
Sustainability Report

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Introduction

Our approach to sustainability

As a global provider of indoor climate and ventilation solutions, we recognise that our industry has a significant environmental footprint. We are committed to the United Nations (UN) Sustainable Development Goals (SDGs) and the United Nations Global Compact (UNGC), of which we are a signatory. Our sustainability strategy, based on a **double materiality assessment**, focuses on environmental responsibility, social issues, and governance. We work to reduce our environmental impact, promote fair labour conditions, and enhance transparency and accountability across our value chain.

Sustainability is central to our operations, as demonstrated by our policy commitments, including the **Code of Conduct** and the **Supplier Code of Conduct**. These policies align our activities and guide our suppliers in adhering to international standards, such as the UN Guiding Principles on Business and Human Rights (UNGPs) and International Labour Organization (ILO) conventions. We regularly review and update these policies. Our human rights due diligence framework, overseen by the CEO and the Sustainability Steering Committee, integrates human rights considerations into all operations.

Clear processes are in place to address negative impacts arising from our operations, including risk assessments and corrective actions. We are committed to investigating and resolving issues promptly, in line with our responsible business practices.

We provide several channels for our employees and stakeholders to seek advice or raise concerns. The Integrity Line (more details under **Compliance and fair business practices**) allows anonymous reporting of misconduct and policy violations. All concerns are handled confidentially, with safeguards in place to prevent retaliation.

We are an active member of various industry and sustainability associations. These memberships help us to follow global engineering best practices and to engage with other like-minded organisations. At Zehnder Group, we are committed to continuous improvement and high sustainability standards.

Our approach to reporting

From 2025 onwards, Zehnder Group's Sustainability Report will be incorporated into the Integrated Annual Report. We will continue to increase transparency by outlining our sustainability strategy, progress, and challenges and responding to evolving stakeholder expectations and regulatory requirements.

The Sustainability Report covers the period from 1 January to 31 December 2025, encompassing all business segments and consolidated companies in line with the **scope of consolidation in the Financial Report**. We apply the principle of including acquisitions and excluding divestments in the reporting year on a full-year basis, unless stated otherwise. Where available, value chain information (upstream and downstream) is included through direct engagement; any remaining gaps are addressed using research and stakeholder input.

Social and governance key performance indicators (KPIs) reflect full-year actuals, while environmental KPIs are based on three quarters of actual data and an estimate for the fourth quarter, unless a deviation of more than 5% from the Group total for this KPI has been discovered between the actual and estimated figures. Selected KPIs have undergone limited assurance by PricewaterhouseCoopers AG and have been marked with a checkmark , as described in the [Limited assurance report](#). Adjustments due to new or updated data are marked accordingly and figures that were unavailable or unpublished in the previous year or base year are marked “n/a”.

We report in accordance with the GRI (Global Reporting Initiative) Standards to the fullest extent permitted by law and our report on non-financial matters remains compliant with Art. 964a ff. of the Swiss Code of Obligations. The recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) continue to be followed in our “[Climate action](#)” disclosures. Following the European Union (EU) omnibus proposal, the application of the Corporate Sustainability Reporting Directive (CSRD) has been deferred and the thresholds adjusted. We continue to collect data aligned with the European Reporting Standards (ESRS) to maintain readiness and will review CSRD applicability as the regulatory framework evolves. For the financial year 2025, we are voluntarily reporting on the [EU taxonomy](#) for the first time.

The report is structured as follows. The chapters [Introduction](#), [Governance](#), and [Strategy](#) describe Zehnder Group’s general approach to sustainability. The focus topics [Environmental matters](#), [Employee-related issues](#), [Social issues](#), [Combating corruption](#), and [Respect for human rights](#) are in line with the five non-financial reporting areas specified in the Swiss Code of Obligations. The focus topics contain issues identified based on the principles of double materiality. For each issue, we describe the associated impacts, risks, opportunities, and Zehnder Group’s management approach. We also describe the measures taken, their implementation and outlook, and report on relevant KPIs. The report also includes an [EU taxonomy](#) section. Finally, the report contains an index section comprising a [GRI content index](#), an [index in accordance with the Swiss Code of Obligations](#), a [TCFD index](#), and a [List of abbreviations](#).

Further details of our commitment to sustainability can be found on our [Sustainability website](#).

Restatements of information

Zehnder Group’s greenhouse gas (GHG) emissions accounting policy is based on the Science Based Targets initiative’s (SBTi) Net-Zero Standard Criteria and Corporate Near-Term Criteria as well as the GHG Protocol. Under this policy, the base year inventory must be recalculated and restated if changes in company structure and activities, methodology changes, or data errors lead to a change of 5% or greater in Scope 1 and 2 combined base year emissions, or a change of 5% or greater in total Scope 3 base year emissions. If total combined Scope 1, 2, and 3 base year emissions change by 5% or more, all scopes must be recalculated, integrating all known changes in company structure and activities, methodology changes and data errors in all scopes.

During the reporting year, a data error was identified at one Group company representing more than 5% of Zehnder Group’s total Scope 1, Scope 2, and Scope 3 GHG emissions. This triggered a restatement of historical emissions data.

While the primary impact was related to Scope 3 emissions, minor adjustments were also made to Scope 1 figures to ensure methodological consistency and comparability across reporting years according to our GHG emissions accounting policy. These adjustments did not materially affect the previously reported Scope 1 emissions. No changes were necessary for Scope 2 emissions for previous years. As a result, the restated Scope 2 figures remain unchanged compared to previously reported values.

Any resulting recalculations or restatements are disclosed and explained in the footnotes of the relevant tables and figures, with the scope and magnitude of changes indicated.

Governance: Purpose and structure of organisation

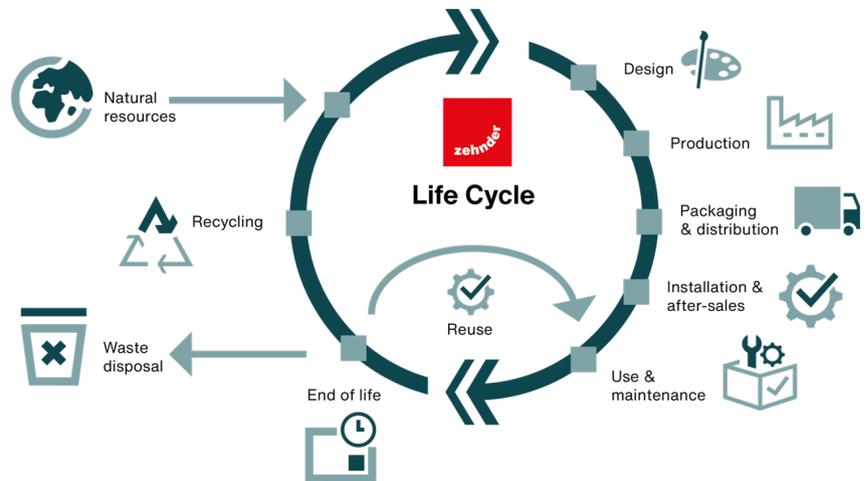
Organisational purpose

Description of the Zehnder Group business model

Zehnder Group is a global leader in indoor climate solutions, enhancing comfort, energy efficiency and health in residential, commercial, and industrial spaces through innovative products and systems. Energy efficiency means reducing energy consumption while maintaining optimal indoor conditions, lowering costs, and environmental impact. Health and comfort are achieved by ensuring fresh air circulation, consistent temperatures, and improved air quality.

We design and manufacture our products in our own facilities across Europe, China, and North America. We have sales activities in over 70 countries through local companies and representatives. Our value chain includes acquiring raw materials, developing products, procuring materials, producing goods, distributing products, supporting customers, and disposing of goods. We have strong business relationships with suppliers, partners, and customers. Our corporate purpose is to create sustainable and long-term value and this influences both our operations and partnerships.

The Zehnder value chain



Sustainability organisation of Zehnder Group ✓

The **General Meeting** is the supreme governing body of Zehnder Group. The ordinary General Meeting is held annually within six months of the end of the financial year and approves the Sustainability Report.

The **Board of Directors** is the highest governance body and oversees the sustainability strategy and its impacts. It comprises seven non-executive members, five of whom are considered independent under best practice standards.

The Board of Directors is supported by several committees. The **Nomination and Compensation Committee** manages sustainability-related remuneration and incentives, while the **Audit Committee** oversees sustainability- and climate-related risks within the overall risk framework. Day-to-day execution is the responsibility of the **Group Executive Committee**, while the **Sustainability Steering Committee** is responsible for developing the Group sustainability strategy.

The Chair of the Board is non-executive. Details on the Board's composition, skills, independence, tenure, and diversity as well as the nomination and selection process are provided in the [Corporate Governance Report](#).

Stakeholder expectations are integrated through regular materiality work; however, an internal definition for tracking under-represented social groups is still to be developed. Subsidiaries maintain employee representation where required by local law.

Delegation of responsibility ✓

The Board of Directors delegates the management of economic, environmental, and social impacts to senior executives.

At the centre of this governance structure is the **Sustainability Steering Committee**. Chaired by the CEO, it includes the Chair of the Board of Directors, the Group Executive Committee, and other senior management members. It meets monthly to serve as the primary decision-making body for sustainability strategy and defines targets, approves the measures required to achieve them, and ensures alignment with corporate objectives, while fostering cross-functional collaboration among leaders.

Within this framework, the **Group Executive Committee** develops and implements the sustainability strategy and sets the corresponding objectives, integrating them into planning and execution across business units and functions. Reporting directly to the CEO, the Group Sustainability Manager is responsible for leading the company's sustainability efforts. Supported by two team members, the **Group Sustainability Manager** is responsible for overseeing data collection, reporting on sustainability performance, and presenting an annual review to the Board of Directors and the Group Executive Committee. The **Competence Centres** and **business leaders** implement measures in their respective domains, consolidate KPIs from production sites, and submit regular progress reports to the committee.

Other Group Functions that are not directly part of the Sustainability Steering Committee but are represented by the CFO, such as Legal and Compliance, Finance and Controlling, and Group Procurement, are closely involved in implementing the strategy and driving the actions required to meet the Group's sustainability targets.

Oversight of sustainability impacts, controls, and risk management ✓

Sustainability is a standing Board agenda item, discussed at least twice a year, with regular KPI reports and an annual review of results and progress against targets. Zehnder Group operates an Internal Control System (ICS) that helps to ensure proper financial reporting, reliable bookkeeping, compliant and efficient operations, and to manage and mitigate risks. It also covers the assessment of selected sustainability data and is supplemented by Business Unit reviews and internal and external audits to assure information quality and reliability. Risk management follows the Group Risk Manual: each legal entity conducts an annual assessment, the Group monitors long-term meta-risks, a consolidated assessment is submitted to the Board and Internal Audit formally reports significant findings. The Board and the Group Executive Committee also conduct a joint annual review of sustainability impacts, risks, and opportunities, supported by ongoing KPI reporting.

Reviewing and approving the information ✓

The Board of Directors reviews and approves the reported information, including the organisation's material topics, following a structured, multi-level process: local data collection and validation by sustainability ambassadors, oversight by Group Controlling and Group Sustainability, approval by the Group Executive Committee, and final submission to the Board.

Expanding the collective knowledge ✓

Zehnder Group aims to enhance the Board of Directors' knowledge and expertise in sustainability, ensuring it is integrated into the corporate strategy. Sustainability expertise is a criterion for recruitment. Five of the seven board members contribute relevant sustainability insights from other boards, and four external members have completed seminars and training courses. The Board's knowledge is further enhanced through regular learning initiatives and a biennial self-assessment that incorporates sustainability.

Prevention and mitigation of conflicts of interest ✓

Zehnder Group has clear procedures to prevent and manage conflicts of interest. These are outlined in the [Articles of Association](#), the [Organisational Regulations](#), and the [Code of Conduct](#). They detail all of the responsibilities. External engagements of Board and Group Executive Committee members are also limited by statutory rules, ensuring Board members' duties remain aligned with the Group's interests.

Board members and senior executives, along with all employees, must avoid any conflicts of interest with Zehnder Group. They must notify the Chair of the Board of Directors in writing if there is a potential conflict. If the conflict involves the Chair, the notification is directed to the Vice-Chair. The Chair (or Vice-Chair) assesses the situation and informs the Board of Directors if needed, recommending actions. In urgent cases, immediate measures can be taken and later reported to the Board of Directors.

To ensure transparency, all conflict disclosures and actions are documented. Zehnder Group discloses material conflicts of interest to stakeholders, when necessary, e.g. cross-board memberships, business dealings between the company and governing bodies, or related parties. These transactions are conducted at arm's length to ensure fairness and transparency.

Communication of critical concerns

Critical concerns are reported to the Board through defined channels, ensuring transparency in the handling of sustainability, risk, and compliance issues. The Audit Committee reviews significant risks, including compliance, legal and sustainability matters, and receives an annual compliance report. The Chair of the Committee, the Group General Counsel, and the Head of Group Internal Audit maintain continuous contact in order to escalate urgent legal or regulatory issues to the highest level.

Employees and external stakeholders can raise concerns via internal reporting channels (e.g. compliance breaches or operational risks). These are escalated to senior management and, if material, to the Board. The Board also receives briefings from the Sustainability Steering Committee on environmental, social, and economic risks. The number and nature of critical concerns in the reporting year are presented under [Compliance and fair business practices](#).

Strategy: Materiality and stakeholder analysis

Materiality analysis

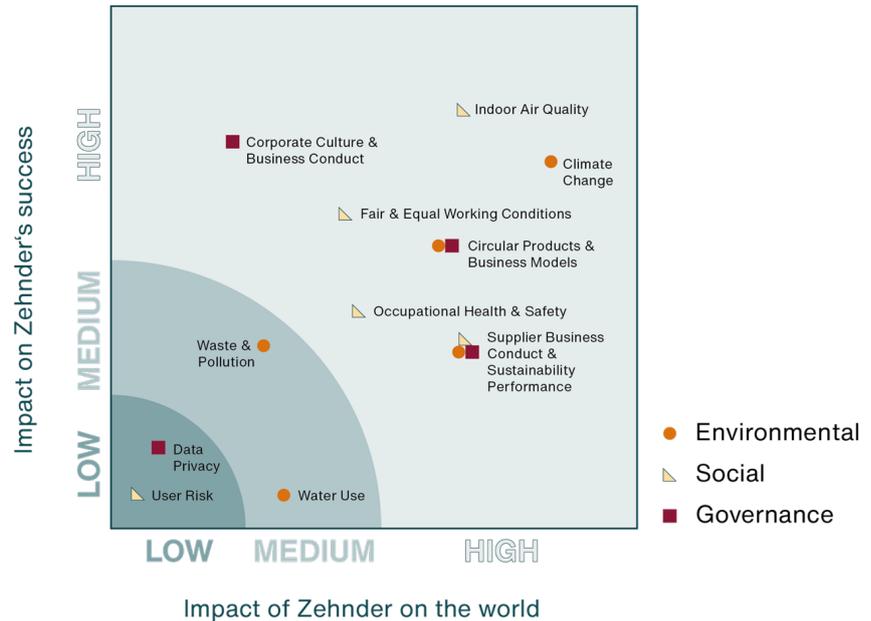
The list of material topics is based on the double materiality assessment conducted in 2023 and thoroughly reviewed and amended in 2024 with key stakeholders, including the CEO and the Board of Directors. The assessment undergoes an annual high-level review to ensure its continued relevance and robustness. A more in-depth reassessment will be carried out whenever significant changes occur that could affect material impacts, risks, or opportunities. Such changes could include major acquisitions, shifts in business activities, substantial changes in the supply chain, global events affecting human rights, new scientific insights, or societal expectations that alter the relevance or severity of sustainability issues.

In line with the European Financial Reporting Advisory Group (EFRAG) guidance, the UN SDGs and supported by internal analyses, we initially identified 80 potentially material topics. These were consolidated into 21 topics and assessed in a survey of 63 stakeholders – including employees, suppliers, customers, and members of the Executive Board – who rated each topic on a scale of 1 to 5 for likelihood and severity of impact, or financial impact (for risks and opportunities), over a five- to ten-year horizon. The survey results were then compared with internal priorities to avoid bias and to develop the materiality matrix, which has played a central role in shaping Zehnder Group's sustainability strategy.

In 2024, a TCFD analysis was conducted, enabling a detailed assessment of climate-related risks and opportunities. Taking this into account, the financial implications of climate change were outlined, and strategic adjustments were implemented with a focus on resilience and climate protection measures. Feedback from leadership and a benchmark against industry peers led to the validation of the data collection process, a reassessment, and the reorganisation of specific subtopics. This resulted in improved prioritisation and effectiveness.

Building on these insights, the materiality assessment continues to guide how we prioritise and address sustainability topics, ensuring alignment with stakeholder expectations and internal objectives.

Materiality Matrix



Indoor air quality (IAQ) is a key topic for Zehnder Group, given the company's focus on mechanical ventilation systems. Good air quality has a positive effect on health and well-being and helps reduce pollutants and humidity in buildings. At the same time, energy-efficient ventilation systems help reduce the ecological footprint. IAQ is an integral part of Zehnder Group's core business, offering our customers significant benefits through our products. Stakeholders have increasingly emphasised its importance in interviews. Although it was identified as relevant in the materiality analysis, it does not present a distinct sustainability challenge and is therefore not discussed in detail in this report.

Our other material topics remain unchanged from 2024 and are thoughtfully integrated and reflected throughout the report as follows:

- **Climate action:** addresses **Climate Change**, including our emissions, energy savings via heat recovery ventilation, and the management of physical and transition risks.
- **Resource-efficient production:** covers **Waste & Pollution** management, including packaging, scrap, and hazardous chemicals and addresses **Water Use** at key production sites.
- **Circular products and innovation:** emphasises **Circular Products & Business Models** including reparability, sustainable materials, and renovation-friendly solutions.
- **Occupational health and safety:** prioritises the well-being of employees, especially in environments with a strong focus on **Occupational Health & Safety**.
- **Attractive employer:** highlights initiatives to boost employee engagement and a supportive workplace culture.
- **Diversity, equal opportunity, inclusion, and decent work:** addresses **Fair & Equal Working Conditions**, including pay equity, diversity and inclusion, and anti-harassment measures.
- **Sustainable purchasing:** focuses on **Supplier Business Conduct & Sustainability Performance**, emphasising alignment with our ethical standards.

- **Compliance and fair business practices:** promotes **Corporate Culture & Business Conduct** by fostering transparency and compliance while preventing unethical practices.
- **Upholding human rights:** covers risks and due diligence efforts to ensure fair treatment in operations and supply chains.

Stakeholder analysis

Our stakeholder analysis helps us to identify important sustainability topics, recognise potential risks and opportunities and ensure that our actions are socially responsible and environmentally sustainable. This allows us to align our sustainability strategy with the expectations and concerns of those who are affected, either directly or indirectly, by our activities. Transparent communication enhances decision-making and, above all, fosters trust and builds lasting relationships.

In order to proceed with this process, we first identify our stakeholder categories by assessing their relevance to our operations, their influence on our business and the potential impact of our activities on them. Following consultations with internal teams across different branches, a preliminary comprehensive list has been compiled. We then prioritise these stakeholders based on their significance to our sustainability goals. Stakeholders include individuals and organisations with financial, legal, ethical, or environmental expectations of Zehnder Group, such as employees, customers, suppliers, investors, financial analysts, rating agencies, and non-governmental organisations.

Communication with stakeholder groups

To advance our sustainability goals, we utilise a variety of structured and inclusive approaches to engage with our different stakeholder groups, such as:

- Interviews, surveys, and workshops facilitate the collection of feedback and insights, ensuring relevance and actionable results.
- Annual and Sustainability Report along with ad hoc press releases are important media for informing shareholders and other stakeholders about key figures, sustainability initiatives, and other important topics.
- Presentations and roadshows together with conferences are important opportunities to ensure transparency, particularly towards financial stakeholders such as analysts and investors.
- Corporate governance meetings facilitate dialogue between the Chair of our Board of Directors, investors, and proxy advisors.
- Trade fairs and training sessions in addition to customer visits are ideal opportunities to interact directly with customers to exchange information and gather feedback.
- Collaboration with experts: organisations such as the UNGC can be helpful in aligning our practices with global sustainability standards.
- Supplier screening and audits are essential, as we closely collaborate with high-risk suppliers and aim to uphold our sustainable supply chain standards.

Environmental matters: Introduction

Shaping a resilient future

This section provides an overview of Zehnder Group's approach to sustainability in terms of **climate action**, **resource-efficient production**, and **circular products and innovation**. Subsequent subchapters explore the impacts, risks, and opportunities associated with our operations and products, as well as our management approach to addressing these challenges.

