

Sustainability Status Report

Taking action for the future

September 2022

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Report

Zehnder Group's sustainability status report provides information on the Group's main activities to improve the environmental, social and societal impacts of its business activities. The content reflects the challenges of sustainable development that are relevant and material to our business. It is based on the standards of the Global Reporting Initiative (GRI) and the Sustainable Development Goals (SDGs).

Always the best climate

Editorial

Dear Readers,

We are pleased to present the Zehnder Group "Sustainability Status Report". It is an initial assessment of the status quo of our Group and at the same time contains our forward-looking sustainability agenda.

As an internationally active manufacturer of indoor climate solutions, we operate in a sector that accounts for a significant share of global greenhouse gas emissions: buildings today account for about 40% of global energy-related greenhouse gas emissions. With our innovative solutions, we are striving to contribute to achieving the climate neutrality target. We are continuously working to make our products and systems even more sustainable. In doing so, we take the entire value chain into account – from development through purchasing and production to operation and disposal.

At the same time, we want to offer our employees a motivational, healthy and meaningful working environment and thus become an even more attractive employer. Last but not least, by acting responsibly, we will be helping our society tackle social challenges and contributing to the creation of a fair and just world.

On our way to becoming a systematically sustainable organisation, we have identified the following key principles: We measure our impact on the environment as well as on society in a fact-based, efficient and transparent manner and take responsibility for it. We strive for systemic change processes in order to anchor environmentally-conscious and social actions in our corporate DNA as well as to make long-term positive contributions toward creating a future worth living. Wherever we can make more of a difference together, we enter into partnerships with our stakeholders.

This status report marks the beginning of an ongoing sustainability reporting process and is an instrument for entering into constructive dialogue with our stakeholders. We therefore look forward to receiving your suggestions, ideas and feedback to make future reports even better.

Wishing you a fulfilling read,



Dr Hans-Peter Zehnder
Chairman of the Board of Directors



„Sustainable action shall become a central strand of our corporate DNA.“



Matthias Huenerwadel
Chairman of the Group Executive Committee, CEO

Who we are

Products

Zehnder Group’s product range includes products from the areas of residential ventilation, heat exchangers, clean air solutions, radiators and climate ceilings. As a globally active company, the Group develops and manufactures solutions in its own factories in Europe, China and North America. Sales in more than 70 countries worldwide are handled by our own local sales companies and representatives.

Zehnder Group products and systems are characterised by modern design and high energy efficiency. In its segments, the Group is among the market and technology leaders with brands such as Zehnder, Acova and Core.

Economic performance

The Zehnder Group generated sales of EUR 697 million in 2021. The company is listed on the SIX Swiss Exchange. The unlisted class B registered shares are held directly or indirectly by the Zehnder family and persons closely associated with them. As at 31 December 2021, the market capitalisation (class A registered shares) amounted to CHF 908.3 million, with total capitalisation of CHF 1,092.6 million.

Organisation

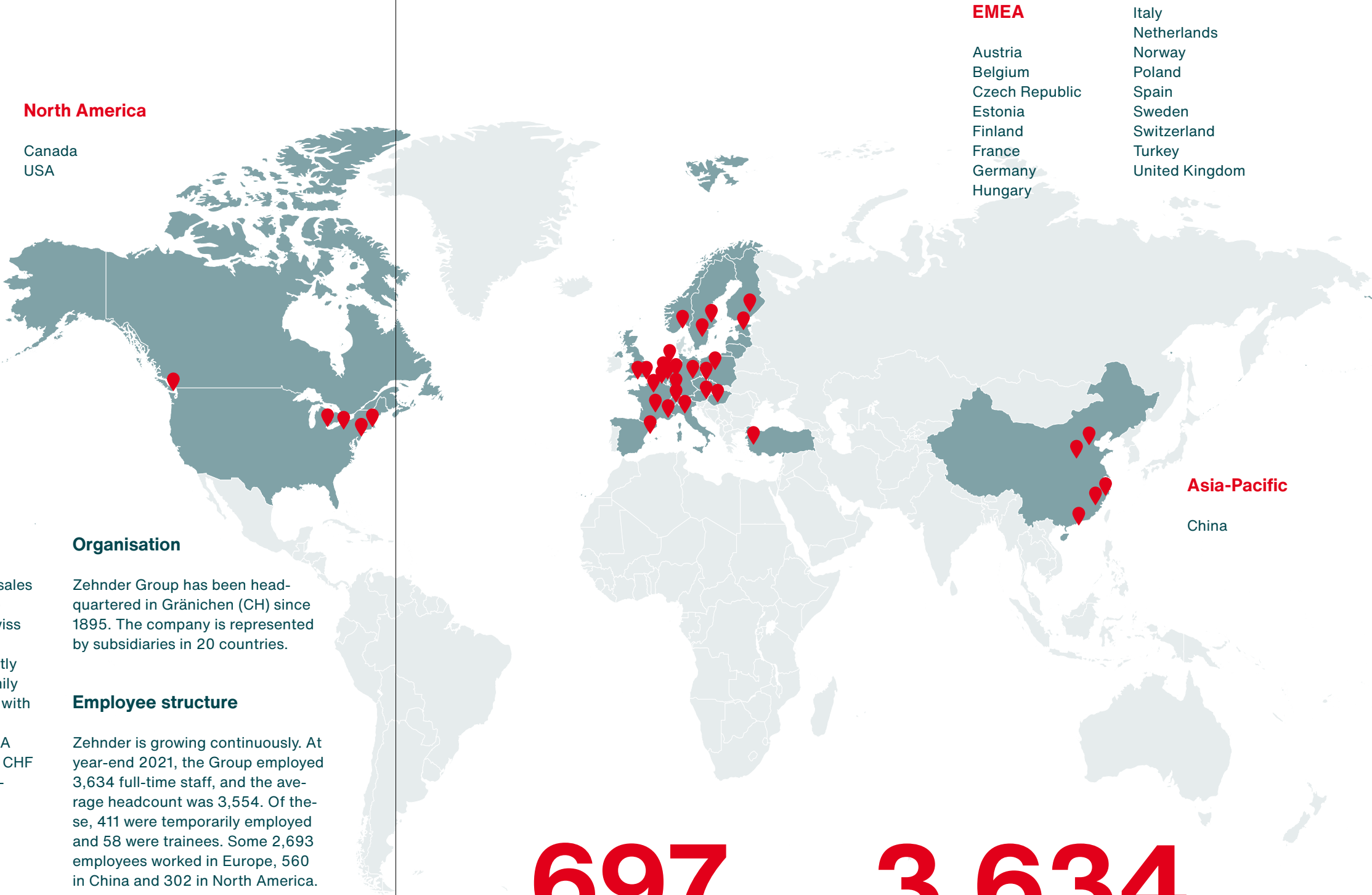
Zehnder Group has been headquartered in Gränichen (CH) since 1895. The company is represented by subsidiaries in 20 countries.

