SCHWEIZER
ELECTRONIC

NON-FINANCIAL STATEMENT 2019

THE NON-FINANCIAL STATEMENT

1. INTRODUCTION

As a family business in operation for 170 years, the principle of responsible and sustainable management has been the backbone of the company throughout its long history and spurred on the transformation processes that have taken place during this time.

With this Non-Financial Statement, we comply with our obligation (§ 289 b, Par. 1 HGB and § 315 b HGB) to disclose the "non-financial information" specified in the CSR Guidelines Implementation Act. This publication was prepared on the basis of the standards of the Global Reporting Initiative (GRI) and the key figures identified as significant for SCHWEIZER.

The sustainability figures relate to SCHWEIZER's only production site, Schweizer Electronic AG, in Schramberg. The second production site, Schweizer Electronic (Jiangsu) Co., Ltd., in Jintan (China), is still under construction.

SUSTAINABILITY

Sustainability is a broad field that can encompass a range of aspects. We set out our commitment to sustainable action and the resulting fields of activity in our SCHWEIZER Management Manual (first edition 1996), which aims to turn the complexity surrounding the issue into something we can concretely address and to consistently integrate sustainability into our activities. This manual is updated and expanded on an ongoing basis to meet the latest requirements. The last update was carried out in February 2020.

MATERIAL ASPECTS AND STAKEHOLDERS

The management manual defines sustainable development in terms of quality, environment, energy and occupational safety in combination with other corporate goals as issues for the company's management team to address, and sets out goals, measures, schedules and specifications for its implementation. The business processes and topics described in the manual – along with our organisational structure – result in the following relevant stakeholders and stakeholder groups for SCHWEIZER:

- Employees
- Customers
- Investors
- suppliers,
- public authorities.

There has been no additional analysis of stakeholders or areas of materiality beyond this, as the management manual is comprehensive in this respect.

The following section of the Non-Financial Statement focuses on environmental, employee and social issues, as well as measures for respecting human rights and combating corruption and bribery.

All information required for an understanding of the business processes, business results, the corporation's present situation and the effects of its activities on the aforementioned aspects is already part of the combined management report and is therefore not referred to again in this section of the annual report. This information can be understood via the GRI Index starting on page 15.

2. MISSION STATEMENT

Our mission statement explains the reasoning behind our strategy and actions. It conveys the values and guiding themes that are the pillars of our success.

VISION

We are a global "best-in-class" technology company. Our products conserve resources to safeguard the future of our children. We are a leading manufacturer of high-quality printed circuit boards (PCBs) and recognised producer of energy-saving, environmentally-friendly products and services.

MISSION

Our mission is to ensure the success of our customers – and thus also that of our company! The goals of our customers, their faith in us and our pleasure in constantly pushing the boundaries of what is possible – these are the key drivers behind our success. We are able to achieve this based on our long-term experience, state-of-the-art technology, production methods and processes, and excellent knowledge of our target markets. We focus on attractive and promising business opportunities. Our activities as a family business with a long-standing tradition are geared towards long-term, sustainable success. Our employees form the basis for this success.

VALUES

The following values are important to us and guide our behaviour: Quality, Speed, Creativity, Openness. These values represent the foundation for our past, present and future.

AWARENESS OF QUALITY AND THE ENVIRONMENT

We are committed to reducing energy consumption, increasing energy efficiency, continuously improving our services and contributing to environmental protection. Our aim is to reduce environmental pollution, e.g. by recycling and to thereby contribute to protect our environment. Binding obligations arising from our activities are essential foundations for our actions as is compliance with relevant laws and regulations. We are therefore working openly with authorities and the public on environmental protection issues.

We stand for highest quality levels and operate with utmost care in all facets of our business. In addition, we have set ourselves a goal of zero-defects tolerance and continuously work on improving this even more. For this reason, we reduce rejects and are able to offer our customers the highest possible quality at the same time. This philosophy and approach ensures that we remain fit for the future and places us in the best possible position for any upcoming challenges.

The following guiding principles that determine our actions and are based on our values arise from our Mission Statement: We are customer-oriented, creative, globally coordinated, versatile, competent, cooperative, friendly, inviting, competitive and consciously responsible.

We have developed the Competency Framework for our employees. It sets out the guidelines for cooperation and management and is intended to help employees and managers orient themselves in their day-to-day work.

3. ENVIRONMENTAL ISSUES

Preventative quality assurance and environmental protection, supplemented with the careful use of energy, not only reduce product costs but also reduce pressure on the ecology. Our resolve to ensure continuous improvement as a significant building block of our approach contributes to this.

Careful planning and the integration of process and supply equipment in the company's operations prevents the environment from being harmed as a result of unforeseen incidents.

CERTIFICATION AUDITS UM ISO 14001 / EM ISO 50001

In the previous financial year, our environmental and energy management systems were subject to the regular review again. Both systems passed the audits successfully. The relevant certificates therefore continue to be valid.

