew, Poland
- Reduction in energy consumption by using heat recovery
- Optimised energy use and continue building on advanced analytics to better monitor energy saving measures

Waste: Our goal to decrease the intensity of non-recyclable waste faced challenges due to the relocation within Pfäffikon, Switzerland, resulting in increased construction waste. We are confident that our efforts to continuously integrate the five Rs of waste management (refuse, reduce, reuse, repurpose, recycle) into our waste management will put us back on track with our targets. In parallel, we are working towards consuming fewer resources in our production processes to reduce both recyclable and non-recyclable waste.

Hazardous waste is another focus area. The goal here is to generate as little as possible. Compared to the previous year, the amount of hazardous waste was reduced by 2 %. HUBER+SUHNER works exclusively with licensed waste handlers to ensure that hazardous waste is treated with state-of-the-art technology and that recyclable material is directed into the right channels.

Water: The year 2023 saw an encouraging 21 % reduction in water withdrawal intensity (y-o-y). An important driver behind the reduction was our relocation within Pfäffikon, which facilitated a more efficient use of cooling water. Additionally, we reduced our consumption through advanced monitoring and the installation of tap water proximity sensors.

Material consumption: Copper consumption decreased by 9 % compared to the previous year. Plastic consumption has decreased by 22 % in the same period. At the same time, we continued to reduce plastics from our packaging. While changes in our business mix, with a growing focus on the procurement of commercial goods, play a role in this, additional contributors to the reduction in material consumption were:

- Reduction of the reject rate for plastic material consumption through two green belt projects
- Initiating the replacement of protective plastic foils (evaFlex) for spools from plastic to cardboard

See detailed data on energy, water, materials consumption and waste in the [environmental performance indicators table](#).

Planned actions

To further increase our resource efficiency, we are constantly exploring ways to reduce our energy, material, and waste consumption. In this context, promoting the use of renewable materials is becoming increasingly important. Key actions for the year 2024 will include:

- Further minimising the use of single plastics and maximising the recyclable content in our primary and secondary packaging whenever we identify high-performing alternatives
- Further reducing operational scrap by continuing to improve our business intelligence around scrap production, including new metrics and objectives
- Reducing the use of colour granulate by switching to micro granulate
- Continuing to create a sustainable value proposition by taking into consideration the environmental impact of our products throughout their life cycles

Story from Switzerland

Separating and recycling metals in our antenna production

Not only do rising global demand and supply chain disruptions affect the prices of the metals we purchase, but the large part of our environmental footprint comes from the metals in our production. Among other things, this impact is significant in our antenna production for ADAS.



Deflector with metal coating

Together with a German recycling company, we have explored different ways of separating and recycling these metals in an effort to reduce our material consumption. We were able to successfully separate and recycle different metals from the deflector plates that were used in production and to recycle leftover pure metals from the coating process. Separating and recycling these pure metals is economical and reduces our environmental and carbon impact.

Climate change and greenhouse gas emissions

Climate change and greenhouse gas (GHG) emissions are among the three focus topics of the company's sustainability strategy. HUBER+SUHNER in 2018 also set targets validated by the Science Based Targets initiative (SBTi) for its scope 1+2 emissions. We will submit new targets for validation in 2024. Our climate transition makes us more resilient to climate-related risks, specifically growing regulation to phase out fossil fuels and curb emissions. Nonetheless, we believe that physical and transition-related climate risks have a potentially large impact on our company, and we manage them within our standard risk management framework (see Chapter [risk management](#)).

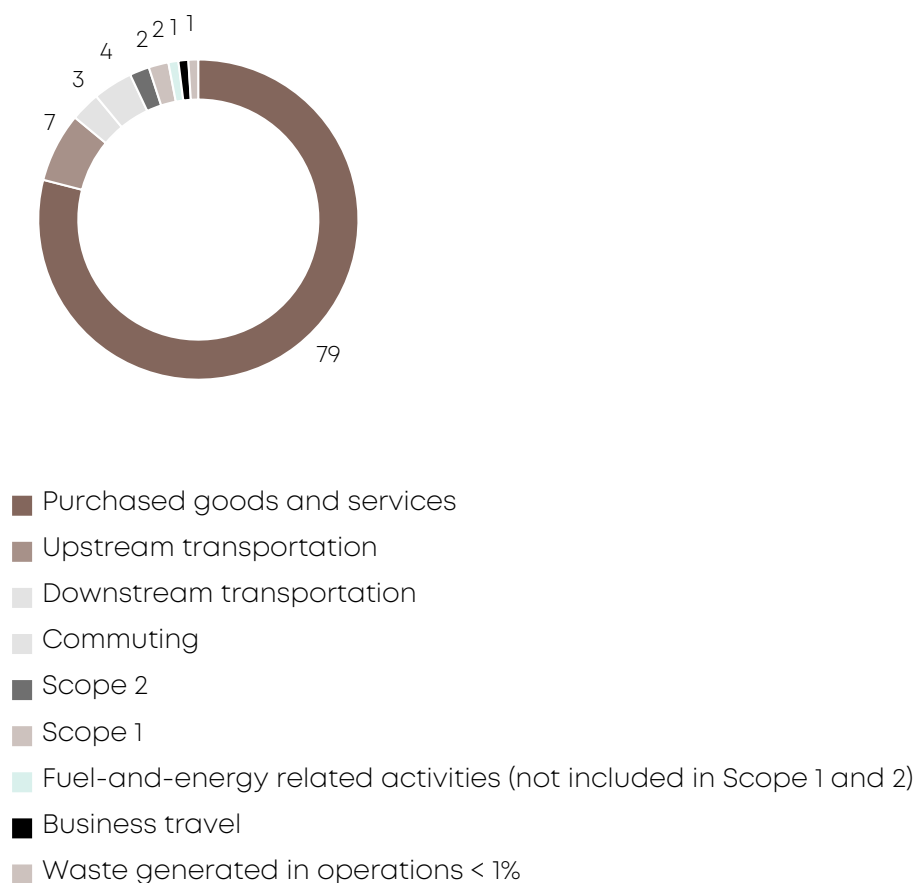
Approach

HUBER+SUHNER for many years has determined its carbon footprint in all three scopes. To curb our emissions in line with our climate targets, we drafted a transition plan in 2023 that outlines our planned actions to minimize our GHG emissions. It builds on the following elements:

- Replacement of the remaining fossil-based heating systems with low-carbon alternatives
- Increase in renewable electricity supply to 100 % by 2030
- Installation of rooftop photovoltaic (PV) panels, where feasible
- Decarbonization of our fleet by switching to electric vehicles
- Increase in energy efficiency through various initiatives
- Reduction in material consumed, where feasible
- Engagement with suppliers on their climate strategies
- Reduction of business travel, where possible
- Optimised logistics flow and promotion of a "regional for regional" model

Figure 6: Carbon footprint – 2023 Scope 3 categories according to GHG protocol (in %)

Figure 6 shows that the main contributors are purchased goods and services, accounting for 79 % of our carbon footprint. Direct emissions (scope 1) and emissions from purchased energy (scope 2) together account for only 4 % of our carbon footprint.



Objectives

In 2016, HUBER+SUHNER committed to achieving a science-based GHG reduction target in scope 1+2 [1] by 2025. This target was validated by experts from the Science Based Targets initiative (SBTi). It was initially designed to support limiting global warming to 2° C. In 2019, the CO₂ reduction target was adapted to the more stringent criteria for limiting global warming to 1.5° C. The target of the HUBER+SUHNER Group is to reduce its scope 1 and 2 GHG emissions 50 % per added value [2] by 2025 from a 2015 base year. In scope 3 [3], HUBER+SUHNER has defined a voluntary, non-validated reduction target committing to reduce its scope 3 GHG emissions per added value 30 % by 2025 from a 2015 base year. With the target period coming to an end in 2025, we will submit new targets, aligned with the SBTi requirements, in 2024.

[1] Scope 1 emissions come from emission sources within the company, such as its heating systems or vehicles. Scope 2 emissions result from the generation of energy that is sourced from outside the company. These are mainly electricity and heat from energy services.

[2] Intensity data in this case refers to the added value generated as a measure of the economic performance. The added value has been calculated from profit before tax and depreciation plus personnel costs minus other financial results.

[3] Scope 3 emissions are emissions caused by the company's activities but not under its control. The following GHG emission sources (including extraction, production and transport to the HUBER+SUHNER sites) were accounted for; purchased goods and services: raw, auxiliary, operating and packaging materials, commercial goods (as far as reliable data were available), water; fuel-and-energy-related activities (not included in scope 1 and 2) like heating and transport fuels, and electricity production;

waste generated in operations: waste, wastewater; business traffic; downstream transport and distribution: transports between the sites and transports of finished products to customers; commuting traffic.

Progress

In 2023, we've stayed on track with our scope 1+2 SBTi target, cutting our emissions intensity by almost half two years ahead of time (see figure 7).

Scope 1+2: emissions in our own operations

The company is still fully on track regarding its target in scope 1+2 (see figure 7). The GHG emissions in scope 1+2 decreased to 7,735 t CO₂-eq in 2023 (absolute reduction of 19 % y-o-y). Most notably this reduction can be attributed to:

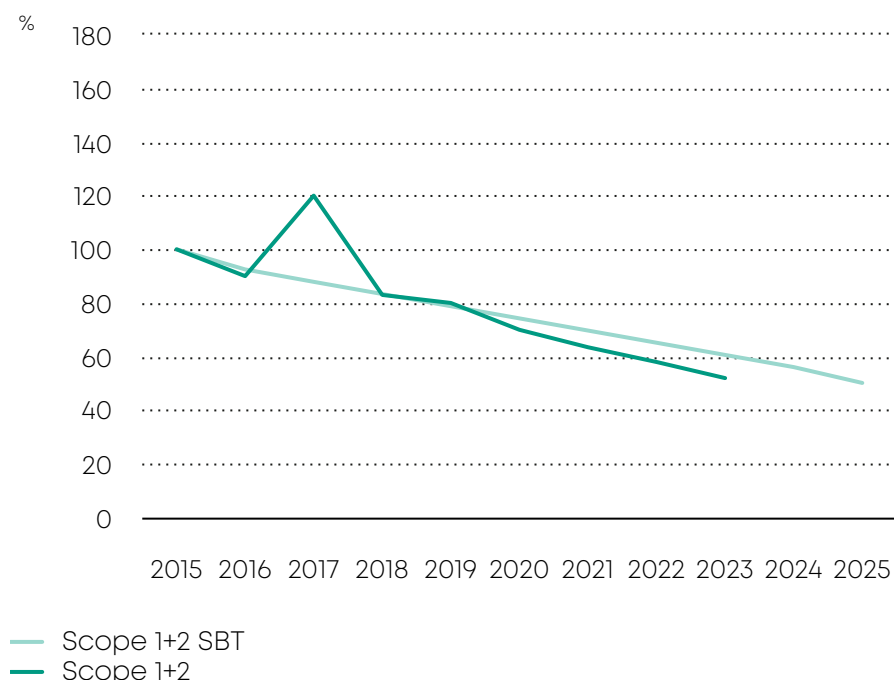
- An increase in the share of purchased electrical energy consumed worldwide from renewable sources (hydro, wind, and solar power plants) from around 12 % in 2019 to 59 % in 2023 as planned [4]
- More self-generation of renewable electricity through rooftop PV panels, where we generated an additional 242 MWh in Herisau, Bicester, Gurgaon, and Tczew in 2023
- Various energy efficiency initiatives, including replacement of obsolete machinery, optimisation of control mechanisms, closed cooling systems, and heat recovery
- Reduced refrigerant losses by 38 % from 2022 in 2023
- Advanced monitoring to keep our sulphur hexafluoride (SF₆) leakage to a low level
- Replacing dry ice blasting with water blasting to reduce emissions in our serial production of radar antennas at our Herisau site

Due to the impending energy scarcity in early 2023, the Swiss government requested that companies, where feasible, transition their heating fuel from gas to oil. The change to oil as heating fuel led to increased heating emissions during the 2022/2023 heating period, ultimately contributing to a 2 % y-o-y rise in scope 1 emissions.

[4] When it comes to energy attribute certificates, HUBER+SUHNER makes sure that they come from power plants in the country where the electricity is consumed.

Figure 7: Science-based target in scope 1+2 and actual performance

Figure 7 shows the development of total GHG emissions during the past eight years and our consistent progress in reducing our scope 1+2 emissions.



Scope 3: emissions in our value chain

Until 2022, our GHG emissions in scope 3 increased significantly. This can be explained by changes in our data collection method and the inclusion of purchased commercial goods, which were important steps towards reliable and realistic scope 3 data. In 2023, we expanded our data collection to encompass approximately 95 % of our scope 3 emissions, in accordance with SBTi requirements. In addition to changes in our business mix, with a growing procurement of commercial goods. This resulted in further increase in the intensity of our scope 3 emissions by 13 % y-o-y (using v391 of the ecoinvent data).