Employee structure

Zehnder is growing continuously. At year-end 2021, the Group employed 3,634 full-time staff, and the average headcount was 3,554. Of these, 411 were temporarily employed and 58 were trainees. Some 2,693 employees worked in Europe, 560 in China and 302 in North America.

[LEARN MORE](#)
ANNUAL REPORT 2021

20 countries



697

Zehnder Group achieved sales of EUR 697 million in 2021.

3,634

Zehnder Group had 3,634 employees worldwide as at 31 December 2021.

127 years of pioneering spirit

Founded in 1895 by Jakob Zehnder as a mechanical workshop in Gränichen, in the canton of Aargau, Zehnder has developed into an international group of companies.

The entrepreneurial vision of the family owners has been decisive for the success of the Swiss production company together with the pioneering spirit and courage of the employees, who have constantly sought out new, customer-oriented solutions to meet the various market requirements.

Corporate culture characterised by spirit of innovation

Looking back, Zehnder has a corporate culture characterised by diversification and a spirit of innovation. From the production of the “Zehnderli” light motorcycle and the development of the Zehnder Charleston, the world’s first tubular steel radiator, to its entry into the ventilation business, Zehnder has always been forward-thinking. To this day, a hallmark of Zehnder’s corporate culture is to plan and act with sustainability and the long term in mind, while recognising and seizing opportunities.

Taking responsibility for the future

One of the greatest business opportunities now is in meeting global challenges in an increasingly volatile and complex world. Zehnder executives are convinced that focusing on environmental, social and governance (ESG) performance while embracing corporate social responsibility (CSR) will provide the company with long-term business success. Throughout its history, Zehnder Group has shown that it is able to adapt well to external circumstances, continuously demonstrating flexibility and resilience.



Jakob Zehnder's house with a small mechanical workshop



The family-run company is born



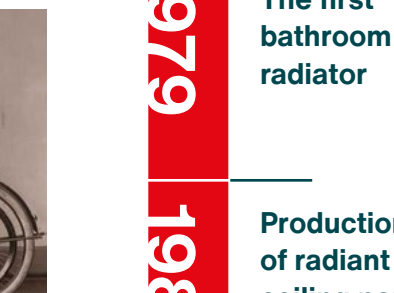
A light motorcycle conquers Switzerland



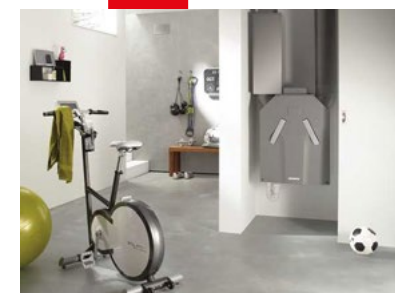
Start of global expansion



The first bathroom radiator



Production of radiant ceiling panels



Move into the ventilation business



New business field: clean air solutions



Opening of the logistics centre in Lahr (DE)



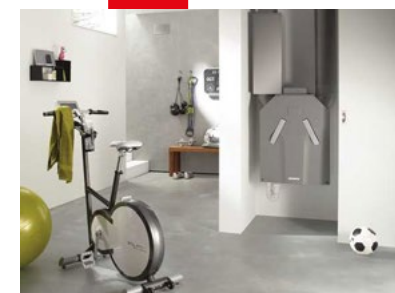
Listing on the Swiss stock market



Production of radiant ceiling panels



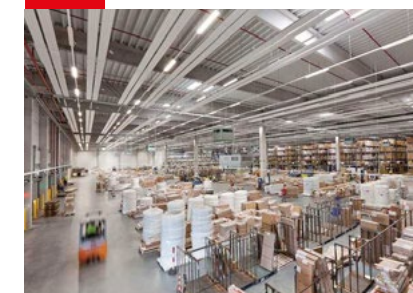
First production site in China



Move into the ventilation business



New business field: clean air solutions



Opening of the logistics centre in Lahr (DE)



A leading international provider of complete solutions for a healthy indoor climate



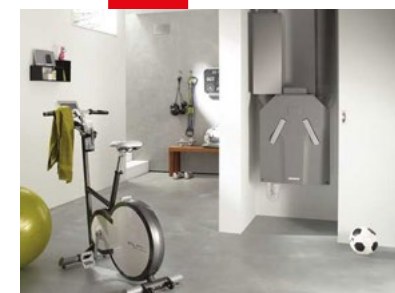
Listing on the Swiss stock market



Production of radiant ceiling panels



First production site in China



Move into the ventilation business



New business field: clean air solutions

Transparency and due diligence are the foundations



International sustainability initiatives set standards.

With this status report, Zehnder Group provides information on how the company is managed, which values and business principles determine the corporate culture and how the topic of sustainability will be advanced in the future.