ENVIRONMENTAL ISSUES – CORE TOPICS AND INDICATORS

Concerning the environmental issues, the following material core topics and performance indicators can be identified for Schweizer Electronic AG's line of business:

- Energy consumption
- CO_2 footprint
- Water consumption
- Waste
- Use of resources (raw materials).

At Schweizer, our employees are actively committed to environmental protection. This is particularly evident in energy management, the high level of readiness to sort waste, and the careful use of water. When measuring the relevant sustainability indicators, Schweizer always refers to the production hour in each case in order to cope with the increasing complexity of the printed circuit boards.

ENERGY CONSUMPTION & MEASURES TO REDUCE ENERGY CONSUMPTION

Energy efficiency is a key market driver of our PCB business. Our PCBs help our customers in the automotive sector to increase the fuel efficiency of their vehicles and reduce CO_2 emissions. It is therefore logical that energy management plays a significant role at Schweizer, given the products and services we offer. As a company that relies heavily on energy as Schweizer does, energy efficiency is of particular importance not only in terms of conserving resources but also with regard to cost management.

The specific energy consumption is very much dependent on the company's production capacity utilisation. For this reason, the lower production capacity utilisation at the Schramberg site had a negative effect on energy efficiency in 2019. Due to the high power base load required by the buildings and production facilities, fewer production hours result in an increase in the specific power consumption per production hour.

In contrast to the significant key figures on the specific energy consumption per production hour (kW/h) shown here, the absolute energy power consumption was reduced by approx. 8.5 percent or 3.1 million kilowatt hours (kWh) in 2019. In order to save more on energy costs, the process heating facility commissioned in 2018 was further developed. The use of the combined heat and power plant which has been in operation since 2016, allowed us to produce 18.7 percent (2018: 15.8 percent) of our own electricity in the past financial year.

The key figures identified at Schweizer for reporting purposes are the specific total energy consumption, the specific electrical energy consumption per production hour (kWh/h), and the compressed air consumption per standard cubic metre in relation to production hour (Nm^3/h). The increase in the specific figures in the past financial year is due to fluctuations in the product capacity utilisation.

Specific total energy consumtion (kWh/h)

Specific electrical energy consumption (kWh/h)

Compressed air consumption per standard cubic meter (Nm^3/h)
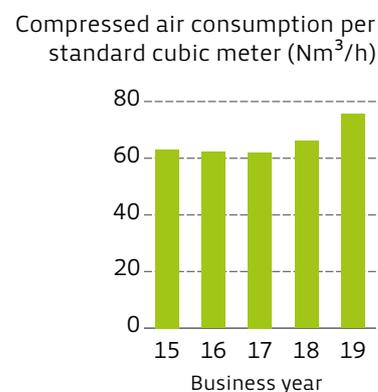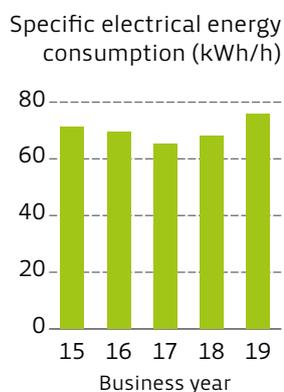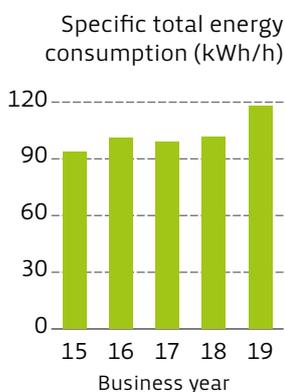
Business year	Specific total energy consumtion (kWh/h)	Business year	Specific electrical energy consumption (kWh/h)	Business year	Compressed air consumption per standard cubic meter (Nm^3/h)
2019	117.88	2019	75.89	2019	75.57
2018	101.60	2018	68.26	2018	66.08
2017	99.17	2017	65.37	2017	61.97
2016	101.24	2016	69.51	2016	62.22
2015	93.48	2015	71.37	2015	63.09

CO_2 FOOTPRINT AND MEASURES FOR REDUCING CO_2 EMISSIONS

The overall CO_2 footprint is calculated from the production CO_2 footprint and the transport CO_2 footprint. For production, the data from the supply plants for the Schramberg site are used. For transport, CO_2 consumption data from the Federal Environment Agency (UBA), which is recorded per tonne of goods and kilometres driven with the respective means of transport, is used. The CO_2 production footprint includes all indirect CO_2 emissions from electricity consumption and direct CO_2 emissions from gas combustion. The transport CO_2 footprint comprises the CO_2 emissions generated by transporting the finished printed circuit boards to customers.

As part of the ongoing energy saving measures and the increasing production capacity utilisation up to and including 2018, the CO_2 footprint for production per production hour has steadily dropped. This trend could not continue in 2019 due to the lower capacity utilisation and the disproportionate effect on the CO_2 footprint per production hour. Since 2016, the company's combined heat and power plant (CHP) has been included in production CO_2 footprint calculations.

Due to the use of the company's own CHP and the decrease in the purchase of external electricity, the company's CO_2 emissions for electricity reduced by approximately 1,200 tonnes in comparison to the previous year.