However, simultaneously, we have made efforts to reduce our scope 3 emissions. This effort is reflected in the fact that when comparing absolute emissions in 2023 to ecoinvent v310, we actually see a decrease by 1 % (see figure 8). While a declining material consumption significantly contributes to this reduction, we have also undertaken notable efforts to decrease emissions from transportation and packaging by implementing the following measures:

- Reducing emissions from transport by consolidating shipments and increasing the fill rate to reduce the number of shipments
- Reducing emissions from transport through production network optimisation, e.g. by focusing on a "regional for regional" model, thereby reducing the distance of shipments
- Reducing emissions from packaging by optimizing packaging and reducing the use of plastics

To further reduce emissions from our purchased goods and services, we have started integrating climate criteria into our global sourcing process. We engage with our suppliers via an established platform, where we track their efforts in gathering climate data and setting climate targets. For new suppliers, HUBER+SUHNER introduced reporting on their emissions and climate targets as additional criteria in the supplier assessment.

We annually publish our emissions through the CDP platform where we received an [A- rating](#) in 2023.

Figure 8: Total GHG emissions 2019-2023

Figure 8 shows the development of total GHG emissions during the past five years and reflects the consistent expansion of the system boundaries and improvement of data quality in scope 3 as well as the reduction of scope 1+2 emissions. We updated the background data for 2022 using v391 of the ecoinvent data, which was released at the end of 2023. The v310 data is provided for reference.



See detailed data on emissions in the [environmental performance indicators table](#).

Planned actions

To achieve further emission reductions in line with our targets, key actions in 2024 will include:

- Submitting new near- and long-term targets to the SBTi for approval
- Defining site-specific transition plans
- Stepwise introduction of electric vehicles starting in 2024
- Extending the supplier engagement program to collect primary data for purchased goods and services
- Exploring the use of low-carbon alternatives and materials in our products
- Leveraging advanced business analytics for closer energy efficiency monitoring
- Establishing further measures to consolidated shipments

Story from Switzerland

Our Air Ring Packaging: a low carbon, low waste and more packaging dense alternative to wood spools

After delivering cable products to our customers, spools are often left as waste. Currently, there are few or no collection-and-return systems that would allow us to ensure the environmentally efficient reuse and recycling of these spools. In an effort to reduce the use of spools that end up as waste, we developed an alternative: Air Ring Packaging. Instead of delivering cables on spools to our customers, we deliver shorter cables coiled in cardboard boxes certified by the Forest Stewardship Council (FSC).



Air Ring Packaging with a cable coiled in a cardboard box



Pallet and cardboard box used for the Air Ring Packaging

In addition to ensuring that no spools end up as waste, Air Ring Packaging has several other sustainability benefits:

- **Material efficiency:** When replacing wooden spools, it reduces the use of wood
- **Circular economy:** The pallet and cardboard box can be easily disassembled, reused, or recycled at low cost to our customers
- **Lower carbon footprint:** The pallet and cardboard box not only save energy during production, but also reduce CO₂ emissions due to the lower transport weight, higher packing density, and higher recycling rate

We are currently providing Air Ring Packaging to two of our large Swiss customers and are evaluating where else this packaging can replace spools.

Sustainable products

At HUBER+SUHNER, we aim for a sustainable value proposition, which takes into consideration the environmental impacts of our products. Dedicated to innovation, responsible practices and transparency, we are committed to creating products that meet global and regional standards. We have strategically developed a comprehensive approach that prioritizes transparency and embraces continuous improvements in product compliance.

Approach

Our strategy to ensure transparency and openly share the materials and substances employed in our products builds on five key pillars:

- Tracking alterations in global and regional material compliance regulations
- Continuous improvement of product compliance process
- Responsible material selection and traceability
- Prioritising ongoing innovation in materials
- Collaborative supplier engagement

Objectives

We aim to continuously explore and adopt safer alternatives to hazardous materials, complying with evolving regulations and restrictions (such as the European Union [EU] regulation on the registration, evaluation, authorisation and restriction of chemicals [REACH]) to ensure product safety and environmental protection. We are also committed to staying updated and adhering to international standards and regulations governing materials, ensuring compliance with laws such as the EU Restriction of Hazardous Substances (RoHS) and Waste Electrical and Electronic Equipment (WEEE) directives. In reaching this objective, we consciously invest in research and development to explore and integrate innovative, eco-friendly materials, and we collaborate with material scientists and industry partners to leverage the latest advancements in sustainable materials. Another key focus is to collaborate with suppliers to promote sustainable practices, encourage the use of eco-friendly materials, and build a mutual commitment to sustainability.

Progress

In 2023, we introduced our latest innovation in sustainable product development: lead-free connectors.

Our commitment to environmental responsibility includes the integration of materials that align with stringent compliance standards. Our new line of lead-free SMA connectors redefines the benchmark for eco-conscious manufacturing. By eliminating lead from our products, we're not just meeting regulatory requirements; we're prioritizing our environmental responsibility.

Crafted with meticulous attention to detail, these lead-free SMA Connectors maintain the high performance and reliability our customers expect while significantly reducing the environmental impact. We've invested in research and development to ensure that these lead-free SMA Connectors do not only meet but exceed industry standards, contributing to a healthier ecosystem without compromising on quality. With our sustainable material compliance approach, we're fostering a future where innovation and responsibility go hand in hand.



Lead-free SMA Connectors

Planned actions

In a continuous effort to reduce the environmental impact of our products, in 2024 we will:

- Provide training to both employees and suppliers on the importance of sustainable material practices
- Continuously improve internal processes based on evolving regulations and technological advancements
- Closely collaborate with suppliers to understand their challenges and constraints related to material compliance
- Explore ways to produce products with a lower CO2 footprint
- Expand the integration of lead-free technology to other product lines or series based on market demand

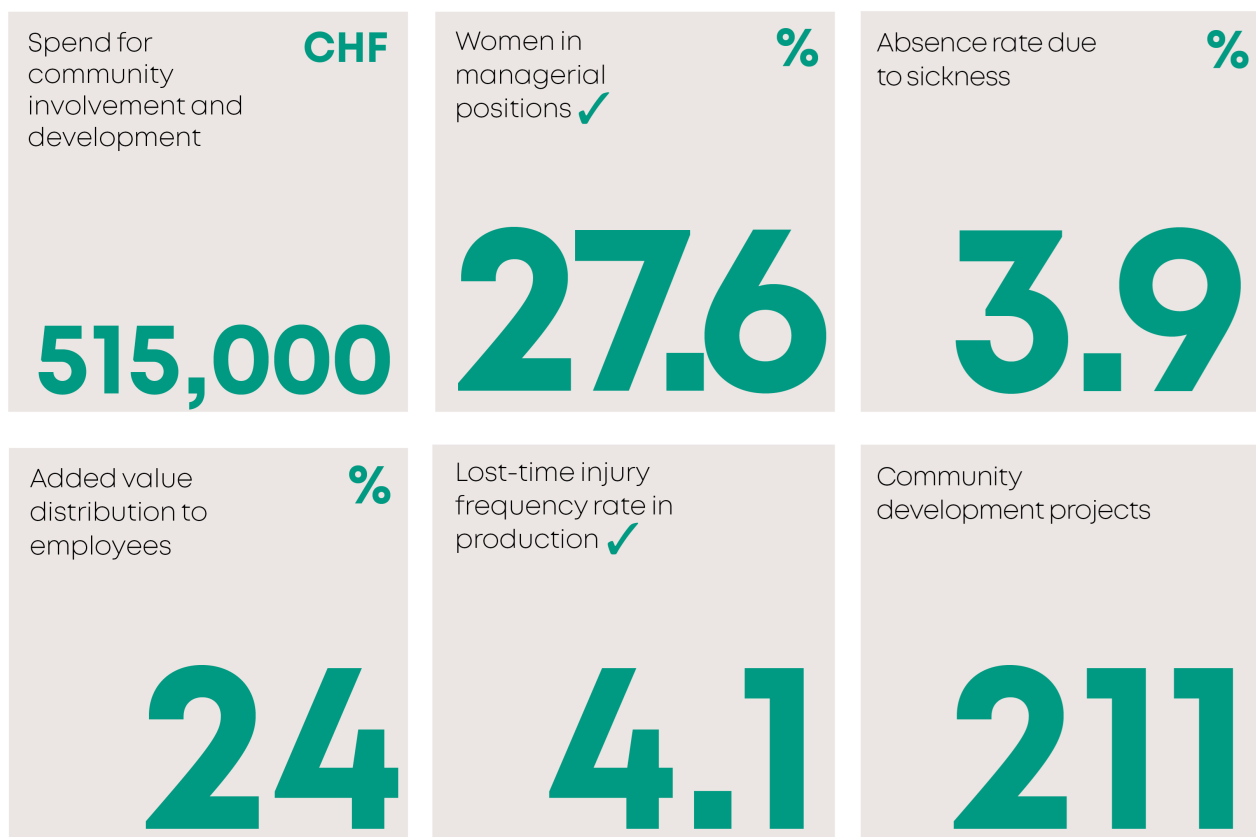
Social

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Introduction social

In the following chapters, HUBER+SUHNER reports qualitatively and quantitatively on its priorities, risks, opportunities, and impacts in the social area. Material topics include our own workforce and how we create an inclusive, agile and open culture that attracts new employees while allowing continuous development and retention of our people. This also requires special attention on upholding human rights, our employees' health and safety at work and beyond, and interaction with important stakeholders such as the customers and communities in which we operate. Community involvement and development is one of our three focus topics. It shows how HUBER+SUHNER is growing with the local communities where we have operations and how we become and remain part of the social system through relationships with a variety of people and organisations.

Social – Performance 2023 at a glance



Ernst & Young Ltd performed a limited assurance engagement on selected KPIs marked with a ✓ for 2023.

Our own workforce

Together, we are a strong global network that values entrepreneurial spirit and rewards success. Our sustainable approach, and genuine respect for one another, are fundamental to grow and thrive. At HUBER+SUHNER, passionate people collaborate in diversified teams to provide connectivity and innovation to customers and society. This is how we help bring people closer together. Today and beyond.



We work as a team across the globe to achieve common goals in an agile and diverse environment.

Approach

HUBER+SUHNER continuously strives to be a great place to work, a place where people feel inspired and safe and can develop their potential. Our goal is to retain our talents and, at the same time, to attract new employees. This is based on an enticing employer value proposition (EVP) and a global employer branding programme. We offer a strong purpose, regular training and learning opportunities, and a truly diverse, inclusive, international, agile, and safe work environment.

In an environment where change has become a constant, teams must ensure that everyone is empowered to address challenges and look for opportunities together. Our leadership principles are a common guideline for all our employees, placing a high priority on both psychological safety and work in diverse teams. Learning together from mistakes and focusing on constructive feedback enables all employees to perform at their best.

On the following pages, we outline our objectives and our progress on:

- Agile mindset
- Attracting and retaining employees
- Training and continuous education
- Diversity, equality, and inclusion

Objectives

Agile mindset

Our world is in constant motion, and as an organisation, we must adapt to stay relevant and thrive. We acknowledge the need for stability in certain areas while embracing agility where it is essential for outside-in-perspectives, progress, and innovation. Our agile transformation initially focused on the realms of information technology (IT) and selected business units coordinated by the Agile Transformation core team. Adopting agile principles in IT projects yields substantial benefits and helps us to reduce complexity and minimise silo thinking.

We also addressed the aspect of learning and adopting. A culture of learning and constantly evolving is central to our commitment to quality. While agility encourages us to focus on the essentials, we must not lose sight of the importance of attention to detail where it matters.

Our intention is to foster agility across segments, technologies, and international teams, helping to connect the right experts. While we still see plenty of traditional waterfall approaches and top-down decisions, we envision a future where self-learning teams become the norm where applicable. Within five years, we aspire to leverage the advantages of autonomous teams, ensuring that they align with the bigger picture while contributing to our shared goals.



Members of the Agile Transformation core team in one of their workshops.

Attracting and retaining employees

The Human Resources department in Switzerland proposes programmes which can be adopted and adapted as needed by the various sites around the globe in response to country-specific needs. For many years, HUBER+SUHNER has offered the opportunity for employees with jobs in an office environment to work remotely. We continue to strive for a harmonious blend of remote and on-site work, harnessing the advantages of both options for the benefit of the company and its workforce where applicable. We remain committed to investing in an inspiring work environment that caters to flexible and secure work needs, enhancing productivity, and fostering collaboration with internal and external stakeholders.

We strive for long-term relations with employees right from the recruitment stage. The company is committed to selecting candidates who wish to grow and learn with the organisation. This is why HUBER+SUHNER offers specialised

programmes and benefits to all but also tailored to employees aged 50 and above; our commitment to their ongoing development and well-being is evidence of our appreciation for their long-term contributions. HUBER+SUHNER is a cofounder of the focus50plus network in Switzerland, demonstrating our awareness of demographic change and how it may result in workforce shortages.