Zehnder Group is aware of its responsibility for the content of the "Sustainability Status Report". The information published here has been compiled to the best of our knowledge and belief. No external audit of the report has been performed.

Responsible corporate governance

Since integrity and value orientation play a central role in Zehnder Group, the ten principles of the UN Global Compact (2000) are considered in this status report. The UN Global Compact is the largest and most important initiative for sustainable and responsible corporate governance. It supports organisations in strategically embedding sustainability based on ten universal principles and thus in contributing to the implementation of the 17 Sustainable Development Goals (SDGs).

Ongoing reporting process

The "Sustainability Status Report" is available as a PDF at www.zehnder-group.com/en/zehnder-sustainability. A comprehensive sustainability report for the financial year 2022 is expected to be published in the second quarter of 2023. In the future, Zehnder Group will provide annual information on its sustainability activities and continuously expand its reporting in this regard.

More info available online

The key economic figures and information on employees have already been determined as part of the Zehnder Annual Report 2021 and are available on the Zehnder website at www.zehndergroup.com/en/investor-relations/reports-and-presentations.



Organisational structure for sustainability

To implement its sustainability strategy successfully, Zehnder Group has established an organisational structure firmly anchored in the company with clearly defined roles and responsibilities:

- The central body for strategy development and decision-making is the Steering Committee. It consists of the members of the Group Executive Committee, together with the Chairman of the Board of Directors and the staff responsible for selected key functions, such as the Director Group HR or the Managing Director Clean Air Solutions.
- The "Group Sustainability Manager" function is a staff position that reports directly to the CEO. The Group Sustainability Manager supports the Steering Committee and coordinates the creation and execution of all required sustainability processes and strategies as well as data analysis, data evaluation and reporting across Zehnder Group.
- In addition, Group Procurement, Group Legal, Group Compliance and the central research and development departments for ventilation and radiators are closely involved in sustainability activities.

Small river in the Black Forest
Germany

Zehnder Group Germany
Lahr

**“We have been dealing with the
topic of renewable energies since
2017. This is because as the
location of the new Center of
Climate, sustainability is a special
concern for us.”**

Clemens Ganter

Production Managing Director
at the Lahr site in Germany

INTERVIEW

„We have almost halved our CO₂ footprint.“

Zehnder's German subsidiary in Lahr is leading the way. Since 2022, the plant has been purchasing certified green electricity from the hydropower renewable energy source. Production Managing Director Clemens Ganter is also certain: this is just another step in Zehnder's journey to becoming an even more ecologically-responsible group.

Since January 2022, Zehnder's Lahr site has been using 100 percent green electricity. What does that mean?

Clemens Ganter: "We now cover a large part of our energy needs with certified green electricity, 100 percent of which is generated from hydropower – in other words, a renewable energy source. We are talking about more than eleven gigawatt hours (GWh). For a comparison: one GWh is equal to one million kilowatt hours (kWh); a two-person household in a single-family home requires about 3,000 kWh per year..."

That is a huge amount of energy. What does the Lahr site need this energy for?

Clemens Ganter: "With over 600 employees, we are a large Zehnder site and, among other things, a producer of the classic Zehnder Charleston radiator, which is sold in large numbers throughout Europe. Producing this core product of Zehnder Group now essentially with the help of renewable energy represents a quantum leap on our way to greater sustainability."

Can you quantify what this means for the CO₂ balance of the Lahr site?

Clemens Ganter: "Yes, we can proudly say that, mathematically speaking, we have almost halved our direct CO₂ footprint. We have reduced our CO₂ balance by more

2,000 tonnes of CO₂ were saved



➤ **The new Center of Climate in Lahr will be a training and knowledge location.**

than 2,000 tonnes. To put this in perspective, a mid-size car emits around 1,400 kilograms of CO₂ per year on average, so we are saving an annual equivalent of 1,429 cars. So you can see the leverage that industry has when it comes to climate protection."

What was your motivation to abandon conventional electricity purchases this year or, to put it in a more critical light: why didn't you do it earlier?

Clemens Ganter: "We have been dealing with the topic of renewable energies since 2017. This is because as the location of the new Center of Climate, sustainability is and always has been a special concern for us. For example, we are a certified company with regard to environmental and energy management and have constantly been improving these aspects for many years. But for an energy supply on our scale to be reasonably converted, two criteria must be met: the switch to green power should be economically feasible, and our energy provider must be able to guarantee that all of our energy comes from certified, renewable

FACTS & FIGURES

The Zehnder site in Lahr is a key production location for the Group – both the classic Zehnder Charleston radiator and the radiant ceiling panels and climate ceilings are manufactured there. In addition, the Zehnder logistics centre has been located in Lahr since 2013, as the European logistics hub and central warehouse of Zehnder Group. The Center of Climate, a communication hub for customers, partners and employees as well as a centre for healthy indoor climate for Zehnder in Germany, is also being built at the Black Forest site.

„In order to reasonably implement an energy transition at a large manufacturing site, two basic conditions have to be met. The switch to sustainable energy must be economically feasible, and the utility company needs to be able to provide certified evidence of the required sustainability.“



Clemens Ganter, Production Managing Director at the Lahr site in Germany, is a committed supporter of the energy transition. He has been driving an all-electric car for two years.

sources. We were able to meet these conditions in full as of 2022."

The Lahr site also has a special role in Zehnder Group as a pioneer in the field of sustainability. What are you planning for the future?

Clemens Ganter: "We are generally well connected within the Group on sustainability issues, share positive approaches and try to adapt measures wherever possible. In addition, we have envisaged further measures for greater environmental and climate protection here in Lahr – but these are still in the evaluation phase. We will report back on this, perhaps as early as the upcoming Sustainability Report."