All figures shown for the CO_2 footprint refer to production and transport from the Schramberg plant. SCHWEIZER's revenues generated directly from WUS or MEIKO amount to approximately 30 percent (2018: 20 percent) of total revenue and are not included in the disclosure due to the lack of underlying data.

The CO_2 footprint for transport could only be recorded as of the 2017 financial year. The 2017 value has been used as a starting point for 2016 and prior to this. The CO_2 footprint transport has been calculated in proportion to the delivery quantity in m^2. Overall, the transport CO_2 footprint accounts for only about one to three percent of the total CO_2 footprint. The positive development of the key figure in the past year is, in particular, due to less airfreight.

Total CO_2 footprint
(kg CO_2/h from production)
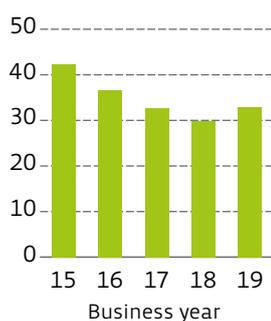
CO_2 footprint from the production of printed circuit boards
(kg CO_2/h from production)
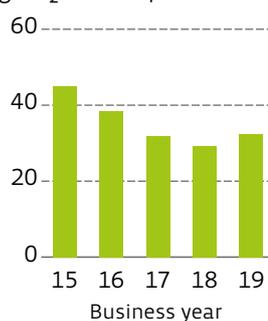
CO_2 footprint from the transport of printed circuit boards
(kg CO_2/h from production)

Business year	Total CO_2 footprint (kg CO_2/h from production)	Business year	CO_2 footprint from the production of printed circuit boards (kg CO_2/h from production)	Business year	CO_2 footprint from the transport of printed circuit boards (kg CO_2/h from production)
2019	32.85	2019	32.33	2019	0.52
2018	29.93	2018	29.21	2018	0.72
2017	32.64	2017	31.91	2017	0.73
2016	36.61	2016	38.50	2016	0.74
2015	42.36	2015	45.03	2015	0.88

WATER

The production of a printed circuit board involves many water-intensive processes, which means that the consumption of fresh water and the generation of production-related effluents are important indicators for assessing Schweizer Electronic AG's impact on the environment. Therefore, one of our most important tasks in the field of environmental protection is to continuously optimise fresh water consumption and effluents produced during production. For example, a measure introduced to pipe excess water from air conditioning systems back into the stormwater drain inlet enables us to save almost four percent of the fresh water purchased from the city every year. Environmentally friendly aspects are always taken into consideration when planning and purchasing new plants. The lower production capacity utilisation also had a negative effect on the fresh water consumption key figures (l/h from production) in line with the specific energy consumption. The reason for this was due to the basic consumption of fresh water which was not related to the production capacity utilisation.

We have identified fresh water consumption (from 2016 including consumption by the CHP unit) and waste water from production as relevant key figures for reporting, in each case in relation to hour of production. Fresh water consumption consists of the fresh water supplied by the city, stormwater and recirculated water.
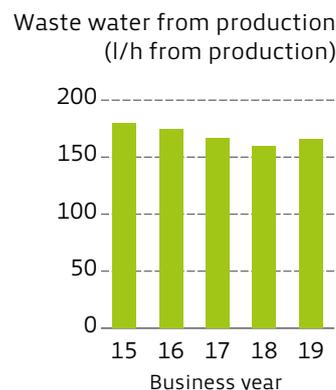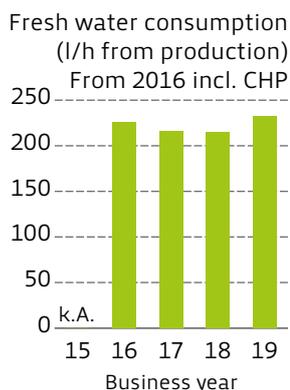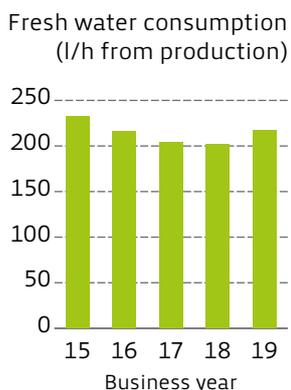
Fresh water consumption
(l/h from production)

Fresh water consumption
(l/h from production)
From 2016 incl. CHP

Waste water from production
(l/h from production)

| Business year	Fresh water consumption (l/h from production)	Business year	Fresh water consumption (l/h from production) from 2016 incl. CHP	Business year	Waste water from production (l/h from production)
2019	217	2019	232	2019	166
2018	202	2018	215	2018	160
2017	204	2017	216	2017	167
2016	216	2016	226	2016	175
2015	232	2015	k.A.	2015	180

