



SFS Group AG
Sustainability Report

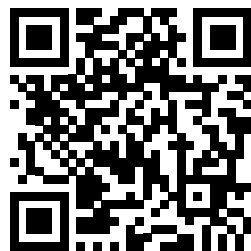
Sustain ability

22

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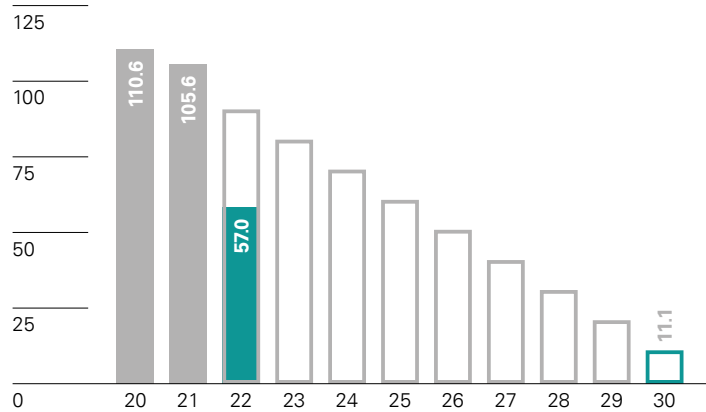


Key takeaways

Positive development

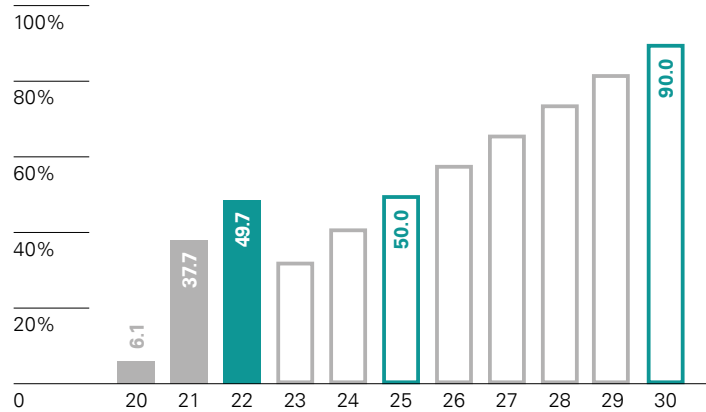
Reduction of Scope 1 and 2 emissions by –48.4% vs. 2020

CO₂ emissions in metric tons per million value-added francs



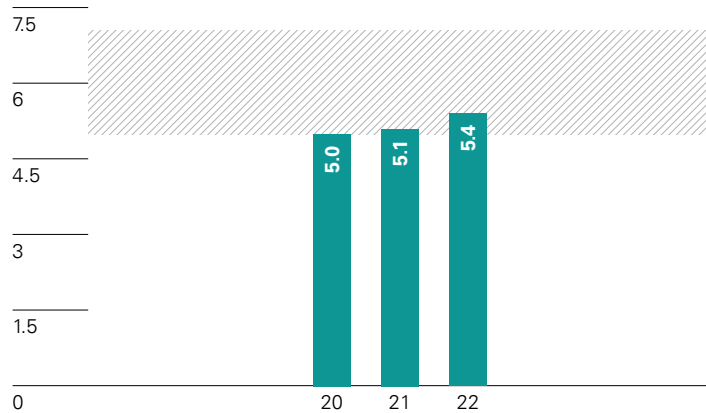
Share of renewable electricity is almost 50%

Share of renewable electricity in % of total electricity demand



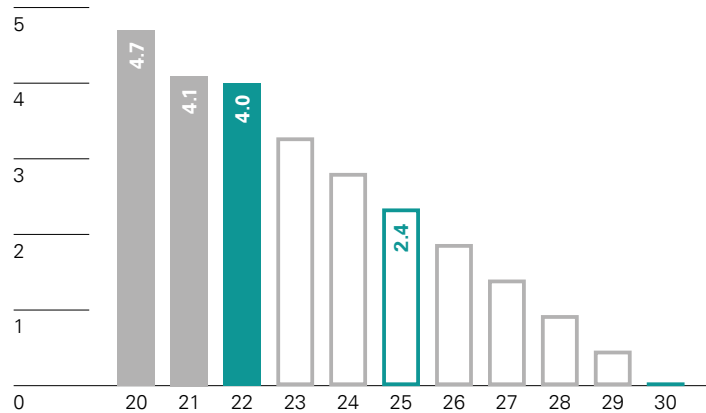
Target range of 5–7% for dual training achieved again

Number of employees in dual training programs in %



Too little progress in reducing the accident rate

Number of accidents per million hours worked



Socioeconomic compliance

Number of sanctions for compliance violations

0

In the year under review, there were no compliance incidents at SFS that resulted in fines or legal proceedings.

Compliance reports

Number of examined compliance reports in the reporting year

25

In the year under review, the Group Compliance Officer and the local compliance officers received and examined a total of 25 reports of compliance violations.

Foreword

Sustainability affects us all

Dear Ladies and Gentlemen,

We can look back on a very dynamic past year. The understanding of sustainability is changing and this affects us all. On the one hand, there were significant uncertainties and high volatility due to the war in Ukraine, ongoing disruptions in supply chains and regional sharply rising energy costs, interest rates and inflation affected the entire reporting period. On the other hand, there is increasing pressure from politicians, legislators and our stakeholders to meet the extensive regulatory requirements. It is clear that the transformation to net zero must take place. Only in this way can we live up to our responsibilities to today's society, future generations, the environment and biodiversity, and so lead our company successfully into the future. This societal rethink is a first step in the right direction. For us as a company, an accurate assessment of the current situation is the next step – which is also essential for developing a strategy with objectives that extend to decarbonization. To do this, we have to know all the relevant facts and figures about our own ecological footprint. We still have a long way to go, particularly with regard to indirect emissions, but in the past year we have made significant progress and improved the processes for expanding data collection.

Sustainable development driven ahead, reporting format adapted

Last year SFS seized its economic opportunities and achieved strong growth, both organically and by integrating Hoffmann. With a view to our sustainable development, we expanded the scope of data collection, improved the evaluation process through standardization and increased transparency. We made good progress, particularly in the environmental field, expanding the share of energy from renewable sources and significantly reducing our direct emissions.

We adapted our ESG reporting to the new requirements of the Global Reporting Initiative (GRI-Standards 2021) and, together with our stakeholders, discussed and evaluated the topics that are important to us. Taking double materiality – both the impact the company has on the environment, society and the economy in relation to these issues (inside-out) and also the impact they have on SFS (outside-in) – into account, the following key topics were identified:

- Energy and emissions
- Sustainable solutions
- Procurement
- Employee promotion and engagement
- Occupational health and safety

In future we will report on these topics in a focused manner and improve our sustainable development with the help of long-term goals that are integrated into our corporate strategy.

Environment

Direct emissions reduced, share of renewable energy increased

SFS made the greatest progress last year in the area of the environment. With a reduction of –48.4% compared to the base year 2020, we came a major step closer to achieving our planned target of reducing direct CO₂ emissions by at least 90% compared to value creation by 2030.

Direct emissions (Scope 1 and Scope 2) were reduced by –18.7% in absolute terms in 2022. This positive trend is due to the improvement in the company's own performance, the increased share of renewable energy sources and updating the emission factors. With a share of 49.7% (PY 37.7%), SFS significantly increased the use of renewable electricity as a percentage of total electricity consumption. This means that we almost reached the 2025 target of using at least 50% of electricity from renewable sources by 2022.



Jens Breu (CEO) and Thomas Oetterli (President of the Board of Directors)

Foreword

Creating added value with sustainable solutions

At SFS, sustainability is an important driver of innovation. We strive to deliver products and services that take environmental, social and economic benefits into account across the entire life cycle, with the aim of creating sustainable added value. This endeavor was realized in the year under review, for example, through environmentally friendly solutions such as GARANT Green Plus, and tools where the handles are made from renewable raw materials.

Increased transparency in supply chains

To comply with our duty of care more consistently and increase transparency across the entire value chain, we intensified our dialog with our suppliers during the year under review. Environmental and social criteria assessments have been carried out with all direct suppliers of SFS since 2023, with the goal of being fully able to measure more accurately the indirect emissions (Scope 3) too going forward, and reduce them in the long term.

Social

Employee development and satisfaction encouraged

In terms of social issues, the focus in 2022 was on employee satisfaction and development. Employee satisfaction remains at a consistently high level. For example, around 80% of employees are satisfied with SFS as an employer and 87% rate the company as attractive. These are the results of the international survey conducted in 2021, which were supplemented by the outcome of the 2022 survey in the Electronics and Distribution & Logistics International divisions.

In continuing and executive education we are pursuing the long-term goal of 5–7% of permanent employees worldwide participating in dual-track education and training programs. With a score of 5.4%, we hit this target again in 2022 (PY 5.1%). We have further expanded personnel development, particularly in middle management and through the Advanced Leadership Development Program (ALDP). This should be seen in light of the fact that we want to fill 70% of senior management positions with internal candidates. This target too was fully met once again in 2022 with a score of 100% (PY 100%).

Too little progress in reducing the accident rate

At the end of 2022 the SFS Group employed 13,282 people (FTEs, PY 10,509), of which 12,617 FTEs are included in the ESG reporting. This strong growth is attributable to the completion of the transaction with Hoffmann, which had 3,082 employees at year-end. On a like-for-like basis, the headcount declined slightly by –2.9%. The number of accidents per million hours worked was reduced by –1.4%. This brings us a little closer to our goal of halving the accident rate by 2025, but we are unlikely to achieve it. Based on the 2020 figure of 4.7 accidents per million hours worked, the target for 2025 stands at 2.35 accidents per million hours worked.

Governance

High compliance standards maintained, social engagement expanded

In terms of corporate governance, as in the previous year, there were no compliance incidents that resulted in fines or legal

proceedings. The results of the compliance audits conducted at the four companies were positive. We identified weaknesses in knowledge of the Code of Conduct and internal reporting channels and have taken appropriate countermeasures. Thanks to the merger with Hoffmann, we were also able to expand our commitment to support for disadvantaged children and young people.

Outlook for 2023: filling data gaps, setting new targets

In 2023 we intend to close existing data gaps and set additional targets as a result. At the same time, there is a need to increase the focus on the rate of occupational accidents. In addition to the reduction targets for Scope 1 and Scope 2 already announced, we are also planning to develop a decarbonization strategy that will go all the way to net zero.

We would like to invite you to join us on this exciting and challenging journey. Your concerns, demands and ideas are helping shape our transformation.

Yours sincerely,

Thomas Oetterli
President of the Board of Directors

Jens Breu
CEO



Large-scale photovoltaic system at the Heerbrugg site (Switzerland)

Sustainability is part of our DNA

A sustainable mindset and a sustainable approach are important drivers of innovation. We analyze the company’s impact on the environment, society and the economy and make changes while taking the needs of all stakeholder groups into consideration. As a “value engineering specialist”, we work together with our customers to develop sustainable products and solutions. We do this in keeping with our guiding principle of “Inventing success together” and create value added for our stakeholders in the process.

SFS adjusted its sustainability reporting in line with the new requirements of the Global Reporting Initiative (GRI-Standards 2021) during the past year. In this context, the material topics selected were reviewed and dialog was sought out with stakeholders to discuss and evaluate the company’s impact on the environment, society and economy with respect to these topics (inside-out) and how these topics impact SFS (outside-in). This dialog occurred within the scope of a preliminary online survey as well as two workshops and was both moderated and evaluated by an independent organization named “engageability”. The participants included employees, financial analysts, representatives of educational facilities and local authorities, members of the Group Executive Board and Board of Directors as well as customers and suppliers of the Distribution & Logistics segment. SFS conducts a stakeholder dialog every 2–3 years, with each of these involving the customers and suppliers of one of the three segments. Customers and suppliers of the Fastening Systems segment were surveyed for the most recent materiality analysis.