It is fundamental to keep employees healthy, motivated, and committed until they retire or even beyond. Offers such as health and safety services, flexible working and retirement arrangements, and training opportunities until the last day of work are highly valued by our mature employees as they stay professionally up to date and acquire new skills while preparing for or transitioning into retirement. This holistic approach underscores our dedication to nurturing durable relationships with our employees throughout their professional journeys.



A diverse workforce has been an asset for HUBER+SUHNER for many years.

Training and continuous education

The apprenticeship and trainee programmes are important offerings that attract the next generation of employees. At HUBER+SUHNER Switzerland, we offer nine different types of apprenticeships to help young people learn essential skills for their chosen vocations through practical and classroom learning.

Diversity, equality, and inclusion

People with different backgrounds and cultures bring different perspectives and additional know-how to our company. People with diverse viewpoints, and expertise enrich our working environment. This aspiration is also firmly anchored in trust, one of our five corporate values: "We treat everyone with respect and value diversity."

HUBER+SUHNER is convinced that our people with a variety of cultures from around the globe help us develop innovative products and better solutions for customers. As an attractive employer, HUBER+SUHNER promotes diversity, consistently advocates equal opportunities, and offers attractive and flexible workplaces for different work and life models.

Progress

Agile mindset

In 2023, we successfully integrated agile roles within our framework. This transformative shift introduced three key roles: facilitator, agile coach, and product owner.

The facilitator, acting as a catalyst for collaboration, ensures smooth communication and teamwork within the organisation. This role is crucial in removing obstacles and fostering an environment conducive to agile practices. Agile coaches, acting as guides and mentors, play key roles in facilitating the adoption of agile methodologies. Drawing upon extensive experience, these coaches provide invaluable insights, mentorship, and support to teams navigating the complexities of agile processes. The product owner assumes a pivotal role in aligning projects with organisational goals, ensuring that the end product meets stakeholders' needs.

Embracing agility doesn't replace existing roles; rather, it enhances them. As we celebrate this achievement, we look forward to the positive impact these agile roles will have on our projects and, ultimately, our organisation's ability to navigate an ever-evolving business landscape with resilience and agility. Part of our transformation is also a data-driven mindset. This means incorporating data into our daily operations, nurturing a deep understanding of its potential, and making data-backed decisions at every level. To get there, we recruited more data analysts, data engineers, and data scientists.

Attracting and retaining employees

Again, we registered varied turnover rates across our regions, influenced by business performance and the given local frameworks. Therefore, we stuck to our designed local target figures for a stable workforce. The defined target range for countries like Germany or Switzerland ranges between 8 % and 12 %, whereas China can range between 35 % and 45 % to be within the target frame. In total 647 positions were filled in 2023; 433 of these with new hires. Overall, we are happy to report that we have maintained a turnover rate below our target range in several locations. The lowered turnover rate is indicative of our commitment to retaining and developing our employees.

Table 3: Employee turnover rate by country*

| Country | 2022 | 2023 | Target range |
|-------------|-------|-------|--------------|
| China | 27.8% | 22.9% | 35–45 % |
| Germany | 13.7% | 5.5% | 8–12 % |
| India | 8.2% | 7.7% | 10–20 % |
| Malaysia | 7.3% | 3.8% | 10–20 % |
| Poland | 20.8% | 15.3% | 10–20 % |
| Switzerland | 8.3% | 9.6% | 8–12 % |
| Tunisia | 51.9% | 41.1% | 20–30 % |
| UK** | 19.8% | 25.1% | 10–20 % |
| USA | 18.4% | 17.3% | 20–30 % |

* Target setting and reporting for countries with more than 100 HUBER+SUHNER employees only

** United Kingdom includes the site of HUBER+SUHNER Polatis Sp. z o.o., Nawojowa Góra,

Despite the challenges faced in 2023, HUBER+SUHNER remained resilient as an employer. The company navigated a tough business environment especially in North America with declining rollouts in the 5G sector. When the decline in the Communication segment, linked to our global production network, was recognised, proactive measures such as reducing business trips, forgoing international conferences, and revising budgets were implemented. Despite these efforts to adapt to the changed market conditions, job cuts to cope with the lower volumes became unavoidable, particularly in the United States, in Tunisia, Mexico, and Poland.

Training and continuous education

In 2023, we welcomed 21 new apprentices who work across our Swiss sites; 75 apprentices were trained in Switzerland in 2023 in total (PY: 83). HUBER+SUHNER provides internships and apprenticeships for young people and graduates in the United Kingdom, Germany, India, and Malaysia. Other countries, like Australia, started offering work experience programmes which provide a first on-the-job experience for students. You may read more about our internship and apprenticeship programmes in India and Malaysia in a recent article on [Sustainable Switzerland](#).

75

apprentices were trained in Switzerland in 2023



Since decades, young people get a chance to emerge into the world of work thanks to internships or apprenticeships.

HUBER+SUHNER invests in individual training opportunities for its employees to ensure their professional development. In 2023, our training time for employees totalled 60,848 hours. This equals 14 hours of training per employee across all functions which is a slight decrease from 2022. We will work towards increasing these again in 2024 to the target of 16 hours, as defined previously.

Table 4: Overview of training hours and costs

| Year | Training hours overall | Training hours per employee | Training costs per employee (in CHF) |
|------|------------------------|-----------------------------|--------------------------------------|
| 2021 | 56 450 | 13 | 380 |
| 2022 | 73 257 | 16 | 529 |
| 2023 | 60 848 | 14 | 621 |



Our employees learn and develop new skills through internal and external training and further education.

Diversity, equality, and inclusion

In 2023, we introduced an inclusive language toolkit in the German-speaking region. We aim to facilitate the inclusion of all individuals through our language usage, expressing equality of opportunities and fairness at HUBER+SUHNER. Our language compass offers guidance for various cases, proposes solutions, links to reference materials, and also provides tips and tricks for using images to promote inclusion. Our recommendations are not solely focused on gender-neutral language; rather, they are intended to inspire reflection on how we use language and images.

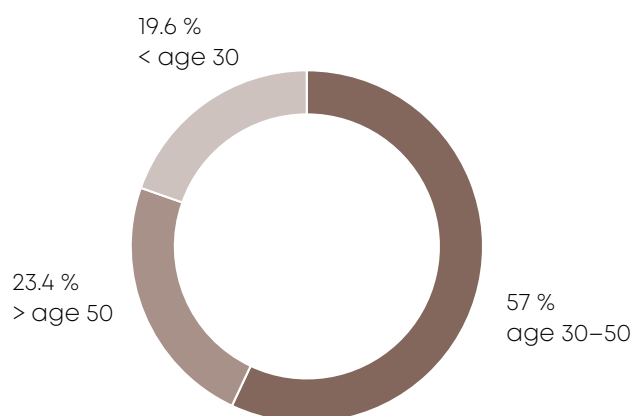
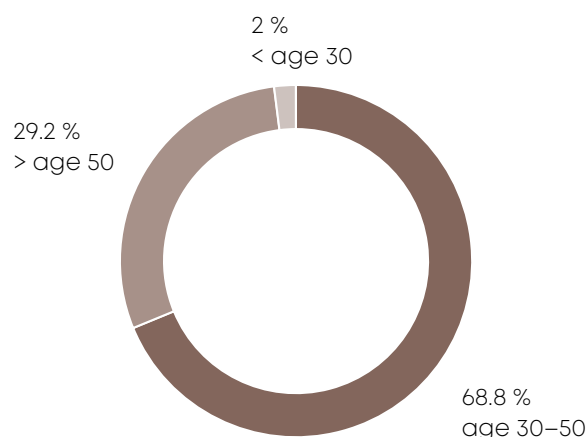


Embracing diversity in our teams across the globe enriches the way we collaborate and drives innovation.

At the end of 2023, the Group had more than 4,100 employees globally. Out of the total workforce, 45.1 % were women. The share of women in managerial roles further increased to 27.6 % in 2023 (up 1.5 percentage points y-o-y). This brings us closer to our 2030 target figure with 30 % women in managerial positions. HUBER+SUHNER strives to promote women in general and into management positions in particular. We committed to raising quotas for upcoming years and to submit data for gender reports. For many years, HUBER+SUHNER has worked with [Landolt & Mächler Consultants](#) to actively promote equal pay for women and men at our Swiss sites. The consulting company continues to review the development on a regular basis

27.6% ✓

woman in managerial positions

Figure 9: Distribution of age groups**Figure 10: Distribution of age groups in managerial positions***

* Managerial positions are roles in which a person oversees the job functions of another person or a group of people. Managers might also oversee the operation of a specific function within a company. For example, an accounting manager might lead a team of six accountants, whereas a production manager might oversee otherwise unattended automated assembly lines. Information about the age of the HUBER+SUHNER Board of Directors, and the Group Management can be found in the Corporate Governance section of this report. The category "Distribution of age groups" corresponds to GRI disclosure 405-1.

In Switzerland, where close to 1,200 of our employees are based, HUBER+SUHNER offers many benefits that exceed legal requirements. These include continued salary payments in case of illness or accident and generous pension fund contributions. In addition, HUBER+SUHNER offers discounted lunches thanks to staff canteens, and special conditions for cultural activities. Employees with young children can choose certain nearby day-care centers, which are supported by the HUBER+SUHNER Foundation.

Table 5: Gender distribution* ✓

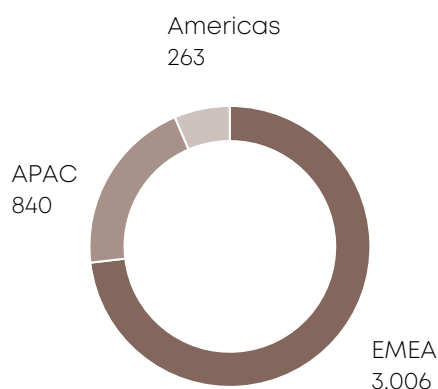
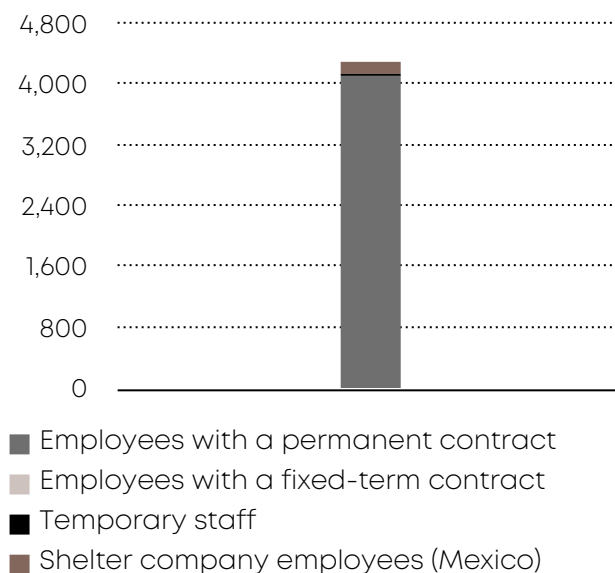
| Year | Total workforce | | Managerial** positions | | Executive Group Management | | Board of Directors | |
|------|-----------------|----------|------------------------|----------|----------------------------|----------|--------------------|----------|
| | Female [%] | Male [%] | Female [%] | Male [%] | Female [%] | Male [%] | Female [%] | Male [%] |
| 2020 | 44.7 | 55.3 | 21.7 | 78.3 | 12.5 | 87.5 | 16.7 | 83.3 |
| 2021 | 48.0 | 52.0 | 26.4*** | 73.6*** | 16.7 | 83.3 | 16.7 | 83.3 |
| 2022 | 45.1 | 54.9 | 26.1 | 73.9 | 16.7 | 83.3 | 16.7 | 83.3 |
| 2023 | 43.5 | 56.5 | 27.6 | 72.4 | 16.7 | 83.3 | 37.5 | 62.5 |

* The 'Gender distribution' as shown here corresponds to GRI disclosure 405-1.

** Managerial positions are roles where a person oversees the job functions of another person or a group of people. Managers also might oversee the operation of a specific function within a company. For example, an accounting manager might lead a team of six accountants, whereas a production manager might oversee otherwise unattended automated assembly lines.

*** These figures have been restated due to a change in the geographical scope and data collection process. The figures published in the Sustainability Report 2021 were 23.4 % and 76.6 % respectively.

HUBER+SUHNER is convinced that diversity is a key success factor and that different perspectives are an enriching and creative source. This helps to develop innovative products and better solutions for customers. As an attractive employer, HUBER+SUHNER promotes diversity, consistently advocates equal opportunities, and offers attractive and flexible workplaces for different work and life models.

Figure 11: Employees by region (HC)**Figure 12: Number of employees by employment type at year-end (headcount)**

Planned actions

Complementing the leadership journey at HUBER+SUHNER

As part of our commitment to being an attractive employer, HUBER+SUHNER is set to introduce new training modules to all leaders worldwide. The “Leading Myself” module focuses on increasing behavioral awareness, leveraging impact as a leader, and improving personal effectiveness. The “Leading Teams” module aims to build teams and leaders effectively while empowering them for success. Our goals are clearly defined:

- Strengthen our ability to perform in a dynamic business environment
- Put leadership principles into practice and foster the leadership culture at HUBER+SUHNER
- Provide hands-on tools for line managers (vertical lead) and project managers (lateral lead)
- Maintain a lean and focused training framework
- Achieve impact through a local footprint and targeted trainings

These initiatives underscore our commitment to enhancing technical skills and nurturing personal and team-oriented capabilities, creating an inspiring work environment, and supporting employees in their professional development.