AMOUNT OF COPPER, NICKEL AND TIN IN WASTE WATER

For this report, copper and nickel are the two metals which are especially relevant when identifying metals in water. Both have a permissible limit 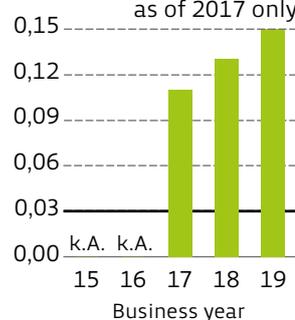value of 0.5 mg/l of waste water. For the sake of completeness, we also show the tin content. The limit value here is much higher at 2 mg/l of waste water.
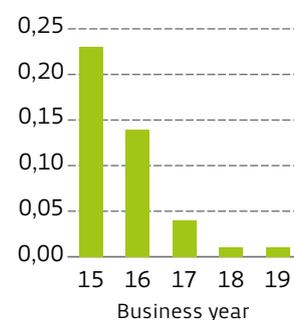
Copper content in waste water
(mg Cu/l in waste water)
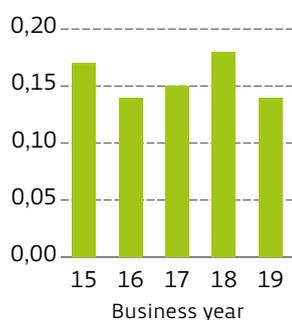
Nickel content in waste water
(mg Ni/l in waste water),
as of 2017 only

Tin content in waste water
(mg Sn/l in waste water)

| Business year	Copper content in waste water (mg Cu/l in waste water)	Business year	Nickel content in waste water (mg Ni/l in waste water), as of 2017 only	Business year	Tin content in waste water (mg Sn/l in waste water)
2019	0.14	2019	0.15	2019	0.01
2018	0.18	2018	0.13	2018	0.01
2017	0.15	2017	0.11	2017	0.04
2016	0.14	2016	k.A.	2016	0.14
2015	0.17	2015	k.A.	2015	0.23

WASTE

Since the ISO 14001 environmental management system was introduced, waste and clean waste separation in particular have been prioritised. We pay attention to sorting waste consistently and disposing of it correctly. Our aim is to maintain or further improve this high level of waste separation on an ongoing ba-

sis. As a result of this waste separation, it has been possible to return more than 80 percent of the total waste to external recycling (material recycling). The materials recovered are added back to the material cycle and, as secondary raw materials, also contribute to preserving primary raw material resources.
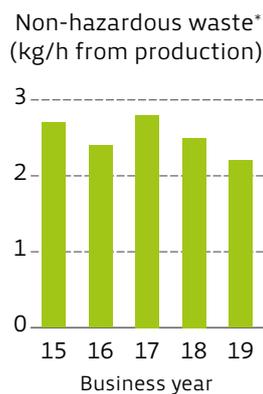
Total waste
(kg/h from production)
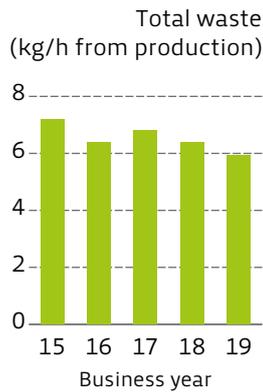
Business year	Total waste (kg/h from production)
2019	5.95
2018	6.40
2017	6.81
2016	6.40
2015	7.21

Hazardous waste*
(kg/h production)
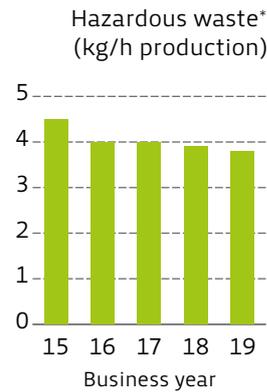
Business year	Hazardous waste* (kg/h production)
2019	3.8
2018	3.9
2017	4.0
2016	4.0
2015	4.5

*according to EU-wide regulatory categorisation

Non-hazardous waste*
(kg/h from production)

Business year	Non-hazardous waste* (kg/h from production)
2019	2.2
2018	2.5
2017	2.8
2016	2.4
2015	2.7

*according to EU-wide regulatory categorisation

Clean recyclable plastics
(kg/h from production)
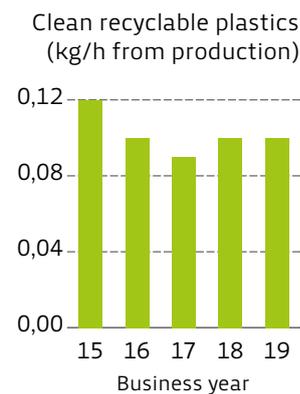
Business year	Clean recyclable plastics (kg/h from production)
2019	0.10
2018	0.10
2017	0.09
2016	0.10
2015	0.12

RESOURCES

The supply of resources is a rather uncertain factor in the long term: while global demand is increasing, the rising scarcity of resources is leading to restrictions in availability and price hikes. Our mission obliges us to use resources sparingly. Furthermore, the economic factor is relevant for us both in terms of availability to ensure production and cost optimisation in procurement.

We are constantly striving to optimise and redefine our processes technologically to reduce the consumption of raw materials.

For the purposes of this report, we primarily define resources as the materials used in production, from base material laminates – a synthetic resin-impregnated fibre mat – a wide range of metals for the production of conductor paths, refinement of surfaces, and the chemicals used in wet processes.