Since many environmental indicators are volume-sensitive, trends should be interpreted within the context of the Group's 2025 business performance (see **Management Report**). Although net sales were similar to 2023 and around 7.8% higher than in 2024, not all KPIs scale with net sales.

We always refer to CO₂e, including all relevant GHG emissions as per GHG Protocol: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PCFs), sulphur hexafluoride (SF₆), and nitrogen trifluoride (NF₃).

Climate action

Impacts, risks, and opportunities

Impacts

Our business contributes to global climate change through emissions in Scopes 1 to 3. While Scope 1 and Scope 2 emissions arise primarily from electricity and gas consumption in our production facilities, particularly in energy-intensive processes like welding, drying, surface coating, and the generation of compressed air, Scope 3 emissions arise during the use phase of our products, such as electric radiators or heating and cooling systems. Although Scope 3 emissions account for the largest share, reducing emissions in all three scopes is central to our internal decarbonisation efforts.

Nevertheless, Zehnder's ventilation systems also contribute to increased energy efficiency through integrated heat recovery, which uses outgoing air to heat or cool fresh outdoor air entering the ventilation system to within a few degrees of the room temperature. As these are avoided emissions, they are not included in our GHG emissions calculations; however, this technology can considerably reduce heating and cooling costs, leading to a more efficient use of energy resources. With an emission efficiency ratio of 1 to 7.5 compared to an alternate system¹, 10.2 times less energy is required. This corresponds to a reduction in energy consumption of 31.3 million GJ and savings of 1,498,487 t CO₂e emissions over its entire lifetime – a significant benefit to the environment while also benefitting our customers.

¹ Emissions and energy consumption are calculated for the full product use phase, and do not include emissions at other phases such as production, transport or disposal. Estimated product lifetimes vary between 8 and 20 years, depending on the product line. Grid emissions are split by country (source: International Energy Agency (IEA)). They are assumed to remain constant during product lifetime. Lost heat is replaced by heating systems, split between heat pumps (energy efficiency ratio of 3 as a conservative choice for renewables) and natural gas heaters (85% conversion efficiency). Natural gas heaters were selected as the conservative choice for non-electrical heating. Natural gas is assumed to have an emission factor of 183.0 g CO₂e/kWh (source: Department for Environment, Food and Rural Affairs (DEFRA) 2025 v1.0). The ratio of natural gas heaters to heat pumps is country-dependent and is generated using values provided by the Institute of Building Technologies and Energy at Lucerne School of Engineering and Architecture (HSLU), Switzerland, based on current national ratios of fossil-to-fossil-free heating methods. Data sources for heating per country: USA: US Energy Information Administration, Canada: Canada Energy Regulator, China: US Energy Information Administration, EU: Eurostat, UK: Statista, Switzerland: Energie Schweiz, Other: Assumption 80-20 split between fossil and fossil-free. The ratio of CO₂e consumption to an alternative system is calculated as 1 to 7.5. Assuming exclusively heat pump heating and considerable global grid decarbonisation (20 g CO₂e/kWh) reduces the ratio to 1 to 3.5.

Risks and opportunities

The TCFD assessment on climate-related risks and opportunities revealed that not only do Zehnder's business activities impact climate change, but climate change itself also influences Zehnder's business activities. It is expected that the frequency and severity of physical risks will increase in the short, medium, and long term.

In the short term (within 12 months), Zehnder Group faces risks from extreme weather events that may disrupt operations and supply chains or damage assets. Stricter regulations increase costs, particularly for energy and CO₂, but also create opportunities through greater transparency on climate risks. Incentives for sustainable projects further support early adaptation to changing market requirements and rising demand for sustainable products.

In the medium term (one to three years), Zehnder Group's investment in new technologies and development of innovative products for the transition to renewable and more energy-efficient energy sources and natural refrigerants will have a temporary impact on profitability, but will be beneficial in the long term. This is especially relevant against the backdrop of continuously rising CO₂ taxes and growing demand from climate-conscious consumers.

Long-term risks (more than three years) include the potential need to retrofit older facilities, as the emissions captured there could slow progress towards achieving our CO₂e reduction targets, particularly if carbon costs continue to rise. Furthermore, chronic climate risks, such as increasing heat and drought, could also affect sites in high-risk areas, for example in China and Canada.

At the same time, rising global temperatures may result in increased demand for solutions to mitigate overheating, which could consolidate our market position. Our proactive approach allows us to anticipate potential impacts early while capitalising on new opportunities for sustainable growth.

Management approach

Governance

Zehnder Group embeds climate governance within its sustainability framework, using tailored processes to manage climate risks and opportunities. The Sustainability Steering Committee oversees the climate strategy and reports progress and challenges on CO₂e reduction, energy efficiency, and decarbonisation initiatives to the Board of Directors. Because the Chair of the Board also sits on the Committee, Board oversight is directly connected to its work. The Audit Committee conducts an annual review of climate risk management to confirm its integration into the wider risk management framework.

The Board incorporates climate considerations into strategic planning: our targets are validated by the SBTi and climate factors are built into major action plans, risk policies, budgets, and business plans. These considerations guide capital investment, acquisition, and divestment decisions and shape performance objectives and progress tracking across the Group.

Roles are clearly defined. The Group Executive Committee, supported by the Sustainability Steering Committee, oversees delivery of the climate strategy and achievement of SBTi targets. The Group Sustainability Manager coordinates the strategy, manages data collection, and ensures alignment with international standards. Competence Centres execute operational measures, track KPIs (including CO₂e emissions and energy use), and report results to the Steering Committee. Reporting across all levels ensures consistent execution and full visibility to the Board.

Strategy

We are committed to growth without environmental harm. In line with the SBTi, we have reduction targets for Scope 1, 2, and 3 emissions and aim to reach net-zero CO₂e by 2050, with interim targets for 2033.

Our decarbonisation strategy is informed by a full analysis of CO₂e sources and backed by a roadmap. Core actions include improving energy efficiency, switching to renewable energy, and advancing circular product innovation. Early high-impact priorities include installing photovoltaic parks, converting fuelled fleets to electric vehicles, and procuring certified green electricity largely consistent with RE100 standards.

We are progressing towards more advanced technical measures, including technology upgrades in selected radiator production processes to drive further cuts. In parallel, we are investing in equipment upgrades, optimising energy management systems, and developing low-carbon heating and cooling solutions such as heat pumps and ventilation systems with integrated heat recovery. The Board of Directors has approved this strategy, which is fully aligned with our business objectives.

Scenario analysis of low-emission (+1.5°C) and high-emission (+4°C) pathways assesses physical and transition risks across operations, finances, and supply chains. Investments in renewables and energy-efficient technologies help mitigate exposure to energy price volatility and carbon taxation, while low-carbon product development positions us to capture opportunities created by shifting markets and regulation. The results feed into our financial planning so we can adjust proactively and remain resilient.

We track climate-related risks and opportunities using metrics such as CO₂e emissions, energy use, and the share of renewable energy in operations, and we assess potential financial impacts from carbon pricing. Changes in these emissions and energy-related KPIs reflect not only management measures but also external drivers such as production volumes, business activity, and product mix; trends should therefore be interpreted in that context. Climate performance influences remuneration: 30% of the Group Executive Committee's long-term bonus is linked to sustainability targets, including climate goals. We are exploring extending similar incentives to other employees to embed sustainability across the organisation.

Our climate strategy places strong emphasis on improving the energy efficiency of our products, as the use phase of electrical systems is the largest contributor to our Scope 3 emissions. We design radiators, ventilation, and climate systems to minimise energy demand in operation, for example through integrated heat recovery, optimised airflow, and intelligent control. Digital solutions such as our Clean Air Remote Application (CARA) help customers operate equipment efficiently by continuously adjusting performance based on sensor data. Product development teams increasingly use energy performance as a key design criterion, ensuring new launches contribute measurably to reducing emissions over their lifetime.

Risk management

Climate-related risks are fully embedded within our Enterprise Risk Management (ERM) framework, enabling systematic identification, assessment, and management. Zehnder Group proactively tracks global climate regulation to remain compliant and adapt to emerging requirements.

Risk materiality is assessed through potential cash-flow impacts. Mitigation responses include investing in energy-efficient technologies, retrofitting facilities, and adapting supply-chain practices to strengthen resilience. Management regularly evaluates whether to mitigate, transfer, accept, or control each risk to keep actions aligned with strategic objectives.

Integrating climate with broader business risks supports well-informed decisions, proactive risk management, and the ability to capture emerging opportunities.

Implementation and outlook

Implementation of the above management approach is structured around two focus areas, each with defined targets and KPIs.

Targets

Ambition: Reduce greenhouse gas emissions and achieve net-zero emissions by 2050 for Scope 1, 2, and 3

Target: Submit science-based targets for validation by the SBTi

- **Status:** Our science-based targets have been validated in 2025 by the SBTi and published on their [website](#). Our goal is to reduce Scope 1 and 2 emissions by 55% and Scope 3 emissions by 33% by 2033 from a 2023 baseline. These targets align with the SBTi's 1.5°C pathway for Scopes 1 and 2 and its below-2°C pathway for Scope 3.
- **Outlook:** By 2050, we aim to achieve net-zero emissions by reducing CO₂e emissions by 90% and neutralising the rest through carbon removals. We will continue implementing our roadmap, focusing on energy reductions and using more renewables. For hard-to-abate emissions, we will use verified nature-based removals, such as reforestation and soil carbon sequestration, as well as engineered removals, such as direct air capture with storage, including credible removal credits.

Target: Reduce Scope 1 and 2 emissions

- **Status:** In 2025, we reduced our Scope 1 emissions to 7848 t CO₂e, achieving a 6.3% decrease from 2024, primarily due to lower natural gas use following the outsourcing of radiator production in China and the relocation of production from Switzerland to France. Scope 2 emissions (market-based) declined to 6940 t CO₂e, a 9.5% decrease from the previous year. This decline was primarily driven by the use of RE100-aligned Energy Attribute Certificates (EACs) in Poland, which covered 21% of the site's 2025 grid electricity. Together, Scope 1 and Scope 2 emissions accounted for 1.1% of our total emissions and are 16.4% below the 2023 base year, keeping us aligned with our SBTi reduction pathway and on track to meet our Scope 1 and 2 targets.

Renewable energy is one of our main levers for decarbonisation. In 2025, 45.6% of our electricity consumption was certified as 100% renewable (48.2% in 2024), either through direct supply or via EACs. The decline compared to the previous year reflects a change in consumption patterns: production facilities already supplied with 100% renewable energy consumed less electricity, while sites without renewable energy contracts experienced increased demand. Additionally, a change of supplier occurred at one location in the Netherlands, further reducing the certified share when the switch was made from green electricity to a conventional energy supply.

While most of our sites purchase electricity locally, our three largest sites in Germany, Türkiye, and Poland are centrally managed and represent key levers for expanding the use of renewable energy across the company. Electric vehicles are already in operation in multiple sites, including Germany and Türkiye, and a new photovoltaic system is being installed at our headquarters to enhance energy independence.

- **Outlook:** From next year, we will extend the use of electric vehicles in selected European countries. While not all certificates are fully aligned with RE100 yet, all EACs for our sites in Lahr (Germany), Manisa (Türkiye) and Bolesławiec (Poland) are expected to meet these criteria from 2026. Alongside this, expanding on-site renewable generation and electrifying operations will further advance our progress towards a low-carbon, energy-independent future.

Target: Reduce Scope 3 emissions

- **Status:** Scope 3 remains our largest source of emissions, amounting to 1,348,431 t CO₂e in 2025, or 98.9% of our total footprint². This is a 5.0% reduction from the previous year and is primarily driven by lower radiator sales and lower sales at a Chinese ventilation branch. These reductions are 19.5% below the 2023 base year and in line with our SBTi reduction pathway, keeping us on track to meet our Scope 3 targets. The use phase of electrical products sold over their lifetime continues to be the biggest contributor, accounting for 81.2% of Scope 3 emissions, representing a 7.8% decrease from 2024³. Purchased goods are the second-largest contributor at 15.0% and increased 13.9% from 2024, with emissions stemming mainly from metals (44.4%), non-packaging plastics (25.8%), and electronics (21.8%)⁴.

In response to these drivers we focus on materials, supplier collaboration, and product use. Low-emission electric arc furnace steel is being trialled at our two radiator sites in Germany and France, with positive results. The share is around 10% of demand in 2025 and could rise to up to 25% in 2026, pending the outcome of final tests. Recycled-content certificates are not yet available, and supply is currently single-sourced, so diversification remains a priority. New SAP material groups are being established in our ERP system to track recycled content in plastics, while development work continues to increase recycled shares and improve product recyclability.

Our radiators and ventilation systems are designed for energy-efficient operation. Actual performance depends on correct installation and use. We support users with practical guidance and controls to help them optimise settings and reduce avoidable energy use. Our CARA continuously adjusts system performance based on sensor input to maximise efficiency.

- **Outlook:** We will continue to expand the use of recycled and low-emission materials, working closely with suppliers to scale up feasible solutions. Further digitalisation and smart control systems will help customers operate our products even more efficiently, contributing to lower emissions throughout the product life cycle.

Ambition: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters**Target: Analyse the recommendations of the TCFD and further embed climate risks into the risk management process and internal control system**

- **Status:** Climate-related risks identified through the TCFD-based physical risk assessment have been integrated into the company's risk management framework. Business units with "Medium" to "High" risk levels include these in their local risk processes, evaluating mitigation measures and planned actions. Transition risks identified in the 2024 TCFD analysis are reviewed annually by the Group Executive Committee and presented to the Board for approval each December.
- **Outlook:** Our goal at this point in time remains to raise awareness of climate risks and continue to educate the local Business Units, as well as the Management and Board. These risks will be monitored at both Business Unit and Group Executive Committee levels to ensure they are identified as early as possible, allowing appropriate measures to be taken where necessary.

² The 2023 (base year) and 2024 (previous year) figures have been restated due to cumulative errors of >5% to the original figures triggering a full restatement, incorporating corrections and methodology changes. Total Scope 3 figures were affected by this restatement. The original reported figures were 1,602,591 t CO₂e emissions for 2024 and 1,874,862 t CO₂e emissions for 2023. For further information, see [Restatements of information](#).

³ Use of sold products (Scope 3.11) figures were not affected by the restatement.

⁴ Purchased goods (Scope 3.1) figures were affected by the restatement. The original reported figures were 364,863 t CO₂e emissions for 2024 and 427,673 t CO₂e emissions for 2023. For further information, see [Restatements of information](#).

Metrics

GRI 302: Energy 2016

Disclosure 302-1 Energy consumption within the organisation

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Total fuel consumption from non-renewable sources ¹	GJ	140,489	150,469	-6.6%	163,896	-14.3%
Total fuel consumption from renewable sources ²	GJ	-	-	-	-	-
Total electricity consumption	GJ	135,863	141,500	-4.0%	147,180	-7.7%
Total heating consumption	GJ	11,794	12,058	-2.2%	13,264	-11.1%
Total cooling consumption	GJ	-	-	-	-	-
Total steam consumption	GJ	-	-	-	-	-
Total electricity sold ³	GJ	3,960	3,161	25.3%	3,675	7.8%
Total heating sold	GJ	-	-	-	-	-
Total cooling sold	GJ	-	-	-	-	-
Total steam sold	GJ	-	-	-	-	-
Total NET energy consumption	GJ	288,145 	304,027	-5.2%	324,340	-11.2%

The methodology follows the GHG Protocol. Scope 1 and 2 activity data have been centrally collected through Zehnder's Hyperion Financial Management system (consolidation tool). Reporting units were pre-defined and data collection adhered to the operational control approach.

The source of the conversion factors used was DEFRA 2023 v1.0.

- 1 The 2023 and 2024 figures have been restated due to cumulative errors of >5% to the original figures triggering a full restatement, incorporating corrections. The original reported figures were 150,417 GJ for 2024 and 163,855 GJ for 2023. For further information, see [Restatements of information](#).
- 2 The 2023 and 2024 figures have been restated due to cumulative errors of >5% to the original figures triggering a full restatement, incorporating corrections. The original reported figures were 52 GJ for 2024 and 41 GJ for 2023. For further information, see [Restatements of information](#).
- 3 Sold electricity is excluded from NET energy consumption.

GRI 302: Energy 2016

Disclosure 302-2 Energy consumption outside of the organisation

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Energy consumption outside of the organisation	GJ	25,232,104	24,252,961	4.0%	26,633,917	-5.3%

The energy consumption information only encompasses the use of sold and leased products. Data for other up- and downstream categories is unavailable. The estimated highest energy consumption is based on the use of sold products, calculated over their product lifetime. Energy consumption for leased products is calculated solely for the reporting year (12 months).

GRI 302: Energy 2016**Disclosure 302-3 Energy intensity**

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Energy intensity ratio for the organisation using energy consumption within the organisation ¹	GJ/TEUR	0.38	0.43	-12.1%	0.43	-11.0%
Energy intensity ratio for the organisation using energy consumption outside of the organisation	GJ/TEUR	33.17	34.36	-3.5%	34.95	-5.1%
Energy intensity ratio for the organisation using energy consumption both within and outside of the organisation ²	GJ/TEUR	33.55	34.79	-3.6%	35.37	-5.2%

The energy included in the intensity ratio is fuel, electricity, and heating.

The energy consumption outside of the organisation only encompasses the use of sold and leased products. Data for other up- and downstream categories is unavailable. The estimated highest energy consumption is based on the use of sold products, calculated over their product lifetime. Energy consumption for leased products is calculated solely for the reporting year (12 months).

The organisation-specific metric (the denominator) chosen to calculate the ratio was net sales (EUR 760.7 million in 2025, EUR 705.8 million in 2024, and EUR 762.1 million in 2023).

- The 2023 and 2024 figures have been restated due to cumulative errors of >5% to the original figures triggering a full restatement, incorporating corrections. However, the original reported figures were also 0.43 (rounded) for 2024 and 0.43 (rounded) for 2023. For further information, see [Restatements of information](#).
- The 2023 and 2024 figures have been restated due to cumulative errors of >5% to the original figures triggering a full restatement, incorporating corrections. However, the original reported figures were also 34.79 (rounded) for 2024 and 35.37 (rounded) for 2023. For further information, see [Restatements of information](#).

Energy circularity**Renewable energy**

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Energy circularity: Renewable energy in % of total net energy consumption	%	22.6	23.3	-0.7pp	21.6	1.0pp

Energy circularity only refers to energy consumed within the organisation.

The lower share of renewable energy mainly reflects a shift in the consumption mix: sites that were already using 100% renewable electricity consumed less power, while sites without renewable contracts increased their demand. Additionally, the share of renewable electricity was slightly lower than in 2024 for the aforementioned reasons, which further impacted the KPI.

The 2023 and 2024 figures have been restated due to cumulative errors of >5% to the original figures triggering a full restatement, incorporating corrections. However, the original reported figures were also 23.3% (rounded) for 2024 and 21.6% (rounded) for 2023. For further information, see [Restatements of information](#).

GRI 305: Emissions 2016**Disclosure 305-1 Direct (Scope 1) GHG emissions**

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Gross direct (Scope 1) GHG emissions in metric tons of CO ₂ equivalent ¹	t CO ₂ e	7,848	8,379	-6.3%	9,225	-14.9%
Biogenic CO ₂ emissions in metric tons of CO ₂ ²	t CO ₂	153	175	-12.6%	182	-16.1%

Scope 1 emissions consist of 64.9% heat and cold from fossil fuels, 34.3% fossil fuel for vehicles, and 0.8% others.

The base year for the calculation is 2023.

Emission factors for 2023 (base year) are taken mainly from DEFRA 2023 v1.0, emission factors for 2024 (previous year) from DEFRA 2024 v1.0, and emission factors for 2025 (current year) from DEFRA 2025 v1.0. Biogenic CO₂ emissions are not included in gross direct (Scope 1) GHG emissions.

Data is consolidated according to the operational control approach as per GHG Protocol.

The methodology follows the GHG Protocol and the calculation was performed in Microsoft Excel. There were no specific assumptions made for the calculation of Scope 1 emissions.

- 1 The 2023 (base year) and 2024 (previous year) figures have been restated due to cumulative errors of >5% to the original figures triggering a full restatement, incorporating corrections. The original reported figures were 8377 t CO₂e for 2024 and 9223 t CO₂e for 2023. For further information, see [Restatements of information](#).
- 2 The 2023 (base year) and 2024 (previous year) figures have been restated due to cumulative errors of >5% to the original figures triggering a full restatement, incorporating corrections. The original reported figures were 177 t biogenic CO₂ emissions for 2024 and 184 t biogenic CO₂ emissions for 2023. For further information, see [Restatements of information](#).