Feel the employee pulse

Our employees' passion and ambition was also reflected in the 2022 employee survey conducted at all sites worldwide. The participation rate was remarkably high with 85 % and more than 3,600 employees took the opportunity to voice their opinions. To thrive in an ever-changing environment, the need to feel the employee pulse more frequently became obvious. HUBER+SUHNER will therefore increase the frequency of global employee surveys from every third year to every second year.

Move of our Taufkirchen office

The German location in Taufkirchen will move to Unterhaching in summer 2024. The new location in the greater Munich area is only a few hundred metres away. The move will also be used to introduce the shared desk and clean desk principles in the open office environment, which offers numerous meeting and retreat opportunities. Employees can look forward to a state-of-the-art working environment with a roof terrace, several meeting rooms and spacious and attractively designed employee kitchens to foster cross-functional collaboration.

Stories from around the globe

Anniversaries at various locations

Australia

At HUBER+SUHNER, we believe that celebrating successes is important for our team spirit. In Frenchs Forest, Australia, HUBER+SUHNER celebrated the 50th anniversary of the company's activities in August 2023. Half a century ago, HUBER+SUHNER expanded down under and opened its first fully owned and operated subsidiary in a small industrial unit in the Sydney area. We have both a factory and administration there and the site, which has been operating since 1973, is one of our oldest sites abroad.

Malaysia

One month later it was our Malaysia site's turn to celebrate its 25th anniversary within the HUBER+SUHNER Group; we have been present in Malaysia since 1998. In Petaling Jaya, Selangor, around 80 colleagues make an impact every day – in the factory and in the office. The organisation is combined with our Singapore office to manage sales for Malaysia and Southeast Asia in general. The local team covers most applications, especially strong in the Industry segment, namely test and measurement, running a medium-size production for radio frequency (RF) products. Malaysia can be considered as our centre of competence for semi-rigid RF assemblies.



80 colleagues at our site in Petaling Jaya, celebrated the 25th anniversary of HUBER+SUHNER Malaysia in 2023.

China



In March, customers, partners, suppliers, and employee representatives gathered at our Changzhou factory in China for the tenth anniversary themed "Connecting – today and beyond." As a symbolic act to acknowledge the positive development of the Changzhou factory and its future, CEO Urs Ryffel, local management, and other representatives attended the ceremony to ring in the next successful chapter for this site.

Team building at its best in India

HUBER+SUHNER India organised a lively team-building event with 150 employees at Ranthambore National Park in December 2023. The two-day trip included such activities as a jungle safari, a town hall meeting, cultural events, and team-building exercises. Our managing director in India acknowledged the 2023 achievements, addressed challenges and opportunities for 2024, and expressed gratitude for the team's dedication. With events like this, HUBER+SUHNER acknowledges the importance of a rich corporate culture and a strong team spirit.



150 team members in India went for a team-building event at the Ranthambore National Park to look back at 2023 and plan for 2024.

New production facility in Switzerland



The new state-of-the-art production site in Pfäffikon ZH, Witzberg. Its rooftop is equipped with 866 photovoltaic modules producing 355,000 kWh annually.

Celebrating new and established production locations In 2023, a state-of-the-art production environment with associated office workplaces and photovoltaic rooftop was created right on our doorstep in Pfäffikon ZH, Witzberg, Switzerland. The goal of the new two-storey building project was to concentrate the cable production. The new building is now home to multi-core and other cable production and has service bridges to the already existing buildings as well as 200 additional parking spaces. The investment in the new building is a clear commitment to Switzerland as a manufacturing base.

Best career management policy in Tunisia

HUBER+SUHNER Tunisia has proven its commitment to excellence by securing the national human resources (HR) prize for the “best career management policy” at the HR AWARDS Tunisia 2023. The award, organised by ARFORGHE and the Konrad Adenauer-Stiftung, marks the second consecutive win for HUBER+SUHNER Tunisia, showcasing our dedication to building an environment of professional growth and development. The recognition is a testament to the implementation of human resources practices with a focus on transparent communication, personalised career plans, extensive training opportunities, and an internal promotions and mobility programme.



Human rights and labour practices

As a globally active company, HUBER+SUHNER is obligated to respect and uphold human rights in the sphere of our influence. According to our Code of responsible business conduct, which is distributed to all employees, HUBER+SUHNER does not tolerate any form of child labour or forced labour and is committed to equal and non-discriminatory treatment of employees and their protection from harassment in the workplace. HUBER+SUHNER employees have the right to join a trade union of their choice within the framework of the applicable laws. Our Group companies have the choice to join collective bargaining in countries where this is common practice [1].

[1] See Code of responsible business conduct, p. 5 (E. Trade unions and collective bargaining)

Approach

The company constantly monitors that no form of child labour [2] or forced labour [3], according to the International Labour Organization (ILO) definition, is occurring at any of its sites of operation. Since June 2020, the company has been a member to the United Nations (UN) Global Compact adhering to its ten principles of which principles 1 through 6 are related to human rights and labour practices. (See "The Ten Principles of the UN Global Compact" [4]. In Switzerland, where almost one third of our workforce is based, we are a signatory of the Collective Employment Agreement (CEA) of the Mechanical and Electrical Engineering Industries. Furthermore, in our [Code of responsible business conduct](#) HUBER+SUHNER has committed to fully respecting human rights within its sphere of influence. The company does not tolerate any form of child labour or forced labour and is committed to equal and non-discriminatory treatment of employees and their protection from harassment in the workplace.

To increase the focus on compliance and the possibility for employees to anonymously raise concerns, we implemented a grievance mechanism in 2021 called Trustline. In July 2023, the secure SpeakUp® service also provided by the independent third party provider [SpeakUp](#) (formerly People Intouch) was launched for suppliers and other external stakeholders. Both mechanisms are accessible around the clock in several languages, online via a website or an application as well as by phone. The platform is accessible in all local languages of key HUBER+SUHNER countries.

Process to address a report

- An internal whistleblowing steering committee comprising representatives from Human Resources (HR), Legal, Compliance, and Sustainability will be notified via the SpeakUp® platform upon submission of a written or verbal (transcript) report
- The whistleblowing steering committee will meet within seven days of the receipt of the report to determine whether the concern qualifies as a misconduct falling under the [Code of responsible business conduct](#) or the [Supplier code of conduct](#) and whether to investigate further
- The submitter of the report will receive confirmation of receipt of his/her concern as well as a unique report number
- The whistleblowing steering committee will, after assessing the case, take further action and respond to the submitter via the platform
- At any time, the submitter can use the unique report number enquire about his/her case
- If the content of the report is substantiated further actions will be taken by the whistleblowing steering committee as appropriate and the submitter will be contacted and kept informed via the platform until the case is resolved and subsequently closed
- If the content of the report is not substantiated, the case will be closed

This anonymous means of reporting potential breaches is available in addition to the possibility of directly reaching out to superiors, country managing directors, the general counsel, or local HR business partners.

[2] See ILO: <https://www.ilo.org/ipecc/facts/lang--en/index.htm>

[3] See ILO: <https://www.ilo.org/global/topics/forced-labour/definition/lang--en/index.htm>

[4] See UN Global Compact: <https://www.unglobalcompact.org/what-is-gc/mission/principles>

Objectives

The objective is to have zero human rights or labour practices non-compliances. We encourage our employees to report any observations via our independent and secure [SpeakUp®](#) whistleblowing system

Progress

To further sensitise employees to human rights and labour practices risks and to identify potential non-compliance, in 2023 all office employees underwent a procurement due diligence training, which focused on specific risks as well as corresponding remediation actions if non-compliance is identified. In the reporting year 2023, one cases was reported in the area of labour practices infringements via our whistleblower platform (see also [Compliance and business ethics](#)).

Planned actions

We will continue to focus on sensitising our employees to human rights and labour practices by:

- Further tracking potential risks according to specific KPIs
- Continuously training and sensitising our employees about human rights and labour practices risks
- Continuing to introduce Trustline as part of our global employee onboarding process

Occupational health and safety

As a manufacturing company, HUBER+SUHNER regards employees' occupational health and safety (OH&S) as a priority and a material topic. We have a global Health and Safety Policy and apply the principles established by the International Labour Organization (ILO). HUBER+SUHNER strives proactively to prevent employees from having accidents at work and leisure, as well as from developing occupational diseases and their consequences.

Approach

Occupational health and safety management

HUBER+SUHNER ensures OH&S through strict adherence to local laws and regulations and to three global processes that were introduced at the end of 2020 and subsequently rolled out. Our [global Health and Safety Policy](#) is applied throughout our operations. Every plant has health and safety officers on duty to conduct regular trainings and walk-throughs which sensitise employees to both work-related hazards and health-related topics in general. With the participation and consultation of workers, we are able to identify hazards and assess workplace risks and seize opportunities early on in order to eliminate hazards before they become incidents.

Safe and legally compliant handling of hazardous material

To protect our employees as well as the environment when handling hazardous materials, we:

- Comply with all applicable laws and regulations in the respective countries
- Ensure that manufacturers and importers of hazardous materials provide information and instructions for safe handling, including the Globally Harmonized System of Classification and Labelling of Chemicals (GHS) hazard pictograms, hazard statements, and precautionary statements
- Request the safety data sheet [\[1\]](#) (SDS) from the supplier, preferably in the local language. The sites' environmental health and safety (EHS) specialists must ensure that SDSs for all chemicals used are filed in such a way that they are easily understandable and accessible to all affected employees.

Guiding principles when handling hazardous materials

To constantly minimise risks associated with the handling of hazardous materials, we adhere to the following principles:

- If possible, replace hazardous materials with non-hazardous ones
- Keep hazardous materials stock as low as possible
- Strictly observe manufacturers' instructions on packaging and SDS, ensure translations into local languages, and train operators
- Organise warehouses in a legally compliant manner (containers, infrastructures, separated storage, stock list, etc.)
- Provide workers with personal protective equipment and ensure it is correctly worn
- For new purchase orders, ensure the most recent SDS is provided/downloaded from the supplier's website
- Check SDS for updates/changes and inform affected employees accordingly.

A global action plan and process board

The company has developed a global action plan to ensure globally aligned OH&S management.

All sites with production and/or warehousing activities are required to establish and maintain an OH&S management system. Internal audits continuously verify the effectiveness and efficiency of the OH&S processes and system, which are aligned with the requirements defined under ISO 45001.

Currently, only our production sites in Changzhou and Shanghai, China, are TÜV SÜD-certified according to ISO 45001 and underwent a recertification in 2023. Our mid-term ambition is however to have all major production sites certified according to ISO 45001.

In 2023, the Global OH&S Process Board, established in 2022, continued its work with a focus on more proactive approaches and professional practises. Annual OH&S targets, along with detailed management programmes, were set for all sites. These are regularly monitored to track the O&HS performance and to proactively identify and control hazards to improve incident and injury prevention. Special attention was paid to adapting management processes to identify and mitigate any potential hazards.

We monitor our performance according to three key figures:

- The absence rate due to sickness
- The lost-time injury rate
- The lost-time injury severity rate
- Fatalities

[1] Also called Material Safety Data Sheet (MSDS) or Product Safety Data Sheet (PSDS)

Objectives

We want to continue to ensure our employees' OH&S with the following objectives:

- We continue to work on lowering our lost-time injury rate per 1 million hours worked
- We aim to be below the Swiss manufacturing sector's average absence rate
- We continue to work on lowering our lost-time injury frequency rate in production
- We want to pursue a zero work-related fatalities target

Progress

Absence rate

In 2023, the absence rate due to sickness [2] was 3.9 % (PY 4.0 %). For comparison: in the Swiss manufacturing sector, the absence rate was 4.0 in 2022 (most recent available statistics). [3]

3.9%

absence rate due to sickness

Lost-time injury frequency rate ✓

The lost-time injury frequency rate [4] for our employees in production (according to GRI disclosure 403-9) stayed at 4.1 in 2023 (PY 4.1), with ten sites reporting zero lost-time injuries.

Data and targets related to lost-time injuries are published only for direct and indirect production employees, as lost-time injuries among office employees are very rare and would skew the published figures.

4.1 ✓

lost-time injury frequency rate in production

Table 6: Lost-time injury frequency rate

| Year | Lost-time injuries | Number of hours worked in production | Lost-time injury frequency rate ✓ |
|------|--------------------|--------------------------------------|-----------------------------------|
| 2020 | 25 | 6 127 312 | 4.1 |
| 2021 | 28 | 5 582 078 | 5.0 |
| 2022 | 24 | 5 908 505 | 4.1 |
| 2023 | 22 | 5 371 050 | 4.1 |

Lost time injury severity rate: The lost-time injury severity rate [5] (in production and warehouses) was recorded for the third time. It showed 16 lost working days per lost-time injury (PY 16.8).