The procurement of raw materials / auxiliary materials is carried out according to firmly defined processes.

We generally expect our suppliers to use a QM system based on DIN EN ISO 9000ff and pursue further development to IATF 16949, as well as have an environmental management system according to ISO 14001 and an energy management system according to ISO 50001/EMAS.

CONFLICT MATERIALS

As a company with a long history and a recognised manufacturer of energy and environmentally friendly products and services, Schweizer Electronic AG takes its corporate social responsibility very seriously. This is why we try to avoid procuring the conflict materials tin, tantalum, tungsten and gold (also known as 3TG) from conflict regions.

Conflict materials are being mined and sold under appalling conditions with the aim of supporting and financing armed conflict in the Democratic Republic of Congo and its neighbouring countries. In July 2010, the US government passed the Dodd-Frank Wall Street Reform and Consumer Protection Act to control and prevent the mining and trading of conflict materials. Section 1502 of the Dodd-Frank Act states that US listed companies must assess whether conflict materials are required for the manufacture or operation of their products.

Companies like Schweizer Electronic AG, which supplies to US listed companies, must also inform its customers when conflict materials are present in their products or supply chain.

As Schweizer shares the opinion of its customers, we do our best not to purchase raw materials from the Democratic Republic of Congo. This is why we work closely with our suppliers. We expect our suppliers to source their minerals from conflict-free smelters and check their own supply chain for conflict materials. To obtain all the due diligence information we need for our clients, we ask our suppliers to complete the Conflict Mineral Report Template (CMRT).

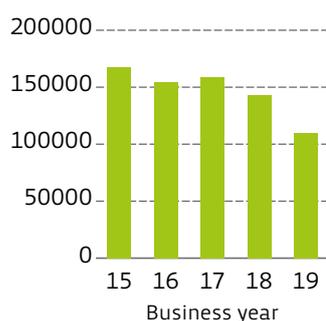In line with the lower production quantities, the consumption of materials used at the Schramberg plant declined in 2019.

MATERIALS USED BY WEIGHT

Gold (g)
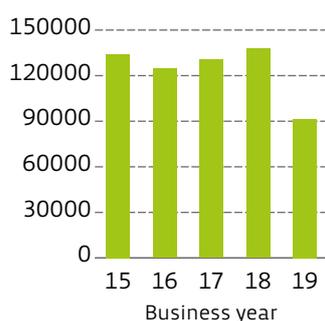
Copper* (kg)

Aluminum (to)
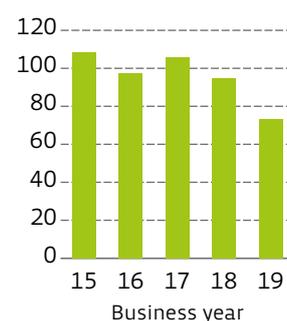
Business year	Gold (g)	Business year	Copper* (kg)	Business year	Aluminum (to)
2019	91,362	2019	109,627	2019	73.2
2018	137,812	2018	143,421	2018	95.0
2017	130,446	2017	158,461	2017	106.0
2016	124,518	2016	154,233	2016	97.6
2015	134,183	2015	168,003	2015	108.4

*the quantities for copper refer to copper anodes; other copper products (foil or laminates or chemicals) are in the laminates and are not listed separately.

Laminate (m²)
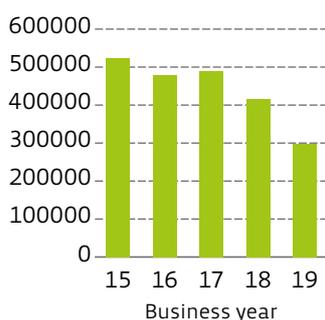
Chemicals (l)
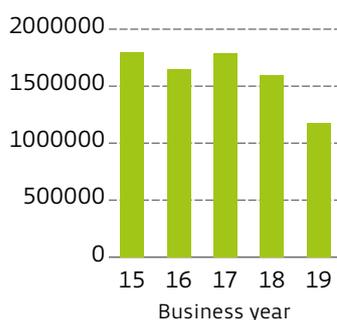
Business year	Laminate (m²)	Business year	Chemicals (l)
2019	298,000	2019	1,178,495
2018	415,000	2018	1,599,155
2017	489,000	2017	1,787,080
2016	480,000	2016	1,651,399
2015	524,000	2015	1,801,122

4. EMPLOYEE ISSUES

At Schweizer, the primary focus is on people. Our employees are one of our largest and most important reference groups. This is why employee satisfaction, health and safety, training and further education are essential.

We are committed to our code of ethics and comply with all relevant legal provisions on avoiding discrimination. All employees benefit from equal opportunities and treatment, irrespective of origin, skin colour, gender, creed, sexual orientation, political opinion, country of origin, social origin or anything else.

As of the end of the year, Schweizer Electronic AG employed 688 individuals in Germany. The annual average fluctuation rate was 6.43 %. More than 32 percent of our employees have been with us for more than 25 years. In Asia, we employed 117 people as of the end of the year.