Material topics and their interdependence on SDGs and ESG dimensions

Based on the list of topics derived from the preliminary online survey, stakeholders at the workshop discussed which of those topics are most significant in terms of both SFS’s impact on the environment, society and the economy as well as their significance to SFS. This resulted in the following list of material topics, arranged in order of decreasing significance:

1. Energy consumption
2. Emissions
3. Training and Education
4. Sustainable solutions
5. Employee satisfaction and engagement

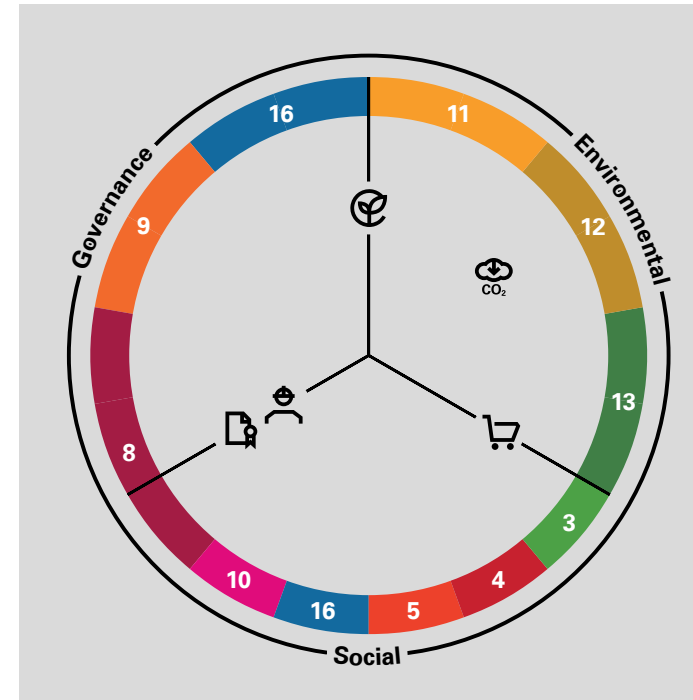
6. Occupational health and safety
7. Sustainability checks for suppliers
8. Material efficiency and waste
9. Resource and material procurement

During the discussions that followed, these topics were then grouped into focus topics and assigned to corresponding GRI-Standards; not all of those GRI-Standards were also classified as material, however.

While “Emissions” has already been classified as material in the past, the topic of “Energy” now appears on SFS’s list of material topics for the first time. In light of the fact that electricity consumption accounts for around 70% of emissions in Scope 1 and Scope 2 as well as the fact that SFS, as a manufacturing company, has high energy requirements, it is understandable that the stakeholders attach top priority to this topic. The stakeholders believe that SFS has the greatest environmental impact in these two topics, which together form the focus topic “Energy and emissions”. Conversely, energy costs and the availability of energy have a huge impact on SFS’s business activities. Continuously increasing our energy efficiency, using energy with the lowest level of emissions possible and increasing the share of self-produced renewable energy are therefore also in our own interest.

Only well-trained, highly motivated and satisfied employees will achieve the best results in their role as value creators and create value added. Through its active promotion of the dual education system of vocational education and training, SFS not only invests in talent development but social and economic development as well. The stakeholders once again classified the topic of “Training and Education” as the most important in the social sphere and combined it with the topic of “Diversity and

Materiality analysis 2022 and list of material topics



*Not identified as material

Energy and emissions
 GRI-302 – Energy
 GRI-305 – Emissions

Sustainable solutions
 GRI-301 – Materials
 GRI-306 – Waste*

Procurement
 GRI-308 – Supplier Environmental Assessment
 GRI-414 – Supplier Social Assessment
 GRI-204 – Procurement Practices*

Employee promotion and engagement
 GRI-404 – Training and Education
 GRI-405 – Diversity and Equal Opportunity
 GRI-401 – Employment*

Occupational health and safety
 GRI-403 – Occupational Health and Safety*

equal opportunity” to create the focus topic “Employee promotion and engagement”. The GRI-Standard “Employment” also falls under this topic but were not classified as material.

Customers attending the stakeholder workshops also gave a high rating to the topic of “Sustainable solutions” and its impact on people and the environment. The main focus here was on the materials used and the products’ recyclability. The topic of “Materials” was identified as a new material topic as a result; while the GRI-Standard “Waste” also falls under this focus topic, it was not classified as material.

The focus topic “Procurement” gained traction for several reasons: Not only is systematic sustainability management essential throughout the entire supply chain as a result of increasing regulatory requirements, it is also pivotal to identifying and reducing Scope 3 emissions, which account for the largest share of emis-

sions. The decisions SFS makes with respect to procurement have big impacts from both a social and environmental perspective. Conversely, suppliers and their activities also have an impact on SFS’s environmental footprint and ethical integrity. This topic, entitled “Sustainability checks for suppliers”, was classified at the workshops as one of the most important as a result. This includes the two GRI-Standards entitled “Supplier Environmental Assessment” and “Supplier Social Assessment” on which SFS is reporting for the first time in the corresponding parts of the report. The standard “Procurement Practices” also falls under the topic but was not classified as material.

The focus topic “Occupational health and safety” consists of a GRI-Standard that was no longer classified as a material topic in the discussion. Instead, SFS decided to classify this topic, like the topics “Human rights” and “Socioeconomic compliance”, as standard topics. Standard topics define the framework for every busi-

Sustainability@SFS

ness activity engaged in by SFS and are therefore considered to be basic content that is reported on an ongoing basis, however not to the same extent as material GRI-Standards.

Going forward, SFS will focus on the first four focus topics in order to leverage long-term targets and corresponding initiatives as a way of ensuring continuous progress with respect to its sustainable development efforts. For this, the individual topics will be examined as a whole and their positive or negative impact on the Sustainable Development Goals (SDGs) as well as the ESG dimension of each (environment, social, governance) will be taken into consideration.

Responsibilities clearly defined

Board of Directors/Audit Committee

→ Approves sustainability strategy and controls execution

Group Executive Board

→ Defines the sustainability strategy, sets the priorities and reviews the progress made

Steering Team

→ Coordinates implementation of the sustainability strategy, monitors progress and ensures that new regulatory requirements are complied with

Reporting Team

→ Creates the Sustainability Report, ensures participation in numerous ratings and questionnaires and monitors regulatory environment

EHS Peer Group

→ Implements sustainability initiatives relating to environment and occupational health and safety; ensures data collection at all relevant sites

CSR Peer Group

→ Makes current CSR activities visible and develops new social initiatives

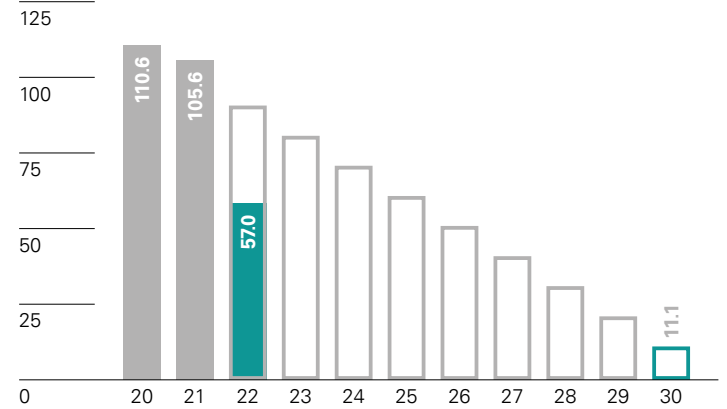
Sustainability is an integral part of the company's business activities and SFS's focus on sustainability is clearly defined at every level – from the Group Executive Board to the individual divisions, sites and teams – by the Board of Directors, as the highest governance body. The Board of Directors regularly reviews the sustainability strategy and its holistic integration into all corporate activities. The Sustainability Report is monitored by the Audit Committee. The CEO, together with the full Group Executive Board, regularly examines the current sustainability topics, sets priorities and monitors progress in the respective categories. On behalf of the Group Executive Board, the newly created Steering Team (composed of representatives from the Environment and Safety, Compliance, Controlling, HR and Communications departments) coordinates the implementation of the strategy and priorities. The Steering Team monitors the progress made towards meeting targets and ensures compliance with new statutory requirements. Due to the different characteristics of the segments and individual divisions and in the interest of achieving the highest possible level of effectiveness, the divisions are responsible for structuring the measures and initiatives. Regular communication regarding these measures and initiatives takes place in their respective peer groups. The EHS Peer Group (Environment Health

and Safety) implements measures relating to the environment as well as occupational health and safety and is simultaneously responsible for collecting data at all the relevant sites. The CSR Peer Group (Corporate Social Responsibility) implements measures in the social sphere, calls attention to CSR initiatives and develops new initiatives. Wherever possible, the topic of sustainability is integrated into regular management processes and reports using standardized metrics. The CEO, in consultation with the Board of Directors, approves the Sustainability Report prepared by the Reporting Team.

Environment

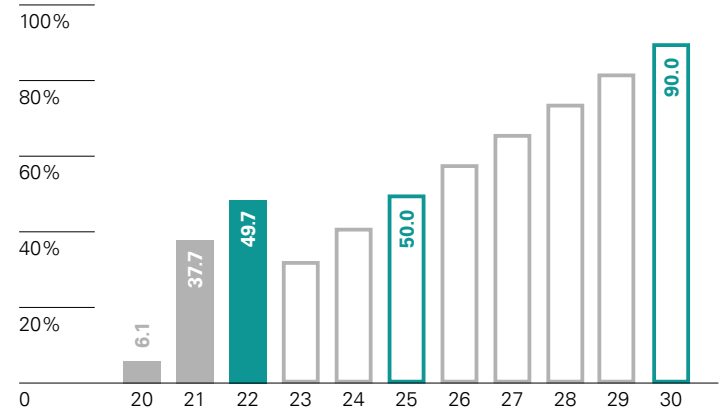
Reduction of Scope 1 and 2 emissions by -48.4% vs. 2020

CO₂ emissions in metric tons per million value-added francs



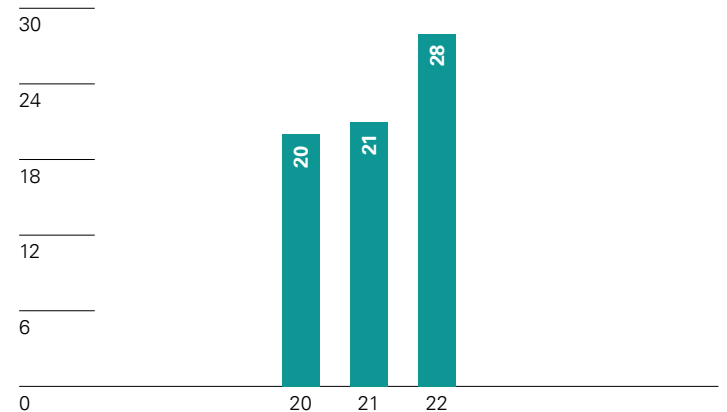
Share of renewable electricity is almost 50%

Share of renewable electricity in % of total electricity demand



Status ISO 14001 (environmental management)

Number of certified sites worldwide



On a good path

In 2022 SFS succeeded in reducing its Scope 1 and Scope 2 emissions by –18.7% in absolute terms. Compared to the 2020 base year, the tons of CO₂ equivalent per franc of value added has now been reduced by –48.4%. That means SFS has come one big step closer to its declared goal of reducing direct CO₂ emissions relative to value added by at least 90% by 2030. In order to meet its due diligence obligations more consistently, SFS has been conducting environmental and social assessments with all direct suppliers since 2023. This with the aim of being able to fully measure Scope 3 emissions and reduce them in the long term.