➤ **Since the beginning of this year, the Lahr plant has been supplied with sustainably generated electricity from hydropower.**

Stay in dialogue

One of Zehnder's central concerns is to maintain an open and respectful dialogue with its stakeholders.

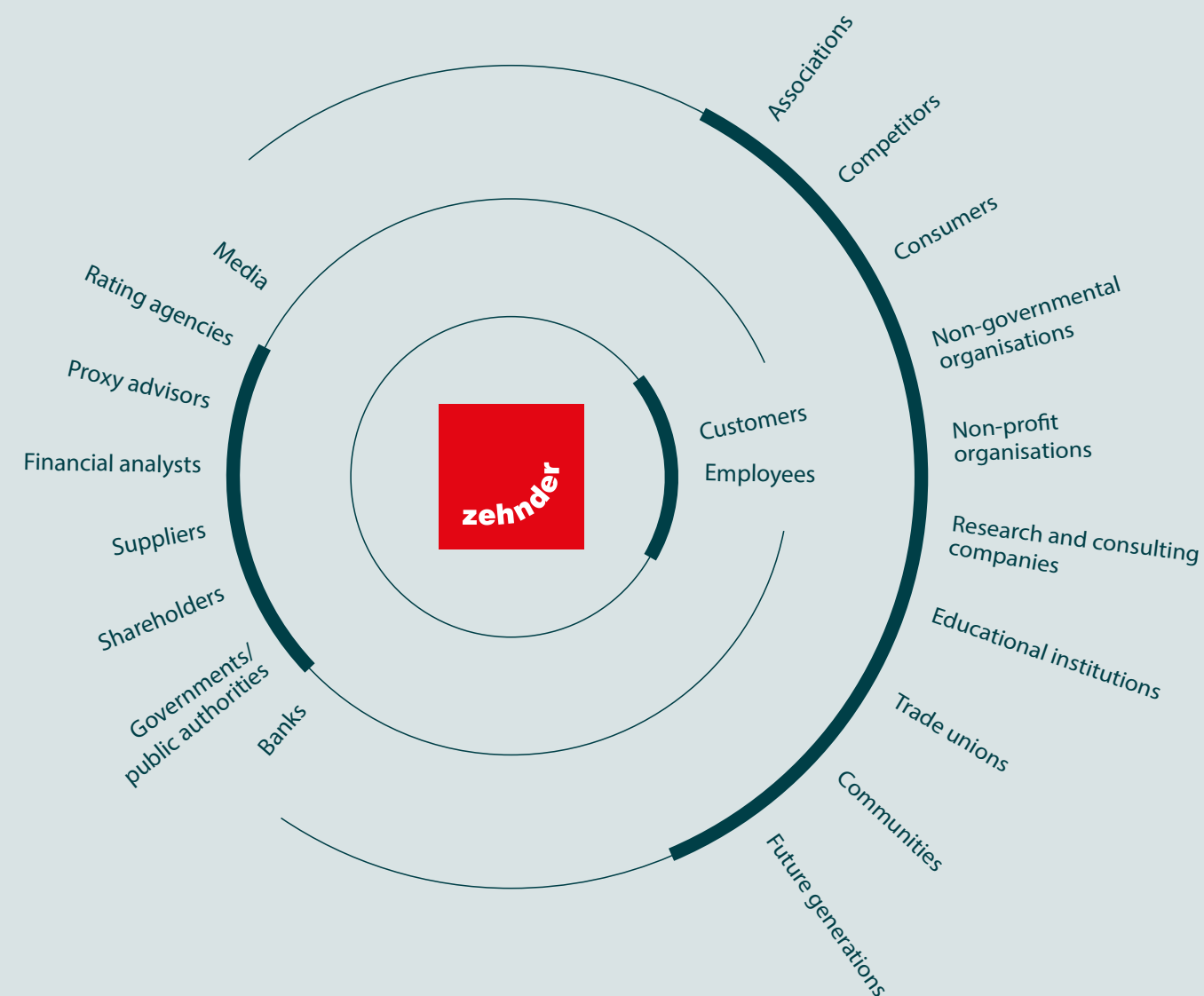
Stakeholders are defined as individuals and organisations that have financial, legal, ethical or environmental expectations of Zehnder Group. Zehnder Group aims to create transparency for all groups interested in the company regarding its commitment to sustainable development.

One of our company's future tasks will be to further intensify our exchange with stakeholders.

To date, Zehnder has used a variety of communication tools for the aforementioned stakeholder groups:

- Through our publications such as the Annual Report as well as ad hoc and media releases, we keep the public informed about key economic figures and current events at Zehnder Group.
- With regard to investors, we conduct an annual analyst and media presentation. We also participate in various investor and analyst roadshows.
- We exchange information with our customers during trade fairs, customer visits and training courses.
- We are in regular contact with sustainability rating companies.
- In order to provide as many stakeholders as possible with access to information relevant to the company, the Group website is maintained in German and English and reports and communications are published in both languages.

Zehnder identifies the following groups as stakeholders:



For a future worth living

The environmental and social commitment of business enterprises like Zehnder Group is crucial to improving people's quality of life, protecting global ecosystems and preserving natural resources for future generations. The goal of all responsible organisations should be to create a world in which more than nine billion people can live with dignity.

Global challenges such as climate change, loss of biodiversity and environmental degradation, inequality, poverty and racism require solutions to which business enterprises like Zehnder can make a constructive contribution. Since many business activities cause damage in the world, even if unintentionally, it is not enough merely to reduce it. Zehnder Group therefore aims to organise its business activities in the future in such a way that more is given back to society, the environment and the global economy than is taken away.

Paradigm shift in economy and society

Social development in recent years offers impressive proof that the basic values of business life are changing. Organisations that want to be successful in the future and inspire customers with their products will need to generate long-term value. In addition to direct customer benefits, they should be able to demonstrate in a comprehensible manner how they are contributing to the positive development of society and the environment and thus to the benefit of all stakeholders.