OCCUPATIONAL HEALTH AND SAFETY

A works agreement was drawn up in the 2017 fiscal year to be able to determine and evaluate the individual workloads of employees even more effectively than before and to develop measures to improve health protection and ensure humane working environments. This includes conducting risk assessments, recording physical and mental stress, and regulating the assessment of working conditions and measures to be taken in the working environment.

Based on a survey of employees regarding physical and psychological stresses, individual workplace inspections are carried out, prioritised according to the areas that indicate the most hazards according to the employee survey.

Improvements in the structure of the work environment, e.g. by reducing physical stresses from manual handling of loads or reducing sound pollution at the workplace were achieved at individual workplaces thanks to the measures proposed by the analytical team which were worked on together with employees and their managers. Effectiveness monitoring and regular iterations of employee surveys assist in securing effective occupational health and safety by means of a continuous improvement process.

COMPANY INTEGRATION MANAGEMENT

In 2018, jointly with the works council, we concluded a works agreement on company integration management. The objectives of this agreement are overcoming incapacity to work, avoiding future incapacity to work and retention of the workplace.

Securing and promoting employment is the higher-level objective of the development of measures in company integration management. These include measures relating to occupational health and safety, healthy structuring of the workplace, health promotion as well as measures for on-site rehabilitation and vocational further education and training. These measure are carried out in close collaboration with the company doctor.

COMPANY HEALTH MANAGEMENT

In autumn 2019, Schweizer introduced its company health management in collaboration with health insurance schemes and external advice. The aim of the implemented company health management is to adapt and develop company structures and processes in the company to ensure that the work, organisation and conduct at the workplace can be structured in a healthy manner. The purpose of company health management is to improve employees' health in the long term, strengthen human resources and reduce health risks. In addition, the aim is to increase motivation through good working conditions, raise work satisfaction and improve the working environment. For the company, this means fewer sick days, higher productivity and performance as well as improvements in the quality of products and services.

FLEXIBLE TRANSITION INTO RETIREMENT

Furthermore, an internal working group and the works council devised an in-house solution for partial retirement. This solution facilitates a smooth and flexible transition into retirement for the benefit of our employees. The relevant works agreement entered into effect in 2018. Another six employees (2018: six employees) made use of the opportunity of partial retirement in 2019. The duration of partial retirement is between a minimum of two to a maximum of six years. Further agreements with employees have been concluded for the upcoming year.

TRAINING

Schweizer employs an average of 25 trainees and work-study students who are trained for the company's own requirements. An apprenticeship with us is regarded as the basis for a secure professional future. We believe it important to employ specialists who have already familiarised themselves with our company during training.

The training programme at Schweizer Electronic AG covers both commercial and industrial professions. The company trains everybody from industrial clerks to industrial mechanics and mechatronics engineers to surface coaters. Depending on requirements, we also employ electronics technicians, IT specialists and dual students in the fields of business administration, industry and business informatics.

Schweizer Electronic AG stands for quality training. In addition to technical training in the departments and training workshops, our trainees and dual students are responsible for various projects such as events, company videos and trade fair exhibits. These independent projects promote motivation and independence in their everyday professional life. In addition, workshops, educational trips, team and communication training, training in driving safety and events are provided for the purpose of mutual exchange and to strengthen the community.

In 2019, the learning platform eCademy integrated into the MLS (Mobile Learning in Smart Factories) digital learning platform in our training system and acts as an additional learning medium for our trainees. This learning platform assists trainees in working on subjects from the vocational school classes, to repeat and supplement them, to close individual learning gaps and to thus prepare for their examinations in

the best possible way.

TRAINEE PROGRAMME

As part of the construction of a new plant in China, we started a trainee programme in 2018. Over a period of approximately one year, we trained employees at the Schramberg site. They then moved to our plant in China.

FURTHER EDUCATION AND TRAINING

Schweizer offers external and internal training measures as required. In addition to regular safety briefings, the internal training programme at Schweizer includes a range of courses on innovative technologies and work processes, including quality and energy management, PC training and seminars on labour and tax law. In addition to imparting knowledge, further education programmes are often primarily aimed at raising awareness, which is why we regard repeat participation in many cases as a good refresher.

PERFORMANCE REVIEWS AND BRIEFINGS ON OCCUPATIONAL SAFETY, ENVIRONMENTAL PROTECTION AND ENERGY MANAGEMENT

Employees' appraisals have been carried out using a new performance assessment system since 2018. The new system is an assessment instrument that is transparent and easy to understand for all employees. The performance appraised determines the annual performance bonus that is paid as a variable remuneration component in addition to the basic salary and is entrenched in an annual appraisal meeting.

In 2019, a works agreement on the assessment of line managers was concluded. Using this assessment, Schweizer makes it possible for employees to give targeted feedback to their line manager.

Recurring briefings on occupational safety, environmental protection and energy management are also held annually. For newly hired staff, briefings take place on the first working day. The aim of the briefings is to provide employees with knowledge of occupational safety, environmental protection and energy management before starting work for the first time and to motivate them to act accordingly by regularly repeating this training.