Energy and emissions Significant progress achieved

Through its energy consumption and emissions that it generates directly, SFS has an impact on the environment and the climate in particular. As a result, we are making an effort to reduce both our energy consumption and our emissions while also increasing the share of both self-produced and purchased renewable energy.

Reducing direct and indirect emissions along the entire value chain is one of the key measures for achieving the climate goals of the Paris Agreement, which calls for global warming to be limited to below 2° or 1.5° Celsius.

SFS has set itself the goal of reducing direct CO₂ emissions (Scope 1 and Scope 2) by ≥90% until 2030. This reduction target is based on 2020. Emissions savings are calculated based on the tons of CO₂ equivalent per franc of value added.

As a leading technology company, SFS is not only committed to making its own processes as energy efficient, environmentally friendly and resource conserving as possible, but also to offering solutions that offer our customers long-term benefits. SFS takes the entire supply chain into account, which also helps its customers achieve their own goals.

The overarching principles of environmental management are enshrined in the “Policy on Quality, Environment, Occupational Health and Safety” and in the sustainability guidelines. Among other things, SFS undertakes to manufacture and/or offer all products and services in compliance with statutory and official requirements regarding environmental protection, safety and health.

The certification of the production sites according to ISO 14001 is part of the management approach and the comprehensive

environmental management system with the aim of continuously reducing environmental pollution. During the reporting period, seven additional sites were certified to ISO 14001 (environmental management system). Further certification is currently planned for 17 locations.

Stakeholder workshops, investor calls, employee surveys, supplier training and customer meetings were conducted again in the year under review to get relevant stakeholder groups involved. See also Governance: Critical issues taken into account through involvement of stakeholder groups →

Progress made in terms of emission reductions

Year on year, SFS reduced its Scope 1 absolute CO₂ emissions by –8.5%. On a like-for-like basis, meaning excluding the sites in the Construction, Medical and Distribution & Logistics International divisions that were included in the report for the first time, absolute emissions were actually reduced by –23.9%. Optimizing our own performance through efficiency improvements and savings and the updating of emission factors (changing ecoinvent database from v.3.8 to v.3.91) contributed to this reduction. While changes in the scope – mainly as a result of the Hoffmann SE acquisition – have caused absolute emissions to increase by 15.5%, these were more than offset by the first two factors.

The increase in vehicle fuels is also largely attributable to the changes in the scope of consolidation. As a commercial enterprise, Hoffmann has a comparably large fleet of vehicles for its field service. On the other hand, the Hoffmann acquisition had little impact on heating oil, gases and process materials.

Direct GHG emissions (GRI-305-1)

Scope 1 emissions

	2022	2021	2020	Share	Change to prior year
In metric tons of CO ₂ eq (ecoinvent calculation)	v3.9.1	v3.8	v3.7.1	–	–
Scope 1 (in tons CO ₂ eq)	27,166	29,680	19,742	–	–8.5%
Scope 1 (in tons CO ₂ eq) “like-for-like”*	22,579			–	–23.9%
Scope 1 (in tons CO ₂ eq)	27,166	29,680	19,742	–	–8.5%
Car fuels	6,738	3,629	1,562	24.8%	85.7%
Fuel oil/gas	19,257	24,593	18,152	70.9%	–21.7%
Operating fluids	1,170	1,458	28	4.3%	–19.7%

*This figure was adjusted to revised data and the exclusion of new sites to ensure comparability with the previous year.

The Scope 2 emissions were reduced by –22.2% in absolute terms in the year under review, or by as much as around –27.9% on a like-for-like basis. The reduction is mainly attributable to the higher percentage of renewable electricity (–16.1%). The updated emission factors from the ecoinvent database contributed –11.8% and the mix effects 5.7% to the result.

Energy indirect GHG emissions (GRI-305-2)

Scope 2 emissions

	2022	2021	2020	Share	Change to prior year
In metric tons of CO ₂ eq (ecoinvent calculation)	v3.9.1	v3.8	v3.7.1	–	–
Scope 2 (in tons CO ₂ eq)	67,834	87,201	85,080	–	–22.2%
Scope 2 (in tons CO ₂ eq) “like-for-like”*	62,856			–	–27.9%
Scope 2 (in tons CO ₂ eq)	67,834	87,201	85,080	–	–22.2%
Electricity	67,828	87,195	–	99.9%	–22.2%
District heating	6	6	–	0.01%	–1.1%

*This figure was adjusted to revised data and the exclusion of new sites to ensure comparability with the previous year.

Taken together, absolute CO₂ emissions in Scope 1 and Scope 2 declined by –18.7% in the year under review. Given strong sales growth of 45.1%, that is an extremely encouraging figure. Adjusted for the updated emission factors in the ecoinvent database and minor corrections to prior-year figures and taking into account changes in the scope of consolidation, the result is a total reduction of –16.8%.

Environment

Direct and indirect GHG emissions

Scope 1 and Scope 2

	2022	2021	2020	Change 2021/2022
Ecoinvent calculation	v3.9.1	v3.8	v3.7.1	
Total	95,000	116,881	104,822	-18.7%
Update emission factors (ecoinvent)		-14,255		
Adjustment scope of consolidation	-9,565			
Total "like-for-like"	85,435	102,626		-16.8%

The reduction of -48.4% in the number of tons of CO₂ equivalent per franc of value added refers to the 2020 reference year. SFS has set itself the goal of reducing this figure by at least 90% by 2030 and is well on its way to achieving that goal. Only a fairly small percentage (-9.4%) of the reduction in the greenhouse gas emission intensity ratio is attributable to the reduction in absolute emissions. Mix effects arising as a result of the inclusion of Hoffmann had a larger impact. As a commercial enterprise, Hoffmann's energy intensity is not as high as the manufacturing divisions of the SFS Group.

GHG emissions intensity (GRI-305-4)

Tons CO₂eq/value-added francs in million CHF

	2022	2021	2020	Change 2022/2020
Ecoinvent calculation	v3.9.1	v3.8	v3.7.1	
CO ₂ eq Scope 1 and Scope 2 in tons	95,000	116,881	104,822	-9.4%
Value-added francs	1,666	1,107	948	75.7%
CO ₂ eq Scope 1 and Scope 2/value-added francs	57.0	105.6	110.6	-48.4%

With respect to Scope 3 emissions, which account for around 90% of total emissions, an expanded data basis also achieved greater transparency. There were two main factors underlying the large 50.7% increase in absolute Scope 3 emissions in the year under review:

- On the one hand, the data collection system is still being established. With each additional year, more data becomes available and thus form the largest part of the organic increase in emissions.
- On the other hand, the majority of the increase was attributable to the expansion of the scope of consolidation to include a few sites in the Medical and Construction divisions and especially the newly added Distribution & Logistics International division.

The 53.6% increase in "purchased goods and services", in particular, is nearly exclusively attributable to the Hoffmann acquisition. Hoffmann also had a major impact on the areas of "downstream transport and distribution", "business travel" and "fuel and energy-related activities".

The category "employee commuting" recorded a significant decline in the year under review, despite the marked increase in the number of employees due to the Hoffmann acquisition.

Other indirect GHG emissions (GRI-305-3)

Scope 3 emissions

	2022	2021	2020	Share	Change to prior year
Ecoinvent calculation	v3.9.1	v3.8	v3.7.1		
Scope 3 (in tons CO ₂ eq)	620,185	411,417	192,071	-	50.7%
Purchased goods and services	509,988	331,965	-	82.2%	53.6%
Capital goods	2,458	1,098	-	0.4%	123.9%
Fuel and energy-related activities (not included in Scope 1 or Scope 2)	30,013	21,224	-	4.8%	41.4%
Upstream transport and distribution	827	3,174	-	0.1%	-73.9%
Waste from operation	21,249	9,516	-	3.4%	123.3%
Business travel	1,335	100	-	0.2%	1,235.3%
Commuter traffic	20,810	37,524	-	3.4%	-44.5%
Downstream transport and distribution	33,047	6,646	-	5.3%	397.2%
Other (upstream)	458	171	-	0.1%	167.8%



Environment

Environmental roadmap shows emissions reduction pathway

The updated Environmental roadmap, which was also simplified during the year under review to make it more focused, shows the initiatives aimed at reducing direct and indirect emissions.

In addition to the Group-wide measures, the sites and divisions implement many smaller, high-impact projects in the area of environmental protection, health and safety (EHS) each year, as exemplified by the success story below.

Environmental roadmap 2020–2030

	2021	2022	2023	2024	2025	2030	
KPI	Share of renewable electricity in %					>50	>90
	Share of self-generated electricity in %					>10	>10
	Reduction of CO ₂ emissions in % (Scope 1 and Scope 2)					>90	>90
	Reduction of occupational accidents (zero accidents or reduction)					>50	0
Projects	Reduction of energy and water consumption as well as waste						
	SFS mobility standard (controlled by divisions)						
	Data collection (quarterly and annually)						
	Sustainability of suppliers/Green logistics						
	Protecting nature and biodiversity						
Start 2020	2021	2022	2023	2024	2025	2030	



At the site in Medina (USA), biodiversity was promoted with a large-scale tree planting campaign.

Success story Advancements made thanks to new initiatives

Thanks to creative ideas submitted by employees again during the year under review, SFS was able to make many sustainable new improvements and launch new initiatives. The share of renewable energy was increased substantially at several sites. Other measures were aimed at reducing energy consumption to cut costs or at promoting biodiversity. The first Sustainability Day was held at the Heerbrugg (Switzerland) site and similar awareness campaigns are to be held at further sites going forward.

[Link to success story →](#)

Focus shifts back to energy consumption and energy mix

Developments in 2022, which brought regionally enormous increases in energy prices and the threat of supply bottlenecks, have demonstrated quite clearly that SFS – with its focus on renewable energies as well as the expansion of its in-house power generation – is on the right track. Not only do these measures let SFS strengthen its independence from energy suppliers and boost its operational reliability, but also reduce energy costs that are currently subject to strong fluctuations. SFS focuses on the topic of energy efficiency as well as the use of renewable sources of energy, particularly at production-intensive sites. The year under review saw another three sites switch their purchased electricity to energy from purely renewable sources, enabling them to save 12,600 tons of CO₂ emissions per year.

Energy consumption within the organization (GRI-302-1)

In MWh

	Unit	2022	2021	2020	Change to prior year
Energy total	MWh	338,539	316,555	270,957	6.9%
renewable	%	32.8%	24.4%	4.0%	8.4 pp
Electricity total	MWh	219,024	203,381	177,200	7.7%
renewable	%	49.7%	37.7%	6.1%	12.0 pp
Electricity purchased	MWh	209,216	198,252	174,640	5.5%
renewable	%	47.4%	36.1%	4.7%	11.3 pp
Heat purchased	MWh	352	383	414	-8.3%
renewable	%	100.0%	100.0%	100.0%	0
Electricity self-generated	MWh	9,807	5,129	2,560	91.2%
renewable	%	99.8%	100.0%	100.0%	-0.2 pp
Fuel total	MWh	119,163	112,791	93,343	5.6%
renewable	%	1.5%	0.1%	0	1.4 pp
Natural gas	MWh	85,479	89,762	79,287	-4.8%
Heating oil	MWh	2,824	608	1,324	364.5%
Methanol	MWh	5,012	5,201	4,311	-3.6%
Propane	MWh	1,560	4,021	3,257	-61.2%
Diesel	MWh	20,527	10,547	3,296	94.6%
Petrol	MWh	3,761	2,653	1,867	41.8%

Share of self-produced electricity nearly doubled

During the year under review, the amount of energy obtained from renewable sources relative to total energy consumption was raised considerably from 24.4% in 2021 to 32.8% in 2022. Renewable electricity relative to total electricity consumption actually increased to 49.7% (PY 37.7%). This means that SFS has already almost reached the target value planned for 2025 of using at least 50% of its electricity from renewable energies in 2022. Both developments highlight the heightened focus on the energy mix used as well as the efforts being made to make production activities more sustainable.