Fatalities: No work-related fatalities were recorded during the reporting period.

[2] Number of absence hours due to sickness divided by the planned working time (in hours)

[3] Source: [Swiss Federal Statistical Office](#)

[4] Lost-time injury: any injury sustained by an employee while on the job that prevents them from being able to perform their job for at least one day/shift; lost-time injury rate: the number of lost-time injuries that occurred during the reporting period per 1 million hours worked by production employees.

[5] The lost-time injury severity rate was calculated by dividing the number of lost working days by the number of lost-time injuries.

Planned actions

In 2024, we want to focus on the following actions to further promote and maintain our performance in occupational health and safety:

- Promote and address organisational health and safety topics with all employees globally
- Continue to organise regular trainings to raise awareness and understanding about work-related health and safety topics
- Ensure state of the art protective equipment for all production employees
- Encourage health initiatives and check-ups across the whole organisation

Stories from around the globe

Awareness campaigns

In China, India, Malaysia, Poland, Switzerland, Tunisia, and the United States, we organise health and safety campaigns and health check-ups (diabetes, breast and cervical cancer, spine health). To maintain and increase health, sports activities including yoga, Jom.Fit, and running events, and seminars about healthy nutrition are organised. Some locations also provide our employees with fruit baskets at work.



Our colleagues in Malaysia have been participating in the Jom.Fit fitness programme and organised nutrition workshops, aiming to adopt healthy habits such as regular exercises and a balanced diet to minimise the risk of cardiovascular diseases.

Safety trainings



In India and Switzerland, we raise awareness about health and safety by joining team events such as the road safety "[Honda Manesar half marathon](#)" and our "[Bike to Work](#)" participation.

Fire and first-aid emergency drills and trainings are conducted regularly in China, India, Mexico, Poland, Switzerland, and the United Kingdom.

Read our [blog post](#) on mental health in the workplace on the occasion of World Mental Health Day 2023.

We are fully committed to prevent incidents on the shop floor. HUBER+SUHNER India is organising quarterly safety weeks to support our goal of a "zero incident company".

Customer relations

The success of HUBER+SUHNER is directly linked to our ability to cultivate mutually beneficial and trusting relationships with our customers. In 2023, HUBER+SUHNER served a base of approximately 4,500 buying customers. However, the major proportion of our sales is linked to key customers with whom the Group has established long-term relationships. Customer relations at HUBER+SUHNER are structured along the company's three market segments – Industry, Communication, and Transportation – with dedicated sales teams in key countries and around 400 sales employees.

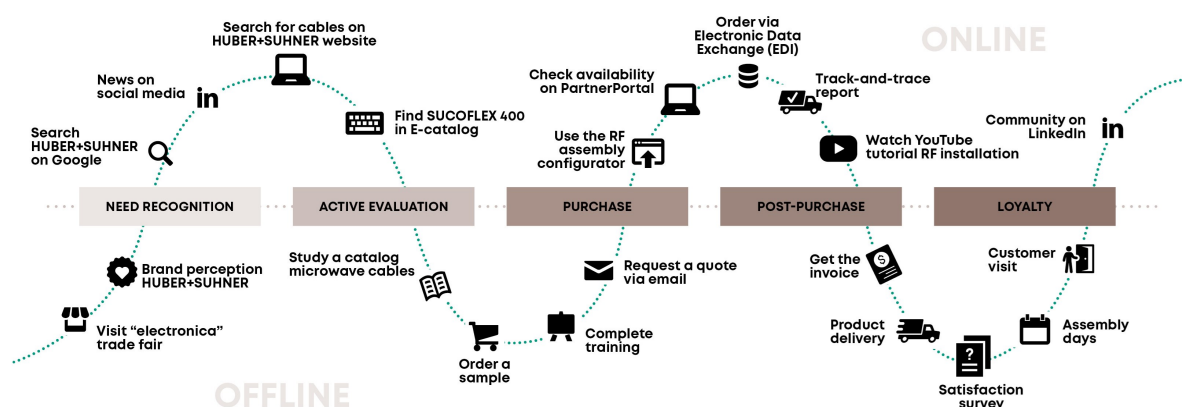
Approach

Driving a seamless customer experience

Offering a valuable customer experience is key for growth (see figure 13: Customer experience journey). Taking the pulse of customers at decisive moments allows HUBER+SUHNER to consistently understand, follow, improve, and own all the touchpoints (e.g. during an online search, when receiving the company's response to a request, when using our products, or when interacting with the company in the event of a complaint).

HUBER+SUHNER must be a competent engineering, logistics, and supply chain partner, constantly innovating and looking for highly customised solutions. Our focus on data collection and the evaluation process for an outstanding customer experience has been further developed through a new way of measuring the pulse according to twelve monthly touchpoints. After the go-live of our new website and e-commerce platform in November 2023, we will further expand our measurements of customer satisfaction for the digital channels in 2024.

Figure 13: Customer experience journey



Personal interactions remain paramount

Personal contact is crucial to building and maintaining close relationships with customers. They typically are assigned a single point of contact at HUBER+SUHNER for all their needs. Key customers are assigned a representative from executive management to encourage exchange and mutual trust with top management. Initial feedback shows the further improvement of customer proximity on the executive level.

Regulatory and sustainability requirements

As a business-to-business (B2B) company, HUBER+SUHNER must comply with regulatory and legal requirements. Therefore, we must be able to anticipate any developments at an early stage in order to develop our products accordingly. Detailed and transparent product information and labelling are therefore key to HUBER+SUHNER. The company also ensures compliance with standards and regulations such as registration, evaluation, authorisation and restriction of chemicals (REACH) and restriction of hazardous substances (RoHS).

By actively managing our focus on sustainability and constantly working to enhance our sustainability performance, HUBER+SUHNER also contributes to customers' sustainability, which positions us as a valuable partner beyond technical expertise and product quality. Due to the sharp rise of sustainability regulations in Switzerland and Europe, we have seen an increasing number of customers requesting information about our sustainability performance and impact. We communicate our performance via recognized platforms such as CDP, EcoVadis, and IntegrityNext.

Product-specific disclosures about per- and polyfluorinated substances (PFAS)

HUBER+SUHNER established an internal task force to monitor regulatory updates concerning PFAS restrictions. We have started a thorough assessment of our current product lines to identify any components or materials containing PFAS compounds. Collaborating closely with our suppliers and industry partners, we are exploring PFAS-free material perspectives. Additionally, we actively participate in the public consultation regarding the European Chemicals Agency (ECHA) PFAS proposal.

Objectives

To further create a seamless customer experience and to continue to create mutually beneficial and trusting relationships, our objectives are to:

- Aim for 90 days to close a customer complaint
- Further build trust as a secure and professional partner for customers
- Cooperate with customers on specific applications and business cases
- Expand our customer base
- Closely monitor customers' expectations regarding sustainability
- Continue to contribute to disclose our sustainability performance via mentioned platforms and reaching above-average performance

Progress

One of the indicators we measure is the average number of days until a customer complaint is closed. In 2023, the duration to closure of a complaint remained stable. Focusing on the full customer experience will help HUBER+SUHNER to gain a more holistic view beyond pure customer satisfaction.

Planned actions

To continue the creation of a seamless customer experience, our planned actions for 2024 and beyond include:

- Reducing the number of customer complaints by at least 5 %
- Initiating product carbon footprint (PCF) analysis in 2024
- Continuing the European Chemicals Agency's (ECHA) assessment of PFAS which is anticipated to extend until June 2024. Following this, we will acquire further details regarding the impending restriction, which will enable us to establish transparent communication with our customers about PFAS

Stories from around the globe

Sustainability supplier award from Airbus

On 7 March 2023, HUBER+SUHNER received a supplier sustainability award at the Airbus electrical standard parts supplier event in Toulouse. We have been providing radio frequency (RF) interconnectivity technologies to Airbus for more than a decade, supporting major developments in its existing and future commercial fleet.

Read more in the [media release](#).



Community involvement and development

In assessing the material issues, the Executive Group Management has made community involvement and development one of three focus topics. Community involvement and development stands out due to its many aspects which have the common goal of achieving a positive impact everywhere we operate. For HUBER+SUHNER, this includes the promotion of education, culture, and sports, as well as support for groups at the edge of social and/or workplace exclusion. Open, honest, and fair interactions with local and regional administrative authorities and other organisations such as schools, universities, and charitable organisations, are also part of this broad topic. The company's direct investments globally and via its foundation for projects in education, the environment, culture, sports, and for disadvantaged groups can take the form of donations in cash or in kind, as well as vocational training positions or support for employees in their engagement through voluntary work within the community.

Approach

Country organisations are responsible for their community involvement and development activities according to the local setting, needs, and possibilities. The local teams from various departments select and execute projects according to our globally binding [Community involvement and development guidelines](#). Outcomes are shared quarterly within our organisation to promote different successful projects so they can be implemented in varying forms on other locations if possible and appropriate.

In 2022, HUBER+SUHNER for the first time coordinated various actions from Europe to the United States to support Ukrainian people and refugees in a three-step approach: [involve, welcome, and integrate](#). This included volunteering time and goods, financial donations, housing, and workplace integration. It was the first initiative where several countries joined together for one cause.

In November and December 2023, country organisations from across the world joined the initiative with locally adapted activities to support organisations which help underprivileged groups. This will be continued.

Objectives

As of the 2022 financial year, HUBER+SUHNER is investing a total of 0.5 % of budgeted earnings before interest and taxes (EBIT), or at least CHF 500,000, for the support and initiation of projects. The funds are provided from the operating business as well as from the HUBER+SUHNER Foundation.

With this focus topic, the goal is not only to support the communities where we operate, but to increase employee motivation and engagement beyond our daily business operations. The spirit of giving reflects a deep sense of stewardship and our compassion for people. These are crucial traits in everyday life, in business, and beyond. For HUBER+SUHNER this shapes our culture and is one of many ways we live and cultivate our five values:

- Care
- Trust
- Passion
- Accountability
- Transparency.

HUBER+SUHNER will continue its exchange and sharing of best practices among our country sustainability representatives on a quarterly basis to align activities and further increase employee engagement and our relationships with local community members and organisations. Our ambition is to build strong ties and foster a mutual understanding of social and environmental risks and opportunities.

Progress

Country organisations

In 2023, we supported 211 community involvement and development projects (PY 173) through the engagement of 79 % of HUBER+SUHNER Group companies (PY 67 %). This equalled a financial investment of CHF 515,000. Despite the lower absolute investment, we remain on track and were able to support more projects than in previous years.

In 2023, we organised for the first time a joint [holiday season activity](#) to support underprivileged groups, with the participation of employees in Australia, Costa Rica, India, Poland, Switzerland, the United Kingdom, and the United States to donate goods, toys, food, or money to select organisations. India took the occasion of Diwali – the festival of lights – to hold [various events](#), including stall sells from local pottery craftsman and artwork from a school, as well as conducting a clothing, toy, and book drive for underprivileged people in the vicinity of our offices.

211

projects supported for community involvement and development

At the end of 2022, HUBER+SUHNER published its globally binding [guidelines](#) on the topic of community involvement and development. As of the 2022 financial year, HUBER+SUHNER has a total of 0.5 % of budgeted earnings before interest and taxes (EBIT), or at least CHF 500,000, available for the support and initiation of projects. The funds will be provided from the operating business as well as from the HUBER+SUHNER Foundation.

515,000_{CHF}

spent for community involvement and development projects

Table 7: Community involvement and development

| Year | Investment in CHF | Number of projects | Proportion of country organisations |
|-------|-------------------|--------------------|-------------------------------------|
| 2020 | 333 000 | 118 | 56% |
| 2021 | 459 000 | 104 | 53% |
| 2022* | 579 000 | 173 | 67% |
| 2023 | 515 000 | 211 | 79% |

*Since the easing of pandemic-related measures in 2022, our community development activities have increased significantly.

HUBER+SUHNER Foundation

The HUBER+SUHNER Foundation in Switzerland, established in 1947, is another important channel to support our own employees as well as projects by non-profit organisations in the vicinity of the Herisau and Pfäffikon ZH offices and production sites. The Foundation's mission is to fund select social, cultural, and sports projects.

After a couple of years where the global Covid-19 pandemic had halted or postponed some projects which were funded in 2020 already, the number applications and funded projects has increased again since 2022.

Two of the projects are described in more detail in our "Highlights from around the globe" section.

Table 8: HUBER+SUHNER Foundation projects

| Year | Number of projects |
|------|--------------------|
| 2020 | 105 |
| 2021 | 86 |
| 2022 | 142 |
| 2023 | 145 |

Planned actions

Country initiatives

Going forward, we want to further collaborate and engage with the communities where HUBER+SUHNER has office and/or production sites in a strategic manner and according to our [Community involvement and development guidelines](#). We are committed to the social and environmental well-being and improvement of our surrounding communities. We will:

- Through the HUBER+SUHNER Foundation, operating in Switzerland only, and with our country organisations, invest at least 0.5 % of the budgeted earnings before interest and taxes (EBIT) or CHF 500,000, whichever is higher, into community development projects
- Continue to encourage our employees, where possible, to support projects by donating their time, know-how, funds, or goods
- Identify a global community engagement and development project as this is one of our three focus topics, where all countries can contribute to one bigger cause
- Define and implement additional processes to measure the effectiveness and outcome of our community involvement and development activities.