GRI 305: Emissions 2016

Disclosure 305-2 Energy indirect (Scope 2) GHG emissions

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Gross market-based indirect (Scope 2) GHG emissions in metric tons of CO ₂ equivalent	t CO ₂ e	6,940	7,670	-9.5%	8,457	-17.9%
Gross location-based indirect (Scope 2) GHG emissions in metric tons of CO ₂ equivalent	t CO ₂ e	11,833	13,356	-11.4%	14,545	-18.6%

The base year for the calculation is 2023.

Emission factors for electricity consumption are mainly taken from the latest available and completed dataset from IEA (current year: IEA 2025, previous year: IEA 2024, base year: IEA 2023), and if available, supplier-specific emission factors provided by energy suppliers or the residual mix from Association of Issuing Bodies (from the same year as IEA data) were used as per GHG Protocol Scope 2 Guidance (only for market-based). For district heat from fossil fuels DEFRA 2025 v 1.0 (previous year: DEFRA 2024 v 1.0, base year: DEFRA 2023 v 1.0) was used and for district heat from renewable sources ecoinvent 3.11 (previous year: ecoinvent 3.10, base year: ecoinvent 3.9.1) (modified to fit Scope 2 definition) assuming 25.0% each biogas, biomass (wood chips), solar collector, and geothermal was used. It was calculated with Intergovernmental Panel on Climate Change (IPCC) 2021 100a Global warming potential (GWP). Biogenic CO₂ emissions are not available separately and therefore cannot be reported. Biogenic CO₂ emissions are not included in gross energy indirect (Scope 2) GHG emissions.

Data is consolidated according to the operational control approach as per GHG Protocol.

GRI 305: Emissions 2016

Disclosure 305-3 Other indirect (Scope 3) GHG emissions

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Gross other indirect (Scope 3) GHG emissions in metric tons of CO ₂ equivalent	t CO ₂ e	1,348,431	1,419,439	-5.0%	1,675,685	-19.5%

Scope 3 emissions consist of 15.0% purchased goods from third-party suppliers (202,675 t CO₂e), 81.2% use of sold products (1,094,428 t CO₂e), and 3.8% other categories (fuel- and energy-related activities (5338 t CO₂e), upstream transportation (8781 t CO₂e), generated waste during operations (1947 t CO₂e), business travel (1539 t CO₂e), employee commuting (3786 t CO₂e), downstream transportation and distribution (1329 t CO₂e), end-of-life treatment of sold products (10,985 t CO₂e), and downstream leased assets (17,623 t CO₂e).

Included in the calculation are all relevant categories as per GHG Protocol: purchased goods, fuel- and energy-related activities, upstream transportation, generated waste during operations, business travel, employee commuting, downstream transportation and distribution, use of sold products, end-of-life treatment of sold products, and downstream leased assets.

Based on calculations for 2023, emissions from purchased services and capital goods are excluded as they do not contribute more than 1.0% to total emissions and are calculated based on monetary spend contrary to all other categories. Emissions from upstream leased assets are already included in Scope 1 and 2 emissions. As Zehnder does not manufacture intermediate products, emissions from the processing of sold products are not applicable. There are no franchises and no investments.

The base year for the calculation is 2023.

Emission factors are taken from ecoinvent 3.11 (previous year: 3.10, base year: ecoinvent 3.9.1) calculated with IPCC 2021 100a GWP. Additional emission factors are taken from DEFRA 2025 v1.0 (previous year: DEFRA 2024 v1.0, base year: DEFRA 2023 v1.0), IEA 2025 (previous year: IEA 2024, base year: IEA 2023), and EPA 2023 for GHG inventories. An exception applies to the restatement of purchased goods (Scope 3.1) and use of sold products (Scope 3.11), for which ecoinvent 3.11 emission factors are used consistently (for base year and previous year). Biogenic CO₂ emissions are not available separately for all Scope 3 categories and are not included in gross other indirect (Scope 3) GHG emissions.

The methodology is based on the GHG Protocol and the calculation was performed in Microsoft Excel and SimaPro 9.6.0.1.

Assumptions:

Purchased goods: When the material composition was unclear, the highest emission factor within the category (e.g. plastics) was utilised. Zehnder estimated the percentage of recycled-input materials purchased from European suppliers for certain metals and packaging materials, which were applied if business units did not provide a percentage of recycled content, but the material was reported as produced in Europe.

Purchased services and capital goods: Both categories were computed for 2023 using a spend-based methodology and collectively contribute less than 1% to the total footprint. Consequently, they are not included.

Fuel- and energy-related activities: Emissions from the upstream value chain of electricity production were calculated with IEA 2025 factors (for previous year: IEA 2024 and for base year: IEA 2023) (as also applied for Scope 2). For all other inputs, well-to-tank (WTT) emission factors were utilised from the same sources employed for Scope 1 calculations.

Up- and downstream transport: If there was no lorry size given then 16-32 metric tonnes were assumed and if no emission standard was provided then EURO5 was assumed. The average weight of a parcel sent by Zehnder was assumed to be 4.5 kg/parcel based on the average given by sampled business units. In cases where it was not possible to distinguish between transport distances from different suppliers, the average one-way distance was assumed and applied as the one-way distance for aggregated suppliers.

Generated waste: Following the cut-off by classification approach, emissions from waste treatment processes from preparation for reuse, recycling, and other recovery operations are cut-off and do not contribute to the carbon footprint.

Business travel: To calculate emissions from the use of private and rental cars for business travel the emission factor was assumed to be 50% diesel and 50% petrol. Emissions from business travellers staying in hotels have not been included, as their reporting is optional under the GHG Protocol. This decision is based on the limited availability and quality of data, as well as the relatively low impact of these emissions on the overall footprint.

Employee commuting: Emissions from the use of electric cars and scooters for commuting are calculated using basic assumptions from ecoinvent for kWh/km and calculated using the country-specific emission factors from IEA.

Upstream leased assets: This Scope 3 category is not applicable for Zehnder.

Processing of sold products: This Scope 3 category is not applicable for Zehnder.

Use of sold products: The emission factor for electricity used by sold products throughout their lifetime is not adjusted for possible future changes in emissions per kWh.

End-of-life: The end-of-life treatment for sold products only considers the non-recyclable parts, following the cut-off by allocation approach. This is based on the assumption that recyclable components will undergo recycling.

Downstream leased assets: Emissions from the use of leased products are only calculated for one year, unlike the use of sold products where the entire lifetime of each product is considered.

Franchises: This Scope 3 category is not applicable for Zehnder.

Investments: This Scope 3 category is not applicable for Zehnder.

The 2023 (base year) and 2024 (previous year) figures have been restated due to cumulative errors of >5% to the original figures triggering a full restatement, incorporating corrections and methodology changes. The original reported figures were 1,602,591 t CO₂e emissions for 2024 and 1,874,862 t CO₂e emissions for 2023. For further information, see [Restatements of information](#).

GRI 305: Emissions 2016

Disclosure 305-4 GHG emissions intensity

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
GHG emissions intensity ratio for the organisation (Scope 1 and 2) ¹	t CO ₂ e/TEUR	0.02	0.02	-0.00	0.02	-0.00
GHG emissions intensity ratio for the organisation (Scope 3) ²	t CO ₂ e/TEUR	1.77	2.01	-0.24	2.20	-0.43
GHG emissions intensity ratio for the organisation (Scope 1, 2, and 3) ³	t CO ₂ e/TEUR	1.79	2.03	-0.24	2.22	-0.43

Direct Scope 1, indirect Scope 2 (market-based), and/or indirect Scope 3 emissions were included in the intensity ratios.

The organisation-specific metric (the denominator) chosen to calculate the ratio was net sales (EUR 760.7 million in 2025, EUR 705.8 million in 2024, and EUR 762.1 million in 2023).

¹ The 2023 figure (base year) and 2024 figure (previous year) have been restated due to reasons explained above. However, the original reported figures were also 0.02 t CO₂e/TEUR (rounded) for 2024 and 0.02 t CO₂e/TEUR (rounded) for 2023. For further information, see [Restatements of information](#).

² The 2023 figure (base year) and 2024 figure (previous year) have been restated due to reasons explained above. The original reported figures were 2.27 t CO₂e/TEUR for 2024 and 2.46 t CO₂e/TEUR for 2023. For further information, see [Restatements of information](#).

³ The 2023 figure (base year) and 2024 figure (previous year) have been restated due to reasons explained above. The original reported figures were 2.29 t CO₂e/TEUR for 2024 and 2.48 t CO₂e/TEUR for 2023. For further information, see [Restatements of information](#).

Resource-efficient production

Impacts, risks, and opportunities

Impacts

Many of Zehnder Group's operations involve significant resource use, particularly in radiator manufacturing. Radiators are made from aluminium and steel, whose extraction generates substantial CO₂e emissions and pollution. Production is energy- and water-intensive, involves hazardous substances, and generates waste, wastewater, and air pollutants including nitrogen oxides (NO_x), sulphur oxides (SO_x), and volatile organic compounds (VOCs).

In contrast, ventilation system manufacturing is mainly assembly-based and less resource-intensive, though it relies heavily on electronics that contain scarce and potentially conflict-affected materials, making sustainable sourcing essential.

Zehnder Group also operates chroming facilities, which produce wastewater and sludge; proper treatment ensures their environmental compatibility.

Overall, Zehnder Group aims to reduce resource requirements by extending product lifecycles and using durable materials.

Risks and opportunities

Given the resource-intensive nature of several activities, Zehnder Group is exposed to a range of risks linked to resource-efficient value creation. Stricter emissions and water-use regulations may increase operating costs if resource consumption is not reduced. In addition, inadequate waste or pollution management can lead to reputational risk.

At the same time, improving resource efficiency offers significant opportunities. By optimising production processes and reducing waste, Zehnder Group can strengthen regulatory compliance and lower operating costs. Product innovations that enhance energy efficiency, durability, and repairability also support the growing demand for circular solutions, improving the company's competitiveness.

Management approach

In order to significantly reduce energy use, waste, hazardous substances, emissions, and water consumption, Zehnder Group promotes resource efficiency through continuous process monitoring and improvement. Due to differences in production processes, technologies, and product mix, performance varies by site, so each production site is responsible for implementing tailored reduction measures and reporting progress to the Sustainability Steering Committee. Regular due diligence, including environmental certifications, underpins this approach. All European radiator production sites are certified to ISO 14001 for environmental management.

Reducing pollution

Radiator manufacturing is energy-intensive and can generate hazardous emissions. To reduce impacts, we are trialling alternative surface treatments, such as physical vapour deposition (PVD) coating, to reduce our reliance on chroming, a process that produces wastewater and sludge. We monitor and reduce emissions of NO_x, SO_x, and VOCs wherever feasible, and all our sites operate in full compliance with applicable local environmental regulations.

Water use and wastewater treatment

We periodically assess our environmental impact using the Aqueduct Water Risk Atlas¹, a global database developed by the World Resources Institute and widely used for evaluating local water risk, to identify sites where contextual water stress is elevated. The 2025 update identified 14 sites in areas of high or extremely high water stress, where human demand exceeds 60% of the renewable supply. While twelve of these sites are offices or non-water-intensive facilities with comparatively low water withdrawal and minimal process effluent, two sites – Manisa in Türkiye and Vaux-Andigny in France – are radiator production plants. As radiator manufacturing involves water-intensive processes such as painting, plating, and cutting, these locations have a higher operational exposure and therefore receive enhanced management attention.

At highly exposed sites, our focus is on reducing the withdrawal of freshwater and controlling effluent quality. Water for radiator production is sourced from springs or the drinking water network. Wastewater from our radiator production sites is pre-treated before being processed by public sewage plants, and the efficiency of this process is monitored by public authorities. Independent bodies regularly test our wastewater to ensure it complies with legal standards.

Waste management and recycling

Zehnder Group is committed to manufacturing in a way that is efficient in terms of resources and reduces waste, hazardous substances, and other manufacturing impacts. We have implemented a consistent approach to waste sorting and are using more sustainable materials. We are redesigning packaging to make it easier to recycle, for example by replacing protective films with cardboard solutions, increasing the use of recycled/recyclable materials, and reducing rejects through more precise cutting of media. We are also piloting refurbishment and component-recovery programmes in the Ventilation and Radiator segments. These programmes aim to keep materials in use and minimise end-of-life waste across the value chain. Our original focus on reducing returns has evolved into a life-cycle approach that captures value at the take-back, repair, and reuse stages. For more detail, see [Circular products and innovation](#).

¹The [Aqueduct Water Risk Atlas](#) developed by the World Resources Institute is an online global database of local-level water risk indicators and a global standard for measuring and reporting geographic water risk.

Implementation and outlook

Implementation of the above management approach and policies is structured around two focus areas with defined targets and KPIs.

Targets

Ambition: Significantly reduce our energy consumption, waste generation, use of hazardous substances, polluting air emissions, and water consumption

Target: Increase waste recycling

- **Status:** In 2025, the percentage of waste directed to recycling or recovery was 75%, compared to 77% in 2024 and 84% in 2023. The decline reflects improved data quality and corrections of previous misclassifications at several sites. Year over year, total waste rose by 9%, and hazardous waste rose by 14%, largely due to one-time dismantling activities at our Swiss production site. Notably, this included streams such as heavy metals (e.g., copper cables), electronics, used oil and emulsions, and solvents and chemicals. These activities temporarily increased fractions with limited recycling options.

To increase waste recycling across our production sites, we have analysed waste categories in more detail and are implementing improvements step by step in close cooperation with suppliers. Some constraints remain due to national legislation and local waste or energy recovery priorities.

At our radiator production sites, several tangible measures were introduced. In France, landfilling of sludge and paint powder was discontinued and expanded polystyrene (EPS) was removed from packaging. Waste sorting was improved both on the shop floor and in offices. In Poland, shrink foil was eliminated from the packaging process.

In our ventilation business, hazardous foam packaging in the Netherlands was replaced with cardboard inlays and preparations are underway for more recyclable packaging and automated box folding. In the UK, reusable plastic boxes are replacing cardboard transit boxes, and digital scanning will reduce paper use. In Finland, energy efficiency improved through automation of lighting and ventilation systems and the installation of a new high-efficiency heat exchanger.

- **Outlook:** We continue to strive toward a Group-wide average recycling and recovery rate of 90%. Planned measures include the introduction of recycled pallets and revised waste concepts at selected sites. Looking ahead, we are committed to eliminating landfill waste by 2028 and to achieving our first waste-free production site by 2030.

Target: Introduce circular business models including refurbishment to leverage product returns

- **Status:** As part of the EMEA Circular Economy project, five ideas were developed, one of which was selected for implementation: the refurbishment of ventilation spare parts, initially focusing on fans. A first market test will be carried out in early 2026 in the Netherlands, where refurbished fans will be offered by Zehnder Group's service technicians at a 15% discount compared with new spare parts, with the same warranty as new spare parts. This test is designed to assess customer acceptance of refurbished components. The team is also defining logistics and product master data management processes, while exploring ways to expand the limited annual return volume of around 50 units, for example through installer involvement.

Zehnder Group has also been invited to join the Fraunhofer Institute's E² Cycle project, which aims to build multi-stage value retention networks enabling high-value product and component recovery.

- **Outlook:** Next steps include advancing the refurbishment offer for high-demand spare parts and exploring further circular concepts such as update kits for ventilation units. In addition, a new replacement and product-as-a-service model is being developed, offering system replacements with take-back and reconditioning. Integration of return processes into SAP value flows is also under review to ensure efficient implementation.

Target: Replace hazardous substances with non-hazardous alternatives

- **Status:** Across production sites, 160 hazardous substances were identified, and 48 have already been eliminated. Product Business Units are now identifying further candidates for substitution with non-hazardous alternatives.

Tests with PVD coating as a substitute for chrome plating on towel radiators showed good quality and feasibility, though large-scale use remains limited by vacuum chamber capacity. Alternative finishes such as polished stainless steel are being explored.

- **Outlook:** We aim to expand the substitution of hazardous substances by advancing the use of non-chrome coatings and alternative surface finishes. Further assessments will determine technically and economically viable replacements for remaining toxic substances, ensuring continued progress towards safer and more sustainable production. Our goal is to replace 100% of technically replaceable hazardous substances by 2030.

Target: Reduce polluting air emissions

- **Status:** We revised the target to provide a comprehensive view of all Zehnder activities. Since the use of petrol and diesel in the vehicle fleet generates a larger share of harmful air emissions than production gas use, the scope now covers all air pollutants and uses the EU Environmental Footprint indicator in millipoints (EF 3.1 [mPt]), which weights pollutants by their environmental and health impact (lower is better), rather than a simple sum of tonnes. The target is to reduce NO_x, SO_x, POPs, NMVOCs, HAPs (Pb), PM_{2.5}, CO, and NH₃ by 20% by 2025 compared to 2023.

The EF 3.1 score decreased by 5.4% compared to the 2024 baseline and by 18.4% compared to the 2023 baseline, leaving us just short of the 20% goal. The largest reduction potential remains in the vehicle fleet. In the meantime, we are continuing to reduce the energy used for room temperature control at production sites.

- **Outlook:** Further reductions are expected from optimising process temperatures, for example by switching to low-temperature powder coatings. Additional potential lies in investing in solar thermal systems and heat recovery technologies to further decrease energy use and associated emissions. In line with these measures, our aim is to reduce polluting air emissions significantly by 2030.

Target: Decrease water withdrawal by 10% in facilities where water is used in production and that are located in water-stress areas

- **Status:** The amount of water withdrawn at our production sites where water is used in water-stressed areas (currently Türkiye and France) was 30,830 m³, compared to 77,130 m³ in 2024, which represents a decrease of 60% and 59% below the 2023 baseline. Türkiye achieved its site-level reduction target for 2025; France has not yet met its target.

At our production site in Türkiye, which accounts for the largest proportion of our total water usage, water withdrawal decreased by 67% from 64,800 m³ in 2023 to 21,461 m³ in 2025. The site continued implementing measures such as improved leak detection, process optimisation, and reduced irrigation times.

At our production site in France, withdrawal decreased by 4%, from 9798 m³ in 2023 to 9365 m³ in 2025. The target was partly not achieved due to production being relocated from Switzerland. While combined withdrawal across both locations in France and Switzerland fell by more than 10%, the shift concentrates demand in a water-scarce region, resulting in a negative impact from a water-resource perspective. Mitigation measures included installing water meters with automated reporting in all critical processes and completing a detailed mapping of consumption. Cleaning frequencies in the autophoretic process were reviewed to reduce water use and filtration replaced water exchange in the leak test area.

- **Outlook:** In Türkiye, additional water meters will be installed at 11 locations within the production area to enable more detailed monitoring and analysis. Both the France and Türkiye sites will continue focusing on optimising process control, enhancing leak detection and identifying further opportunities to reduce water consumption. These measures underpin our aim to cut group-wide freshwater withdrawal by 20% by 2028 compared to 2023.

Metrics

GRI 303: Water and Effluents 2018

Disclosure 303-3 Water withdrawal

Disclosure 303-3a Total water withdrawal from all areas

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Surface freshwater withdrawal (≤ 1000 mg/L total dissolved solids)	ML	0.17	0.15	15.2%	-	n/a
Other surface water withdrawal (> 1000 mg/L total dissolved solids)	ML	-	-	-	-	-
Total surface water	ML	0.17 	0.15	15.2%	-	n/a
Groundwater freshwater withdrawal (≤ 1000 mg/L total dissolved solids)	ML	9.33	9.48	-1.6%	9.45	-1.3%
Other groundwater withdrawal (> 1000 mg/L total dissolved solids)	ML	-	-	-	-	-
Total groundwater	ML	9.33 	9.48	-1.6%	9.45	-1.3%
Seawater freshwater withdrawal (≤ 1000 mg/L total dissolved solids)	ML	-	-	-	-	-
Other seawater withdrawal (> 1000 mg/L total dissolved solids)	ML	-	-	-	-	-
Total seawater	ML	- 	-	-	-	-
Produced freshwater withdrawal (≤ 1000 mg/L total dissolved solids)	ML	-	-	-	0.33	-100.0%
Other produced water withdrawal (> 1000 mg/L total dissolved solids)	ML	0.02	0.03	-50.0%	0.03	-50.0%
Total produced water	ML	0.02 	0.03	-50.0%	0.36	-95.6%
Third-party freshwater withdrawal (≤ 1000 mg/L total dissolved solids)	ML	56.48	68.25	-17.2%	76.54	-26.2%
Other third-party water withdrawal (> 1000 mg/L total dissolved solids)	ML	22.84	70.62	-67.7%	64.80	-64.8%
Total third-party water	ML	79.32 	138.86	-42.9%	141.34	-43.9%
Total freshwater withdrawal (≤ 1000 mg/L total dissolved solids)	ML	65.98 	77.87	-15.3%	86.32	-23.6%
Total other water withdrawal (> 1000 mg/L total dissolved solids)	ML	22.86 	70.65	-67.6%	64.83	-64.7%
Total water withdrawal	ML	88.84 	148.52	-40.2%	151.15	-41.2%

The unit of measure ML is used as an abbreviation for megalitre and is equal to 1 million litres.