Integrity and values are decisive criteria

In the future development of Zehnder Group, corporate values such as integrity, transparency, meaningful action and a sense of responsibility will play a major role. That is why we have incorporated the ten principles of the UN Global Compact (2000) and the 17 global Sustainable Development Goals of the 2030 Agenda (SDGs) into our strategies and activities. Zehnder Group has been a signatory of the UN Global Compact since March 2022 and actively participates in various initiatives, for example the UN Global Compact Climate Ambition Accelerator and UN Global Compact Gender Equality programmes.

SUSTAINABLE DEVELOPMENT GOALS

The 17 Sustainable Development Goals (SDGs) of the 2030 Agenda call on companies to act quickly and sustainably. Zehnder Group is currently analysing its status with regard to the SDGs and defining measures to create a positive contribution to achieving the goals.



Sustainability as the priority for action

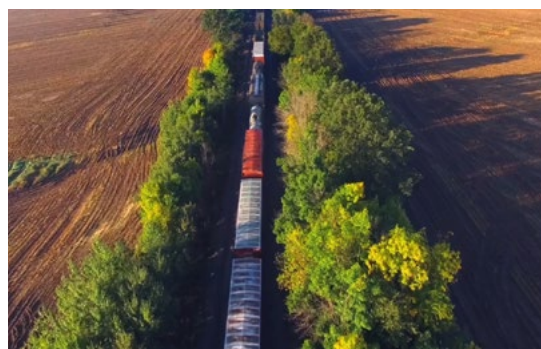


Sustainability is to be embedded in both the core business and the company's entire value chain. Zehnder Group has defined the following principles for its social and ecological actions:

1

Take responsibility

We take responsibility for the impact of our activities within the entire value chain – from the raw material to the end product and, beyond that, for its environmentally compatible disposal. We include our suppliers and our customers in this responsibility. We see this principle as a continuous learning process that begins by starting in our group of companies before extending the results, or lessons learned, to our entire value chain.



2

Create positive long-term results

The aim of our business activity is to create value in the long term. We want to create positive results as well as a better quality of life through our activities and our products for all stakeholders. We are committed to supporting our employees in their professional development, improving their health and well-being, and being a diverse, inclusive company. Furthermore, we strive to work in partnership with our suppliers – we help them in making their business more efficient and sustainable as well. We support social communities in their development, because business enterprises can only be successful in prosperous societies. We firmly believe – and know from our long corporate history – that responsible action pays off in the long term.

3

Partnerships

Our willingness to assume responsibility along the entire value chain is crucial for a company that operates sustainably – but we will not be able to meet all the challenges alone. We therefore believe that it is essential to strive for systemic changes with selected partners. The aim is to implement cooperation on an equal footing with our stakeholders in order to jointly tackle global challenges.



5

Commitment and initiative

Sustainability must be embedded in the very DNA of our company and taken into account in every decision. It is not a project or a programme, but an attitude. It starts with how we do business and is underpinned by the behaviour of our employees.

4

Fact-based, efficient and transparent

The more valid data we collect, the more we learn, the better we can assess our impact, and the more transparent we are to our stakeholders. We use digital solutions to efficiently and consistently collect data, assess consequences, and drive meaningful change processes. For us, transparency is the key to evaluating and improving sustainable action, because openness creates trust among all stakeholders. In order to achieve the greatest possible transparency, it is essential to have honest, data-based communication.





IJsselmeer
Netherlands

Zehnder Group Netherlands
Zwolle

“The resource-saving revision of the ComfoFan is a good example of the course we have set towards more sustainability.”



Piet Mulder

Group Product Manager
at the Zwolle site in the Netherlands

BEST PRACTICE

‘Hup Holland Hup’: embracing the circular economy in Dutch

Zehnder Group Netherlands is consistently pursuing its path to reduce its CO₂ footprint: The new generation of the ComfoFan Silent residential fan now consists of 25% recycled plastic, has a significantly longer service life and consumes noticeably less energy, and old units can be upgraded.

Since 2005, the ComfoFan has been a much sought-after residential fan that ensures fresh air in the home and thus a healthy indoor climate. This year, Zehnder Netherlands and its supply partners jointly developed the 5th generation of ComfoFans. This new model series is also a means of embracing a circular economy in Zehnder Group.

Recycled plastic for the housing

In an initial step, Zehnder has already replaced 25% of the material for the housing with recycled plastic. In the future, this figure is expected to rise to 75%. “This will save us 120 tonnes of virgin plastic per year,” as Piet Mulder, Group Product Manager at the Zwolle site in the Netherlands is pleased to say. “That amounts to

the total annual plastic consumption of around 1,850 two-person households in the Netherlands.”

Longer shelf life, fewer spare parts, less packaging

The inner workings of the best-selling ventilation solution have also been fundamentally revised – the use of new bearing types extending the service life and durability of the motor fan. “We have reduced the number of electrical components from four to just one unit,” reports Piet Mulder, “and this new modular approach reduces the need for spare parts, which is good both for our customers and the environment.” In addition, the Zehnder team has optimised the packaging of the ComfoFan so that no additional protective foam or cardboard is needed for transport and storage.

saving
120
tonnes of plastic
per year

Reuse through retrofitting

In the consistent ecological revision of the ComfoFan, Zehnder also had the existing devices in mind: The ComfoFan Silent Move Up is a retrofit option for reusing the existing housing. This allows Zehnder customers to retrofit their existing ComfoFan quite easily. This not only saves time during installation, but also saves on polymer plastic and connecting material for new production. The material savings from the reused housings will be around twelve tonnes.

The next challenge for the fan’s life cycle assessment is better energy efficiency: a ComfoFan Silent is generally in operation around the clock for around 18 years. An energy saving of ten percent would be another major step on the way to becoming a responsibly managed company.