Stories from around the globe

China charity bazaar

In China, a charity bazaar was organised in May with the support of a variety of employee donations. A total of RMB 5,200 was raised and doubled with a company donation to RMB 10,400. The “Cheer for Mulan Foundation”, which provides free education and medical support to underprivileged women in rural areas, received the funds for its important work.



Our colleagues set up a charity bazaar to support the “Cheer for Mulan Foundation”.



Children of our employees in Mainz (Cube Optics), are being introduced to the interesting world of bees and honey.

Germany is adding more beehives

For the past couple of years, our colleagues at HUBER+SUHNE Cube Optics AG in Mainz have become bee experts. Starting with one hive, they now have a total of four beehives with: the ZomBees, FrisBees, GarBees, and CuBees. The impressive amount of 60 kg honey was harvested in 2023 thanks to colleagues who have become the beekeepers and form the “Imker AG”. The honey is offered to visitors, given to the bee caretakers and sold to other employees to fund the project. Employees’ children were invited to witness the [harvesting process](#) this year and learn about the fascinating world of bees.

India continues to fiberise rural villages and their schools

HUBER+SUHNER in India continues with its fiberisation project by empowering rural schools and their pupils with internet. The country's rural areas often lack the necessary infrastructure for reliable internet connectivity, such as broadband networks, cell towers, and power supply. Since 2022, HUBER+SUHNER in India has brought high-speed internet access to approximately 2,200 village schools. Students and teachers can expand their knowledge and digital tools, thanks to our teams' engagement beyond business.



One of the teachers in a rural school that is now connected to the internet thanks to HUBER+SUHNER India.



Our recycling room at our premises in Malaysia, where employees can hand-in personal waste such as paper, plastic and metals.

Malaysia encourages employees to recycle

Since March 2021, our team in Malaysia has been running a recycling project. Employees can bring their recyclable waste such as paper, plastic, and metals from home to the office premises as there is limited public recycling infrastructure available. In May 2023, a next step was taken with the inauguration of a recycling room infrastructure. The collected recyclable waste is handed over to a recycling center, run by the Malaysian arm of the charitable "Tzu Chi" organisation with its focus on charity, medicine, education, and humanist culture. At the foundation's recycling center, recyclable waste is sorted for reuse or disposal. All proceeds from the sale of the reusable materials are invested in, among others, the non-governmental charity for medical care and environmental protection. In 2023, 2,919 kg of waste were recycled (PY 530 kg). Over the past three years, a total of 6,000 kg waste could be recycled thanks to the project.

Mexico goods drive for a school and an elderly home

The team in Mexico got together and held a drive of goods including hygiene items and clothing for “Nuestra Señora del Rosario”, a nursing home for the elderly in Empalme, where our production site is located. Additionally, lamps, office furniture, and workshop accessories were donated to the local “Conalep technical school”.



Employees in Mexico handing over collected goods for an elderly home and used furniture for a local school.



Thinking of people in need is important for our colleagues in Tunisia on various occasions.

Tunisia thought of others during Ramadan and “World Blood Donor Day”

During the holy month of Ramadan, our colleagues in Tunisia came together with donations of basic foods for families in need. On 13 June, World Blood Donor Day, our employees were welcomed by a medical team from Work Medicine Complex to make it is easy to donate blood and ultimately save lives.

United Kingdom raised money for people with cancer

In the UK, our team in Bicester supported the Hummingbird Cancer Support Group charity with a donation of £ 2,000. The organisation provides mental support to cancer patients and their family members.





Our team from Charlotte which participated in the "PanCan Purple Stride Run 2023" to support their colleague.

Our team in Charlotte (USA) connected for a cure

Employees of HUBER+SUHNER Inc. in Charlotte, United States, in April joined the "[PanCan \(Pancreatic Cancer\) Purple Stride Run 2023](#)" as team "Connecting for a Cure." One of our colleagues was diagnosed with pancreatic cancer and the team ran in to support him and to raise awareness. They raised USD 12,754, exceeding the targeted goal of USD 10,000, to fund vital research for new treatments.

Astrolab employees in Warren (USA)

Together with "United Way", some colleagues of the team in Warren, United States, rolled up their sleeves and stuffed back-to-school backpacks with goods donated by their co-workers.

A donation drive was held in August, when our employees collected baby wipes, diapers, and other hygiene items for the "Moms Helping Moms".



Warren employees during the collection and packaging of goods for "United Way" and "Moms helping Moms".

The HUBER+SUHNER Foundation in Switzerland – select projects



The new leisure spaces for the residents of the Wagerenhof Foundation which have already been inaugurated.

Wagerenhof Foundation

"[Wagerenhof](#)," a foundation and center of competency and service, for over 100 years has provided housing, care, work, and leisure activities for adults with a cognitive impairment and their families. The organisation supports 250 people and offers 52 specialised jobs in a protected but inclusive environment so that all participants can enjoy high quality of life.

Wagerenhof residents were missing spaces where they could spend time together chatting, playing computer games, relaxing on a sofa, have a drink at the bar, dancing, and celebrating birthdays and other events. Additionally, the area was envisioned to allow for quiet time reading or listening to audio books or CDs. And very importantly: they had wanted a kitchen so they could cook and enjoy food together. The final outcome of the project is all of this and more. The Wagerenhof team also got a library that includes an aquarium and a cinema. Since November 2023, the "King's Kitchen" has offered weekly cooking events for and with Wagerenhof residents. The HUBER+SUHNER Foundation contributed to the new spaces with a substantial donation.

Werkheim Uster

Around 285 people with cognitive impairments live and work in the "[Werkheim Uster](#)". The organisation's goal is to promote equality and a self-determined lifestyle for its residents, ensuring that people with disabilities can actively participate in society.

With its Mehrwerk (meaning more work) services, the Werkheim Uster stands for more collaboration, more possibilities, more inclusion, more independence, and more capabilities for residents. Different Werkheim Uster teams as well as local companies share a common workspace at the Mehrwerk. The vision is that employees with and without impairment work together on equal terms and on an equal footing. In total, 75 employees and 12 specialised staff work at Mehrwerk and an additional 50 people work for the companies renting Mehrwerk spaces.

A next step was the [Mehrwerk Gastronomy](#), through which a range of fresh and seasonal foods and beverages could be served during breaks and lunch for Mehrwerk employees and tenant companies, as well as the neighbouring companies.



The barrier-free water dispenser in the new canteen for which the HUBER+SUHNER Foundation donated the filtrations system.

The contemporary new cafeteria will serve as a meeting place and supports inclusion and diversity. Mehrwerk Gastronomy also expands the range of service offerings and increases the collaboration of Werkheim Uster employees with the neighbouring commercial center and its companies. The HUBER+SUHNER Foundation supported the Mehrwerk Gastronomy with a donation for the purchase of the filtration system for its barrier-free, sustainable water dispenser. The Mehrwerk employees with cognitive or physical impairments have access to the water dispenser at any time. The robust, user-friendly system boasts illuminated sensor buttons with pictograms and easy-to-access panels that can be mounted at various heights, making it the perfect choice for the Mehrwerk team.

Governance

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Introduction governance

At HUBER+SUHNER, we are committed to a visible culture of integrity, ethics and compliance. This chapter provides an overview of how we established the guiding principles through our group-wide compliance programmes. It illustrates how we raise awareness for potential compliance issues and create a culture of transparency by encouraging internal and external stakeholders to report potential misconduct.

Governance - Performance 2023 at a glance

Cases of violation of the
Code of responsible
business conduct

1

Direct spend done
with suppliers that
completed the
sustainability assessment

%

79

Compliance and business ethics

Compliance is a fundamental prerequisite for value-driven and ethical business conduct. This applies to both the workplace and when doing business. As a global player exposed to numerous potential risks, HUBER+SUHNER seeks to promote a visible culture of integrity, ethics, and compliance which is built on the HUBER+SUHNER group-wide Code of responsible business conduct. Our compliance program safeguards us against potential reputational, financial and legal damage resulting from non-compliance or unethical business conduct.

Approach

Compliance at HUBER+SUHNER is about living the company's values and speaking up if we witness or suspect unethical behavior or any non-compliance with the [Code of responsible business conduct](#). We follow various approaches in ensuring ethical business conduct.

Our Code of responsible business conduct

Published in six languages, our Code of responsible business conduct lays out important principles on how we conduct our business in a responsible manner and is the guiding document for every employee of the HUBER+SUHNER Group as well as for all stakeholders which enter into relationships with our organisation. In 2022, HUBER+SUHNER launched a [Supplier code of conduct](#) in line with the Code of responsible business conduct, which addresses more in depth required sustainability standards. The Supplier code of conduct is also published in six languages. For certain matters, specific guidelines with more detailed information and instructions have been issued. Aligned with the code's principles and obligations, HUBER+SUHNER has established a group-wide compliance program, which specifies our policies and guidelines, procedures, and actions within a defined process to help prevent risks and detect potential violations.

Our compliance programme

Overall responsibility for implementation of the corporate compliance program has been assigned by the Board of Directors to the chief financial officer (CFO), who in this function vests the position of group compliance officer. The group compliance officer, with the support of the general counsel, is tasked with continuously improving the compliance program through a set of measurements such as:

- Overseeing the global compliance reporting
- Compliance risk identification and mitigation
- Issuing group-wide compliance rules and guidelines
- Executing annual compliance risk assessment and adaptation of compliance map
- Compliance reporting to the Board of Directors
- Defining the annual Group compliance focus and subsequent actions including trainings
- Mandating or conducting internal and/or external audits regarding actual or suspected violations

The group compliance officer has the power to veto business transactions that jeopardise the Group's reputation as a result of threatened or existing infringements of the Code of responsible business conduct. However, the final decision about execution lies with the CEO.

Twice annually, the group compliance officer meets with the area compliance officers who are responsible to ensure compliance within the Group. The area compliance officers make sure that a top-down implementation of control measures is guaranteed by country managing directors and line managers, and is reflected in the management system of HUBER+SUHNER. The country managing director and line managers are required to inform area compliance officers about any suspected or actual non-compliance or emerging topics for assessment and subsequent actions.

Through close cooperation with the global head of procurement, the supply chain's adherence to our standards is ensured.

Our annual compliance report

An annual compliance report, which is part of the risk report, was submitted to the group compliance officer for presentation to the Board of Directors in December. The report includes the bottom-up information provided by the area compliance officers, the findings of the other reporting tools such as our internal and external grievance mechanisms, management reviews and internal quality audit reports.

Our grievance mechanism

In 2021, HUBER+SUHNER implemented an independent and secure whistleblowing platform provided by a third party. The platform offers all employees worldwide, including temporary staff, apprentices and trainees, an additional reporting channel to easily raise alleged violations or breaches of the Code of responsible business conduct by phone or in writing. The whistleblowing platform can be accessed around the clock. It is available in several languages, and reports can be submitted anonymously. The company has developed guidelines encourage employees to voice their concerns about suspected misconduct within HUBER+SUHNER or in connection with the company's business relationships with respect to the principles set out in the Code of responsible business conduct.

Compliance training for employees

On a yearly basis, one compliance topic is defined according to its relevance and timeliness for an online compliance training. For office employees, topics like anti-bribery, conflict of interest, and non-competition are regularly addressed. Additionally, an online onboarding compliance training – developed specifically for HUBER+SUHNER – is available in seven languages and all employees working in office environments are asked to complete the interactive online course within the first 90 days of their employment with the company as part of their orientation training programme. Employees working at our manufacturing facilities have daily meetings with shift leaders where the topic of compliance in their sphere of influence is included on a regular basis.

Data privacy and cyber security

Safeguarding our customers' and employees' data as well as data critical to our operations is a key concern for HUBER+SUHNER. We are taking decisive action to mitigate the risks of cyberattacks and proactively answer potential threats. In addition to training our employees, constant cyber security awareness monitoring allows us to understand our risk exposure and define follow-up actions where necessary. Our susceptibility rate to phishing simulations is significantly lower than the industry average.

Objectives

HUBER+SUHNER commits to visible culture of integrity, ethics, and compliance which is built on our group-wide Code of responsible business conduct. Our compliance programme, which specifies the organisation's policies and guidelines, procedures, and actions within a defined process, helps prevent risks and detect potential violations.