Water withdrawal was measured in most business units, with some exceptions of very small offices where water withdrawal has been calculated based on instructions provided by the Group.

The significant reductions were mainly driven by the production site in Türkiye, where increasing the main-meter readings enabled faster leak detection. Other contributing factors were the relocation of the production site in Switzerland to France and the outsourcing of radiator production in China.

GRI 303: Water and Effluents 2018**Disclosure 303-3 Water withdrawal****Disclosure 303-3b Total water withdrawal from all areas with water stress**

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Surface freshwater withdrawal (≤ 1000 mg/L total dissolved solids)	ML	- ✓	-	-	-	-
Other surface water withdrawal (> 1000 mg/L total dissolved solids)	ML	- ✓	-	-	-	-
Total surface water	ML	- ✓	-	-	-	-
Groundwater freshwater withdrawal (≤ 1000 mg/L total dissolved solids)	ML	8.37 ✓	8.55	-2.1%	8.15	2.7%
Other groundwater withdrawal (> 1000 mg/L total dissolved solids)	ML	- ✓	-	-	-	-
Total groundwater	ML	8.37 ✓	8.55	-2.1%	8.15	2.7%
Seawater freshwater withdrawal (≤ 1000 mg/L total dissolved solids)	ML	- ✓	-	-	-	-
Surface freshwater withdrawal (≤ 1000 mg/L total dissolved solids)	ML	- ✓	-	-	-	-
Total seawater	ML	- ✓	-	-	-	-
Produced freshwater withdrawal (≤ 1000 mg/L total dissolved solids)	ML	- ✓	-	-	0.33	-100.0%
Other produced water withdrawal (> 1000 mg/L total dissolved solids)	ML	- ✓	-	-	-	-
Total produced water	ML	- ✓	-	-	0.33	-100.0%
Third-party freshwater withdrawal (≤ 1000 mg/L total dissolved solids)	ML	12.71 ✓	23.36	-45.6%	28.41	-55.3%
Other third-party water withdrawal (> 1000 mg/L total dissolved solids)	ML	22.05 ✓	70.62	-68.8%	64.80	-66.0%
Total third-party water	ML	34.76 ✓	93.98	-63.0%	93.21	-62.7%
Total freshwater withdrawal (≤ 1000 mg/L total dissolved solids)	ML	21.08 ✓	31.91	-34.0%	36.89	-42.9%
Total other water withdrawal (> 1000 mg/L total dissolved solids)	ML	22.05 ✓	70.62	-68.8%	64.80	-66.0%
Total water withdrawal	ML	43.13 ✓	102.53	-57.9%	101.69	-57.6%

The unit of measure ML is used as an abbreviation for megalitre and is equal to 1 million litres.

Water withdrawal was measured in all business units at locations with water stress.

The significant reductions were mainly driven by the production site in Türkiye, where increasing the main-meter readings enabled faster leak detection. Other contributing factors were the relocation of the production site in Switzerland to France and the outsourcing of radiator production in China.

GRI 303: Water and Effluents 2018**Disclosure 303-4 Water discharge****Disclosure 303-4a Total water discharge to all areas**

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Surface freshwater water discharge (≤ 1000 mg/L total dissolved solids)	ML	0.15	0.13	15.2%	-	n/a
Other surface water discharge (> 1000 mg/L total dissolved solids)	ML	-	-	-	-	-
Groundwater freshwater discharge (≤ 1000 mg/L total dissolved solids)	ML	6.69	6.84	-2.1%	-	n/a
Other groundwater discharge (> 1000 mg/L total dissolved solids)	ML	-	-	-	-	-
Seawater freshwater discharge (≤ 1000 mg/L total dissolved solids)	ML	-	-	-	-	-
Other seawater discharge (> 1000 mg/L total dissolved solids)	ML	-	-	-	-	-
Third-party freshwater discharge (≤ 1000 mg/L total dissolved solids)	ML	39.84	49.31	-19.2%	47.05	-15.3%
Other third-party discharge (> 1000 mg/L total dissolved solids)	ML	26.18	55.91	-53.2%	69.45	-62.3%
Total freshwater discharge (≤ 1000 mg/L total dissolved solids)	ML	46.69 	56.28	-17.0%	47.05	-0.8%
Total other water discharge (> 1000 mg/L total dissolved solids)	ML	26.18 	55.91	-53.2%	69.45	-62.3%
Total water discharge	ML	72.87 	112.19	-35.0%	116.50	-37.4%

The unit of measure ML is used as an abbreviation for megalitre and is equal to 1 million litres.

Water discharge was often not measured and has thus been calculated by the business units, based on clear instructions provided by the Group.

The significant reductions were mainly driven by the production site in Türkiye, where increasing the main-meter readings enabled faster leak detection. Other contributing factors were the relocation of the production site in Switzerland to France and the outsourcing of radiator production in China. As water withdrawal fell, the associated wastewater volume also declined.

GRI 303: Water and Effluents 2018**Disclosure 303-4 Water discharge****Disclosure 303-4c Total water discharge to all areas with water stress**

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Total freshwater discharge (≤ 1000 mg/L total dissolved solids)	ML	13.30 	20.22	-34.2%	11.99	10.9%
Total other water discharge (> 1000 mg/L total dissolved solids)	ML	22.15 	54.47	-59.3%	67.09	-67.0%
Total water discharge	ML	35.45 	74.69	-52.5%	79.08	-55.2%

The unit of measure ML is used as an abbreviation for megalitre and is equal to 1 million litres.

Water discharge was often not measured and has thus been calculated by the business units, based on clear instructions provided by the Group.

The significant reductions were mainly driven by the production site in Türkiye, where increasing the main-meter readings enabled faster leak detection. Other contributing factors were the relocation of the production site in Switzerland to France and the outsourcing of radiator production in China. As water withdrawal fell, the associated wastewater volume also declined.

GRI 303: Water and Effluents 2018**Disclosure 303-5 Water consumption****Disclosure 303-5a Total water consumption from all areas**

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Total water consumption	ML	15.96 ✓	36.33	-56.1%	34.65	-53.9%

The unit of measure ML is used as an abbreviation for megalitre and is equal to 1 million litres.

Water consumption was always calculated by the business units, based on clear instructions provided by the Group. The assumption was that all business units consume water in some way.

The significant reductions were mainly driven by the production site in Türkiye, where increasing the main-meter readings enabled faster leak detection. Other contributing factors were the relocation of the production site in Switzerland to France and the outsourcing of radiator production in China.

GRI 303: Water and Effluents 2018**Disclosure 303-5 Water consumption****Disclosure 303-5b Total water consumption from all areas with water stress**

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Total water consumption	ML	7.67 ✓	27.84	-72.4%	22.61	-66.1%

The unit of measure ML is used as an abbreviation for megalitre and is equal to 1 million litres.

Water consumption was always calculated by the business units, based on clear instructions provided by the Group. The assumption was that all business units consume water in some way.

The significant reductions were mainly driven by the production site in Türkiye, where increasing the main-meter readings enabled faster leak detection. Other contributing factors were the relocation of the production site in Switzerland to France and the outsourcing of radiator production in China.

GRI 305: Emissions 2016**Disclosure 305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions**

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Significant air emissions of nitrogen oxides (NOx)	kg	17,577	18,660	-5.8%	21,279	-17.4%
Significant air emissions of sulphur oxides (SOx)	kg	424	439	-3.4%	450	-5.7%
Significant air emissions of persistent organic pollutants (POP)	kg	0.106	0.109	-2.8%	0.121	-12.9%
Significant air emissions of volatile organic compounds (VOC)	kg	3,842	4,106	-6.4%	4,152	-7.5%
Significant air emissions of hazardous air pollutants (HAP)	kg	0.758	0.771	-1.7%	0.781	-2.9%
Significant air emissions of particulate matter (PM)	kg	683	712	-4.0%	897	-23.9%
Significant air emissions of other standard categories of air emissions identified in relevant regulations: carbon monoxide (CO)	kg	32,764	35,104	-6.7%	35,210	-6.9%

Emission factors for GRI 305-7 are taken from the EMEP/EEA air pollutant emission inventory guidebook 2019.

Emissions were calculated in Zehnder's Hyperion Financial Management system (consolidation tool) and aggregated in Microsoft Excel.

Weighted significant air emissions (EF3.1)

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Weighted significant air emissions of nitrogen oxides (NOx)	mPt	65,378	69,406	-5.8%	79,148	-17.4%
Weighted significant air emissions of sulphur oxides (SOx)	mPt	1,171	1,213	-3.4%	1,242	-5.7%
Weighted significant air emissions of persistent organic pollutants (POP)	mPt	214	220	-2.7%	245	-12.5%
Weighted significant air emissions of volatile organic compounds (VOC)	mPt	4,540	4,852	-6.4%	4,906	-7.5%
Weighted significant air emissions of hazardous air pollutants (HAP) (only Pb)	mPt	21	21	-3.0%	24	-11.8%
Weighted significant air emissions of particulate matter (PM)	mPt	24,526	25,557	-4.0%	32,210	-23.9%
Weighted significant air emissions of other standard categories of air emissions identified in relevant regulations: carbon monoxide (CO)	mPt	1,748	1,873	-6.7%	1,879	-6.9%
Total of weighted significant air emissions (EF3.1)	mPt	97,598	103,143	-5.4%	119,652	-18.4%

Emissions were calculated in Zehnder's Hyperion Financial Management system (consolidation tool) and aggregated in Microsoft Excel.

The following EF3.1 factors have been used to calculate the weighted impact of the air emissions: 0.0037 g/Pt for nitrogen oxides (NOx) (g NOx), 0.0001 g/Pt for carbon monoxide (CO) (g CO), 0.0012 g/Pt for non-methane volatile organic compounds (NMVOC) (g NMVOC), 0.0028 g/Pt for sulphur oxides (SOx) (g SOx), 0.0359 g/Pt for particulate matter (PM) (g PM), 0.2554 g/Pt for lead (Pb) (g Pb), 5.0329 g/Pt for benzo(a)pyrene (B(a)P) (g B(a)P), 1.1721 g/Pt for benzo(b)fluoranthene (B(b)F) (g B(b)F), 0.5345 g/Pt for benzo(k)fluoranthene (B(k)F) (g B(k)F), 0.5174 g/Pt for indeno(1,2,3-cd)pyrene (g ID(1,2,3-cd)P)

The unit of measure mPt is used as an abbreviation for millipoints.

GRI 306: Waste 2020**Disclosure 306-3 Waste generated**

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Total waste – heavy metals	t/year	11.00	-	n/a	0.05	23,304.3%
Total waste – batteries	t/year	0.85	2.16	-60.7%	1.57	-46.1%
Total waste – electronics	t/year	38.43	21.06	82.5%	10.02	283.4%
Total waste – fluorescent lamps	t/year	0.17	0.34	-50.9%	0.71	-76.8%
Total waste – used oil and emulsions	t/year	107.69	37.66	185.9%	53.63	100.8%
Total waste – solvents and chemicals	t/year	134.15	31.29	328.7%	46.32	189.6%
Total waste – printing ink/toners	t/year	4.98	2.08	138.7%	1.52	227.0%
Total waste – quartz sand/powder	t/year	35.39	31.29	13.1%	41.22	-14.1%
Total waste – hazardous sludge	t/year	57.16	84.35	-32.24%	89.25	-36.0%
Total waste – other hazardous waste	t/year	41.82	169.56	-75.3%	67.77	-38.3%
Total hazardous waste	t/year	431.63 	379.79	13.6%	312.06	38.3%
Total waste – metals	t/year	3,912.77	3,863.81	1.3%	4,082.73	-4.2%
Total waste – plastics	t/year	389.14	409.89	-5.1%	733.40	-46.9%
Total waste – paper and cardboard	t/year	915.57	751.28	21.9%	1,668.26	-45.1%
Total waste – glass	t/year	0.54	1.75	-69.4%	0.23	137.3%
Total waste – wood treated	t/year	472.34	343.61	37.5%	370.19	27.6%
Total waste – wood untreated	t/year	194.03	190.80	1.7%	231.47	-16.2%
Total waste – residual non-hazardous waste	t/year	1,273.54	1,020.42	24.8%	1,110.63	14.7%
Total non-hazardous waste	t/year	7,157.92 	6,581.57	8.8%	8,196.90	-12.7%
Total weight of waste	t/year	7,589.55 	6,961.36	9.0%	8,508.96	-10.8%

The increase in waste is primarily due to higher activity levels and improved reporting and segregation at sites. Although saving measures continued, their impact was offset by the increase in overall throughput.

GRI 306: Waste 2020**Disclosure 306-4 Waste diverted from disposal****Disclosure 306-4a Total weight of waste diverted from disposal**

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Total waste diverted from disposal – heavy metals	t/year	11.00	-	n/a	-	n/a
Total waste diverted from disposal – batteries	t/year	0.85	1.94	-56.4%	1.45	-41.5%
Total waste diverted from disposal – electronics	t/year	36.61	11.97	205.9%	9.85	271.6%
Total waste diverted from disposal – fluorescent lamps	t/year	0.17	0.26	-36.8%	0.44	-62.6%
Total waste diverted from disposal – used oil and emulsions	t/year	10.33	8.60	20.1%	26.29	-60.7%
Total waste diverted from disposal – solvents and chemicals	t/year	11.59	10.74	8.0%	12.12	-4.3%
Total waste diverted from disposal – printing ink/toners	t/year	0.54	1.87	-71.2%	1.31	-58.8%
Total waste diverted from disposal – quartz sand/powder	t/year	-	1.12	-100.0%	27.77	-100.0%
Total waste diverted from disposal – hazardous sludge	t/year	23.97	25.95	-7.6%	25.02	-4.2%
Total waste diverted from disposal – other hazardous waste	t/year	4.39	14.21	-69.1%	13.21	-66.8%
Total hazardous waste diverted from disposal	t/year	99.44 	76.66	29.7%	117.47	-15.4%
Total waste diverted from disposal – metals	t/year	3,910.43	3,861.38	1.3%	4,082.73	-4.2%
Total waste diverted from disposal – plastics	t/year	322.57	317.49	1.6%	704.49	-54.2%
Total waste diverted from disposal – paper and cardboard	t/year	893.61	743.93	20.1%	1,635.99	-45.4%
Total waste diverted from disposal – glass	t/year	0.34	1.55	-78.4%	0.03	1,213.7%
Total waste diverted from disposal – wood treated	t/year	247.57	96.37	156.9%	155.04	59.7%
Total waste diverted from disposal – wood untreated	t/year	157.21	164.22	-4.3%	205.33	-23.4%
Total waste diverted from disposal – residual non-hazardous waste	t/year	89.34	121.22	-26.3%	273.68	-67.4%
Total non-hazardous waste diverted from disposal	t/year	5,621.07 	5,306.16	5.9%	7,057.28	-20.4%
Total weight of waste diverted from disposal	t/year	5,720.50 	5,382.83	6.3%	7,174.75	-20.3%
Total waste diverted from disposal vs. total waste	%	75.37 	77.32	-2.0pp	84.32	-8.9pp

The decline in waste diverted from disposal reflects improved data quality (correction of prior misclassifications and fuller coverage of residual streams).

GRI 306: Waste 2020**Disclosure 306-4 Waste diverted from disposal****Disclosure 306-4b Total weight of hazardous waste diverted from disposal**

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Hazardous waste prepared for reuse	t/year	1.17	4.68	-75.1%	11.26	-89.6%
Hazardous waste recycled	t/year	80.36	46.02	74.6%	79.71	0.8%
Hazardous waste treated with other recovery operations	t/year	17.91	25.96	-31.0%	26.50	-32.4%
Total hazardous waste diverted from disposal	t/year	99.44 	76.66	29.7%	117.47	-15.4%

GRI 306: Waste 2020**Disclosure 306-4 Waste diverted from disposal****Disclosure 306-4c Total weight of non-hazardous waste diverted from disposal**

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Non-hazardous waste prepared for reuse	t/year	506.64	316.41	60.1%	481.94	5.1%
Non-hazardous waste recycled	t/year	5,050.68	4,914.33	2.8%	6,283.70	-19.6%
Non-hazardous waste treated with other recovery operations	t/year	63.74	75.42	-15.5%	291.63	-78.1%
Total non-hazardous waste diverted from disposal	t/year	5,621.07 	5,306.16	5.9%	7,057.28	-20.4%

GRI 306: Waste 2020**Disclosure 306-5 Waste directed to disposal****Disclosure 306-5a Total weight of waste directed to disposal**

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Total waste directed to disposal – heavy metals	t/year	- ✓	-	-	0.05	-100.0%
Total waste directed to disposal – batteries	t/year	- ✓	0.22	-100.0%	0.12	-100.0%
Total waste directed to disposal – electronics	t/year	1.82 ✓	9.09	-80.0%	0.17	952.9%
Total waste directed to disposal – fluorescent lamps	t/year	- ✓	0.08	-100.0%	0.27	-100.0%
Total waste directed to disposal – used oil and emulsions	t/year	97.36 ✓	29.06	235.0%	27.34	256.2%
Total waste directed to disposal – solvents and chemicals	t/year	122.55 ✓	20.55	496.3%	34.21	258.3%
Total waste directed to disposal – printing ink/toners	t/year	4.44 ✓	0.21	2,012.4%	0.21	2,012.4%
Total waste directed to disposal – quartz sand/powder	t/year	35.39 ✓	30.17	17.3%	13.44	163.3%
Total waste directed to disposal – hazardous sludge	t/year	33.19 ✓	58.40	-43.2%	64.22	-48.3%
Total waste directed to disposal – other hazardous waste	t/year	37.44 ✓	155.35	-75.9%	54.56	-31.4%
Total hazardous waste directed to disposal	t/year	332.19 ✓	303.13	9.6%	194.59	70.7%
Total waste directed to disposal – metals	t/year	2.34 ✓	2.43	-3.8%	-	n/a
Total waste directed to disposal – plastics	t/year	66.57 ✓	92.39	-27.9%	28.91	130.3%
Total waste directed to disposal – paper and cardboard	t/year	21.96 ✓	7.35	198.8%	32.27	-32.0%
Total waste directed to disposal – glass	t/year	0.20 ✓	0.20	-	0.20	-
Total waste directed to disposal – wood treated	t/year	224.77 ✓	247.24	-9.1%	215.15	4.5%
Total waste directed to disposal – wood untreated	t/year	36.82 ✓	26.58	38.5%	26.14	40.9%
Total waste directed to disposal – residual non-hazardous waste	t/year	1,184.20 ✓	899.20	31.7%	836.95	41.5%
Total non-hazardous waste directed to disposal	t/year	1,536.86 ✓	1,275.40	20.5%	1,139.62	34.9%
Total weight of waste directed to disposal	t/year	1,869.05 ✓	1,578.53	18.4%	1,334.21	40.1%

GRI 306: Waste 2020**Disclosure 306-5 Waste directed to disposal****Disclosure 306-5b Total weight of hazardous waste directed to disposal**

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Hazardous waste incinerated (with energy recovery)	t/year	144.20	143.58	0.4%	98.36	46.6%
Hazardous waste incinerated (without energy recovery)	t/year	98.10	23.41	319.1%	2.60	3,673.2%
Hazardous waste disposed of in a landfill	t/year	7.16	17.84	-59.9%	46.66	-84.7%
Hazardous waste disposed of in other disposal operations	t/year	82.73	118.30	-30.1%	46.97	76.1%
Total hazardous waste directed to disposal	t/year	332.19 	303.13	9.6%	194.59	70.7%

GRI 306: Waste 2020**Disclosure 306-5 Waste directed to disposal****Disclosure 306-5c Total weight of non-hazardous waste directed to disposal**

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Non-hazardous waste incinerated (with energy recovery)	t/year	726.57	729.89	-0.5%	612.19	18.7%
Non-hazardous waste incinerated (without energy recovery)	t/year	106.36	69.84	52.3%	49.10	116.6%
Non-hazardous waste disposed of in a landfill	t/year	627.42	429.35	46.1%	470.31	33.4%
Non-hazardous waste disposed of in other disposal operations	t/year	76.50	46.33	65.1%	8.03	853.1%
Total non-hazardous waste directed to disposal	t/year	1,536.86 	1,275.40	20.5%	1,139.62	34.9%

Circular products and innovation

Impacts, risks, and opportunities

Impacts

Zehnder Group's focus on creating circular products helps to reduce the environmental impact of its entire portfolio. Improving repairability and recyclability enables products to be reused or refurbished, extending their life cycles. This approach reduces waste generation and, where recycled materials are used, lowers the need for virgin raw materials. New product developments increasingly incorporate recycled content, with technical feasibility largely confirmed; economic viability and scaling are being further evaluated, supporting a gradual reduction in the CO₂e footprint over time.