At 9,807 MWh in the year under review, the share of self-generated electricity increased by 91.2% over the previous year. This encouraging development underpins SFS's efforts to strengthen its energy autonomy.

Taking responsibility and strengthening autonomy by embracing solar and wind energy

SFS is aware of the fact that purchasing renewable energy alone will not be enough to limit negative impacts on the climate and achieve the climate goals of the Paris Agreement, which calls for global warming to be limited to below 2° or 1.5° Celsius. We would like to live up to our responsibility toward the environment and society by expanding our own power generation capacities even further and strengthening our autonomy. SFS installed its first photovoltaic system at the site in Heerbrugg (Switzerland) more than 30 years ago. Nowadays, solar panels cover every roof surface at the site. The year under review saw large-scale photovoltaic systems installed – or existing ones expanded – at the sites outside Switzerland as well.



Large-scale solar installation meets 15% of power requirements in Nantong (China)

SFS's first photovoltaic installation in Malaysia, which boasts more than 2,700 panels on six buildings, was inaugurated in January 2022. The system produces 1,720 MWh of renewable electricity per year, thereby saving more than 1,100 tons of CO₂. This system's installation is a milestone and important contribution toward achieving the targets defined in the Environmental roadmap. The Electronics division also made a large-scale expansion to the solar installation in Nantong in the year under review. Made up of 7,300 panels, the installation generates around 4,450 MWh of renewable electricity per year, which corresponds to around 15% of the site's consumption per year and savings of around 3,000 tons of CO₂.

Wind turbine planned in Switzerland

RhintlWind, the first wind turbine in the Canton of St. Gallen (Switzerland), is being planned on a property that belongs to SFS, right next to the manufacturing facilities in Heerbrugg. As one of the largest local industrial companies, SFS would like to produce more climate-neutral power, contribute toward climate protection and help ensure regional energy security. This wind turbine – which specifically also generates energy in the winter months – is expected to generate an additional 5 GWh of electricity per year to supplement the existing large-scale photovoltaic installation. That is roughly equivalent to the consumption of 1,300 households or around 10% of SFS's energy consumption in Switzerland. The planned turbine has a hub height of approx. 135 meters, which makes it much more efficient and nature-friendly than multiple smaller turbines. The electricity produced will be fed directly into the existing infrastructure. A wind measurement mast installed in the summer of 2022 will document important information about wind and weather conditions for a one-year period. SFS plans to

submit its application in 2024 for a turbine construction permit based on these results.

More information about the RhintlWind project (only in German) →

Energy intensity reduced by around 30%

The Group's energy intensity, meaning its absolute energy consumption relative to value added, was reduced by –28.9% compared to the reference year. This pleasing development is due in part to sustained efforts to make sparing, efficient use of energy. On the other hand, the addition of the Hoffmann SE, a commercial enterprise with a lower energy intensity, also had a big impact.

SFS's power consumption rose by 23.6% during this period, which is mainly attributable to the company's remarkable growth during this time. While the consumption of purchased heat was reduced by –15.1%, fuel consumption rose considerably. The increased consumption of fossil fuels over the reference year is partly attributable to a baseline effect, however, which was caused by pandemic-related restrictions in 2020 and led to figures that were lower than usual.

Energy intensity (GRI-302-3)

In MWh/value-added francs in million CHF

	units	2022	2021	2020	Difference 2022/2020
Electricity total	MWh	219,024	203,381	177,200	23.6%
Heat purchased	MWh	352	383	414	–15.1%
Fuel total	MWh	119,163	112,791	93,343	27.7%
Energy total	MWh	338,539	316,555	270,957	24.9%
Value-added francs in million CHF	million CHF	1,666	1,107	948	75.7%
Energy intensity (MWh/value-added francs in million CHF)	MWh/million CHF	203	286	286	–28.9%

Majority of energy consumption outside the organization

At around 1.9 TWh, "purchased goods and services" accounted for about 80% of energy consumption in Scope 3. This illustrates the supply chain's enormous impact on overall energy consumption. 58.2% of that amount stems from the goods traded by the newly acquired Distribution & Logistics International division.

"Capital goods", "waste generated in operations", "upstream transport and distribution" as well as "other (upstream) activities" make only minor contributions to energy consumption. Since the data collection system is still being established for "capital goods", Scope 3 energy consumption is expected to increase further as an improved data basis becomes available for this area.

After fuel and energy-related activities, which at 270 GWh also make a considerable contribution toward Scope 3 energy consumption (but are not included in Disclosure 302-1), the upstream category of "transport and distribution" is the third-largest source of Scope 3 energy consumption and accounts for 131 GWh or roughly 5.5% of total energy consumption. This clearly illustrates how important it is to optimize logistics and transport processes to reduce energy consumption and any associated emissions. With its "local-for-local" strategy as well as Hoffmann's LogisticCity, SFS is already successfully implementing this plan.

Together, "employee commuting" and "business travel" only amount to 81 GWh, which represent just a relatively small portion of total consumption. This figure is being improved even further through the increased use of remote working or the use of video conferences instead of in-person meetings – both of which are a consequence of the pandemic.

Energy consumption outside of the organization (GRI-302-2)

In MWh

Sources of (Scope 3) energy resources	
Purchased goods and services	1,869,381
Capital goods	8,157
Fuel- and energy-related activities (not included in Disclosure 302-1)	269,041
Upstream transportation and distribution	130,929
Waste generated in operations	28,389
Business travel	4,846
Employee commuting	76,483
Other (upstream)	2,815
Total	2,390,040

Environment

Sustainable solutions Products create added value

During two workshops held with relevant stakeholder groups, participants discussed and evaluated existing and new topics in terms of the company's impact on the environment, society and the economy (inside-out) as well as the impact of these topics on SFS (outside-in). The material topics were defined on this basis, among them the new topic of "Sustainable solutions".

At SFS, sustainability is an important driver of innovation. We strive to provide products and services that take their environmental, social and economic benefits into account over their entire life cycle – thereby also offering our customers sustainable value added. That includes:

- Developing forward-looking technologies, particularly with respect to environmentally friendly alternatives and products that offer higher energy efficiency.
- Ensuring sustainable resource and material management and improving resource productivity in keeping with the "reduce – reuse – recycle" principle.
- Reducing SFS generated waste.

In order for it to be able to implement these principles for new and existing solutions, SFS will start by introducing processes for collecting the relevant data in 2023. This will be done with the goal of improving transparency regarding the use and efficiency of materials, the type and amount of waste generated and of increasing the proportion of recycled materials. Together with the improved data basis, this should help the company better identify potential risks and opportunities within the scope of this topic as well as prevent

and/or reduce negative consequences. Corresponding targets can then be defined for this area as well.

Creating sustainable value added for stakeholder groups
SFS components embedded into a customer's product or used in the production process often account for less than 1% of the total product cost. But the costs at the customer end arising from procurement, logistics and handling operations can be several times the actual cost of these products. As a result, our main goal is not to cut our product costs and distinguish ourselves through a product's price, but instead to enhance the product's total utility for our customers and stakeholder groups in terms of economic, environmental and social benefits.

This perspective taps considerably higher savings potential with respect to energy, the use of material and costs while also enabling us to create sustainable value added for all stakeholder groups. Our value engineering model focuses on product design, the definition of manufacturing processes and leveraging the power of digitalization. The result: tailored products and intelligent solutions that increase the competitiveness of our customers. Hence, the solutions lead to greater differentiation and strengthen collaborative partnerships.

The success story below shows an example of how this value engineering resulted in sustainable solutions during the year under review.

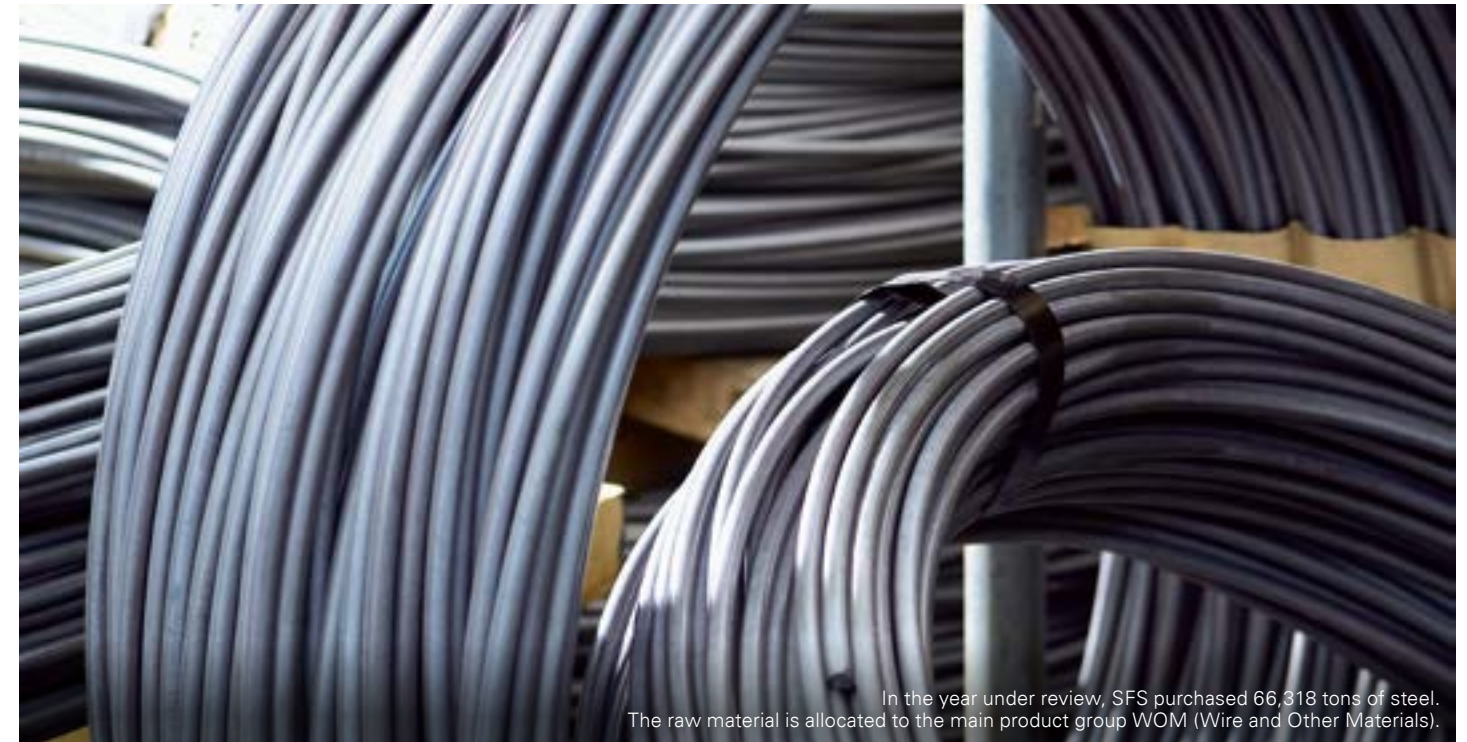
Success story Sustainable solutions as an innovation driver

SFS's value engineering approach enables it to develop ideas and solutions that create sustainable value added for its stakeholder groups – in economic, ecological and social terms. This endeavor was implemented in the year under review with the following products and adaptations: Hazard-label-free cleaners and anaerobic adhesives that improve occupational safety and are gentle on the environment and tool handles made of renewable raw materials are some examples that illustrate the sustainable solutions implemented in the past year.