“Geared towards the circular economy, the fundamental revision of our ComfoFan is a good example of the course we have set towards more sustainability in Zehnder Group,” Piet Mulder sums up. “We are proud to work with our customers to reduce our CO₂ footprint.”

„Geared towards the circular economy, the fundamental revision of our ComfoFan is a good example of the course we have set towards more sustainability in Zehnder Group.”



Piet Mulder
Group Product Manager
at the Zwolle site in
the Netherlands

FACTS & FIGURES

The Zwolle site is Zehnder’s centre of excellence for ventilation. Over 200 employees develop, produce and sell energy-efficient, healthy and comfortable ventilation systems here. One of the greatest successes is the ComfoAir Q model series. For the ComfoAir Q350 unit, for example, Zehnder Group was the first supplier to receive Passive House certification in the “very hot climate” category. This certificate recognises that the ventilation unit is characterised not only by excellent heat and moisture recovery in winter, but also by an excellent degree of re-cooling in summer.



Packaging

Additional protective foam or cardboard are no longer needed for transport.

Housing

Consists of 25% recycled material today. In the future, this figure is expected to rise to 75%.



Motor fan

The use of new bearing types extends the service life and durability.

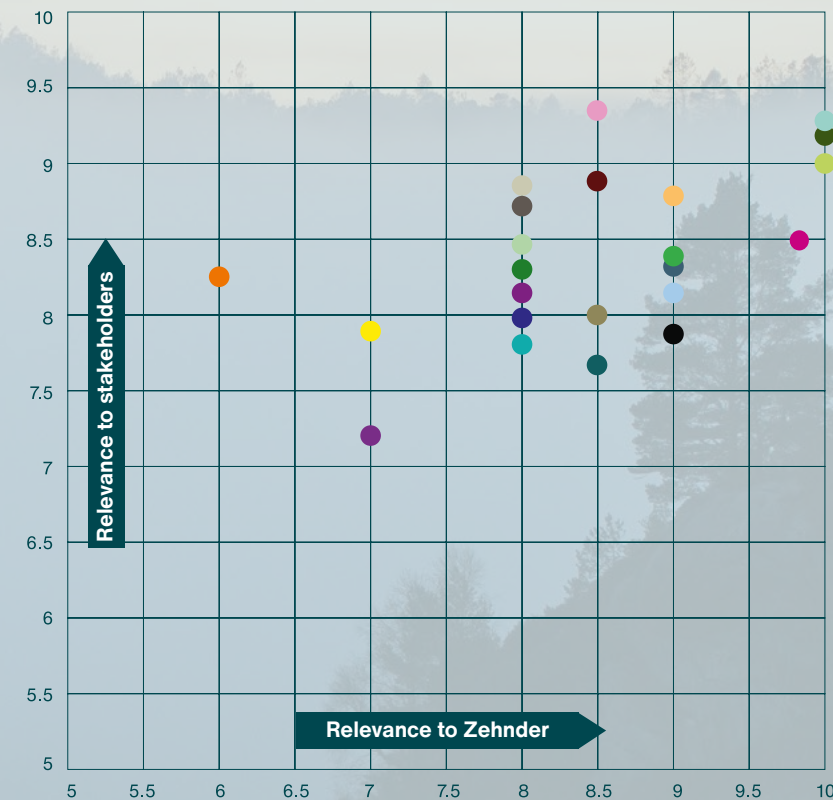


Areas we focus on

The materiality analysis is a central method used by Zehnder Group to identify issues and set priorities when developing measures. The analysis is based on the GRI (Global Reporting Initiative) Standards and stakeholder surveys.

With reference to the GRI Standards, we conducted an initial on-line survey in 2021 among targeted individuals within the stakeholder groups relevant to Zehnder Group. In parallel, the survey was available on the Zehnder Group website. The members of Zehnder Group's sustainability project had prioritised the survey topics. The evaluation was carried out by an external consulting agency.

Materiality matrix



- Data protection
- Support of local communities
- Open corporate culture
- Attractive employer
- Biodiversity protection
- Green transport
- Financial risks and opportunities due to climate change
- Sustainable purchasing
- Good after sales service
- Fair work environment
- Water use
- Diversity and equal opportunities
- Fair business practices
- Respect for human rights
- Transparency
- Product end of life
- Occupational health and safety
- Waste minimisation
- Product quality and safety
- Green production
- Climate protection
- Sustainable products



Environment Employees Society

Based on the results of our surveys, we have divided the areas of action relevant to Zehnder into three topics: environment, employees and society. Within these areas, our customers are always included as a central stakeholder group.

Environment

Think globally – act locally

For Zehnder Group, sustainable business is an opportunity to generate customer benefits, growth and profitability without having a negative impact on the environment and society.

We would like to go one step further in the future. We strive to have a regenerative impact on the environment while also protecting biodiversity.

We want to initiate a living circular economy within Zehnder Group, avoid waste as far as possible and become an energy-efficient company that produces with renewable energies. Our goal is to develop high-quality, durable products. In doing so, we will make sure that our solutions are environmentally friendly and meet the global challenges of sustainable business. Our aim is to have a regenerative impact on the environment while protecting biodiversity.



zehnder

In the future, responsible corporate growth can only be achieved if environmental protection is taken into account.

We have identified the following key areas of activity, topics and tasks:

Sustainable products and innovation

Our goal is to reduce the energy consumption of our products and to increase the proportion of recycled and renewable raw material-based elements in products and packaging. By preparing life cycle analyses, developing return programmes and increasing their service life, we aim to make our products more resource-efficient.

Climate protection

We will reduce CO₂ emissions in the production of our goods and packaging. We are also reducing CO₂ emissions by improving the life cycles of our products and developing recycling programmes for old equipment.