Risks and opportunities

The transition to circular products presents several challenges. Depending on the mechanical and optical requirements, materials with high recycled content can be costly or limited in availability, which could make product design more complicated and increase production costs. Circular products must also meet rising customer expectations regarding durability and repairability in order to avoid reputational risks and loss of market share. Furthermore, Zehnder Group must remain vigilant and compliant with evolving circular economy regulations as standards continue to develop.

Despite these challenges, however, the circular economy presents significant opportunities. Energy-efficient, durable, and repairable products support environmental goals and can generate long-term cost savings. They also enable innovative business models, such as "product-as-a-service" meeting the growing demand from consumers and regulators for sustainable, adaptable solutions. This strengthens Zehnder Group's competitive position and supports long-term value creation.

Management approach

In line with its ambition to understand and improve the environmental impact of its products, as well as to increase their durability and circularity, Zehnder Group is strengthening its circular product portfolio. The company is doing this by designing long-lasting, repairable, and recyclable items that can be efficiently refurbished or recycled at the end of their life. The Group Sustainability Engineer coordinates life cycle assessments (LCAs), develops internal expertise, and assists the Competence Centres in implementing measures and developing related projects.

Life cycle assessments

LCAs are a core tool for understanding and improving the environmental impact of our portfolio. We prioritise LCAs for key product families and new developments, using the results to inform design choices on materials, manufacturing processes, energy efficiency in use, and end-of-life options. Completed LCAs also provide the basis for third-party certified environmental product declarations (EPDs), meeting customer and regulatory expectations for transparency. Over time, we are expanding LCA coverage and strengthening internal expertise so that environmental performance is consistently reflected in product roadmaps and investment decisions.

Circular Design Guideline

Zehnder Group's Circular Design Guideline embeds sustainability at every stage of product development to minimise environmental impact and underpin a circular economy. It promotes durability plus reuse, repair, refurbishment, recycling, and recovery to extend product life, cut primary raw material use, and enable circular business models. The Guideline organises action under three themes: design out waste and pollution, keep products and materials in use, and regenerate natural systems to help restore environmental balance. It has been implemented across the major Competence Centres: Radiators Europe, Ventilation Europe, Clean Air Solutions, and CORE.

Circular business models

Zehnder Group is expanding its take-back and refurbishment programmes to keep its equipment in service and conserve resources. Clean Air Solutions operates a clean-air-as-a-service model that includes air quality monitoring, installation, maintenance, and replacement of air filters. At contract end, equipment is recovered, refurbished, and redeployed. By combining robust product design, a rental and take-back scheme, and demand-based control, we aim to provide efficient, on-demand clean air so that equipment runs only when needed and can be recovered, refurbished, and redeployed at the end of the contract. To extend circular offerings, pilot projects are testing ventilation-as-a-service and refurbishment models in the Ventilation business (Netherlands). Scaling these models will depend on technical feasibility, customer acceptance, and economic viability.

Materials and packaging

Our circular product work is reinforced by our collaboration with suppliers to source lower-impact and recycled materials, such as carbon-reduced steel, recycled aluminium for radiators, and recycled polymer content for new air distribution products. Our goal is to minimise our use of primary materials in packaging while increasing the recycled content. We are redesigning packaging designs to make them more recyclable, considering the inner and outer materials separately. Business Units report annually on the proportion of recyclable materials used, enabling progress to be monitored.

Implementation and outlook

Implementation of the above management approach and policies is structured around two focus areas with defined targets and KPIs.

Targets

Ambition: Understand and improve the environmental impacts of our products

Target: Conduct life cycle assessments to reduce environmental footprint

- **Status:** A total of twelve LCAs were completed this year (five locally and seven by the Group). LCAs for overseas locations are still in progress. The assessments provided valuable insights into energy use in production, enabling optimisation across sites. The product use phase was confirmed to have limited influence, as it largely depends on user behaviour. Development teams now place stronger emphasis on designing products that support energy-efficient operation and on raising user awareness through improved guidance and settings. The LCAs also highlighted electronics and galvanisation as key contributors to material-related environmental impacts.
- **Outlook:** Future LCA efforts will focus on new product developments, where design decisions can meaningfully influence environmental performance. Additional LCAs will be conducted selectively, guided by market demand for EPDs and potential for improvement. Our goal is to achieve a 20% reduction in the environmental impact of new products launched after 2025, based on the Environmental Footprint method (EF 3.1). Initial assessments show that this level of improvement is not yet reached over the full life cycle (including electricity use), but is already exceeded on a cradle-to-gate basis (i.e. raw material extraction to end of manufacturing). Pre-gate, impacts are estimated to be around 45% lower for the analysed product.

Ambition: Increase the durability and circularity of our products by promoting reuse, repair, refurbishment, recycling, and recovery

Target: Pilot ventilation-as-a-service and refurbishment business models in the Netherlands

- **Status:** Pilot projects for ventilation-as-a-service and refurbishment business models in the Netherlands are being developed through ongoing dialogue with customers. Following an evaluation of five potential business models, ventilation spare parts refurbishment was selected as first priority for the circular economy concept. The business case is currently being finalised.
- **Outlook:** The pilot will continue to be developed and refined, with a focus on establishing viable service models and scaling refurbishment solutions. The aim is to increase the share of net sales from refurbished products and the ventilation-as-a-service business by 2030 for the entire group.

Target: Increase the share of recycled raw materials in our products

- **Status:** Today our purchased materials contain an estimated 18.8% recycled material (2024: 17.5%¹), with the actual figure likely being higher but lacking full documentation. Zehnder Group has advanced the concept phase for new products designed to contain over 80% recycled raw materials and be over 80% recyclable at the end of their life, across multiple product families, including radiators, ventilation units, and heat exchangers. Recycled materials are increasingly integrated into the production process. Electric arc furnace steel has been tested and introduced to a limited extent in Germany and France, with positive results. It currently represents around 10% of total demand.

In ventilation, several improvements have been achieved. The new ERV heat exchanger solution reduced weight by almost 60% compared with the previous model. In North America, UL-approved heat exchangers made from polyethylene terephthalate (PET) contain between 30% and 70% recycled content and new infrared welding technology enables the processing of recycled plastics in production. One of the air distribution components integrated into our systems is now made from 100% recycled material.

- **Outlook:** To achieve our goal of using a significant share of recycled content for our raw materials by 2030, our initial step is to ensure that new ventilation projects incorporate over 50% recycled content in all plastic components, while our next-generation climate solutions will feature natural refrigerants and reduced material usage (a 20% reduction in metal sheets, a 15% reduction in copper, a 20% reduction in plastic, and a 15% reduction in insulation materials).

Target: Increase the share of recycled packaging materials

- **Status:** For this year we aimed to achieve 80% recycled-content or reusable packaging materials for outbound transportation (excluding pallets), with the remaining 20% meeting the highest available ecolabel standards. While this target was not fully achieved, we have seen steady improvements in this area, particularly in recycled content, which has increased from 41.9% in 2024 to 54.5% in 2025. In addition, 13% of our cardboard is now confirmed to be FSC-certified. We have also reduced the purchase quantities of several of our plastic-based packaging materials, including bubble wrap (50 tonnes to 10 tonnes), polystyrene (17 tonnes to 9 tonnes), and shrink foil (199 tonnes to 139 tonnes).

In this context, we continued to increase the proportion of recycled packaging materials used in production. In the Netherlands, the recycled cardboard content of fast-moving product packaging increased to 77%. We transitioned from white to more sustainable brown packaging and the lids of boxes from two ComfoAir product lines now contain 66% recycled material, though this is limited by strength requirements for lifting. In France, polystyrene wedges were replaced by honeycomb cardboard inserts consisting of a hexagonal paper core sandwiched between flat sheets of paper and bonded with water-based glue. This structure provides high compressive strength for its weight and can be produced largely from recycled fibre. The material is fully recyclable and in many cases biodegradable and compostable. Specifications for endless fanfold cardboard were successfully updated to achieve 100% recycled content in both France and Poland, and in Germany, the recycled content reached 91.6%.

- **Outlook:** Further improvements are planned with the aim of increasing recycled content in packaging materials by 2028. We are also assessing options to reduce or eliminate packaging where feasible and to expand the use of returnable solutions. The availability of research and development resources may limit implementation speed, but the focus will remain on phasing out remaining plastic components and increasing recyclability while maintaining packaging strength and functionality.

Target: Conduct feasibility study for reusable and/or recycled pallets

- **Status:** The feasibility study on recycled content and reusability of pallets forms the basis for our 2025 targets. It evaluates options for reducing carbon impact, tracks pallet flows, and identifies potential suppliers for pallet return systems. As part of the feasibility study for reusable and recycled pallets, a first delivery using returnable packaging was completed in the Netherlands for a prefabrication customer. Key challenges include standardising master data and overcoming market barriers to efficient pallet returns.
- **Outlook:** The concept will be further developed in 2026 based on the pilot results, with the aim of expanding the use of reusable pallet systems to additional customer segments and production sites. One business unit is also acquiring approximately 50% of its wooden pallets second-hand, providing them with a second life.

¹ The 2024 purchased goods figures have been restated due to cumulative errors of >5% to the original figures triggering a full restatement, incorporating corrections and methodology changes. Purchased goods recycled content was affected by the restatement. The original reported figure was 21.7% for 2024. For further information, see [Restatements of information](#).

Metrics

GRI 301: Materials 2016

Disclosure 301-1 Materials used by weight

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Total weight of materials that are used to produce and package the organisation's primary products and services during the reporting period ¹	t	58,281	55,748	4.5%	64,756	-10.0%
Total weight of materials that are used to produce and package the organisation's primary products and services during the reporting period, by non-renewable materials ²	t	49,354	47,011	5.0%	54,142	-8.8%
Total weight of materials that are used to produce and package the organisation's primary products and services during the reporting period, by renewable materials ³	t	8,927	8,738	2.2%	10,615	-15.9%

1 The 2023 and 2024 figures have been restated due to cumulative errors of >5% to the original figures triggering a full restatement, incorporating corrections, and methodology changes. The original reported figures were 55,670 t for 2024 and 65,812 t for 2023. For further information, see [Restatements of information](#).

2 The 2023 and 2024 figures have been restated due to cumulative errors of >5% to the original figures triggering a full restatement, incorporating corrections, and methodology changes. The original reported figures were 43,614 t for 2024 and 50,395 t for 2023. For further information, see [Restatements of information](#).

3 The 2023 and 2024 figures have been restated due to cumulative errors of >5% to the original figures triggering a full restatement, incorporating corrections, and methodology changes. The original reported figures were 12,056 t for 2024 and 15,417 t for 2023. For further information, see [Restatements of information](#).

GRI 301: Materials 2016

Disclosure 301-2 Recycled input materials used

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Percentage of recycled input materials used to manufacture the organisation's primary products and services	%	18.8	17.5	1.3pp	18.6	0.2

The 2023 and 2024 figures have been restated due to cumulative errors of >5% to the original figures triggering a full restatement, incorporating corrections, and methodology changes. The original reported figures were 21.7% for 2024 and 23.4% for 2023. For further information, see [Restatements of information](#).

GRI 301: Materials 2016

Disclosure 301-3 Reclaimed products and their packaging materials

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Percentage of reclaimed products and their packaging materials for business segment Radiators Europe	%	-	-	-	-	-
Percentage of reclaimed products and their packaging materials for business segment Residential Ventilation Europe	%	-	-	-	-	-

The data for this disclosure has been collected by asking the Competence Centres (Radiators Europe and Residential Ventilation Europe) how many products have been reclaimed and sold.

Employee-related issues: Introduction

Proud to be Zehnder

This section outlines Zehnder Group's comprehensive approach to **occupational health and safety**, its commitment to being an **attractive employer**, and its focus on **diversity, equal opportunities, inclusion, and decent work**. The subchapters examine the associated impacts, risks, and opportunities relating to employee well-being and workplace safety, as well as our management approach in these areas.

Before delving into the key topics, we present tables that provide an overview of our workforce as a whole, which cannot be assigned to any single topic. For this reason, they are listed at the beginning of the chapter on employees to provide readers with a clear factual basis.

GRI 2: General Disclosures 2021

Disclosure 2-7 Employees

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Number of employees by gender – female (headcount)	#	884	899	-1.7%	984	-10.2%
Number of employees by gender – male (headcount)	#	2,587	2,627	-1.5%	2,683	-3.6%
Number of employees by gender – diverse (headcount)	#	1	1	-	2	-50.0%
Number of employees by region – EMEA (headcount)	#	2,670	2,679	-0.3%	2,794	-4.4%
Number of employees by region – Asia-Pacific (headcount)	#	362	426	-14.9%	461	-21.4%
Number of employees by region – North America (headcount)	#	440	423	4.1%	415	6.1%
Total number of employees (headcount)	#	3,472	3,527	-1.6%	3,669	-5.4%

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Number of permanent employees by gender - female (headcount)	#	841	839	0.3%	n/a	n/a
Number of permanent employees by gender - male (headcount)	#	2,489	2,507	-0.7%	n/a	n/a
Number of permanent employees by gender - diverse (headcount)	#	1	1	-	n/a	n/a
Number of permanent employees by region - EMEA (headcount)	#	2,543	2,508	1.4%	n/a	n/a
Number of permanent employees by region - Asia-Pacific (headcount)	#	362	426	-14.9%	n/a	n/a
Number of permanent employees by region - North America (headcount)	#	426	413	3.2%	n/a	n/a
Total number of permanent employees (headcount)	#	3,331	3,347	-0.5%	n/a	n/a
Number of temporary employees by gender - female (headcount)	#	43	60	-29.3%	n/a	n/a
Number of temporary employees by gender - male (headcount)	#	98	121	-18.8%	n/a	n/a
Number of temporary employees by gender - diverse (headcount)	#	-	-	-	n/a	n/a
Number of temporary employees by region - EMEA (headcount)	#	126	171	-26.0%	n/a	n/a
Number of temporary employees by region - Asia-Pacific (headcount)	#	-	-	-	n/a	n/a
Number of temporary employees by region - North America (headcount)	#	14	10	42.0%	n/a	n/a
Total number of temporary employees (headcount)	#	141	181	-22.3%	n/a	n/a

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Number of full-time employees by gender - female (headcount)	#	704	721	-2.3%	n/a	n/a
Number of full-time employees by gender - male (headcount)	#	2,494	2,530	-1.4%	n/a	n/a
Number of full-time employees by gender - diverse (headcount)	#	1	1	-	n/a	n/a
Number of full-time employees by region - EMEA (headcount)	#	2,417	2,418	-0.0%	n/a	n/a
Number of full-time employees by region - Asia-Pacific (headcount)	#	362	426	-15.0%	n/a	n/a
Number of full-time employees by region - North America (headcount)	#	421	408	3.1%	n/a	n/a
Total number of full-time employees (headcount)	#	3,200	3,252	-1.6%	n/a	n/a
Number of part-time employees by gender - female (headcount)	#	180	179	0.5%	n/a	n/a
Number of part-time employees by gender - male (headcount)	#	93	97	-4.1%	n/a	n/a
Number of part-time employees by gender - diverse (headcount)	#	-	-	-	n/a	n/a
Number of part-time employees by region - EMEA (headcount)	#	252	260	-3.1%	n/a	n/a
Number of part-time employees by region - Asia-Pacific (headcount)	#	-	-	-	n/a	n/a
Number of part-time employees by region - North America (headcount)	#	20	15	32.7%	n/a	n/a
Total number of part-time employees (headcount)	#	272	275	-1.1%	n/a	n/a

The number of employees is reported in headcount as an average across the reporting period.

All numbers are rounded, resulting in certain totals that may not precisely add up to 100%. The same applies to all following tables.

GRI 2: General Disclosures 2021

Disclosure 2-8 Workers who are not employees

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Total number of workers who are not employees, but whose work and/or workplace is controlled by the organisation (headcount)	#	359	242	48.4%	215	67.1%

The number of workers who are not employees, but whose work and/or workplace is controlled by the organisation is reported in headcount as an average across the reporting period.

Workers are defined as individuals who are employed via a domestic and/or foreign agency or self-employed. They do not have an employment contract with Zehnder Group (are not on the payroll), but their work is controlled by the organisation inside and/or outside Zehnder premises (covers contractors, suppliers, self-employed people, volunteers, etc.).

The increase in 2025 was primarily due to greater use of temporary and contract labour amid market uncertainty.

GRI 2: General Disclosures 2021**Disclosure 2-30 Collective bargaining agreements**

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Rate of total employees covered by collective bargaining agreements	%	42.9	44.1	-1.2pp	n/a	n/a
Rate of total employees covered by workers' representatives	%	41.6	46.9	-5.3pp	n/a	n/a

Occupational health and safety

Impacts, risks, and opportunities

Impacts

Zehnder Group's manufacturing processes, particularly in radiator and ventilation production, pose risks due to hazardous materials, heavy machinery, and energy-intensive operations. If not properly managed, these risks may result in workplace accidents or long-term health issues. Our occupational health and safety (OHS) work therefore focuses on preventing harm and mitigating negative impacts through hazard identification, risk controls, and continuous monitoring. While prevention is our primary objective, a safer workplace supports employee well-being and helps sustain productivity by reducing injuries, absenteeism, and unplanned downtime.

Risks and opportunities

Inadequate health and safety standards can lead to work accidents, operational disruptions, legal liabilities, reputational damage, and increased costs resulting from workplace incidents or regulatory breaches. OHS-related risks may also increase due to evolving regulations or greater scrutiny of safety practices by stakeholders. Supporting ongoing improvement with employee training and engagement helps create a safer work environment and supports long-term business resilience. Adhering to international health and safety standards can also strengthen relationships with external stakeholders, particularly regulators and investors, who increasingly value robust safety performance.

Management approach

Zehnder Group promotes OHS across the organisation, aiming to provide safe working conditions in all its operations and to eliminate fatalities and serious work-related injuries.

OHS is overseen at Group level by the COO Radiators EMEA, with a standardised reporting process implemented in 2025. Each relevant production site has an appointed OHS manager responsible for KPI collection and compliance. Regular internal and external audits, along with certification processes, form part of Zehnder Group's due diligence in managing safety risks. By tracking metrics, such as the work-related injury rate and certification rate, we are able to monitor the effectiveness of our OHS initiatives.

Occupational health and safety management systems

The international standard ISO 45001 offers a robust framework for accident prevention and the management of workplace risks. This standard forms the basis for all our European production sites that have complex manufacturing processes. This certification is particularly important for our radiator production facilities and other sites involved in metal forming or injection moulding.

The Occupational Health and Safety Group Directive defines the key elements of our approach. These include establishing clear safety guidelines, conducting machinery and process risk assessments, and analysing all work-related incidents to prevent recurrence. Measures range from technical improvement, such as setting minimum safety standards for equipment, to enhancing work organisation and training practices.

Implementation and outlook

Implementation of the above management approach and policies is structured around one focus area with defined targets and KPIs.

Targets

Ambition: Create an environment in which we promote occupational health and safety across the organisation

Target: Obtain ISO 45001 certification (or equivalent) of all production sites where metal forming or plastic injection takes place

- **Status:** The ISO 45001 certification process has been successfully completed. In May 2025, our production site in Germany achieved certification, bringing the total number of certified sites to six: Lahr (Germany), Bolesławiec (Poland), Gränichen (Switzerland), Manisa (Türkiye), Maidstone (Great Britain) and Vaux-Andigny (France). All European sites involved in metal forming and plastic injection are now certified under ISO 45001.
- **Outlook:** No further certifications are planned at this stage. Sites outside Europe will continue to operate under equivalent local occupational safety standards, such as the Occupational Safety and Health Administration (OSHA) in North America.

Target: Create and implement an Occupational Health and Safety Group Directive

- **Status:** The OHS Group Directive was approved by the Group Executive Committee in early May 2025 and officially published in the same month. It is now accessible via the company intranet.
- **Outlook:** Implementation across all business units will ensure consistent application of OHS principles and alignment with ISO 45001 requirements. Ongoing monitoring and feedback from sites will support continuous improvement and integration of best practices in workplace safety.