Progress

To continuously strengthen our corporate compliance programme and ensure continuous commitment from our employees, actions in 2023 included:

96.5%

of office and indirect production employees globally completed the online compliance training on supply chain due diligence

- Thorough supply chain due diligence training for all of our office staff as well as production employees with access to desktop/laptops
- Opening the Trustline, the independent and secure whistleblowing platform, provided by a third party, for non-employees to also provide a grievance-reporting mechanism for workers in our supply chain and all stakeholders
- Expanding and strengthening our compliance risk assessment process
- Testing the risks of cyberattacks, an external company simulated an attack against HUBER+SUHNER, with results showing our good level of protection against cyber criminals
- Integrating sustainability as an additional pillar within our compliance system

In 2023, one violation which substantiated was reported related to the Code of responsible business conduct via the whistleblowing platform. Employees and other stakeholders can also use other reporting channel or sources (immediate or next line manager, human resources manager, local compliance officer, or local external service provider) to raise any non-compliance issues.

1

case of violation of the Code of responsible business conduct

Planned actions

To ensure an active culture of compliance, key actions for the year 2024 will include:

- Continued monitoring of compliance requirements in countries where HUBER+SUHNER operates
- Developing a compliance system to more holistically monitor cyber security and data protection compliance obligations
- Strengthening our supply chain due diligence process
- Continuous compliance training of all employees

Responsible supply chains

At HUBER+SUHNER, over 50 % of turnover is used for procurement. Based on the resulting material environmental and social impact, we aim to ensure that production materials are sourced only from qualified suppliers, guaranteeing high environmental and social standards. We promote the “regional for regional” approach to strengthen local supplier relationships and ensure short supply chain routes whenever feasible. Actively managing social and environmental risks in our supply chain enables us to meet growing regulatory and market expectations – including from the Swiss Ordinance on Due Diligence and Transparency in Relation to Minerals and Metal from Conflict-Affected Areas and Child Labour (DDTrO) – to conduct supplier due diligence.

Approach

In 2023, HUBER+SUHNER introduced a multi-step supplier sustainability due diligence process for both new and existing suppliers in direct material categories. Going beyond the requirements defined by the DDTrO, suppliers with at least a medium sustainability risk need to show that they uphold relevant sustainability standards in the following areas: human rights and labour practices (including child labour), occupational health and safety, responsible sourcing, environmental protection and climate change mitigation, and fair operating practices. The [Supplier code of conduct](#) launched at the end of 2022 lays out the principles and standards we expect our supply chain to follow. Our Global Sourcing team leads the supplier engagement process and has updated our procurement policies accordingly.

New suppliers are required to complete nine different self-assessment questionnaires provided by an established platform as part of the qualification process. They are also required to confirm compliance with the HUBER+SUHNER Supplier Code of Conduct. For our existing suppliers, we conduct risk screenings, where both high-and medium-risk suppliers are asked to complete a self-assessment. Where the self-assessments show non-compliance for eight core sustainability risks, suppliers are required to collaborate to improve their sustainability performance.

Any form of misconduct, including in our supply chain, may be reported through our independent and secure whistleblowing platform, which is available free of cost in several languages.

In our production, HUBER+SUHNER processes the conflict minerals tin and gold. In this regard, the company is mapping its supply chain using the [Conflict Minerals Reporting Template \(CMRT\) of the Responsible Minerals Initiative](#). The most recent version of the CMRT is publicly available on the HUBER+SUHNER website.

Objectives

The objective was to assess 75 % of our production material spend through our due-diligence platform by the end of 2023. We also aim to procure according to the “regional for regional” model to strengthen local supplier relationships and ensure short supply chain routes whenever possible.

Progress

HUBER+SUHNER purchased more than 22,775 different items from roughly 1,644 active production material suppliers located in 40 sourcing countries in 2023. Between 90 % and 96 % of the suppliers were in the same region as the receiving site of HUBER+SUHNER.

Table 9: Regional supply* by region 2023

| Region | Share of purchasing expenditure with regional suppliers |
|----------|---|
| AMERICAS | 94% |
| APAC | 96% |
| EMEA | 90% |

* Suppliers who are in the same region as the receiving site of HUBER+SUHNER

In 2023, HUBER+SUHNER updated its global sourcing process to align with applicable sustainability due diligence obligations. This also involved incorporating additional sustainability criteria into our evaluation of new and existing suppliers. We delivered a tailored training to our global sourcing team and provided training on due diligence processes to our staff globally.

We are pleased to report that our global spending with suppliers, who have undergone sustainability assessments, not only stayed on course but exceeded our target.

79%

direct spend done with suppliers that completed the sustainability assessment

Based on our assessments, as outlined in our [approach](#) outlined above, there are currently no reasonable grounds to suspect child labour, nor that metals and minerals originate from conflict-affected or high-risk areas.

Table 10: Share of direct spend with suppliers that have registered for the sustainability assessment

| Year | Share of direct spend |
|------|-----------------------|
| 2022 | 70%* |
| 2023 | 93% |

*In our previous report for the year 2022, there was an error in which we inaccurately stated that 70 % of our direct spend was conducted with suppliers who had completed the sustainability assessment. This statement has been corrected here.

Planned actions

We want to continue our efforts to collaborate with our suppliers in promoting responsible supply chains. Key actions in 2024 include:

- Continue to onboard suppliers to onboard critical suppliers, including indirect spend, on our due-diligence platform
- Review and update due-diligence processes, where necessary
- Extend the supplier engagement program to collect primary CO2 data for purchased goods and services
- Continue training the sourcing team on sustainability-related matters

Addendum

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ADDENDUM 1: SCOPE AND METHODOLOGY

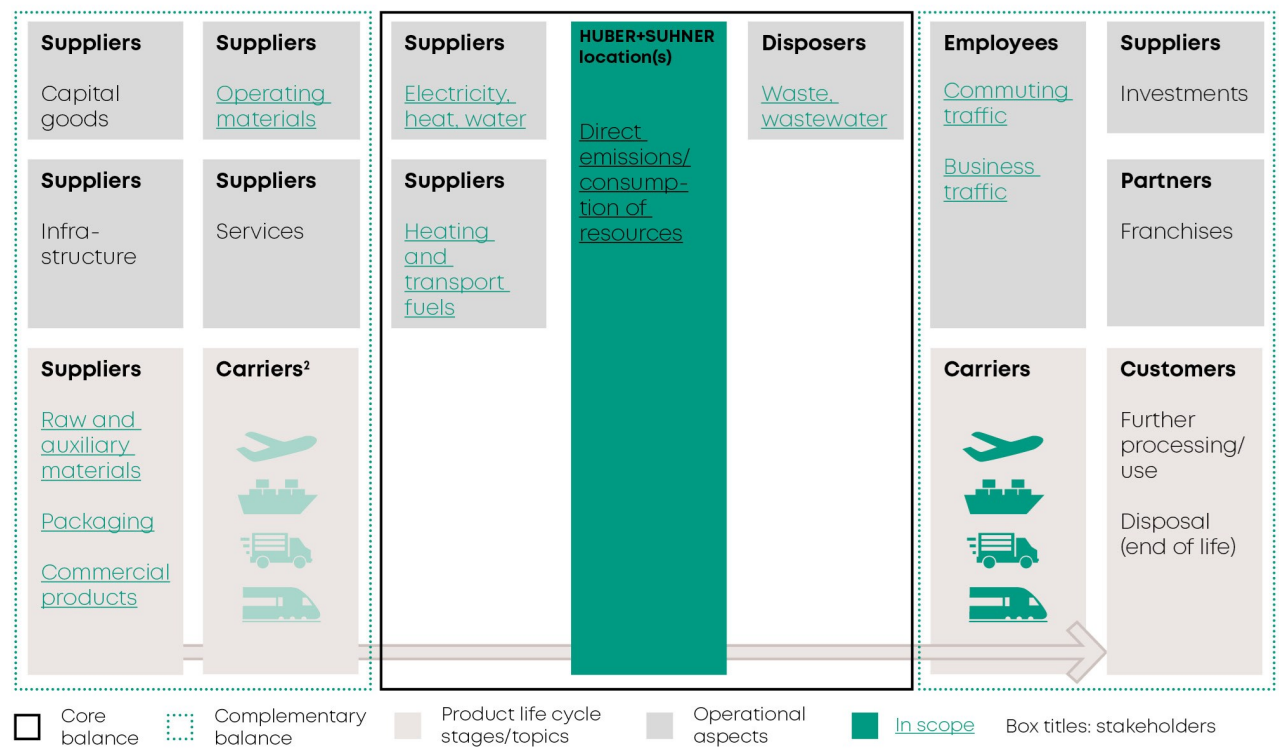
Direct emissions and the consumption of resources as well as electricity, heat, water, heating and transport fuels, and waste and wastewater (core balance) are in scope of the life cycle assessment (LCA) as are raw, auxiliary, operating and packaging materials as well as commercial goods [1], commuting and business traffic, and the transport of materials and products (complementary balance) as shown in figure 1 (see also footnote 2 in the chapter "[Climate change and greenhouse gas emissions](#)"). Materials and commercial goods are sourced from external suppliers, with the exception of certain plastic compounds, which are manufactured at the Pfäffikon compounding facility and processed at the Changzhou, Pfäffikon, and Herisau plants. The quantities processed or consumed were taken from the ERP system (purchasing data).

The use phase of our products has not been in scope since most of our products are passive components only. The disposal of our products has also not been in scope. With lifetimes ranging from 20 to 30 years it is difficult to predict the impact of the products' end-of-life treatment.

HUBER+SUHNER has delivered all relevant data to sinum AG (St. Gallen, Switzerland), which is responsible for calculating the environmental and carbon footprint. The environmental footprint evaluation is conducted according to ISO 14040. The LCIA method for the environmental footprint is the Ecological Scarcity [2]. The carbon footprint evaluation complies with the World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (revised edition). Global warming potential factors aligned with the Sixth Assessment Report of the United Nations Intergovernmental Panel on Climate Change have been used, as recommended by the Greenhouse Gas (GHG) Protocol and CDP; GHGs accounted for were carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆), and nitrogen trifluoride (NF₃) as listed in the amended Annex A to the Kyoto Protocol. The footprints were calculated by using expert system REGIS and ecoinvent database version v3.10. Performance data shown in the [environmental performance indicator \(EPI\) table](#) follow GRI standards 301, 302, 303, 305 and 306. Intensity data always refer to the added value generated as a measure of the economic performance. The added value has been calculated from profit before tax and depreciation plus personnel costs minus other financial results. The added value for the years 2019–2023 is displayed at the bottom of the [environmental performance indicators \(EPI\) table](#).

The underlying data were collected for the calendar year 2023. In cases of expected disproportionate delays in the evaluation, the data were collected for the period 1 December 2022 to 30 November 2023. HUBER+SUHNER estimates the deviation from the calendar year period to be less than $\pm 5\%$.

Figure 1: Scope of the LCA



Ernst & Young Ltd performed a limited assurance engagement on selected EPIs for 2023 (see [Addendum 4: Independent assurance report \(EY\)](#)).

[1] No supplier data were available for material transports, but they are mostly considered in secondary data (light green means of transport in figure 1).

[2] Swiss Eco-Factors 2021 according to the Ecological Scarcity Method. Methodological fundamentals and their application in Switzerland. Environmental studies no. 2121, Bern, 2021

Addendum 2: Declaration of performance scope 1+2 CO₂-eq emissions

Performance Scope 1+2. Declaration of performance in accordance with CDP Reporting (Questions C7.9, C7.9ab).

Emissions performance calculations were market-based. Compared to the previous reporting year the Scope 1+2 emissions of the HUBER+SUHNER Group decreased 19 % corresponding to 1768 t CO₂eq.

| Reason | Change in emissions [t CO ₂ eq] | Direction of change | Emissions value [%] | Comments |
|---|--|---------------------|---------------------|---|
| Change in renewable energy consumption | 1 661 | Decreased | 17.5 | Purchase of renewable energy: CH: 15.97 GWh (hydro power, 2022: 12.4 GWh) CH: 0.49 GWh (biogas, 2022: 0.34 GWh) CN: 3.5 GWh (solar power, 2022: 3.0 GWh) IN: 0.6 GWh (wind power, 2022: 0.68 GWh) PL: 1.83 GWh (wind power, 2022: 0.52 GWh) DE: 0.6 GWh (hydro power, 2022: 0.52 GWh) US/MY/UK/MEX: 0.57 GWh (sun, hydro and wind power) Self-generated electricity: CN: 1.44 GWh (solar power, 2022: 1.43 GWh) CH: 0.53 GWh (solar power, 2022: 0.35 GWh) UK/DE: 0.05 GWh (solar power) |
| Other emissions reduction activities | 151 | Decreased | 1.6 | Various energy efficiency initiatives have been undertaken and are ongoing at all H+S sites, as optimization of control/steering mechanism, closed loop cooling system and heat recovery |
| Divestment | 0 | No change | 0 | No divestments. |
| Acquisitions | 15 | Increased | 0.2 | Acquisitions of a site in the UK. |
| Mergers | 0 | No change | 0 | No mergers. |
| Change in output | 803 | Decreased | 8.5 | Decrease of net sales by 11 %. Only production related emissions (electricity, fuel) were considered. |
| Change in methodology | 231 | Decreased | 2.4 | Change from ecoinvent database version v3.9.1 to version v3.10 for the background processes. |
| Change in boundary | 0 | No change | 0 | No change in boundary. |
| Change in physical operating conditions | 18 | Increased | 0.2 | The number of heating degree-days has slightly increased in Switzerland and decreased across most of the international sites. |
| Unidentified | 0 | No change | 0 | No unidentified changes. |
| Other | 1 044 | Increased | 11 | New production line not yet relevant to net sales in Poland. Request from Swiss government to transition natural gas to heating oil, where feasible. The management of SF ₆ emissions in Switzerland and China by monitoring and adapting measures is ongoing. In addition, district heating (supplied by the municipal utilities with an annually changing share of energy sources) at the Pfäffikon site in Switzerland was supplied with a higher CO ₂ emission factor. Additionally the changes of the refrigerants emissions into air are included. |

Addendum 3: Detailed environmental performance indicators (2019–2023)

Ernst & Young Ltd performed a limited assurance engagement on selected EPIs marked with ✓ for 2023.