[Link to success story →](#)



Tools, with handles made from renewable raw materials



In the year under review, SFS purchased 66,318 tons of steel. The raw material is allocated to the main product group WOM (Wire and Other Materials).

Procurement Increased transparency in the supply chain

Our procurement practices aim to reduce negative consequences in the supply chain and reinforce positive consequences. To this end, all suppliers are audited with regard to their environmental impact, among other things.

Detailed assessments are currently being performed to establish where SFS's suppliers stand in terms of defined environmental and social criteria. An initial evaluation, and therefore also a valid summary of potential opportunities and risks in the supply chain, will be available to SFS by the end of 2023. We introduced this new, standardized supplier assessment not only in an effort to more firmly exercise our duty of care, but also to expand our knowledge (scope and sources) of Scope 3 emissions through greater transparency and an expanded data basis. It is also connected to our long-term objective of reducing indirect emissions by ≥90% by 2040.

In keeping with our "local-for-local" strategy, SFS is steadily building up its global development and production platform. Business partners benefit from superior supply reliability thanks to short and robust supply chains.

SFS's supplier network, including Hoffmann, currently comprises around 11,500 contacts domiciled and with operations in North America, Europe and Asia. With respect to the (raw) materials it

purchases, the company differentiates between the following seven main product groups:

- WOM: Wire and other Materials
- FC: Finished Components
- OCE: Oil, Chemistry/Energy
- Tools
- ME: Machines and Equipment
- PACK: Packing Material
- SP: Service Provider

Global procurement, including Hoffmann since May 1, 2022, amounted to more than CHF 1.4 billion in the year under review (PY over CHF 800 million; without Hoffmann), with procured items stemming from the following three regions (all without Hoffmann):

- Europe 66.1% (PY 55%)
- Asia 23.4% (PY 32%)
- America 10.5% (PY 10%)

Through the inclusion of our stakeholder groups, the topic of "procurement" was also identified as one of the new material topics at the stakeholder workshops.

Environment

Transparent supply chains and active supplier management

About 90% of our emissions occur in Scope 3. In order for us to be able to check and reduce our emissions along the entire value chain in the future, including upstream and downstream processes, we need to focus on Scope 3 emissions. To that end, suppliers will be evaluated according to defined social and environmental criteria on an online platform, thereby enabling SFS to identify potential opportunities and risks and ideally work with the suppliers to set reduction targets.

Initial assessment successfully conducted with pilot group

A first pilot group of 40 suppliers was successfully certified through the platform in the fourth quarter of 2022 as part of a proof of concept. Suppliers from Taiwan and China that serve the Distribution & Logistics segment were selected to be in the pilot group. Most of these suppliers fall under NACE code 25 (manufacturer of fabricated metal products, except machinery and equipment), a group which has been found to have a higher industrial risk with respect to various ESG topics (e.g., environmental protection, working conditions and occupational safety).

SFS's supplier network currently comprises around 11,500 contacts domiciled and with operations in America, Europe and Asia. Group-wide supplier onboarding began across all divisions in January 2023. The goal is to use the platform to certify a substantial share of the suppliers by the end of 2023.

In light of the new legal requirements enacted in 2023 by Switzerland through its counterproposal to the Responsible Business Initiative (VSoTr) and Germany through its new Act on Corporate Due Diligence Obligations in Supply Chains (Lieferkettensorgfaltspflichtengesetz, LkSG) and also based on the sustainability strategy and goals of SFS, the supplier assessment currently comprises the following key topics:

- Environmental protection
- Human rights and labor rights
- Occupational safety
- Responsibility in the supply chain
- Conflict minerals
- Cybersecurity

Supply partners responded very positively to the assessment, with the result that a very high response rate of >85% was achieved within 30 days. A follow-up e-mail or phone call only became necessary for 15% of the supply partners.

Once the individual assessments had been validated in full by strategic purchasing, the pilot group was classified using a traffic light system (green, amber, red) with 100% of suppliers rated as "green".

While some results on individual topics received an "amber" rating, these did not negatively impact the respective suppliers' overall score. These discrepancies are addressed during our regular communications with suppliers and suitable corrective measures defined where necessary.

Supplier management outlook

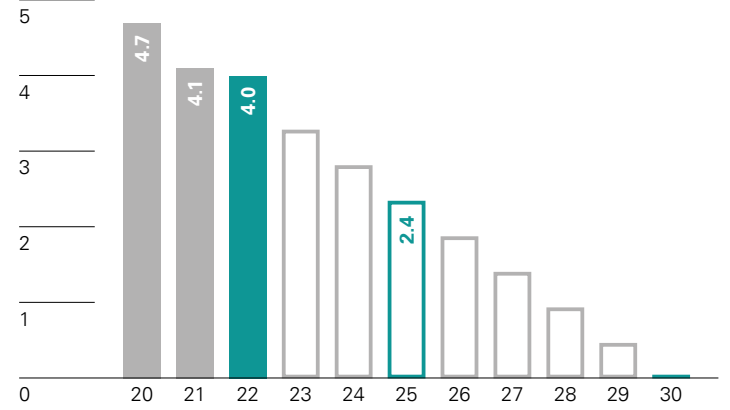
Once the onboarding of direct suppliers has been completed, we will also gradually transfer indirect suppliers to the platform from 2024 onwards so that we can also evaluate the upstream supply chain. Sustainability assessments are to become a permanent part of supplier management.

Social



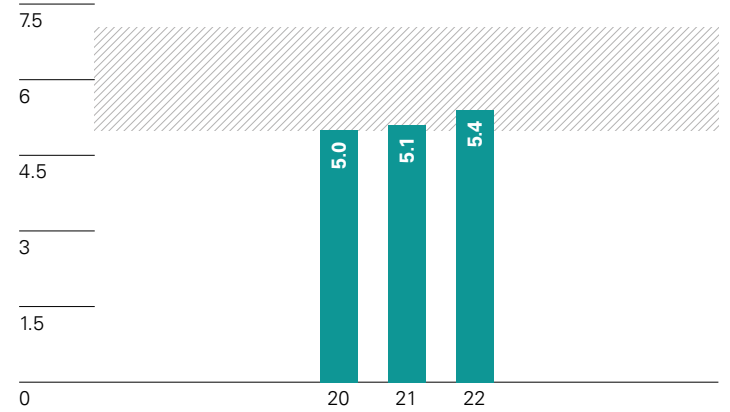
Too little progress in reducing the accident rate

Number of accidents per million hours worked



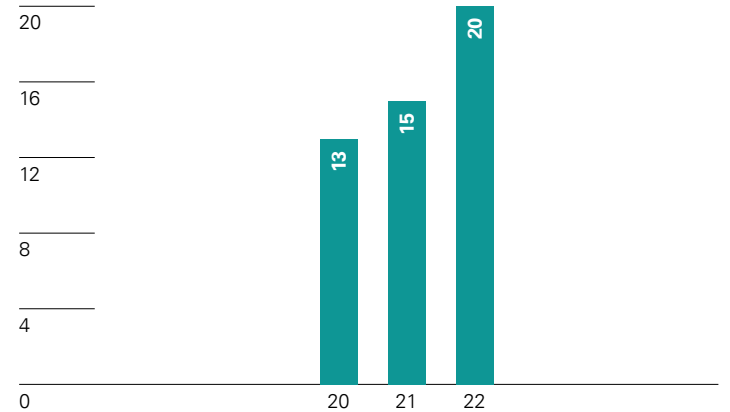
Target range of 5–7% for dual training achieved again

Number of employees in dual training programs in %



Status ISO 45001 (occupational health and safety)

Number of certified sites worldwide



Talent development intensified

Employee satisfaction at SFS remains at a consistently high level. For example, around 80% of employees are satisfied with SFS as an employer and 87% rate the company as attractive. Further expansions were made in the area of personnel development, particularly in middle management and through the Advanced Leadership Development Program (ALDP). The accident rate was reduced by just -1.4% in 2022 compared to the previous year. This means that SFS must make great efforts to achieve its goal of halving the accident rate by 2025 compared to 2020.

Employee promotion and engagement

Talent development expanded

The topics of "Training and Education" and "Diversity and Equal Opportunity" were identified as material during a stakeholder workshop. SFS covers both of these topics under the broader term of "Employee promotion and engagement". In the area of "Training and Education", SFS sees enormous potential in continued support for and the international expansion of both dual-track education and training as well as leadership training. In the area of "Diversity and equal opportunity", the first step is to create a pool of data that can be compared at the international level in order to deduce where action may be needed and ultimately to be able to define measures and targets.

SFS is heavily involved in training and continuing education. The enormous importance that corporate management attaches to this topic is clearly reflected in the fact that the topic is firmly incorporated into both the corporate strategy and the long-term targets.

SFS's Corporate Principles are aligned with the values of "Partnership", "Engagement", "Success" and others. Achieving those values hinges on having employees with above-average qualifications, commitment and integrity – qualities that can only be facilitated through genuine appreciation, solidarity and fairness. That makes employee satisfaction of pivotal importance to SFS. The topic of sustainability is becoming an increasingly important priority among employees as well. In the past year, for example, our employees submitted more than 100 ideas for promoting sustainable corporate development. On top of that, people just

getting their professional careers off the ground are increasingly interested in finding an employer that enables them to make a positive contribution to the environment, society and the company through their job. For this generation, SFS's active examination of the broader topic of sustainability boosts its appeal as an employer.

SFS promotes diversity and equal opportunity. The promotion of diversity and the equal treatment of all employees and business partners are important components of our sustainability guidelines and our Code of Conduct. SFS views greater diversity as an opportunity to counteract the shortage of skilled labor and increase the performance of its teams. Neither the Group Executive Board nor the divisional management teams are very diverse yet. As a result, future recruitment activities will attach greater importance to this topic, particularly with respect to the composition of the various teams. That means, given equal qualifications, preference is more likely to be given to women. Additionally, SFS will also deliberately hire more candidates over the age of 50 in order to promote a diverse age structure as well. When selecting participants for leadership training courses, SFS is vigilant about ensuring equal treatment among the regions and divisions. At the same time, a larger number of young managers will be trained in order to lay the cornerstone for greater diversity in management-level positions. Dual-track education and training is also an effective tool for opening up new development opportunities for our talents – regardless of gender or origin – and promoting diversity at the same time.

Promotion of dual-track education and training

SFS is convinced of the enormous importance of the dual-track system of education and training and its impact on the economy and society. We are committed to strengthening the dual-track system and have a variety of measures in place to achieve that goal. These include the financial support of the Hans Huber Stiftung (Hans Huber Foundation), our partnership with the Stiftung FH Schweiz (Foundation of the University of Applied Sciences Switzerland), the presentation of the SFS Apprentice Award as well as the 12 apprenticeship programs that SFS offers in Switzerland. SFS also creates attractive dual-track education opportunities at various sites around the world and promotes cooperation with schools and parents in order to offer young professionals a valuable and hands-on alternative.

The organization's long-term goal is to have 5–7% of permanent employees worldwide participate in dual-track education and training programs. SFS was able to reaffirm its stated target of 5.4% in 2022 (PY 5.1%). The report encompasses around 90% of the workforce.

Filling key positions

SFS implements suitable further training measures to achieve its goal of providing employees at all levels with targeted support to help them develop their potential. That will further expand the pool of talented individuals that can be tapped to fill key positions or find replacements internally when the need arises. SFS not only plans to train internal managers – this is actually a clearly defined goal that the Group has been monitoring for years: 70% of upper management positions are to be filled with internal candidates. 100% of the key positions (members of divisional management and site managers) were filled by internal candidates during the period under review (PY 100%).

Divisional management is responsible for filling these key positions together with the HR team. Potential candidates are identified and the talents are promoted through the Group-wide Structured Employee Development Program (SEDP). The CEO and CHRO are responsible for reviewing individual target achievement, informing the Nomination and Compensation Committee and the Group Executive Board of the degree of target achievement and drawing up proposals for measures.