Metrics

GRI 403: Occupational Health and Safety 2018

Disclosure 403-8 Workers covered by an occupational health and safety management system

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Rate of all employees and workers who are not employees, but whose work and/or workplace is controlled by the organisation, who are covered by an occupational health and safety management system	%	83.5	84.1	-0.6pp	83.6	-0.1pp
Rate of all employees and workers who are not employees, but whose work and/or workplace is controlled by the organisation, who are covered by an occupational health and safety management system that is internally audited	%	41.3	47.3	-6.0pp	54.5	-13.2pp
Rate of all employees and workers who are not employees, but whose work and/or workplace is controlled by the organisation, who are covered by an occupational health and safety management system that is externally audited	%	48.9	56.0	-7.1pp	52.5	-3.6pp

Total number of employees, i.e. individuals who are in an employment relationship with the organisation: 3472 employees in 2025, 3527 employees in 2024, and 3669 employees in 2023

Total number of workers who are not employees, but whose work and/or workplace is controlled by the organisation: 359 workers in 2025, 242 workers in 2024, and 215 workers in 2023

GRI 403: Occupational Health and Safety 2018

Disclosure 403-9 Work-related injuries

Work-related injuries for all employees

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Total number of fatalities as a result of work-related injury for all employees	#	-	-	-	-	-
Rate of fatalities as a result of work-related injury for all employees	# per 1,000,000 hours worked	-	-	-	-	-
Total number of high-consequence work-related injuries (excluding fatalities) for all employees	#	-	3	-100.0%	-	n/a
Rate of high-consequence work-related injuries (excluding fatalities) for all employees	# per 1,000,000 hours worked	-	0.5	-0.5	-	-
Total number of recordable work-related injuries for all employees ¹	#	67	67	-	73	-8.2%
Rate of recordable work-related injuries for all employees	# per 1,000,000 hours worked	10.4	10.7	-0.3	11.7	-1.3

Number of hours worked for all employees: 6,432,738 in 2025, 6,242,160 hours in 2024, and 6,231,245 hours in 2023

¹ The main types of work-related injuries are strains and sprains, cuts, lacerations, bruises, contusions, and falls. Following these reported injuries, additional corrective and safeguard measures were implemented to prevent such accidents in the future. Additionally, retraining sessions were conducted to enhance awareness and to further reduce risks.

GRI 403: Occupational Health and Safety 2018**Disclosure 403-9 Work-related injuries**

Work-related injuries for all workers who are not employees, but whose work and/or workplace is controlled by the organisation

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Total number of fatalities as a result of work-related injury for all workers who are not employees, but whose work and/or workplace is controlled by the organisation	#	-	1	-100.0%	-	-
Rate of fatalities as a result of work-related injury for all workers who are not employees, but whose work and/or workplace is controlled by the organisation	# per 1,000,000 hours worked	-	2.0	-2.0	-	-
Total number of high-consequence work-related injuries (excluding fatalities) for all workers	#	-	1	-100.0%	-	-
Rate of high-consequence work-related injuries (excluding fatalities) for all workers	# per 1,000,000 hours worked	-	2.0	-2.0	-	-
Total number of recordable work-related injuries for all workers ¹	#	9	11	-18.2%	8	12.5%
Rate of recordable work-related injuries for all workers	# per 1,000,000 hours worked	15.3	22.4	-7.1	19.5	-4.2

Number of hours worked for all workers who are not employees, but whose work and/or workplace is controlled by the organisation: 587,865 hours in 2025, 491,005 hours in 2024, and 410,749 hours in 2023

¹ The main types of work-related injuries are strains and sprains, cuts, bruises, and falls. Following these reported injuries, additional corrective and safeguard measures were implemented to prevent such accidents in the future.

GRI 403: Occupational Health and Safety 2018**Disclosure 403-10 Work-related ill health**

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Total number of fatalities as a result of work-related ill health for all employees	#	-	-	-	-	-
Total number of cases of recordable work-related ill health for all employees	#	14	9	55.6%	2	600.0%
Total number of fatalities as a result of work-related ill health for all workers who are not employees, but whose work and/or workplace is controlled by the organisation	#	-	-	-	-	-
Total number of cases of recordable work-related ill health for all workers who are not employees, but whose work and/or workplace is controlled by the organisation	#	1	2	-50.0%	-	n/a

Due to confidentiality and local legislation, not all details could be disclosed outside the local entity. However, cases that were reported with the cause were primarily tied to work-related stress.

Attractive employer

Impacts, risks, and opportunities

Impacts

Zehnder Group's approach to workforce-related issues centres on mitigating the potential negative impact on employees of factors such as excessive workloads, limited development opportunities, and reduced engagement. Measures aimed at supporting a healthy work-life balance, providing access to development and training opportunities, and fostering an open feedback culture are intended to prevent stress, disengagement, and skills obsolescence, while maintaining employee well-being in the long term.

Alongside competitive benefits and transparent career paths, these measures help reduce the risk of employee turnover, labour shortages, and declining job satisfaction in a competitive labour market. While these actions primarily serve to mitigate negative impacts on the workforce, they can also contribute to higher engagement and stability within the organisation. This, in turn, supports innovation and customer satisfaction.

Risks and opportunities

A motivating work environment is essential for long-term success. Failure to meet labour standards poses regulatory risks and may undermine fair treatment. Limited development opportunities or poor work-life balance can cause dissatisfaction, raise turnover, and result in the loss of valuable expertise. This may increase recruitment and training costs, weaken Zehnder Group's reputation, and make it harder to attract skilled talent. Lower engagement levels can also reduce productivity, quality, and innovation.

Conversely, prioritising employee well-being, development, and inclusion offers significant opportunities. A culture that promotes these aspects and encourages open communication can increase retention, reduce turnover, and strengthen Zehnder Group's position as an employer of choice.

Management approach

Zehnder Group pursues an employer strategy built on engagement, growth, and care. The strategy aims to maintain high employee engagement; invest in people through lifelong learning; and promote health, well-being, and sustainable lifestyles. Biannual engagement surveys capture employee needs and identify improvement areas, helping us sustain engagement and address well-being needs. We strengthen skills and careers through continuous learning and development, aiming to fill two-thirds of leadership vacancies through internal promotions and to promote a holistic, sustainability-minded workplace culture.

Oversight is the responsibility of the Director of Group Human Resources (HR), who coordinates measures across the company; implementation is carried out by local HR teams and line managers. This setup enables tailored programmes based on employee feedback and regional requirements, ensuring actions are relevant, practical, and aligned with our ambitions.

Training and development

We foster a culture of engagement, learning and shared responsibility for sustainability. Our e-learning platform offers a wide range of courses to support skill development and career progression. We aim to make this platform accessible to all employees, reinforcing the company's commitment to lifelong learning and internal mobility. We encourage our employees to get involved with our sustainability goals and the UN SDGs by providing targeted training and inclusive initiatives.

The sustainability training covers key areas including the fundamentals of sustainability at Zehnder Group, with practical examples. It also addresses employee-related topics such as fair wages, diversity, and OHS; environmental priorities such as climate action, pollution, and the circular economy; and societal issues including sustainable procurement, compliance, and human rights in the supply chain. A dedicated module on transformation and change consolidates the programme and provides leaders with the tools needed to manage sustainability-related change effectively.

Feedback and dialogue

Performance reviews are conducted regularly by managers to encourage a culture of continuous feedback. To facilitate effective feedback, Zehnder Group offers them relevant training. This ensures that employees are consistently recognised for their contributions and guided in their professional development.

Well-being and sustainable lifestyles

The importance of a healthy work-life balance is recognised by Zehnder Group, with well-being initiatives being promoted across its global sites. These initiatives are tailored to local cultures and needs, demonstrating the company's sensitivity to regional differences. Zehnder Group also encourages participation in health- and sustainability-promoting activities, such as "Veganuary" and other programmes. These activities benefit employees and align with the company's broader sustainability goals.

Implementation and outlook

Implementation of the above management approach and policies is structured around two focus areas with defined targets and KPIs.

Targets

Ambition: Maintain the level of engagement of our employees with Zehnder Group

Target: Address the top three improvement items from the employee engagement survey

- **Status:** Following the latest employee engagement survey, the overall engagement score reached 85%, a 1% increase compared with 2023, 6% above the industry norm, and 1% above the high-performance norm. The survey achieved an 86% response rate, meeting the target, and for the first time included employees from Siber. Leadership scores improved to 85%, reflecting strong role modelling of company values and support for employees.

The three key focus areas for 2023 evolved as follows: long-term confidence and digital transformation improved, while product know-how declined slightly despite the expansion of e-learning opportunities and the introduction of new training campaigns for internal and external sales teams in EMEA. During the Summer Meeting, the company's Mission, Vision, Values, and Purpose were revised and presented to global management, with a full roll-out planned for 2026. This increased confidence in Zehnder Group's long-term future.

- **Outlook:** Based on the latest results, a number of action items have been defined for each business segment and location. Such tailored actions have proven to be the most effective way of engaging employees. These range from expanding the scope of the digital module for performance reviews and holding dedicated value workshops with leadership teams to creating further product training for our e-learning offering.

Ambition: Invest in our people, upgrade their skills, promote a culture of lifelong learning for all genders, and aim to fill two-thirds of all vacancies through internal promotions for all roles with leadership responsibility

Target: Improve the results of the employee engagement survey question "I receive regular feedback"

- **Status:** The engagement survey score for the statement "I receive regular feedback" improved by 1% to an overall 80% rating, falling short of the initial 3% target. As a supporting indicator, the proportion of employees receiving a regular performance and career development review was 90.2% in 2025. To strengthen feedback culture, the annual appraisal form was updated in 2025 and will be used for the first time in early 2026. This update reinforces the importance of performance management and regular feedback among managers and is supported by communication materials distributed through local HR teams. Group HR has developed a Performance Management e-learning module, available to managers to be completed before the next cycle in 2026.
- **Outlook:** The focus will remain on embedding feedback as an integral part of the performance culture. The new tools and training are expected to enhance managers' feedback skills and improve future engagement results relating to communication and performance development. The ongoing rollout of SuccessFactors is expanding digital access to appraisals and objectives, supporting greater consistency and transparency in feedback processes.

Target: Provide access to e-learning for all employees

- **Status:** Access to e-learning platforms is now available to all employees in North America and EMEA (excluding Siber), covering approximately 85% of the total workforce.
- **Outlook:** E-learning access will be extended to Siber, ensuring full coverage across all EMEA and North American sites. This will complete the Group-wide digital learning rollout, enabling consistent access to training and development opportunities for all employees. China remains outside the current scope due to IT security constraints, with no rollout planned for 2026.

Ambition: Promote health, well-being, and sustainable lifestyles and become a role model for our employees**Target: Encourage employee engagement with the UN Sustainable Development Goals and the Zehnder Group sustainability ambition**

- **Status:** The latest survey revealed that 91% of employees support our sustainability ambitions, targets, and actions, confirming a consistently high level of internal support despite a slight decrease of one percentage point versus 2023. The Sustainability Ambassador Programme was successfully launched and now meets monthly to exchange ideas and share progress on sustainability initiatives.

In addition, the Sustainability Snacks format was introduced, offering short learning sessions on sustainability topics. By the end of 2025, six sessions have taken place, with over 80 employees registered and an average of 30 live participants per session. Recordings are made available for all employees who cannot attend live.

- **Outlook:** We aim to increase participation in the Sustainability Snacks and expand the Ambassador Programme by offering live training sessions to business units. These efforts will help deepen sustainability engagement and further align employees with the Group's long-term sustainability goals.

Metrics

GRI 401: Employment 2016

Disclosure 401-1 New employee hires and employee turnover

New employee hires

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Rate of new hires by age group – under 30 years old	%	34.1	32.5	1.6pp	34.2	-0.0pp
Rate of new hires by age group – between 30 and 50 years old	%	52.6	54.0	-1.4pp	53.6	-1.0pp
Rate of new hires by age group – over 50 years old	%	13.3	13.5	-0.2pp	12.3	1.0pp
Rate of new hires by gender – female	%	31.0	25.8	5.2pp	32.4	-1.5pp
Rate of new hires by gender – male	%	69.0	74.2	-5.2pp	67.6	1.5pp
Rate of new hires by gender – diverse	%	-	-	-	-	-
Rate of new hires by region – EMEA	%	68.8	61.2	7.7pp	70.8	-2.0pp
Rate of new hires by region – Asia-Pacific	%	7.2	17.1	-9.9pp	10.1	-2.9pp
Rate of new hires by region – North America	%	24.0	21.7	2.3pp	19.2	4.8pp
Rate of total new hires	%	13.2	11.1	2.1pp	11.1	2.1pp

Total number of new hires: 459 new hires in 2025, 391 new hires in 2024, and 407 new hires in 2023

GRI 401: Employment 2016

Disclosure 401-1 New employee hires and employee turnover

Employee turnover

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Rate of employee turnover by age group – under 30 years old	%	22.2	32.1	-9.9pp	27.8	-5.6pp
Rate of employee turnover by age group – between 30 and 50 years old	%	11.1	15.3	-4.2pp	15.1	-3.9pp
Rate of employee turnover by age group – over 50 years old	%	10.0	10.8	-0.8pp	11.0	-1.1pp
Rate of employee turnover by gender – female	%	12.1	17.1	-5.0pp	14.7	-2.6pp
Rate of employee turnover by gender – male	%	11.9	15.2	-3.3pp	15.6	-3.7pp
Rate of employee turnover by gender – diverse	%	-	100.0	-100.0pp	-	-
Rate of employee turnover by region – EMEA	%	10.0	13.6	-3.5pp	13.5	-3.5pp
Rate of employee turnover by region – Asia-Pacific	%	18.2	26.3	-8.1pp	18.2	-0.0pp
Rate of employee turnover by region – North America	%	18.6	18.4	0.2pp	25.1	-6.4pp
Rate of total employee turnover	%	12.0	15.7	-3.7pp	15.4	-3.4pp

Total amount of employee turnover: 415 employees in 2025, 553 employees in 2024, and 564 employees in 2023

GRI 404: Training and Education 2016**Disclosure 404-1 Average hours of training per year per employee**

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Average hours of training that our employees have undertaken, by gender – female	h	17.0	21.0	-4.0	17.3	-0.3
Average hours of training that our employees have undertaken, by gender – male	h	13.2	15.3	-2.1	20.7	-7.5
Average hours of training that our employees have undertaken, by gender – diverse	h	41.0	40.0	1.0	8.0	33.0
Average hours of training that our employees have undertaken	h	14.2 	16.8	-2.6	19.8	-5.6

GRI 404: Training and Education 2016 Disclosure**404-3 Percentage of employees receiving regular performance and career development reviews**

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Percentage of total employees who received a regular performance and career development review	%	90.3	93.4	-3.1pp	89.7	0.6pp

Internal promotion

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Rate of internal promotions vs. external hiring by employee category – management positions (L1–L4) ¹	%	63.9	50.0	13.9pp	33.3	30.6pp
Rate of internal promotions vs. external hiring by employee category – non-management positions ²	%	16.2	23.4	-7.2pp	31.7	-15.4pp
Rate of internal promotions vs. external hiring for employees with leadership responsibility ³	%	62.0	63.4	-1.4pp	47.9	14.1pp

¹ L1–L4 refers to leadership levels 1 to 4. The company Siber, acquired in 2024, is excluded from this KPI as no leadership levels have been assigned to Siber employees yet. The higher internal promotion rate in 2025 is primarily attributable to the restructuring of the Commercial EMEA division, which took effect in January 2025.

² Non-management positions are positions beyond leadership level 4.

³ An employee with leadership responsibility is formally responsible for and supervising at least three other employees.

Employees with access to e-learning

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Rate of employees with access to e-learning	%	88.0	73.3	14.7pp	73.6	14.4pp

In 2025, access to e-learning was extended to employees from Filtech, Caladair, and North America.

Employees that support the Zehnder sustainability ambitions and targets

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Rate of employees that support the Zehnder sustainability ambitions and targets	%	91.0	n/a	n/a	92.0	-1.0pp

The rate of employees that support the Zehnder sustainability ambitions and targets is based on the employee engagement survey. The survey is conducted biannually and did not take place in 2024.

Diversity, equal opportunity, inclusion, and decent work

Impacts, risks, and opportunities

Impacts

Zehnder Group's corporate culture is designed to prevent and mitigate the potential negative impact on employees of unequal treatment, discrimination, harassment, and barriers to equal opportunity. The Group is committed to the principles of decent work and aims to promote diversity, equal opportunities, and inclusion throughout its workforce. All employees, regardless of gender, age, ethnicity, or other personal attributes, have an equal right to fair remuneration, career progression, and professional development.

A zero-tolerance policy towards harassment, bullying, and discrimination aims to reduce the risk of unsafe or disrespectful working conditions and safeguard employees' dignity and well-being. These measures primarily serve to mitigate the negative impact on job satisfaction, psychological safety, and employee retention. When implemented effectively, they can also contribute to stable workforce engagement and organisational performance.

Risks and opportunities

A lack of diversity and inclusion can present significant risks. Low levels of belonging or limited advancement opportunities can undermine retention and increase resignations. High turnover is particularly challenging in manufacturing, where attracting diverse talent, especially women, can be difficult. Less diverse teams may also limit creative thinking and reduce opportunities for innovation. Inadequate progress on diversity can further expose the company to reputational risks, especially as societal and legal expectations evolve.

Conversely, actively promoting diversity and inclusion offers substantial opportunities. Diverse teams bring broader perspectives, strengthen problem-solving and foster innovation. A culture that values different backgrounds and viewpoints enhances performance and reinforces Zehnder Group's reputation as an attractive employer for highly skilled professionals.

Management approach

Zehnder Group applies a zero-tolerance approach to harassment, bullying, and discrimination and promotes a diverse and inclusive workplace with decent working conditions and equal pay, with equal opportunity ensured in recruitment, remuneration, and career progression. To strengthen executive accountability, gender diversity is included in the Group Executive Committee's long-term incentive plan.

The Group HR department coordinates the implementation of policies and monitors progress, while local HR teams and line managers are responsible for the day-to-day execution and handling of cases, ensuring consistent application across regions and teams.

Directive on Diversity, Equality, and Inclusion

Introduced in 2023, the objective of the directive is to provide equal opportunities for all employees, regardless of their age, gender, disability, ethnicity, sexual orientation, or religion, and it shapes our broader approach to decent work. Governance and enforcement are defined by corporate standards and incentives. The Code of Conduct sets out conduct expectations and complaint handling, and an anonymous whistleblowing channel is available to all stakeholders. Any reported concerns are investigated, and appropriate action is taken. Further information about the Integrity Line can be found under [Compliance and fair business practices](#).

Equal Pay and Transparent Practices

Achieving equal pay and transparency in remuneration decisions is a top priority for Zehnder Group. For this reason, a standardised procedure for salary increases has been introduced across the company, whereby salaries are linked to clear and objective job descriptions, reducing the influence of subjective bias on pay. Building on the progress made in 2025, the 2026 salary review will also use success profiles, job grades, internal pay ranges, and compa ratios to guide decisions, further strengthening consistency and supporting equal pay outcomes.

Furthermore, the dual control principle guarantees that decisions regarding hiring, promotion, and remuneration are subject to review and approval by multiple individuals in all HR-related processes. This approach fosters fairness and objectivity, and underlines Zehnder Group's commitment to equal opportunities.

Implementation and outlook

Implementation of the above management approach and policies is structured around two focus areas with defined targets and KPIs.

Targets

Ambition: Apply a zero-tolerance approach to harassment, bullying, and discrimination at all times

Target: Train employees in anti-harassment and discrimination

- **Status:** The mandatory Code of Conduct training, covering anti-harassment and anti-discrimination topics, was launched in 2024 and continued through 2025. Completion rates were high, with participation close to full coverage. The Code of Conduct e-learning module is now mandatory for all new hires as part of onboarding, while new blue-collar employees participate in quarterly classroom workshops. Dedicated values trainings were held across several locations, tailored to local needs.
- **Outlook:** Dedicated training programmes are no longer planned at Group level beyond the ongoing mandatory Code of Conduct sessions, as our principles around anti-harassment and discrimination are embedded in multiple processes, aiming at compliant behaviour in day-to-day operations. Local initiatives will continue based on identified needs. In addition, the roll-out of the Values Campaign in 2026 is expected to further strengthen respectful workplace behaviour and reinforce awareness of diversity and inclusion principles across the organisation.

Ambition: Create a diverse work environment and provide decent work and equal pay**Target: Achieve gender diversity**

- **Status:** In 2025, women accounted for 20.9% of senior management positions (management levels 1 to 3) compared to 19.7% in 2024. Of internal promotions and external hires into senior management positions, 43.6% and 33.3% respectively were women, indicating a positive trend towards achieving the 2026 gender diversity target.
- **Outlook:** By 2026 we aim to reach 22.5% women in senior management, rising to 30% by 2030. Internal guidance on recruitment activities and internal opportunities requires consideration of qualified candidates of all genders, deliberately integrating our gender diversity target into existing processes with the ambition to further increase the share of female candidates, both internally and externally. The Group Executive Committee is confident that continued talent movements will support progress in 2026.