The relevant indicators with regard to employment, occupa-

tional safety and health protection include the total number of employees hired, staff turnover, accidents at work and the resulting days of absence.

Number of occupational and commuting accidents and resulting absences

Business year	Number of accidents at work and on the way to work*	resulting days of absence
2019	7	243
2018	22	286
2017	12	110
2016	16	189
2015	13	105

*These are accidents at work and on the way to and from work, which are subject to reporting requirements.

An analysis of the relatively high number of days of absence in 2019 revealed that the cause was primarily from accidents on the way to work and not from accidents at work. In 2018, more than half of the accidents that occurred on the way to work either off the company's premises or on the company's premises did not relate to tools or equipment.

Number of employees and average staff turnover rate[*]

Business year	Number of employees on 31.12	Average fluctuation rate
2019	688	6.43 %
2018	773	3.20 %
2017	783	3.96 %
2016	774	3.20 %
2015	761	3.04 %

[*] Schramberg site

Total number of newly hired employees[*]

Business year	Total	male	female
2019	17	11	6
2018	65	31	34
2017	76	45	31
2016	77	35	42
2015	75	47	28

[*] Schramberg site

At the Schramberg site, 227 women and 461 men were employed as of 31 December 2019. Of these, 17 women and one man worked part-time. In total, SCHWEIZER employed 254 women and 551 men as of 31 December 2019.

5. SOCIAL ISSUES

CORPORATE SOCIAL RESPONSIBILITY

For almost 170 years, we have been closely committed to the Schramberg site and an important employer in the region. It is our concern to not only create and secure jobs, but to promote social, cultural and sporting activities in the city and surrounding region, and to ensure that the location is attractive and worth living in for present and future generations of employees and their families.

Schweizer Electronic AG is also involved in promoting sports at a local level. For years, the company has been the main sponsor of the Tria Schramberg e.V. triathlon association and organises local sporting events together with the association. SCHWEIZER's employees also participate in these events. Furthermore, our employees are encouraged and supported in participating in other sporting events in the region. For instance, in 2019, SCHWEIZER employees teamed up for regional races

and one employee represented the company in the Tower Run in Rottweil with great success.

We have supported Forum Kunst in Rottweil since 2018 by providing financial support as part of a "benefactor" agreement. Forum Kunst was established in 1970 as an art association with the aim of promoting engagement with contemporary art. Since its establishment, care has been taken to establish a forum (not only) for regional artists but also to bring national and international artists to the region and to promote exchange in this way. At the same time, this increases the region's attractiveness as a place to live for employees and their families.

In addition, a variety of aid organisations and associations in the region were given donations and products from workshops for people with disabilities in years past. The local voluntary

fire brigade was given funding for its anniversary in the last year. Schweizer was, in this way, able to express its appreciation for the important contribution that the voluntary fire brigade makes to the region.

6. RESPECT FOR HUMAN RIGHTS AND THE FIGHT AGAINST CORRUPTION AND BRIBERY

Respect for human rights is a central component of our corporate management and is set out in detail in our Code of Ethics, our CSR policy and our Conflict Minerals Policy, which is communicated to every employee and supplier. For verification purposes, we expect our suppliers to return the completed Conflict Mineral Report Template (CMRT) to us.

We attach great importance to the fight against corruption. We reject all forms of corruption. We therefore expect our employees and authorised representatives to report all suspected cases of corruption to the Board of Management. We have set out all details for the prevention of corruption in an extra guideline and made it available to our employees.

WHISTLEBLOWER SYSTEM AT SCHWEIZER

As we have a keen interest in ensuring that violations against laws, regulations and internal rules are reported in order to detect unlawful conduct in the company and to be able to clarify such occurrences, we, at Schweizer introduced a whistleblower system in 2018 and concluded a works agreement in this regard. Reports from employees, former colleagues, customers and third parties at an early stage can assist in developing a preventative strategy in order to avert tangible and intangible losses as well as legal consequences and reputational damage to the company and its employees.

The whistleblower system opens up a confidential communication channel in which employees and other persons have the opportunity to report legal violations or violations of internal guidelines in connection with the company electronically to a central administrator. Special care is taken to ensure that participants' personality rights, informal right of self-determination and data privacy are preserved.

7. GRI CONTENT INDEX

The Non-Financial Statement contains standard disclosures from the GRI Sustainability Reporting Guidelines.