The success story on the right shows how SFS promotes its employees and trains them to become leaders through level-appropriate development programs.



Employee development during one of the ALDP modules

Success story

Employee development as a success criteria

When hiring, SFS also seeks out long-term partnerships based on mutual trust. This approach shapes not only the behavior of each and every employee but also its corporate culture – SFS's DNA. This culture and these values are embraced by all employees on a daily basis – through responsible decisions and actions and a systematic focus on customer benefits. Conversely, for SFS that means the holistic development of employees takes a high priority. To safeguard their mutual success in the long term, SFS invests in customized programs for its employees' training and continuing education. It does this in part to ensure its ability to fill 70% of all management vacancies internally. Elena Scholand, who graduated from the ALDP, reports on her experiences.

[Link to success story →](#)

Social

High level of motivation thanks to engaged and satisfied employees

Only satisfied and engaged employees can make extraordinary achievements. That is something confirmed by our employees, our value creators, not only through the creativity and innovative solutions that they use to create sustainable value added for our stakeholder groups but also through their responses to employee surveys. SFS conducts this Group-wide survey every two years. The survey was conducted in the Electronics and D&L International divisions in the year under review, while all other divisions conducted the survey in 2021. Here, too, the results are very encouraging and comparable with those of the rest of the Group: Around 80% of employees are satisfied with SFS as an employer. Not only the above-average response rate but also the frequent use of the comment function were testimony to the fact that the Group embraces a culture of feedback and has highly engaged employees. The concerns and key topics with potential for improvement that were addressed come from the following areas or can be broken down into the categories as follows:

- Work-leisure balance
- Compensation and benefits
- Career and development opportunities
- Workflow and process optimization

All feedback from both the 2021 survey and the survey of the most recent reporting year were compiled and evaluated to extrapolate measures aimed at boosting SFS's attractiveness as an employer even further.

Percentage of employees with a performance review in the reporting year (GRI-404-3)	Female	Male	Total
Percentage of employees with a performance review	63%	67%	66%
(Prior-year figure)	(64%)	(63%)	(63%)
Number of employees with a performance review in FTEs	2,133	6,199	8,332
(Prior-year figure)	(1,880)	(4,772)	(6,652)

Occupational health and safety

Accident rate too high

Too little progress in the reduction of accident rates

The SFS Group had 13,282 employees (FTE) at the end of 2022 (PY 10,509). The reporting entities comprise 12,617 FTEs (PY 9,455). The strong growth is attributable to the completion of the transaction with Hoffmann, which had 3,082 employees at year-end. On a like-for-like basis, the headcount declined slightly by -2.9%. The number of accidents per million hours worked was reduced by -1.4%. While this might put the organization somewhat closer to its goal of cutting the accident rate in half by 2025, the Group is not expected to reach the goal. Based on the 2020 figure of 4.7 accidents per million hours worked, that puts the target for 2025 at 2.35 accidents per million hours worked.

Certification of the production sites to ISO 45001 (occupational safety and health management system) is part of the management

Regular performance review identifies need for training

For the regular employee performance review, SFS has set up a globally valid MbO process (Management by Objective) with the following objectives:

- Implementation of overarching objectives (corporate targets)
- Review of employees' performance and conduct
- Employees' degree of identification with the corporate targets
- Employee engagement
- Identification of training needs and verification of the training program's effectiveness

The percentage of employees with a performance review was increased to 66% in the year under review (PY 63%). The increase in full-time equivalents (FTEs) is primarily attributable to the expansion of the scope of the report. The majority of this is related to the integration of Hoffmann. Approaches for increasing the performance review rate going forward will be discussed by the HR Peer Group in 2023. In addition to the performance review, the Group-wide MbO process will also be used for determining specific training requirements. For this, the manager works together with the employee to agree which training measures are to be implemented.

approach with the aim of continuously reducing the incident rate. During the reporting period, five additional sites were certified to ISO 45001. Certification is currently planned for 17 further sites.

Work-related injuries (GRI-403-9)

In million hours

	Unit	2022	2021	2020	Change to prior year
Employee development (FTE)¹	FTE	12,617	9,455	8,956	33.4%
Total hours worked	hours	25,233,800	20,230,895	18,183,174	24.7%
Permanent employees		23,650,800	17,494,478	-	35.2%
Temporary employees		1,583,000	2,736,417	-	-42.2%
Occupational accidents >= 1 day²	#	102.0	82.0	85.0	24.4%
Permanent employees		92.0	80.0	-	15.0%
Temporary employees		10.0	2.0	-	400.0%
Accident rate >= 1 day²	#/million hours	4.0	4.1	4.7	-1.4%
Permanent employees		3.9	4.6	-	-15.4%
Temporary employees		6.3	0.7	-	802.4%
Occupational accidents > 3 days	#	69.0	63.0	57.0	9.5%
Permanent employees		66.0	62.0	-	6.5%
Temporary employees		3.0	1.0	-	200.0%
Accident rate > 3 days	#/million hours	2.7	3.1	3.1	-11.8%
Permanent employees		2.8	3.5	-	-20.3%
Temporary employees		1.9	0.4	-	373.8%
Work-related injuries with serious consequences³	#	3.0	2.0	-	50.0%
Permanent employees		3.0	1.0	-	200.0%
Temporary employees		0.0	1.0	-	-100.0%
Rate with serious consequences	#/million hours	0.1	0.1	-	18.9%
Permanent employees		0.1	0.1	-	26.8%
Temporary employees		0.0	0.4	-	-100.0%
Work-related injuries resulting in fatalities	#	0.0	0.0	0.0	-
Permanent employees		0.0	0.0	0.0	-
Temporary employees		0.0	0.0	0.0	-
Rate of deaths	#/million hours	0.0	0.0	0.0	-
Permanent employees		0.0	0.0	0.0	-
Temporary employees		0.0	0.0	0.0	-
Total number of days lost	# days	2,217	1,580	1,904	40.3%
Days lost per 1,000 employees	days/1,000 FTE	176	167	213	5.2%
Occupational accidents per 1,000 employees	#/1,000 FTE	8.1	8.7	9.5	-7.1%
Days lost due to work-related illnesses	# days	268	-	-	-
Days lost due to work-related illnesses per 1,000 employees	days/1,000 FTE	21.2	-	-	-

The number # refers to the absolute number of incidents in each case

¹ Number of employees in the entities currently reporting

² Occupational accidents are based on the number of work-related injuries resulting in an absence of at least one working day

³ Work-related injuries with serious consequences resulting in a recovery period of at least 6 months (not including fatalities)

Social

Employee figures by employment relationship (GRI-2-7/GRI-2-8)

Employee structure of all reporting units in FTE at the end of the reporting period

	Female	Male	Total
Total number of employees			12,617
(Prior-year figure)*	2,929	7,581	10,509
Employment relationship indefinite	3,051	8,375	11,426
(Prior-year figure)*	2,554	6,807	9,361
Employment relationship definite	100	250	350
(Prior-year figure)*	40	417	456
Employment relationship definite – external	256	585	841
(Prior-year figure)*	335	357	692
Employees with non-guaranteed working hours	n/a	n/a	n/a
(Prior-year figure)*	n/a	n/a	n/a
Employment relationship full time	2,439	7,196	9,635
(Prior-year figure)*	2,397	6,690	9,087
Employment relationship full time – external	256	585	841
(Prior-year figure)*	331	666	997
Employment relationship part time	712	1,429	2,141
(Prior-year figure)*	190	212	402
Employment relationship part time – external	n/a	n/a	n/a
(Prior-year figure)*	11	13	24

*Change from previous year: Measurement not on the basis of legal entities, but on the basis of the individual sites included in the group of reporting entities

Employee figures by region (GRI-2-7/GRI-2-8)

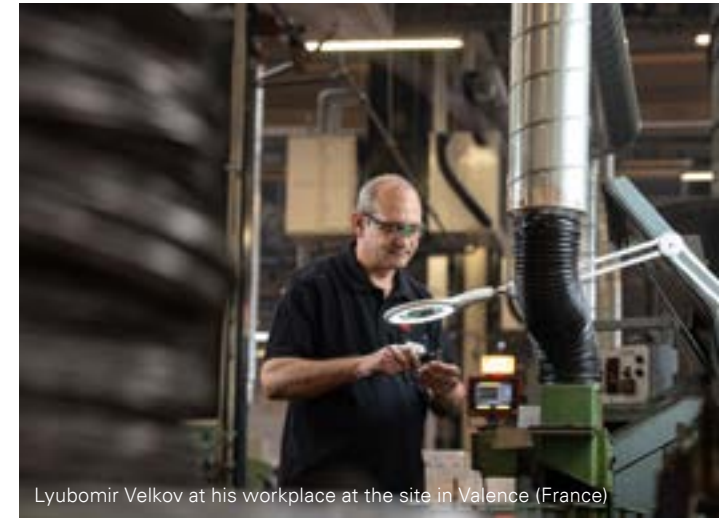
Employee structure of all reporting units in FTE at the end of the reporting period

	America	Asia	Europe	Switzerland	Total
Total number of employees	1,644	3,402	5,260	2,311	12,617
(Prior-year figure)*	1,853	3,992	2,330	2,334	10,509
Employment relationship indefinite	1,563	2,796	4,773	2,293	11,426
(Prior-year figure)*	1,754	3,108	2,191	2,309	9,361
Employment relationship definite	81	606	486	18	1,191
(Prior-year figure)*	99	885	140	25	1,148
Employees with non-guaranteed working hours	n/a	n/a	n/a	n/a	n/a
(Prior-year figure)*	n/a	n/a	n/a	n/a	n/a
Employment relationship full time	1,631	3,402	3,338	2,104	10,475
(Prior-year figure)*	–	–	–	–	–
Employment relationship part time	12	0	1,922	207	2,141
(Prior-year figure)*	–	–	–	–	–

*Change from previous year: Measurement not on the basis of legal entities, but on the basis of the individual sites included in the group of reporting entities

Diversity helps boost employee satisfaction

Diversity is about overcoming the many differences that exist between people: not only differences in outward appearance but also differences that are perceived subjectively including gender, ethnicity and religion as well as age, physical disabilities and sexual orientation. Integrated diversity management not only helps create a more positive overall atmosphere within the company but is actually a success factor. At SFS, where diversity is already reflected in the Group's international corporate structure, many examples can be found in the individual companies of extremely different people working together and benefiting from their diverse environments. The success story on the right tells about just such an environment at the site in Valence (France).



Lyubomir Velkov at his workplace at the site in Valence (France)

Success story Six people, six nations – one professional home

SFS visits its location in Valence (France) and introduces six people who couldn't be more different. And yet they have one major thing in common: their professional home. SFS is proud of this diversity, which benefits employees, the company and society alike.

[Link to success story →](#)

The background of the page is a photograph of a business meeting. Several people in light blue shirts are gathered around a table, with their hands clasped together in a gesture of agreement or teamwork. The lighting is bright and professional.

Governance

Socioeconomic compliance

Number of sanctions for compliance violations

0

In the year under review, there were no compliance incidents at SFS that resulted in fines or legal proceedings.

Human rights

No reports of human rights violations

0

No reports of human rights violations were received that would have required corrective action in 2022.

Compliance reports

Number of examined compliance reports in the reporting year

25

In the year under review, the Group Compliance Officer and the local compliance officers received and examined a total of 25 reports of compliance violations.

Maintaining high standards, living social commitment

There were no compliance incidents at SFS during the year under review that resulted in fines or legal proceedings. Similarly, there were no reports via the anonymous complaints channel regarding violations that would have required corrective steps in 2022. The results of the compliance audits conducted at the four companies were positive in principle. Weak spots regarding knowledge of the Code of Conduct or the internal reporting channels were identified and corresponding countermeasures were initiated. Additionally, the merger with Hoffmann enabled SFS to expand its social engagement.