Target: Further securing equal pay

- **Status:** Significant progress was made towards securing equal pay. The Job House framework has been rolled out to nearly all sites in EMEA and North America; the remaining part is planned for 2026. Approximately 3000 positions have been mapped to success profiles and job grades, and internal pay structures and annual base salary ranges have been established for all locations. Separate approaches were applied for apprentices, trainees, interns, positions under union agreements, where pay is determined by the respective agreement, and contingent positions due to differing compensation mechanisms.

The annual base salary pay ranges are based on Korn Ferry benchmarking data, reflecting median market pay per country, job grade, and function, and can include regional and/or industry variations. The first pay gap analysis was conducted, identifying employees whose pay falls outside defined ranges, and targeted actions are being planned to close these gaps. Initial mapping of gender pay differences has also started in preparation for compliance with upcoming EU Pay Transparency regulations.

- **Outlook:** In 2026, the equal pay analysis by gender will be implemented by the EU Pay Transparency Directive implementation deadline, ensuring readiness for the first EU reporting cycle in 2027.

Target: Increase the portion of employees receiving a living wage

- **Status:** Progress towards increasing the share of employees receiving a living wage is embedded in the Job House roll-out in North America and the associated internal pay structures and salary ranges. Initial planning has begun to address these cases gradually, considering cost implications and potential adjustments to existing compensation programmes. This transition will require time and is expected to be completed by 2028 at the latest.
- **Outlook:** Work will continue in a phased manner between 2026 and 2028 to close identified gaps and aim to ensure that all employees receive at least a living wage. Insights from the Job House framework will guide the development of consistent living-wage standards across relevant locations.

Metrics

GRI 405: Diversity and Equal Opportunity 2016

Disclosure 405-1 Diversity of governance bodies and employees

Diversity within the Board of Directors

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Rate of individuals within the Board of Directors by age group – under 30 years old	%	-	-	-	-	-
Rate of individuals within the Board of Directors by age group – between 30 and 50 years old	%	14.3	14.3	-	14.3	-
Rate of individuals within the Board of Directors by age group – over 50 years old	%	85.7	85.7	-	85.7	-
Rate of individuals within the Board of Directors by gender – female	%	28.6	28.6	-	28.6	-
Rate of individuals within the Board of Directors by gender – male	%	71.4	71.4	-	71.4	-
Rate of individuals within the Board of Directors by gender – diverse	%	-	-	-	-	-

GRI 405: Diversity and Equal Opportunity 2016

Disclosure 405-1 Diversity of governance bodies and employees

Diversity within the Group Executive Committee

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Rate of individuals within the Group Executive Committee by age group – under 30 years old	%	-	-	-	-	-
Rate of individuals within the Group Executive Committee by age group – between 30 and 50 years old	%	50.0	60.0	-10.0pp	40.0	10.0pp
Rate of individuals within the Group Executive Committee by age group – over 50 years old	%	50.0	40.0	10.0pp	60.0	-10.0pp
Rate of individuals within the Group Executive Committee by gender – female	%	33.3	20.0	13.3pp	-	33.3pp
Rate of individuals within the Group Executive Committee by gender – male	%	66.7	80.0	-13.3pp	100.0	-33.3pp
Rate of individuals within the Group Executive Committee by gender – diverse	%	-	-	-	-	-

GRI 405: Diversity and Equal Opportunity 2016
Disclosure 405-1 Diversity of governance bodies and employees
Diversity among employees

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Rate of employees by age group – under 30 years old	%	11.4	11.7	-0.3pp	13.4	-2.0pp
Rate of employees by age group – between 30 and 50 years old	%	51.6	53.3	-1.7pp	52.0	-0.4pp
Rate of employees by age group – over 50 years old	%	37.0	35.1	2.0pp	34.6	2.5pp
Rate of employees by gender – female	%	25.4	25.5	-0.0pp	26.8	-1.4pp
Rate of employees by gender – male	%	74.5	74.5	0.0pp	73.1	1.4pp
Rate of employees by gender – diverse	%	<0.05	<0.05	n/a	<0.1	n/a

Gender diversity among senior management

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Rate of senior management members (L1-L3) by gender – female	%	20.9	19.7	1.2pp	18.3	2.6pp
Rate of senior management members (L1-L3) by gender – male	%	79.1	80.3	-1.2pp	81.7	-2.6pp
Rate of senior management members (L1-L3) by gender – diverse	%	-	-	-	-	-

L1-L3 refers to leadership levels 1 to 3.

The company Siber, acquired in 2024, is excluded from this KPI as no leadership levels have been assigned to Siber employees yet.

GRI 406: Non-discrimination 2016
Disclosure 406-1 Incidents of discrimination and corrective actions taken

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Total number of incidents of discrimination during the reporting period	#	4	6	-33.3%	5	-20.0%

Due to training on discrimination and anti-harassment, overall awareness of these topics increased, which led to more sensitivity in identifying respective behaviour. Each reported case was handled individually according to its severity. Corrective actions taken ranged from mediation among affected parties to follow-up training for minor incidents. Two of these four cases were found to be unsubstantiated.

Trained employees for harassment, bullying, and/or discrimination

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Rate of trained employees for harassment, bullying, and/or discrimination	%	27.8	30.8	-3.0pp	25.9	1.8pp

The rate only includes employees who were trained in the respective reporting year.

Social issues: Introduction

Ethics and transparency in our partnerships

This section outlines Zehnder Group's approach to **sustainable purchasing**, with a focus on ensuring transparency and ethical standards throughout its complex global supply chain. The subsequent subchapters explore the impacts, risks, and opportunities of responsible procurement, and explain how Zehnder Group incorporates sustainability into its relationships with suppliers and its risk management processes.

Sustainable purchasing

Impacts, risks, and opportunities

Impacts

Given the complexity of our supply chain and the involvement of thousands of suppliers, negative impacts can occur. Increased environmental and social risks are particularly evident in sectors such as logistics, electronics, and raw material extraction. Social challenges such as health and safety risks, forced labour, child labour, and modern slavery disproportionately affect vulnerable groups of workers, including migrant workers, young employees, women, and trade unionists.

While no specific factories or countries have yet been identified, Zehnder Group's human rights due diligence has highlighted potential risks within the supply chain. To prevent and mitigate these risks, Zehnder Group applies its Supplier Code of Conduct and regular sustainability audits to ensure compliance with, and continuous improvement of, environmental and social standards.

Despite these challenges, participation in a global supply chain also brings positive effects. In regions with a strong focus on artisanal mining, which carries serious risks, this sector offers opportunities for job creation and related employment and training, as well as economic opportunities.

Risks and opportunities

The introduction of a new supplier invariably brings with it a number of additional risks and vulnerabilities; addressing these requires a considerable investment of resources. The inclusion of social factors in supply chain management adds layers of complexity to procurement processes. Failure to address these risks may result in reputational damage, given the growing expectations of high ethical standards among all stakeholders.

However, Zehnder Group can strengthen its reputation as a responsible business partner by promoting fair working conditions, protecting vulnerable groups, and ensuring transparent corporate governance. The Group can also take advantage of its close, trusting collaborations with established suppliers to reduce risk, ensure product quality, and advance joint sustainability initiatives, encouraging partners to align themselves with sustainability goals in the process.

Management approach

To ensure that suppliers share our commitment to sustainability and are transparent about their environmental and social impacts, Zehnder Group is strengthening relationships with suppliers. Social, environmental, and economic criteria are increasingly integrated into purchasing decisions to improve supply chain transparency. Currently, human rights and environmental due diligence primarily focus on direct suppliers and is applied on a risk-based basis. The intention is to progressively extend coverage to Tier 2 and beyond.

Zehnder Group's procurement team, led by the CFO and Director Group Procurement, coordinates Group-wide initiatives and embeds sustainability across sourcing, contracting, and supplier management. In close collaboration with the Sustainability Steering Committee, it reports progress and challenges against the company's sustainability goals. To prepare Zehnder Group's procurement teams for the ESG challenges that can arise in complex supply chains, the company provides training on sustainability issues. This contributes to the assurance and promotion of responsible procurement.

Supplier Code of Conduct

Our Supplier Code of Conduct is based on global standards, such as the UN Universal Declaration of Human Rights and the ILO, as well as the UNGPs. It is also informed by the findings of our **double materiality assessment** and human rights due diligence. It establishes clear expectations for suppliers regarding ESG issues and requires them to sign a binding declaration to the Code of Conduct or an equivalent standard.

We strive to build long-term, trusting partnerships that adhere to the Code of Conduct. These partnerships are based on dialogue and cooperation, rather than financial pressure. This includes jointly developing solutions and providing support in implementing sustainable practices when difficulties arise in complying with the Code.

Risk-based screening and audits

Our aim is to audit direct-material suppliers before they are onboarded, when they present higher sustainability risk or uncertainty or are extremely important to our business in size, potential, or dependency. We use a risk-based assessment to identify those suppliers that require further investigation. By combining public country and category risk indices with our own evaluations, we determine where further investigation and more intensive audits are necessary.

The audits cover ESG criteria to ensure that suppliers' sustainability commitments are consistently implemented. Audit processes are continuously updated to ensure compliance with the latest standards and to continuously improve the initial assessments.

Transparency and engagement

Trusting and cooperative partnerships with suppliers are crucial for transparency in the supply chain, particularly with Tier 2 suppliers where risks can be more difficult to identify. Such partnerships enable Zehnder Group to support its suppliers in improving their environmental responsibility, working conditions, and governance standards, helping Zehnder Group achieve its sustainability goals.

Open communication is vital to identify and resolve significant problems in the supply chain and to ensure transparency. Zehnder Group facilitates this by providing open communication channels for all employees along the value chain. An Integrity Line (further information under **Compliance and fair business practices**), for example, allows anonymous reports and concerns to be raised. While there have been no reported significant negative effects to date, Zehnder Group remains committed to providing ongoing support and assistance in the event of any issues.

Implementation and outlook

Implementation of the above management approach and policies is structured around one focus area with five defined targets and KPIs.

Targets

Ambition: Ensure suppliers apply the same sustainability ambitions as we do and are transparent about their environmental and social impacts along the value chain

Target: Implement a Zehnder Group supply chain due diligence and risk management standard operating procedure

- **Status:** The standard operating procedure (SOP) has been completed. It outlines essential processes such as supplier onboarding (including the Supplier Code of Conduct and audits for high-risk or strategically important suppliers), Supplier Code of Conduct signature management, and sustainability risk screening. It also introduces a mechanism for providing suppliers with voluntary sustainability feedback whenever the relevant chapter is applied.

In line with the Ethical Trading Initiative (ETI) framework, the sustainability audit form has been updated and aligned with the nine ETI principles, which also underpin the Supplier Code of Conduct. Some gaps between the principles and current practices remain, and these will be periodically reassessed and addressed where feasible.

- **Outlook:** The SOP will be implemented across all regions, ensuring a consistent approach to supply chain due diligence and sustainability risk management.

Target: Signed Supplier Code of Conduct by significant direct suppliers

- **Status:** 86% of in-scope direct material suppliers¹ in EMEA and 34% in North America have signed the Supplier Code of Conduct or confirmed adherence to an equivalent standard. Suppliers were prioritised based on sustainability risk and spend, a methodology that will continue to guide supplier engagement. Those who have not yet signed will be contacted through the established escalation process, while low-risk, low-spend suppliers remain deprioritised. All new direct material suppliers are required to sign the Supplier Code of Conduct as part of the onboarding process, as defined in the Supply Chain Due Diligence SOP.
- **Outlook:** The target officially concludes in 2025. Going forward, the focus will shift to maintaining compliance, ensuring ongoing adherence to the Supplier Code of Conduct, and integrating the process fully into supplier onboarding and risk management practices.

Target: On-site audit of high-risk suppliers

- **Status:** The target of conducting 10 on-site sustainability audits of high-risk suppliers has been achieved. Additional audits were carried out using the sustainability chapter of our assessment process, though these suppliers were outside the original target scope. Not all suppliers were compliant. Findings led to voluntary improvement measures, such as clearer grievance mechanisms, climate-risk analysis, energy-mix transparency, and contracts in native languages.
- **Outlook:** Future audit commitments will depend on the definition of new 2026 targets. A continuation of audits based on country-risk prioritisation is under consideration.

¹ In-scope direct material suppliers are defined as direct material suppliers with a yearly spend of more than EUR 5000.

Metrics

GRI 204: Procurement Practices 2016

Disclosure 204-1 Proportion of spending on local suppliers

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Percentage of the procurement budget used for significant locations of operation ¹ that is spent on suppliers local ² to that operation	%	62.0	66.0	-4.0pp	63.0	-1.0pp

Data relies in part on spend and market forecasts.

The 2023 and 2024 figures have been restated due to a revised methodology to collect the data. For our central entity, a plant-level assessment was applied rather than relying on the entity's country of registration, providing a result closer to operational reality. The original reported figures were 52.0% for 2024 and 54.0% for 2023.

1 Significant locations of operation are defined as business units representing above 5% of total spend.

2 Local here is defined as by country.

GRI 308: Supplier Environmental Assessment 2016

Disclosure 308-1 New suppliers that were screened using environmental criteria

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Percentage of new suppliers that were screened using environmental criteria	%	-	-	-	-	-

Since the SOP implementation has not yet occurred, the KPI for environmental screening is currently zero.

GRI 308: Supplier Environmental Assessment 2016

Disclosure 308-2 Negative environmental impacts in the supply chain and actions taken

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Number of suppliers assessed for environmental impacts	#	23	27	-14.8%	24	-4.2%
Number of suppliers identified as having significant actual and potential negative environmental impacts	#	1	-	n/a	-	n/a
Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment ¹	%	4.3	-	4.3pp	-	4.3pp
Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which relationships were terminated as a result of assessment ²	%	-	-	-	-	-

1 One supplier did not meet the audit requirements. Mandatory improvement actions were issued, and the supplier has been provided with an appropriate timeline to implement the required changes.

2 Zero supplier relationships were terminated due to potential and actual negative environmental impacts. We recognise our responsibility to those potentially affected by negative impacts and aim to address significant adverse effects with our suppliers, benefiting all parties. Termination of a business relationship is considered only as a last resort.

GRI 414: Supplier Social Assessment 2016**Disclosure 414-1 New suppliers that were screened using social criteria**

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Percentage of new suppliers that were screened using social criteria	%	-	-	-	-	-

Since the SOP implementation has not yet occurred, the KPI for social screening is currently zero.

GRI 414: Supplier Social Assessment 2016**Disclosure 414-2 Negative social impacts in the supply chain and actions taken**

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Number of suppliers assessed for social impact	#	23	27	-14.8%	24	-4.2%
Number of suppliers identified as having significant actual and potential negative social impacts	#	1	-	n/a	-	n/a
Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment ¹	%	4	-	4.3pp	-	4.3pp
Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment ²	%	-	-	-	-	-

¹ One supplier did not meet the audit requirements. Mandatory improvement actions were issued, and the supplier has been provided with an appropriate timeline to implement the required changes.

² Zero supplier relationships were terminated due to potential and actual negative social impacts. We recognise our responsibility to those potentially affected by negative impacts and aim to address significant adverse effects with our suppliers, benefiting all parties. Termination of a business relationship is considered only as a last resort.

Suppliers that have signed the Supplier Code of Conduct

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Rate of direct material suppliers that have signed the Supplier Code of Conduct	%	41.9	33.7	8.2pp	29.1	12.8pp
Rate of indirect material suppliers that have signed the Supplier Code of Conduct	%	-	-	-	-	-

Combating corruption: Introduction

Strengthening ethical practices

This section provides an overview of Zehnder Group's comprehensive approach to **compliance and fair business practices**. The subchapters explore the impacts, risks, and opportunities involved in maintaining a robust compliance framework and promoting fair conduct, as well as the management strategies employed to safeguard against unethical behaviour.

Compliance and fair business practices

Impacts, risks, and opportunities

Impacts

Corruption undermines the integrity of governance systems and undermines their ability to protect human rights. By disregarding accountability, individuals and companies can evade laws and tax regulations that can fund public services such as education, healthcare, and infrastructure. Zehnder Group is committed to promoting strong ethics both within the company and across its supplier base in order to ensure high standards in its operations. This also enhances transparency throughout the supply chain and contributes positively to external stakeholders.

Risks and opportunities

While corruption poses a risk in many industries, it is perceived to be particularly prevalent in the construction sector, which Zehnder Group serves. Zehnder Group operates in countries with varying degrees of public-sector corruption. While Switzerland and the Netherlands, for example, are among the top ten countries in the [Corruption Perceptions Index](#), China (76/180) and Türkiye (107/180)  pose a higher risk of corruption.

The consequences of bribery and corruption can be severe and far reaching. Legal disputes arising from such practices may lead to significant reputational damage. Corruption can also result in inefficient resource allocation, hinder innovation, and disrupt market dynamics, which has a long-term impact on social welfare. Combating corruption therefore offers an important social opportunity, strengthens competition, protects vulnerable communities, and promotes fair business practices.

Our Code of Conduct establishes that we win and retain customers through our commitment to trust and the quality of our products, not through unethical practices. We apply these principles consistently across our operations and expect the same from our suppliers. Therefore, we place strong emphasis on transparency and preventive measures as core elements of our compliance strategy. Our Code of Conduct, training programmes, and due diligence procedures are designed to identify and mitigate corruption risks throughout our operations and supply chain.

Management approach

At Zehnder Group, we are committed to upholding the highest standards of ethical conduct, transparency, and compliance. Our compliance system follows a three-lines-of-defence approach: business units implement internal regulations as the first line of defence, legal and compliance experts provide oversight as the second line of defence, and the third line of defence is led by the Head of Group Internal Audit and the Audit Committee to ensure independent assurance and advice. The Board of Directors and the Group Executive Committee oversee the entire process to ensure transparency and accountability throughout the company. Group Legal and Group Compliance have been brought together under the Group General Counsel, making governance even stronger.

Our compliance management system is reviewed and updated regularly. Key risks are addressed through directives and guidelines, in-person and online training, onboarding programmes, newsletters, risk assessments, and internal audits. Each site appoints a legal and compliance contact, with quarterly reporting consolidated at Group level.

Our Code of Conduct

The Zehnder Group Code of Conduct serves as a framework for ethical, legal, and socially responsible behaviour. The Code of Conduct informs our daily interactions and helps us navigate complex business environments while upholding the highest ethical standards. Available in ten languages, it provides a solid foundation for our compliance efforts.

The Code of Conduct covers the following key topics:

- Integrity, ethics, and compliance
- Conflicts of interest and insider trading
- Safeguarding corporate assets
- Communication
- Environment, health, and safety
- Fairness, respect, and anti-discrimination
- Diversity, equity, and inclusion
- Confidentiality and data privacy
- Competition and global trade
- Corruption and gifts
- Quality

Updated in 2023, the Code of Conduct incorporates international best practices, such as the UNGPs, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, and the OECD Due Diligence Guidance for Responsible Business Conduct.

Supportive directives

In addition to the Code of Conduct, Zehnder Group's Legal and Compliance Directive defines clear roles and responsibilities, ensuring effective monitoring and governance across the Group. Introduced in 2023, the Anti-Bribery and Anti-Corruption Directive sets out stringent rules on ethical business conduct, including the handling of gifts and benefits, and is aligned with international legislation such as the Swiss Criminal Code, the US Foreign Corrupt Practices Act, and the UK Bribery Act . The directive reinforces our zero-tolerance approach to bribery, prohibits facilitation payments, prevents the misuse of third parties for improper purposes, and ensures that our business records remain accurate and transparent. These measures have strengthened awareness and improved escalation practices across the organisation. Regular anti-corruption training further supports compliance, and no incidents of corruption were recorded in 2025 . While this suggests our prevention measures are working effectively, we recognise that robust detection mechanisms and continued vigilance therefore remain priorities. We therefore maintain ongoing training, regular risk assessments, and continuous enhancement of our compliance framework.

To further highlight our stance, the CEO endorsed the UN Global Compact Call-to-Action, which promotes collaboration between businesses and governments to strengthen governance and anti-corruption efforts as vital components of a sustainable and inclusive global economy, aligned with the 2030 Agenda for Sustainable Development.

The Zehnder Group Integrity Line

Our Integrity Line provides employees and business partners a confidential and secure way to report any suspected misconduct or breaches of the Code of Conduct. Available in all operating countries, it supports local languages and allows anonymous reporting. All submissions are taken seriously, investigated thoroughly and independently by Group Legal and Compliance, and the findings are reported to the Group Executive Committee and Audit Committee. The Integrity Line serves as an alternative reporting channel for individuals who are uncomfortable with the internal reporting procedures, ensuring that concerns can be raised without fear of retaliation.