GENERAL STANDARD DISCLOSURES

General standard disclosures	Brief description for the respective disclosure	Reference to the position in the Non-Financial Statement or in the Annual Report	Explanation of omission or alternative presentation
Organisational profile			
102-1	Name of organisation	Non-Financial Statement 2019 p. 2	
102-2	Brands, products and services	Annual Report 2019 p. 22ff	
102-3	Company headquarters	Annual Report 2019 p. 22	
102-4	Overview of sites	Annual Report 2019 p. 22	
102-5	Ownership and legal form	Annual Report 2019 p. 22, 86	
G102-6	Markets	Annual Report 2019 p. 27ff.	
102-7	Size of company	Annual Report 2019 p. 2	
102-10	Significant changes within the organisation and its supply chains	None	
102-11	Precautionary principle or precautionary approach	Non-Financial Statement 2019 p.9ff.	
Strategy			
102-14	Statement by the highest decision-making body	Non-Financial Statement Mission Statement, p. 2ff.	
102-15	Significant effects, risks and opportunities	Annual Report 2019 p. 43ff.	
Ethics and integrity			
102-16	Values, principles, standards and code of conduct	Non-Financial Statement Mission Statement, p. 2ff.	
102-17	Procedures regarding advice and concerns relating to ethics	Non-Financial Statement, p.14	
Governance			
102-18	Governance structure	Annual Report 2019 p. 12, 126ff., 138ff.	
Reporting process			
102-45	Companies in the consolidated financial statements	Annual Report 2019 p.22, 88	
102-50	Reporting period	Financial Year 2019 01.01. – 31.12.2019	
102-51	Date of last report	17.04.2019	
102-52	Reporting cycle	Annual	
102-55	GRI Index	Non-Financial Statement 2019 p. 15ff.	
102-56	Internal assurance	This sustainability report was not audited externally. The quality of the data was reviewed by the Supervisory Board.	

SPECIFIC STANDARD DISCLOSURES

Specific Standard Disclosures	Brief description for the respective information	Reference to the position in the Non-Financial Statement or in the Annual Report	Explanation of omission or alternative presentation
Economic			
Economic performance			
201-1	Direct generated and distributed economic value	Annual Report 2019 p. 29ff. 79ff.	
Environmental			
Materials			
301-1	Materials used by weight or volume	Non-Financial Statement 2019 p. 7	This is a quantitative list of the most important production materials. Due to its complexity, it is currently not possible to break it down into renewable and non-renewable materials. Packing materials are not included.
Energy			
302-3	Energy intensity	Non-Financial Statement 2019 p.4	The total energy consumption includes power and gas. The hour of production serves as the organisation-specific parameter for measuring the intensity. The information at SCHWEIZER is indicated as specific energy consumption.
Water			
303-1	Total water consumption by source	Non-Financial Statement 2019 p. 6	The information is not shown per production hour rather than in absolute values.
Emissions			
301-1 and 305-2	Direct GHG emissions (scope 1) Indirect energy-related GHG emissions (scope 2)	Non-Financial Statement 2019 p. 5	The diagram contains the total CO_2 footprint, which includes both direct CO_2 emissions (gas combustion) and indirect CO_2 emissions from electricity purchased from utility companies. An additional distinction is made between the CO_2 footprint resulting from production, which also consists of direct emissions, and the CO_2 footprint caused by transporting our goods (direct emissions only). Gas, petrol and electricity consumption were used to determine CO_2. No oil was used. Since the consumption values of the utility companies (electricity) are not supplied until the autumn of the following year, the value is determined using the previous year's figures as an estimate. Information is shown per production hour.
305-4	Intensity of GHG emissions	Non-Financial Statement 2019 p. 5	
305-3	Reduction of GHG emissions	Non-Financial Statement 2019 p. 5	SCHWEIZER provides information in CO_2 footprint (per production hour).

Specific Standard Disclosures	Brief description for the respective information	Reference to the position in the Non-Financial Statement or in the Annual Report	Explanation of omission or alternative presentation
Effluents and waste			
306-1	Total volume of waste water discharge by quality and place of discharge	Non-Financial Statement 2019 p. 6	The information is not shown in absolute figures but in volume per production hour. The quality of the effluents is indicated in mass per volume based on selected residual metal impurities.
306-2	Waste by type and disposal method	Non-Financial Statement 2019 p. 6ff.	The figure includes the total amount of waste and the breakdown into hazardous and non-hazardous waste and clean recyclable plastics per hour of production.
Social			
Employment			
401-1	Total number of newly hired employees and staff turnover	Non-Financial Statement 2019 p. 11ff.	The number of employees and the total number of newly hired employees are stated in absolute figures. The fluctuation rate is expressed as a percentage and is not separated by gender. The number of new employees and the fluctuation rate refer exclusively to the Schramberg site. The number of employees includes all employees, 14 of whom were working in the offices in Asia as of 31 December 2017.
Occupational health and safety			
403-2	Occupational accidents, lost days, fatalities	Non-Financial Statement 2019 p. 11ff.	A list is provided of accidents subject to reporting requirements at the Schramberg site and the resulting days of absence. There were no fatalities.
Training and education			
404-2	Competence Management and Training Programs	Non-Financial Statement 2019 p. 12	There are no transitional aid programmes for people leaving the profession.
404-3	Regular employee performance reviews	Non-Financial Statement 2019 p. 12	It is not possible to list employees by gender or employee category.
Diversity and equal opportunities			
405-1	Diversity in controlling bodies and employees	Corporate Governance Statement 2019 p. 138ff.	
Anti-corruption			
205-3	Communication and training on anti-corruption guidelines and procedures	Non-Financial Statement 2019 p. 14	Employees and suppliers are kept up to date. Information on this is permanently accessible.