SFS acts with foresight for the future and takes its economic, environmental and social responsibility seriously. In doing so, it not only increases the value of the company in the long term, but also helps promote sustainable development with its forward-looking solutions.

The precautionary principle plays a central role at SFS, which is why it is also enshrined in the Group's Corporate Principles and Code of Conduct. SFS understands sustainability to be the right balance between economic success, environmental friendliness and social responsibility while respecting human rights and taking the needs of current and future generations into account. This attitude lays the foundation for the Group's partnership with the various stakeholder groups. However, the precautionary approach also serves to reduce or prevent negative impacts on society and the environment that have been or could be caused by the company.

Taking responsibility, exemplifying values, fulfilling duties

By fulfilling its duties of care with regard to human rights, SFS protects its employees, creates attractive jobs, lives up to its social responsibility and remains sustainably competitive in the long term. As a signatory of the UN Global Compact, SFS is committed to the United Nations' Declaration of Human Rights. In keeping with this commitment, SFS completes the new pre-defined questionnaire that simultaneously replaces the progress report required in the past. Among other things, the principles of the UN Global Compact relate to the protection of international

human rights and the abolition of forced and child labor. SFS wants to prevent or reduce the risk of human rights violations to the greatest extent possible, both at its own locations and within its entire supply chain. We are therefore increasingly incorporating human rights into our business processes and have been working with our suppliers since 2023 to conduct regular assessments that incorporate both social and ecological criteria (see also Environment: Initial assessment successfully conducted with pilot group →).

- The Code of Conduct of the SFS Group specifies the guidelines that apply to all management bodies and employees of SFS in their work environment. It is based on integrity as well as fair and ethical conduct. It is a central element in efforts to promote SFS's sustainable, positive development in a continuously changing international environment. Our Corporate Principles, another core compliance element, contain a description of the cornerstones of the Group's corporate culture: partnership, commitment, community, success, change. Both documents were translated into more than ten languages and their contents were communicated and made available to all employees. They form the basis of the values embraced by SFS. To ensure compliance with the requirements of the Code of Conduct, SFS has established an effective compliance system that focuses on the following seven topics:

- Anti-corruption
- Antitrust law
- Insider trading
- Data protection
- Foreign trade compliance
- Information security
- Personal integrity violations

In practice, the system comprises various elements such as guidelines, regular training, induction of new employees, e-learning campaigns, periodic newsletters, integration of compliance-related topics into internal audits, annual reporting on the Code of Conduct and a central reporting office for employees and external partners.

By including compliance obligations and the requirements of the UN Global Compact in the General Terms and Conditions of Purchase, the SFS standards are applied to suppliers as well; similarly, corresponding provisions are incorporated into contracts with sales partners.

The Tax, Legal & Compliance unit is responsible for implementing compliance-related topics.

Compliance with the requirements of the Code of Conduct for employees is monitored as part of annual reporting on the Code of Conduct for employees. All companies report relevant incidents to the Group Compliance Officer. In the year under review, the Group Compliance Officer and the local compliance officers received and examined a total of 25 reports of compliance violations. In addition, specific compliance-relevant topics are examined sporadically within the scope of internal audits. The results of the reports and audits form the basis for the annual compliance report submitted to the Board of Directors.

Compliance audits conducted to identify weak spots

SFS conducted internal compliance audits at its companies in the US and Italy for the first time during the year under review. The audit contents primarily address the Code of Conduct as well as the internal and external reporting channels available to the employees in the event of compliance-related or any other type of violations. The results of the investigation varied and can be summarized as follows:

- One of the four companies audited was certified as having a very high level of awareness of relevant compliance-related issues. Its employees have extensive knowledge of the SFS Code of Conduct and also know the reporting channels available in the event of compliance violations.
- One other company scored satisfactorily with respect to its knowledge of the Code of Conduct. It was discovered, however, that certain details were unclear concerning both the assignment of responsibilities and the reporting channels available. The problem identified has since been resolved through newly defined responsibilities as well as more intense communication with employees.

- Another unit audited was rated as "good" in terms of its management's knowledge of compliance-related issues. Measures aimed at increasing employees' familiarity with the Code of Conduct were implemented with the goal of raising employees' awareness of the importance of the Code of Conduct.
- The fourth company audited, which is still a fairly recent addition to the SFS Group, understandably revealed a low level of awareness of the Code of Conduct. The weak points were identified with the help of the audit and suitable countermeasures were implemented. These included communication campaigns and regular training sessions on the content of the Code of Conduct as well as on the reporting channels available in the case of or in suspected cases of compliance and human rights violations.

Overall, the introduction of the internal compliance audit was perceived as being an efficient tool for identifying opportunities and risks in this area. As a result and in connection with the financial audits, compliance audits will be conducted at SFS companies in two more countries in 2023.

Potential business risks assessed

In addition to assessing SFS's opportunities and risks in the areas of compliance and human rights, the Group Executive Board and Board of Directors also conduct a regular and comprehensive evaluation of the Group's key business risks. To that end, a holistic risk assessment is conducted at least once a year in which the relevant risks are systematically classified according to the likelihood of occurrence and the severity of the potential consequences. Potential risks and actions to contain these risks were examined once again during the year under review. This review focused on the following issues:

- Ensuring the energy supply and how to deal with higher energy and commodity prices
- Loss of data and impairment of going concern due to cyberattacks
- Warranty risks due to recalls
- Geopolitical instabilities
- Compliance risks
- Currency fluctuations

Critical issues taken into account through involvement of stakeholder groups

To ensure that we consider more than merely the internal perspective when assessing both critical issues as well as potential opportunities and risks for the company, we get our external stakeholder groups involved on a regular basis. We offer our stakeholders a variety of different platforms for expressing critical concerns and discussing them with us. These include meetings with customers and vendors, investor and analyst calls as well as a wide range of internal and external events (Sustainability Day, Annual General Meeting, etc.). We also receive valuable feedback on critical issues through our cooperation with academic institutions, communication with the media and surveys conducted

Governance

among employees. The summary below shows the issues addressed in this context in 2022 and how we dealt with them:

- **Customers/analysts/investors: Enquiries regarding positioning and ESG measures**

During the year under review, SFS was contacted by customers on numerous occasions with self-disclosure requests as part of suppliers' ESG assessments. Customers, analysts and investors alike also expressed an interest in sustainability ratings. A major customer in the automotive industry also requested that SFS disclose its CO₂ consumption via the online questionnaire provided by the CDP (Carbon Disclosure Project). All requests were assessed and responded to individually.

A future expansion of reporting through the inclusion of additional ratings is likely. SFS completed the CDP's questionnaire and shared it with the customer in question. Since it was late to participate, however, we have not yet received a score. SFS will participate in the CDP rating process again in 2023 and the score will be open to public inspection.

- **Employees: 120 ideas were submitted in connection with the Group's Sustainability Day**

A Sustainability Day was held at the Heerbrugg (Switzerland) site for the first time in 2022. There, some 800 employees visited a variety of different booths where they learned new information about topics related to healthcare and occupational safety as well as SFS's current sustainability initiatives. Employees submitted 120 ideas to the "sustainable improvements" contest. All ideas submitted were then assessed and commented on by a six-person jury with members from different areas of the company. Everybody who submitted an idea received feedback about whether and how their proposal for improvement will be implemented. Around 90% of the ideas were aimed at improving environmental protection and reducing emissions. The proposals can be broken down into four sub-categories:

- Ideas for protecting biodiversity
- Ideas related to digitalization and material savings
- Ideas related to sustainable nutrition
- Ideas on the use of renewable energies or saving energy

The other 10% fall into the social realm and mainly broach topics such as improvements to childcare, work-life balance and social engagement options.

While the lion's share of the ideas from the environmental realm were handled in 2022, the main focus in 2023 will be on implementing improvement projects from the social realm.

- **Population/media: Questions about the planned wind turbine**

SFS published two media releases on the planned wind turbine in the year under review and conducted a public information event on the project. Numerous questions regarding the height of the planned turbine, the possibility of noise emissions for residents as well as landscape and animal protection were asked both at this event and through media inquiries.

The turbine has a hub height of approx. 135 meters, which makes it much more efficient and nature-friendly than multiple smaller turbines. The electricity produced will be fed directly into the existing infrastructure. The planned turbine will be able to comply with the noise protection requirements prescribed by law without any issues and the electricity will be produced precisely where it will be used. No further encroachments on nature are needed. The potential for conflict with flying animals is extremely low. The wind turbine's shadow module ensures that the turbine is deactivated automatically if it were to impact the residential area.

For other answers to frequently asked questions, please refer to the online FAQs (only in German). →

Additional questions can be submitted via the contact form. →

- **Investors/media: Business activities with Russia and/or Belarus**

Numerous countries have imposed sanctions against Russia and Belarus due to Russia's war on Ukraine. To what extent does this impact SFS?

While SFS had generated sales with customers from Russia and Belarus until the sanctions were introduced, they were minor compared to the Group's total sales. As soon as the sanctions had been introduced, SFS discontinued these business activities in accordance with the regulations issued.

- **Investors/analysts: Reshoring/nearshoring supply chains**

More businesses are shifting their focus back to regional supply chains due to the COVID-19 pandemic, which impacted global supply chains quite heavily. Is this also the case at SFS?

SFS was able to maintain a high delivery capability overall in the past few years and, thanks to good positioning and material availability, has been able to supply customers reliably most of the time. The "local-for-local" strategy of supplying customers locally based on local production facilities resulted in a good level of delivery readiness and was and still is a vital competitive advantage.

- **External ratings show fields of action where improvements can be made**

Even if the evaluation by external rating agencies and standardized assessments often only paint a fairly one-sided picture of a company's sustainable development, SFS actively deals with them and makes an effort to incorporate the identified fields of action into its sustainability strategy. SFS's ratings in 2022 were as follows:

- EcoVadis: Bronze Rating, 54/100 (valid until April 2023)
- Inrate, zRating: 67/100
- MSCI: AA
- SAQ 5.0: B86 (rating for headquarters in Heerbrugg (Switzerland))
- UN Global Compact: Rating pending
- CDP: Rating pending, SFS is having the CDP questionnaire officially evaluated for the first time in 2023

Social engagement expanded

SFS considers itself to be a "good corporate citizen". To us, that means embracing a commitment to the environment and society that goes beyond mere compliance with legal requirements. Based on our firm belief in the strengths of dual-track education and training, SFS has actively and prominently supported the Hans Huber Stiftung (Hans Huber Foundation) for dual education education and training in Switzerland since 1997 (see also Social: Promotion of dual education and training →). SFS further expanded its social engagement through the merger with Hoffmann in 2022 and now also lives up to its social responsibility through the Hoffmann Group Foundation. This Foundation is committed to helping disadvantaged children and young people, as shown by the success story that follows.

Success story "Tools create value": The Hoffmann Group Foundation helps

A sense of social responsibility and commitment has been an integral part of the Hoffmann SE's company culture for decades. This mindset prompted the creation of the Hoffmann Group Foundation in 2006 under the motto of "Tools create value".

[Link to success story →](#)



We enable children and young people to discover their own strengths.

About this report

Reporting period

Annual reporting, January 1 to December 31, 2022, the same as for financial reporting. The 2022 Sustainability Report was published on May 26, 2023.

System limitations

The sustainability management system and all data are currently limited to 53 sites. This corresponds to a coverage of 95% measured in full-time positions.