Green production

Throughout the production process as well as at the Zehnder Group sites, we strive to reduce energy consumption. With improved waste and water management, we are contributing to greater environmental protection.

Biodiversity protection

We avoid negative impacts on biodiversity, both in the area of our operations and within our supply chains.

Employees

Committed to creating a positive working life together

As an employer, we are committed to a working environment characterised by equality, fairness and diversity. The protection and welfare of all Zehnder employees are key concerns for us. We want to become an even more attractive employer in the future.

Zehnder Group offers its employees a secure workplace and aims to be an attractive employer that puts people first. We support a good work-life balance for all our employees and inspire a sustainable lifestyle.



We would like to address the following key topics and tasks in the areas mentioned:

Occupational health and safety

We are taking measures to further reduce occupational accidents and ensure health protection in the workplace.

Attractive employer

We want to become an even better employer and constantly invest in the training and development of our employees.

Diversity, equality and fairness

At Zehnder Group, we are creating a work environment with zero tolerance of harassment, bullying and discrimination. We promote diversity, equity and inclusion.



In the area of measures for employees, we are committed to a fair and appreciative working environment.





Society

Justice and fairness for all

We are committed to our responsibility as an international company and are driving the envisaged change in values forward locally, regionally and globally. Our goal is to help society create a fair and just world.

We are committed to working with our supply partners and customers in applying the highest ethical and moral standards when conducting our business. This also includes fulfilling our responsibilities and due diligence to the highest degree when it comes to compliance with human rights, protection against child labour and other international legal principles.



More specifically, we have defined the following goals:

Sustainable purchasing

We are increasing the proportion of suppliers that are audited with regard to environmental and social issues and are working proactively to create a sustainable supply chain.

Fair business practices

We are doing everything in our power to prevent corruption and bribery, as well as undue advantage and unfair competition.

Respect for human rights

We conduct due diligence to ensure respect for human rights and protection against child labour, as well as to reduce the risk of potential violations in the supply chain in order to avoid using materials from conflict or high-risk areas.

Transparency

We are improving internal and external communication on the matter of sustainability.

Sustainable investments

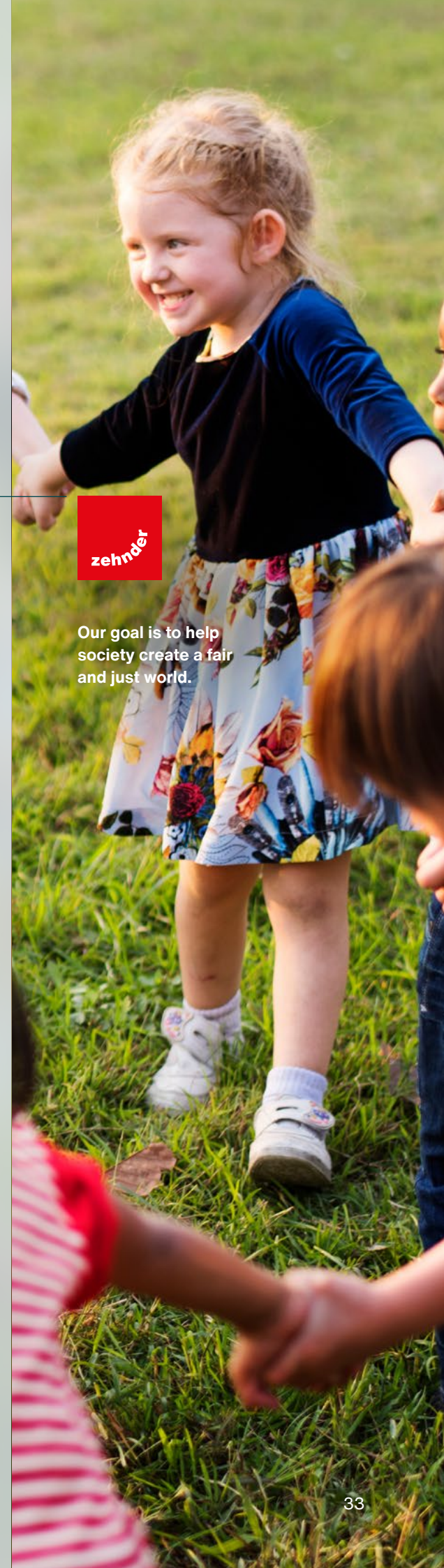
Our goal is to promote a financial and investment culture that takes sustainability into account.

Social commitment

We foster long-term local, regional and global themed communities.



Our goal is to help society create a fair and just world.