Ernst & Young Ltd also performed a limited assurance engagement on the same set of KPIs (except water) for 2022, 2021 and 2020. On all EPIs related to previous years except for the greenhouse gas emissions, no external assurance was completed.

| EPIs | | 2019 | 2020 | 2021 | 2022 | 2023 | Difference 2022/2023 | Difference 2019/2023 | GRI |
|--------------------------------|----------------|-----------|---------|---------|---------|---------|-------------------------|-------------------------|--------------|
| Energy ✓ | | | | | | | | | 302-1 |
| Total Energy | MWh | 53 376 | 48 180 | 54 540 | 57 296 | 52 865 | (8%) | (1%) | |
| renewable | % | 13% | 21% | 26% | 38% | 52% | +14 | +40 | |
| Purchased electricity | MWh | 40 676 | 37 186 | 42 296 | 43 264 | 38 925 | (10%) | (4%) | |
| renewable | % | 12% | 24% | 29% | 40% | 59% | +20 | +47 | |
| Purchased heat | MWh | 3 334 | 2 831 | 3 324 | 3 211 | 3 238 | +1% | (3%) | |
| renewable | % | n/m | n/m | n/m | n/m | 61% | n/m | n/m | |
| Self-generated electricity | MWh | 76 | 78 | 66 | 1 780 | 2 022 | +14% | +2 567% | |
| renewable | % | 100% | 100% | 100% | 100% | 100% | +0 | +0 | |
| Total fuel | MWh | 9 290 | 8 084 | 8 854 | 9 042 | 8 680 | (4%) | (7%) | |
| renewable | % | 2% | 3% | 2% | 6% | 6% | +1 | +4 | |
| Natural gas | MWh | 5 805 | 5 236 | 5 564 | 5 471 | 3 271 | (40%) | (44%) | |
| Biogas | % | n/m | n/m | n/m | 6% | 15% | +9 | n/m | |
| Heating oil | MWh | 1 181 | 1 327 | 1 637 | 1 847 | 3 663 | +98% | +210% | |
| Diesel | MWh | 1 520 | 972 | 1 022 | 1 368 | 1 462 | +7% | (4%) | |
| Petrol | MWh | 558 | 332 | 455 | 177 | 222 | +25% | (60%) | |
| Ethanol | MWh | 18 | n/m | n/m | n/m | n/m | | | |
| Wood | MWh | 208 | 217 | 177 | 178 | 62 | (65%) | (70%) | |
| Water ✓ | | | | | | | | | 303-3 |
| Total water | m ³ | 1 127 378 | 915 933 | 979 079 | 925 796 | 677 027 | (27%) | (40%) | |
| Tap water | m ³ | 81 521 | 64 299 | 70 498 | 72 420 | 70 207 | (3%) | (14%) | |
| other water (PL, CH) | m ³ | 104 269 | 87 654 | 99 614 | 64 786 | 55 990 | (14%) | (46%) | |
| lake water (CH) | m ³ | 941 588 | 763 980 | 808 967 | 788 590 | 550 830 | (30%) | (41%) | |
| Materials* ✓ | | | | | | | | | 301-1 |
| Total materials | t | 17 517 | 17 374 | 21 544 | 27 783 | 26 865 | (3%) | +53% | |
| renewable (cardboard and wood) | % | 13% | 18% | 16% | 11% | 11% | +0 | (3) | |
| VOC | kg | 14 542 | 15 563 | 13 846 | 17 056 | 15 505 | (9%) | +7% | |
| SF6 | kg | 36 | 27 | 46 | 14 | 14 | (3%) | (62%) | |
| Refrigerant | kg | 334 | 264 | 305 | 611 | 377 | (38%) | +13% | |
| Copper | t | 8 360 | 7 569 | 8 715 | 8 159 | 7 404 | (9%) | (11%) | |
| Plastics | t | 5 134 | 4 860 | 6 179 | 5 489 | 4 278 | (22%) | (17%) | |
| Glass fibre** | t | 37 | 23 | 239 | 223 | 146 | (34%) | +293% | |
| Packaging | t | 3 266 | 4 200 | 4 377 | 5 157 | 4 013 | (22%) | +23% | |
| renewable (cardboard and wood) | % | 72% | 76% | 77% | 57% | 72% | +15 | +0 | |

| EPIs | | 2019 | 2020 | 2021 | 2022 | 2023 | Difference 2022/2023 | Difference 2019/2023 | GRI |
|---|---------------------|---------|---------|---------|-----------|-----------|-------------------------|-------------------------|------------------|
| Waste ✓ | | | | | | | | | 306-3 |
| Total | t | 4 604 | 3 941 | 5 285 | 4 449 | 4 221 | (5%) | (8%) | |
| Municipal waste (incineration) | t | 205 | 175 | 198 | 156 | 164 | +5% | (20%) | |
| Municipal waste (landfill) | t | 234 | 170 | 189 | 194 | 197 | +2% | (16%) | |
| Inert waste (landfill CH) | t | 11 | 2 | 5 | 0.3 | 7.9 | +2 435% | (31%) | |
| Hazardous waste | t | 487 | 450 | 474 | 424 | 416 | (2%) | (14%) | |
| Waste (energy recovery) | t | 665 | 576 | 648 | 632 | 661 | +5% | (1%) | |
| Recycling | t | 3 001 | 2 568 | 3 772 | 3 043 | 2 775 | (9%) | (8%) | |
| Business travel*** | | | | | | | | | |
| Total**** | Mio. km | 16 | 1.8 | 2.0 | 9.0 | 13.9 | +55% | (12%) | |
| Car (expenses, rented) | % | 10% | 33% | 23% | 3% | 8% | +4 | (3) | |
| Aircraft | % | 90% | 67% | 77% | 96% | 86% | (9) | (3) | |
| Product transport***** | | | | | | | | | |
| Total | Mio. tkm | 90 | 76 | 94 | 101 | 67 | (34%) | (25%) | |
| Trucks | % | 32% | 30% | 31% | 35% | 34% | (1) | +1 | |
| Sea freight | % | 57% | 56% | 27% | 41% | 44% | +3 | (13) | |
| Air freight | % | 11% | 13% | 32% | 21% | 23% | +1 | +11 | |
| Rail freight | % | n/m | 1% | 11% | 3% | 0% | (3) | +0 | |
| GHG emissions (CO₂eq) ✓ | | | | | | | | | 305-1,2,3 |
| Scope 1 | tCO ₂ eq | 3 523 | 2 802 | 3 692 | 3 572 | 3 638 | +2% | +3% | |
| Scope 2 | tCO ₂ eq | 10 735 | 8 401 | 7 824 | 5 931 | 4 097 | (31%) | (62%) | |
| Scope 3 | tCO ₂ eq | 58 635 | 84 296 | 121 878 | 182 454 | 189 920 | +4% | +224% | |
| Environmental impact | | | | | | | | | |
| Core balance | Mio. EP | 34 456 | 24 484 | 26 710 | 23 598 | 19 510 | (17%) | (43%) | |
| Total balance | Mio. EP | 625 576 | 576 288 | 769 979 | 1 094 431 | 1 042 072 | (5%) | +67% | |
| References | | | | | | | | | |
| Added value | Mio. CHF | 386 | 352 | 417 | 420 | 387 | (8%) | +0% | |

* Breakdown only shows production-relevant raw material plus packaging material and does not add up to 100 %.

** Glass fiber plus aramid yarn, 2020 excluding Brazil

*** Business travel is included based on the transaction date, rather than the travel date. This differs from the approach used in 2022.

Breakdown excludes 6% train travel because of its limited environmental impact globally.

**** Excluding km own vehicles (included in fuels).

*****2021 including transport (intercompany)

Environmental impact: all figures 2019 - 2021 calculated using ecoinvent database version v38, 2022 v391, 2023 v310

GHG emissions: values according to published GHG Inventories. Used ecoinvent database versions: 2019 v36, 2020 v371, 2021 v38, 2022 v391; based on IPCC2013 (2019 -2021) and IPCC2021 for 2022 and 2023.

Scope 1

Too low a value for Pfäffikon heating oil. Detected during data collection 2020 but not adjusted. Difference: +440 MWh resp. +120 t CO₂eq

Scope 3

Packaging data CH: in 2020 also newly collected for 2019 but not adjusted. Difference: +2000 t CO₂eq

Adjustments (as shown below) lead to significant increase in Scope 3 compared to previous year. However, the difference between the recalculated 2019 to 2020 total is < -1% despite the expansion of the corporate standard (see below). - ecoinvent v3.7.1 remodeled the metal sector strongly increasing the CO₂ footprint of copper. - Expansion of the corporate standard and data collection (i.e. commuting and packaging data). As part of the expansion of Scope 3, data on commercial products, product use and EoL (end of life of products) will be included in the company model in the medium term. Furthermore, the existing data collection/quality will be continuously improved wherever possible.

In 2021, the system boundaries were expanded to include, for the first time, part of the commercial products purchased. The quality and the granularity of the collected goods transport data (transport to customers and within the production network) have been significantly improved. The same applies to metal and polymer data. In 2022 raw material and commercial goods data from new central data source, so the modelling could be extended and the data granularity and quality was further improved.



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To the management of
HUBER+SUHNER AG, Herisau

Zurich, 28 February 2024

Independent Assurance Report on selected sustainability disclosures

We have been engaged to perform a limited assurance engagement (the engagement) on the selected metrics disclosed in HUBER+SUHNER AG's (the Company's) Annual Report 2023 (the report) for the reporting period from 01 January 2023 to 31 December 2023. These selected metrics are marked with a "✓" (hereafter «the KPIs») in:

- ▶ Table in Addendum 3 on detailed env. Performance indicators on pages 188-190.
- ▶ Social performance indicators in the sub-chapters "Our own workforce" on pages 153 and 154 and "Occupational health and safety" on page 163.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the report, and accordingly, we do not express a conclusion on this information.



Applicable criteria

The Company defined as applicable criteria (applicable criteria):

- ▶ Selected Global Reporting Initiative Sustainability Reporting Standards (GRI Standards).

A summary of the standards is presented on the GRI homepage. We believe that these criteria are a suitable basis for our limited assurance engagement.



Responsibility of the Management

The Management of HUBER+SUHNER AG is responsible for the selection of the applicable criteria and for the preparation and presentation, in all material respects, of the disclosed KPIs in accordance with the applicable criteria. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation of the KPIs that are free from material misstatement, whether due to fraud or error.



Independence and quality control

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.



Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



Our responsibility

Our responsibility is to express a conclusion on the above mentioned KPIs based on the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information. This standard requires that we plan and perform this engagement to obtain limited assurance about whether the KPIs in the report are free from material misstatement, whether due to fraud or error.



Summary of work performed

Based on risk and materiality considerations we have undertaken procedures to obtain sufficient evidence. The procedures selected depend on the practitioner's judgment. This includes the assessment of the risks of material misstatements in the above mentioned KPIs. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in scope than, for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Although we considered the effectiveness of management's internal control when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal control. Our procedures did not include testing control or performing procedures relating to checking aggregation or calculation of data within IT systems.

The Greenhouse Gas (GHG) quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of GHGs. Additionally, GHG procedures are subject to estimation (or measurement) uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

Our limited assurance procedures included, amongst others, the following work:

- ▶ Assessment of the suitability of the underlying criteria and their consistent application
- ▶ Interviews with relevant personnel to understand the business and reporting processes, including the sustainability strategy, principles and management
- ▶ Interviews with the Company's key personnel to understand the sustainability reporting systems during the reporting period, including the processes for collecting, collating and reporting the KPIs
- ▶ Checking that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the applicable criteria
- ▶ Analytical procedures to support the review of the data
- ▶ Identifying and testing assumptions supporting calculations



3

- Testing, on a sample basis, underlying source information to check the accuracy of the data

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Conclusion



Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the KPIs for the reporting period from 01 January 2023 to 31 December 2023 have not been prepared, in all material respects, in accordance with the applicable criteria.

Ernst & Young Ltd



Mark Veser
(Qualified Signature)
Executive in charge



Kim Bischof
(Qualified Signature)
Manager