Restatements

In the year under review, the following material restatements or changes were made compared to 2021:

- Prorated integration of the Hoffmann SE into all key sustainability indicators surveyed. If individual indicators could not be integrated completely, explicit mention of this is made in the text.
- Switch from using ecoinvent's V38 dataset to the V391 dataset for measuring the material topics of "Energy and Emissions".
- There were both structural changes made as well as changes to the material topics in connection with the transition to reporting in compliance with GRI-Standards 2021. SFS now reports on the following material topics:

- Materials
- Energy
- Emissions
- Supplier Environmental Assessment
- Training and Education
- Diversity and Equal Opportunity
- Supplier Social Assessment

See also Sustainability@SFS →

External assurance

SFS's sustainability reporting was not subject to an external audit. The financial reporting was audited by PricewaterhouseCoopers AG as external auditors.

See Compensation report, p. 58 →

Contact person

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GRI-index

GRI-1

Foundation 2021

Explanation regarding use	GRI-1 used	Applicable GRI-sector standard(s)
SFS has reported in accordance with the GRI Standards for the period from January to December 2022.	GRI-1: Foundation 2021	To date, there is no applicable sector standard.

GRI-2

General Disclosures 2021

Disclosure	Location of disclosure / information / omission
2-1 Organizational details	SFS Group AG, Rosenbergsaustasse 8, 9435 Heerbrugg, Switzerland Annual Report, Corporate Governance, Group structure & shareholders, p. 34 ff. → Financial Report, Group structure, p. 92 ff. →
2-2 Entities included in the organization's sustainability reporting	Scope: Material production sites where SFS owns a stake of ≥50% and employs more than 50 people and sites where SFS owns a stake of ≥50% and employs more than 5 people. 53 entities in the year under review (PY 38 sites).
2-3 Reporting period, frequency and contact point	"About this report" →
2-4 Restatements of information	"About this report" →
2-5 External assurance	"About this report" →
2-6 Activities, value chain and other business relationships	Financial Report, Segment information, p. 69 ff. → Annual Report, Strategy, p. 13 ff. → Annual Report, Markets, p. 16 ff. → Environment: Procurement, p. 23 ff. →
2-7 Employees	Social: Employee figures →
2-8 Workers who are not employees	Social: Employee figures →
2-9 Governance structure and composition	Annual Report, Corporate Governance, Board of Directors and Group Executive Board, p. 36 ff. →
2-10 Nomination and selection of the highest governance body	Annual Report, Corporate Governance, Board of Directors, p. 36 ff. → Organizational regulations → Articles of Association SFS Group AG →
2-11 Chair of the highest governance body	Annual Report, Corporate Governance, Members of the Board of Directors, p. 36/37 →
2-12 Role of the highest governance body in overseeing the management of impacts	Annual Report, Corporate Governance, p. 39 ff. → <ul style="list-style-type: none"> • 3.5 Internal organizational structure, p.39 • 3.6 Definition of areas of responsibility, p.41 • 3.7 Information and control instruments vis-à-vis Group Executive Management, p.41 Sustainability@SFS: Responsibilities clearly defined →
2-13 Delegation of responsibility for managing impacts	Sustainability@SFS: Responsibilities clearly defined →
2-14 Role of the highest governance body in sustainability reporting	The 2022 Sustainability Report was approved by the Group Executive Board and duly noted by the Board of Directors. In the future, the Sustainability Report will also be approved by the Board of Directors as part of the Annual Report.
2-15 Conflicts of interest	Code of Conduct → Explanatory document on the Code of Conduct →
2-16 Communication of critical concerns	Annual Report, Corporate Governance → <ul style="list-style-type: none"> • 6 Shareholders' participation, p. 46 • 9 Information policy, p. 48
2-17 Collective knowledge of the highest governance body	All members of the Board of Directors have taken various steps during the year under review to expand their knowledge on the topic of sustainability. These efforts included workshops/training, regular exchanges of information with audit firms, communication with peers, the reading of specialized literature.
2-18 Evaluation of the performance of the highest governance body	Annual Report, Corporate Governance → <ul style="list-style-type: none"> • 3.1 Members of the Board of Directors, p. 36 • 3.5 Internal organizational structure, p. 39

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2-19 Remuneration policies	Annual Report, Compensation report, 2 Fundamental principles of the compensation system, p. 52 →
2-20 Process to determine remuneration	Annual Report, Compensation report, 2 Fundamental principles of the compensation system, p. 52 ff. →
2-21 Annual total compensation ratio	SFS does not currently have a centralized system in place for managing salary payments; the information requested cannot be calculated due to the insufficient data basis.
2-22 Statement on sustainable development strategy	Foreword →
2-23 Policy commitments	Code of Conduct → Explanatory document on the Code of Conduct → Sustainability guidelines →
2-24 Embedding policy commitments	Code of Conduct → Explanatory document on the Code of Conduct →
2-25 Processes to remediate negative impacts	Compliance@SFS, incl. anonymous complaint process →
2-26 Mechanisms for seeking advice and raising concerns	Annual Report, Corporate Governance, 9 Information policy, p.48 → Governance: Critical issues taken into account through involvement of stakeholder groups →
2-27 Compliance with laws and regulations	In the year under review, SFS was not affected by any material instance of non-compliance and/or no instance of non-compliance was reported to the organization.
2-28 Membership associations	<ul style="list-style-type: none"> • Arbeitgeberverband Rheintal (Rheintal Employers Association) • Hans Huber Stiftung (Hans Huber Foundation) • Saint Gallen Appenzell Chamber of Commerce and Industry • Stiftung FH SCHWEIZ – zur Förderung des dualen Bildungswegs (Foundation of the University of Applied Sciences Switzerland – for the promotion of the dual education system) • Swissavant • Swissmem <p>SFS is an active member of the associations and interest groups listed above and supports the organizations both financially and through the provision of personnel.</p>
2-29 Approach to stakeholder engagement	Sustainability@SFS: Material topics and their interdependence on SDGs and ESG dimensions →
2-30 Collective bargaining agreements	At the end of the year under review, 38% (PY 20%) of all employees were covered by collective bargaining agreements; this increase is attributable to the acquisition of the Hoffmann SE.

GRI-index – material topics

GRI-3

Material Topics 2021

Disclosure	Location of disclosure/information/omission
3-1 Process to determine material topics	Sustainability@SFS →
3-2 List of material topics	List of material topics →

GRI-301

Materials 2016

Disclosure	Location of disclosure/information/omission
3-3 Management of material topics	Sustainable solutions →
301-1 Materials used by weight or volume	Information regarding renewable materials used is not currently available or not available in full; the process for collecting the required data will be implemented in 2023 and the data is expected to be assessed for the first time at the end of the 2024 reporting year.
301-2 Recycled input materials used	Information regarding recycled input materials used is not currently available or not available in full; the process for collecting the required data will be implemented in 2023 and the data is expected to be assessed for the first time at the end of the 2024 reporting year.
301-3 Reclaimed products and their packaging materials	Currently not applicable: Once the products (primarily high-precision components and fastening solutions) have been installed in a customer's product, SFS does not have any opportunity to recover or recycle them.

GRI-302

Energy 2016

Disclosure	Location of disclosure/information/omission
3-3 Management of material topics	Energy and emissions →
302-1 Energy consumption within the organization	Energy and emissions →
302-2 Energy consumption outside of the organization	Energy and emissions →
302-3 Energy intensity	Energy and emissions →
302-4 Reduction of energy consumption	Information regarding the reduction of energy consumption is not currently available or not available in full; the process for collecting the required data is currently being wrapped up and information about this topic will be published for the first time in the 2023 report.
302-5 Reductions in energy requirements of products and services	Information regarding reductions in energy requirements of products and services is not currently available or not available in full; the process for collecting the required data is currently being wrapped up and information about this topic will be published for the first time in the 2023 report.

GRI-305

Emissions 2016

Disclosure	Location of disclosure/information/omission
3-3 Management of material topics	Energy and emissions →
305-1 Direct (Scope 1) GHG emissions	Energy and emissions →
305-2 Energy indirect (Scope 2) GHG emissions	Energy and emissions →
305-3 Other indirect (Scope 3) GHG emissions	Energy and emissions →
305-4 GHG emissions intensity	Energy and emissions →
305-5 Reduction of GHG emissions	Information regarding the reduction of GHG emissions is not currently available or not available in full; the process for collecting the required data is currently being wrapped up and information about this topic will be published for the first time in the 2024 report.
305-6 Emissions of ozone-depleting substances (ODS)	Not applicable: According to our in-house life cycle assessment, the emissions of ozone-depleting substances amounts to 0.01%.
305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Information regarding the nitrogen oxides, sulfur oxides, and other significant air emissions is not currently available or not available in full; the process for collecting the required data is currently being wrapped up and information about this topic will be published for the first time in the 2023 report.

GRI-index – material topics

GRI-308

Supplier Environmental Assessment 2016

Disclosure	Location of disclosure/information/omission
3-3 Management of material topics	Procurement →
308-1 New suppliers that were screened using environmental criteria	Information regarding new suppliers that were screened using environmental criteria is not currently available or not available in full: An online assessment was launched in 4Q22 and, within the scope of this assessment, the first suppliers underwent standardized screening using environmental criteria; representative results for the majority of SFS's suppliers and the corresponding data analysis will be published for the first time in the 2023 report. Environment: Transparent supply chains and active supplier management →
308-2 Negative environmental impacts in the supply chain and actions taken	Information regarding negative environmental impacts in the supply chain and actions taken is not currently available or not available in full: An online assessment was launched in 4Q22 and, within the scope of this assessment, the first suppliers underwent standardized screening using environmental criteria; representative results for the majority of SFS's suppliers and the corresponding data analysis will be published for the first time in the 2023 report. Environment: Transparent supply chains and active supplier management →

GRI-index – material topics

GRI-404

Training and Education 2016

Disclosure	Location of disclosure/information/omission
3-3 Management of material topics	Employee promotion and engagement →
404-1 Average hours of training per year per employee	Information regarding the average hours of training per year per employee is not currently available or not available in full; the process for collecting the required information will be implemented in 2024 and information about this topic will be published for the first time in the 2025 report.
404-2 Programs for upgrading employee skills and transition assistance programs	Information regarding programs for upgrading employee skills and transition assistance programs is not currently available or not available in full; the process for collecting the required data is currently being wrapped up and information about this topic will be published for the first time in the 2023 report.
404-3 Percentage of employees receiving regular performance and career development reviews	Social: Employees with a regular performance review →

GRI-405

Diversity and Equal Opportunity 2016

Disclosure	Location of disclosure/information/omission
3-3 Management of material topics	Employee promotion and engagement →
405-1 Diversity of governance bodies and employees	Information regarding diversity of governance bodies and employees is not currently available or not available in full; the process for collecting the required data is currently being wrapped up and information about this topic will be published for the first time in the 2023 report.
405-2 Ratio of basic salary and remuneration of women to men	Information regarding the ratio of basic salary and remuneration of women to men is not currently available or not available in full; the process for collecting the required data is expected to be implemented on a Group-wide basis in the next two to three years.

GRI-414

Supplier Social Assessment 2016

Disclosure	Location of disclosure/information/omission
3-3 Management of material topics	Procurement →
414-1 New suppliers that were screened using social criteria	Information regarding new suppliers that were screened using social criteria is not currently available or not available in full: An online assessment was launched in 4Q22 and, within the scope of this assessment, the first suppliers underwent standardized screening using social criteria; representative results for the majority of SFS's suppliers and the corresponding data analysis will be published for the first time in the 2023 report.
414-2 Negative social impacts in the supply chain and actions taken	Information regarding negative social impacts in the supply chain and actions taken is not currently available or not available in full: An online assessment was launched in 4Q22 and, within the scope of this assessment, the first suppliers underwent standardized screening using social criteria; representative results for the majority of SFS's suppliers and the corresponding data analysis will be published for the first time in the 2023 report.



Sustainability website