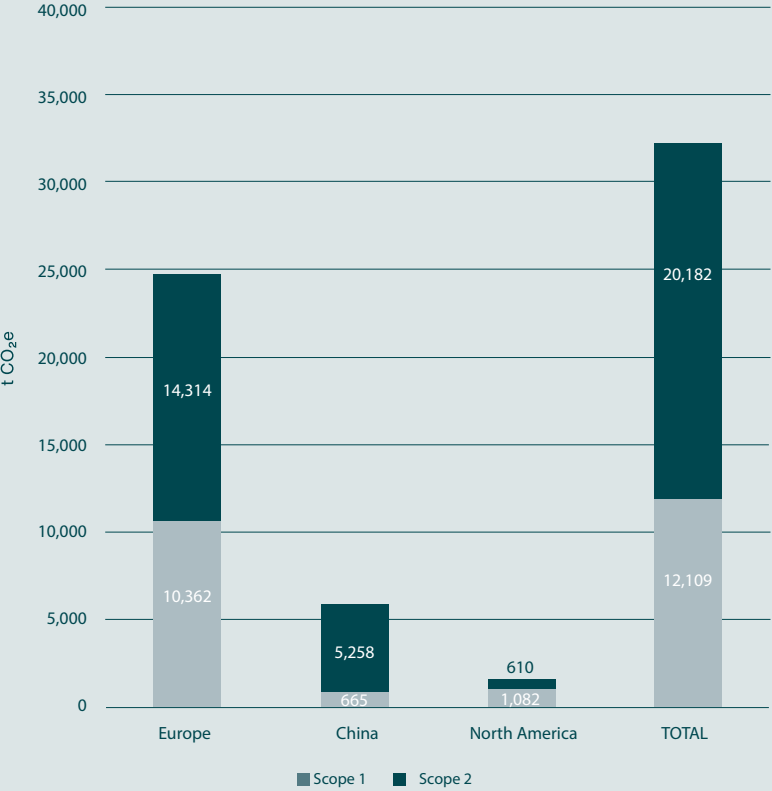


The CO₂ footprint of the Zehnder Group in 2021

For 2021, the measurement of our CO₂ emissions for Scope 1 and Scope 2 produced the following results:

- Zehnder Group's Corporate Carbon Footprint (CCF) for the year 2021 amounted to 32,291 tonnes of CO₂e (CO₂ equivalents): Scope 1 emissions amount to 12,109 tonnes of CO₂e (37%) and Scope 2 emissions 20,182 tonnes of CO₂e (63%).
- Almost 77% of emissions are generated in Europe, as this is where the majority of production sites are located. Chinese sites contribute 18% of the total and 5% of emissions come from sites in North America.
- Overall, the majority of emissions can be classified as Scope 2 emissions (63%), with 95% of Scope 2 emissions coming from power consumption.

CO₂ emissions

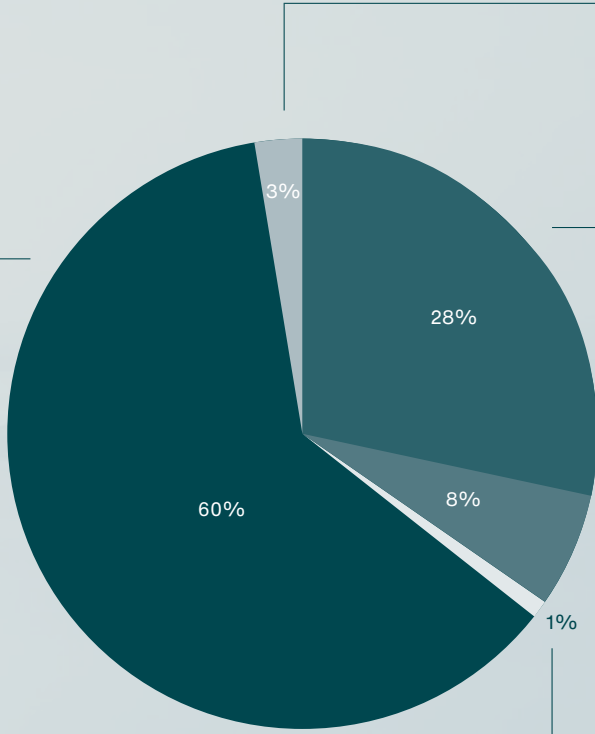


> Distribution of CO₂ values among the different areas

Emission sources

ELECTRICITY
Power consumption accounts for the largest share of total CCF with a share of 60%.

REFRIGERATORS
1% of total greenhouse gas emissions result from refrigerant loss.



DISTRICT HEAT/COLD
The consumption of district heating contributes 3% to total emissions.

HEAT
The second largest source of emissions is heat generation with a total share of 28%, of which 94% comes from the combustion of natural gas.

FUEL
8% of total greenhouse gas emissions come from fuel combustion, mainly from the use of diesel (6%).

The majority of greenhouse gas emissions at Zehnder Group are caused by the use of conventional energy sources. This shows that our company has the potential to reduce its CO₂ footprint significantly by using energy from renewable or non-fossil sources. The switch to certified green electricity derived

from hydropower at the German site in Lahr from January 2022 is a good example of how this potential is now being steadily achieved.

On this subject, read the article “We have almost halved our CO₂ footprint” in this issue on page 14.

Outlook for 2022

On our way to becoming a responsible company that contributes to the regeneration of the Earth's resources and promotes social justice, we have set ourselves milestones – some of which can be achieved in the short and medium term, while others require a solid, long-term commitment.

One goal is to report continuously on our activities in the field of sustainability. The aim is to create a chronology that will enable our stakeholders to track the development of Zehnder Group. This status report is a first step.

We are currently working intensively on analysing the sustainability issues relevant to us and collecting further sustainability data, which should lead to the quantification and subsequent disclosure of our sustainability targets by the end of 2022.

> GRI STANDARDS
The Sustainability Report for the entire financial year 2022 will be prepared with reference to the GRI Standards. Publication is scheduled for the second quarter of 2023.

With regard to the environment, the focus is currently on the following topics:

- Analysis of the CO₂ footprint 2021 for Scope 1 and Scope 2 and definition of initiatives that will significantly reduce it
- Creation and analysis of CO₂ footprint 2021 for Scope 3
- Analysis of our direct materials in terms of recyclability
- Development of measures to reduce our CO₂ emissions

With regard to employees, we are currently working on the following issues:

- Company-wide analysis regarding occupational health and safety as well as group-wide measures to further improve these aspects
- ISO 45001 certification for all radiator plants
- Creation and targeted implementation of a separate policy on diversity, equity and inclusion as well as an anti-harassment policy
- Data collection to determine the metrics for additional topics, especially diversity

With respect to society, we are pursuing the following activities:

- Updating the Employee Code of Conduct
- Implementation of the new Supplier Code of Conduct
- Enforcement of existing due diligence obligations to respect human rights
- Group-wide research regarding conflict minerals in our products and their origin

zehnder

**The course
is set**

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It should be noted that past performance is not a guide to future performance. Please also note that interim results are not necessarily indicative of full year results.

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