In 2025, 16 compliance cases  were recorded (compared to nine in 2024). Five cases were substantiated following investigation (previous year: five) and one case was determined to be partially substantiated (previous year: zero). One case was handled locally and 15 at Group level. The cases included four IT security and (potential) data breaches (of which two were substantiated, two were not substantiated) and one potential product safety issues (not substantiated), and internally three cases relating to harassment (one substantiated, one not substantiated, and one case that is ongoing), one case concerning potential offences against property (not substantiated), three cases concerning other breaches of the Code of Conduct (e.g. conflict of interests, two not substantiated, one partially substantiated) and one case concerning internal trade compliance (substantiated). Four cases occurred in North America, eleven in Europe and the Middle East, and one in China. Remedial actions included warnings, a dismissal, and further mitigation and compliance measures. Three cases were closed as out of scope.

Our Whistleblowing Guidelines protect all reporters from retaliation, harassment, or discrimination, reinforcing a culture of transparency, trust, and accountability.

Implementation and outlook

Implementation of the above management approach and policies is structured around one focus area with three defined targets and KPIs.

Targets

Ambition: Maintain a good compliance framework, upskill, and achieve zero corruption or antitrust incidents, with compliance reviews forming an essential part of internal audits

Target: Upskill in compliance through compliance training

- **Status:** Compliance training activities were further expanded across the organisation in 2025. In-person legal and compliance sessions covered topics such as corporate governance, contracts, antitrust, anti-bribery and anti-corruption, regulatory aspects, and ESG, reaching employees across all functions, including sales, procurement, management, and the Board of Directors.

The mandatory Code of Conduct training was rolled out to all employees, with e-learning for white-collar staff and classroom sessions for blue-collar employees. Reminders were sent to ensure completion among remaining participants. Additional e-learning campaigns focused on conflicts of interest and anti-bribery and corruption refreshers were also conducted.

Relevant compliance e-learnings are now integrated into the onboarding process for new employees.

In 2025, 1033 employees  were enrolled in compliance e-learnings, 326 employees  took part in in-person legal or compliance sessions (mainly for blue collar workers), and 2023 employees  attended various additional Group compliance trainings.

- **Outlook:** With foundational compliance training complete, the focus will shift to ensuring these foundational trainings are periodically refreshed or deepened as appropriate. This ongoing approach aims to maintain high awareness levels and reinforce alignment with the organisation's ethical standards. These upskilling efforts are supplemented by additional compliance measures.

Target: Establish a more granular risk management framework related to operations with a potentially higher risk score for bribery or corruption

- **Status:** We further strengthened our risk management approach for operations with an elevated bribery and corruption risk. A targeted anti-bribery e-learning refresher was launched for selected employees. In supplier onboarding, Group Procurement integrated additional anti-bribery and anti-corruption questions into supplier onboarding, improving transparency on supplier practices and conditions at their sites. In parallel, potential suppliers are now asked to sign the Supplier Code of Conduct at onboarding, which reinforces awareness of anti-bribery and anti-corruption expectations. Supplier sign-off continues to follow a risk-based approach, with a supplier's risk profile determined by a combination of country and category risk, including business ethics and anti-corruption criteria.
- **Outlook:** The updated supplier audit template will be fully launched and implemented by Group Procurement in 2026, strengthening anti-bribery and anti-corruption coverage in on-site supplier assessments. Further measures and next steps under this target will be defined and led by Group Legal and Compliance, in coordination with Group Procurement, as part of the broader corruption-risk management framework.

Target: Focus on raising awareness for antitrust

- **Status:** Awareness-raising on antitrust compliance continued in 2025 through a series of virtual and in-person training sessions, and roll-out of new antitrust directives, following a similar approach as in 2024. The sessions targeted employees in sales, procurement, management, and other functions exposed to potential competition law risks. The training underscored the importance of understanding fair competition principles, prohibited practices, and compliance in daily business activities.
- **Outlook:** Antitrust awareness initiatives will remain a key element of the Group's compliance programme. Future efforts will focus on maintaining regular refresher trainings and integrating antitrust guidance into onboarding and role-specific compliance sessions.

Metrics

GRI 2: General Disclosures 2021

Disclosure 2-27 Compliance with laws and regulations

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Number of significant instances of non-compliance with laws and regulations for which fines were incurred	#	-	1	-100.0%	n/a	n/a
Number of significant instances of non-compliance with laws and regulations for which non-monetary sanctions were incurred	#	-	-	-	n/a	n/a
Total number of significant instances of non-compliance with laws and regulations	#	-	1	-100.0%	n/a	n/a
Number of fines paid for significant instances of non-compliance with laws and regulations from previous periods	#	-	-	-	n/a	n/a
Number of fines paid for significant instances of non-compliance with laws and regulations from current period	#	-	1	-100.0%	n/a	n/a
Total number of fines paid for significant instances of non-compliance with laws and regulations	#	-	1	-100.0%	n/a	n/a
Monetary value of fines paid for significant instances of non-compliance with laws and regulations from previous periods	EUR	-	-	-	n/a	n/a
Monetary value of fines paid for significant instances of non-compliance with laws and regulations from current period	EUR	-	10,045	-100.0%	n/a	n/a
Total monetary value of fines paid for significant instances of non-compliance with laws and regulations	EUR	-	10,045	-100.0%	n/a	n/a

The instance and fine reported in 2024 relates to an OHS case reported in 2024 (see more details in our 2024 Sustainability Report).

GRI 205: Anti-corruption 2016

Disclosure 205-2 Communication and training about anti-corruption policies and procedures

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Total number of governance body members to whom the organisation's anti-corruption policies and procedures have been communicated	#	13	12	8.3%	12	8.3%
Total percentage of governance body members to whom the organisation's anti-corruption policies and procedures have been communicated	%	100.0	100.0	-	100.0	-
Total number of governance body members who have received training on anti-corruption	#	13	12	8.3%	7	85.7%
Total percentage of governance body members who have received training on anti-corruption	%	100.0	100.0	-	58.3	41.7pp

The definition of governance body members includes all members of the Board of Directors and the Group Executive Committee.

Currently, all governance body members who have been informed about the organisation's anti-corruption policies and procedures or have received related training are from the EMEA region.

GRI 205: Anti-corruption 2016**Disclosure 205-3 Confirmed incidents of corruption and actions taken**

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Total number of confirmed incidents of corruption	#	-	-	-	-	-
Total number of confirmed incidents in which employees were dismissed or disciplined for corruption	#	-	-	-	-	-
Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption	#	-	-	-	-	-
Public legal cases regarding corruption brought against the organisation or its employees during the reporting period and the outcomes of such cases	#	-	-	-	-	-

GRI 206: Anti-competitive Behaviour 2016**Disclosure 206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices**

Indicator description	Unit of measure	2025	2024	Change from prior year	2023	Change from base year
Number of legal actions pending or completed during the reporting period regarding anti-competitive behaviour and violations of anti-trust and monopoly legislation in which the organisation has been identified as a participant	#	-	-	-	-	-

Respect for human rights: Introduction

Protecting human rights across our value chain

This section outlines Zehnder Group's approach to **upholding human rights** throughout its operations and supply chain. The subsequent subchapters examine the impacts, risks, and opportunities related to human rights, as well as our management strategy for addressing these issues. Zehnder Group is committed to promoting fair labour practices, ensuring safe working conditions, and supporting workers' rights, reflecting our focus on ethical business practices and social responsibility.

Upholding human rights

Impacts, risks, and opportunities

Impacts

Zehnder Group's approach to human rights aims to prevent and mitigate any potential negative impacts on individuals within its own operations and across the supply chain. This includes risks related to unfair labour practices, unsafe working conditions, restrictions on freedom of association, and discriminatory treatment. By setting expectations regarding fair labour standards, workplace safety, freedom of association, and non-discrimination, the Group aims to minimise the risk of human rights violations and ensure decent working conditions.

With regard to its products, Zehnder Group considers the potential impact on consumers' health and safety. The design and development of products aim to avoid adverse effects on indoor air quality and, where possible, to promote healthy indoor environments. While these measures primarily serve to mitigate potential negative impacts, any positive effects depend on appropriate product use and operating conditions.

Risks and opportunities

The global nature of our supply chain, particularly in high-risk regions, makes ensuring respect for human rights more complex. Failure to address issues such as forced labour, poor working conditions and environmental damage can result in legal challenges, reputational damage, and potential loss of business opportunities.

Strengthening human rights due diligence can improve responsible sourcing, strengthen supplier relationships, and increase overall resilience. Engaging with employees, suppliers, and local communities helps to identify root causes and supports the implementation of more effective corrective actions. Increased transparency, targeted audits, and improved supplier assessments drive higher standards across the value chain. Furthermore, sustainable product development and responsible procurement reinforce Zehnder Group's position as a reliable and ethical business partner.

Management approach

We have systematically evaluated our performance across the six core elements of human rights due diligence, in line with the UNGPs, and with a focus on minimising the use of rare earths and conflict minerals. We have established clear objectives and metrics to reinforce our dedication to human rights.

The salient human rights issues for Zehnder Group across the value chain include child labour, modern slavery, and forced labour, as well as environmental impacts on people, particularly in logistics and end-of-life management. Actions are prioritised based on severity and likelihood, and focus on preventing workplace discrimination, ensuring living wages, eliminating modern slavery, and strengthening OHS.

Responsibility for human rights due diligence has been embedded within Zehnder Group's corporate governance framework and is overseen by the Steering Committee, the CEO, and the Chair of the Board of Directors. To further ensure compliance with our sustainability goals, human rights considerations are incorporated into the company's strategies, policies, and processes across all departments. The Group's sustainability team coordinates these measures in consultation with the Group Executive Committee and in collaboration with departments such as Legal, Compliance, HR, Procurement, and Logistics.

Our approach aligns with international standards, including the ILO Conventions, the ILO-IOE Child Labour Guidance Tool¹, and the UNGPs.

Zehnder Group's human rights due diligence framework

Our standalone Human Rights Directive defines clear goals and measures to strengthen our commitment to human rights. Through regular monitoring, public reporting, and effective grievance mechanisms, we ensure the highest ethical standards and transparency, and continuous improvement.

Furthermore, Zehnder Group has integrated human rights aspects into several existing policies, including those against harassment and for the promotion of diversity, equity, and inclusion, to encourage fair treatment and inclusion. Safe and secure working conditions are also guaranteed in our local OHS policies. In addition, the Zehnder Group Code of Conduct, the Supplier Code of Conduct and our **Modern Slavery Statement** (UK only) are integral to our commitment to upholding ethical business practices throughout the supply chain.

Child labour and conflict minerals

In line with Swiss regulations on due diligence obligations and transparency concerning minerals and metals from conflict areas,² and child labour, we address these issues within the broader framework of our human rights due diligence.

Zehnder Group categorically rejects child labour. We are following international standards, as explained above, and therefore comply with the equivalent provisions of Swiss law.³ Within the Group, the risk is considered very low due to the high production depth. In addition, our Supplier Code of Conduct ensures that our suppliers comply with ILO standards. According to the annual group-wide review, no cases of child labour were identified within Zehnder Group legal entities. There were likewise no such cases of child labour uncovered during the audits carried out at suppliers. Furthermore, the analysis of child labour at high-risk suppliers did not give rise to any reasonable suspicions.

With regard to minerals from conflict-affected regions, we have conducted assessments in accordance with the Ordinance on Due Diligence and Transparency relating to Minerals and Metals from Conflict-Affected Regions and Child Labour. Although our total imports are below the threshold values, we are committed to minimising our use of conflict minerals and ensuring that our materials are responsibly sourced, avoiding materials from conflict-affected regions wherever possible.

¹The ILO-IOE Child Labour Guidance Tool is a resource developed by the ILO and the International Organisation of Employers (IOE) to help companies identify, prevent, and address child labour in their operations and supply chains.

²Tantalum, tin, tungsten, gold (3TG), as defined by regulation (EU) 2017/821

³As defined in CO Art. 964j para. 4 and Ordinance on Due Diligence Obligations and Transparency Regarding Minerals and Metals from Conflict Areas and Child Labour Art. 9 para. 1

Implementation and outlook

Implementation of the above management approach and policies is structured around two focus areas with defined targets.

Targets

Ambition: Apply a human rights due diligence approach and respect the UN Guiding Principles on Human Rights

Target: Set up a human rights due diligence risk management process and implement a roadmap based on the UN Guiding Principles on Business and Human Rights

- **Status:** Progress continued in establishing a human rights due diligence (HRDD) risk management process aligned with the UNGPs. The Supplier Code of Conduct was revised to expand its scope and ensure alignment with other internal policies, strengthening coverage of key human rights topics. In addition, the Group Occupational Health and Safety Directive, approved in May 2025, provides clear guidance on OHS management system requirements supporting worker protection.

Employee awareness was further enhanced through the Sustainability Snacks training series, which includes human rights topics alongside environmental and social issues. No additional human rights-specific trainings have yet been released beyond existing modules on SuccessFactors. The Zehnder Group Integrity Line was reviewed for outreach improvements, with implementation planned beyond 2025. The completion of the Job House roll-out across most EMEA and all North American branches also paved the way for continued progress on the Living Wage project in North America.

- **Outlook:** We plan to launch our Living Wage project in North America in 2026, which will entail a thorough gap analysis of actual wages compared to living wages and the formulation of a concrete action plan to close potential gaps, where applicable.

Ambition: Minimise the use of rare earth and conflict minerals in our products and production processes

Target: Assess our main direct high-risk material supply chains by country of origin

- **Status:** Efforts to assess high-risk material supply chains by country of origin continued through additional outreach and direct communication with suppliers' sustainability teams. Despite these efforts, obtaining full transparency remains challenging, as many suppliers are either unwilling or unable to share detailed origin information, and the Group's influence over upstream supply chains remains limited.
- **Outlook:** While the topic remains important, this specific target is considered closed. The focus will shift toward strengthening market intelligence and improving visibility in the steel supply chain to support future due diligence and responsible sourcing initiatives.

EU taxonomy

Reporting requirements

Zehnder Group is not yet covered by the EU Taxonomy Regulation (Regulation 2020/852). This report therefore represents our voluntary EU taxonomy disclosure for the fiscal year 2025. As our reporting is voluntary, we have focused on activities with the highest economic significance and environmental relevance, prioritising clarity and accuracy over extending the scope to less relevant activities.

This approach maintains transparent and meaningful disclosure while prioritising areas with the greatest potential to contribute to sustainable objectives.

Zehnder Group has chosen to apply the reporting rules under the Disclosures Delegated Act as amended by the Omnibus Delegated Act when publishing its report covering the 2025 financial year. We acknowledge that the current scope does not encompass all eligible activities or financial indicators. As data availability and reporting practices mature, we intend to expand the scope of our EU taxonomy disclosures.

Summary of results

Please note that all relative numbers in the table below refer to the company total.

	Net sales
Total (absolute value)	EUR 760.7 million
Eligible	68.5%
Eligible, aligned	0.0%
Eligible, not aligned	68.5%
Not eligible	31.5%

The eligible activities are listed below:

- Manufacture of electric radiators – Activity 1.2. Manufacture of electrical and electronic equipment (transition to a circular economy)
- Manufacture of indoor ventilation systems – Activity 3.5. Manufacture of energy efficiency equipment for buildings (climate change mitigation)
- Manufacture and leasing of industrial air cleaning units – Activity 5.5. Product-as-a-service and other circular use- and result-oriented service models (transition to a circular economy)

When combined, at least 68.5% of our total net sales comes from activities that are eligible under the EU taxonomy. The majority of criteria, including all minimum safeguard criteria, were met, and we identified our target areas to increase alignment for the next evaluation.

General comments

The turnover KPI includes the revenue recognised pursuant to Swiss GAAP FER.

This taxonomy assessment was completed in good faith, focused on transparency and providing explanation for choices made when interpreting the criteria. The interpretation of the criteria is based on both the explicit information available at the time of the assessment and the understanding of the purpose of the requirement.

The taxonomy regulation is being continually updated and clarified, and best practices in reporting are still emerging. Zehnder Group is closely following any clarifications from the EU Commission and any changes in industry best-practice when it comes to interpreting the activity descriptions or technical screening criteria.

GRI index

Zehnder Group has reported in accordance with the GRI Standards for the period 1 January 2025 to 31 December 2025, including the requirements specified by GRI 1: Foundation 2021.

GRI content index

GRI STANDARD	DISCLOSURE	LOCATION
The organisation and its reporting practices		
GRI 2: General Disclosures 2021	2-1 Organisational details	Corporate Governance, 1.1 Group structure Financial Report, Overview of companies Sustainability Report, Organisational purpose
	2-2 Entities included in the organisation's sustainability reporting	Financial Report, Overview of companies Sustainability Report, Our approach to reporting
	2-3 Reporting period, frequency and contact point	Sustainability Report, Our approach to reporting Integrated Annual Report, Further information for investors
	2-4 Restatements of information	Sustainability Report, Restatements of information
	2-5 External assurance	Sustainability Report, Limited assurance
Activities and workers		
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	Sustainability Report, Organisational purpose
	2-7 Employees	Sustainability Report, Proud to be Zehnder
	2-8 Workers who are not employees	Sustainability Report, Proud to be Zehnder
Governance		
GRI 2: General Disclosures 2021	2-9 Governance structure and composition	Corporate Governance ✓ Zehnder Group Homepage, Board of Directors ✓ Organisational regulations of Zehnder Group AG ✓ Corporate Governance, Zehnder Group organisational chart ✓ Sustainability Report, Sustainability organisation of Zehnder Group

2-10 Nomination and selection of the highest governance body	Corporate Governance 
	Articles of Association 
	Organisational regulations of Zehnder Group AG 
2-11 Chair of the highest governance body	Articles of Association 
	Organisational regulations of Zehnder Group AG 
2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance 
	Sustainability Report, Sustainability organisation of Zehnder Group
2-13 Delegation of responsibility for managing impacts	Sustainability Report, Delegation of responsibility
	Corporate Governance 
2-14 Role of the highest governance body in sustainability reporting	Sustainability Report, Reviewing and approving the information
2-15 Conflicts of interest	Sustainability Report, Prevention and mitigation of conflicts of interest
	Sustainability Report, Compliance and fair business practices
2-16 Communication of critical concerns	Code of Conduct 
	Sustainability Report, Communication of critical concerns
	Sustainability Report, Compliance and fair business practices
2-17 Collective knowledge of the highest governance body	Corporate Governance 
	Sustainability Report, Expanding the collective knowledge
2-18 Evaluation of the performance of the highest governance body	Corporate Governance 
	Sustainability Report, Expanding the collective knowledge
2-19 Remuneration policies	Compensation Report 
2-20 Process to determine remuneration	Compensation Report 
	Corporate Governance 
2-21 Annual total compensation ratio	The omission of this standard is due to the lack of globally consolidated data. With multiple local compensation systems, varying standards for working hours and the absence of a unified tracking system for cash benefits, it is not feasible to provide the required data for the 2025 report.

Strategy, policies and practices

GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	Zehnder Group Sustainability Homepage Sustainability Report
	2-23 Policy commitments	Code of Conduct Supplier Code of Conduct Zehnder Group Sustainability Homepage Sustainability Report, Our approach to sustainability Sustainability Report, Climate action: Management approach Sustainability Report, Resource-efficient production: Management approach Sustainability Report, Circular products and innovation: Management approach Sustainability Report, Occupational health and safety: Management approach Sustainability Report, Attractive employer: Management approach Sustainability Report, Diversity, equal opportunity, inclusion, and decent work: Management approach Sustainability Report, Sustainable purchasing: Management approach Sustainability Report, Compliance and fair business practices: Management approach Sustainability Report, Upholding human rights: Management approach
	2-24 Embedding policy commitments	Sustainability Report, Our approach to sustainability Sustainability Report, Climate action: Management approach Sustainability Report, Resource-efficient production: Management approach Sustainability Report, Circular products and innovation: Management approach Sustainability Report, Occupational health and safety: Management approach Sustainability Report, Attractive employer: Management approach

	<p>Sustainability Report, Diversity, equal opportunity, inclusion, and decent work: Management approach</p> <hr/> <p>Sustainability Report, Sustainable purchasing: Management approach</p> <hr/> <p>Sustainability Report, Compliance and fair business practices: Management approach</p> <hr/> <p>Sustainability Report, Upholding human rights: Management approach</p>
2-25 Processes to remediate negative impacts	<p>Sustainability Report, Our approach to sustainability</p> <hr/> <p>Sustainability Report, Climate action: Management approach</p> <hr/> <p>Sustainability Report, Resource-efficient production: Management approach</p> <hr/> <p>Sustainability Report, Circular products and innovation: Management approach</p> <hr/> <p>Sustainability Report, Occupational health and safety: Management approach</p> <hr/> <p>Sustainability Report, Attractive employer: Management approach</p> <hr/> <p>Sustainability Report, Diversity, equal opportunity, inclusion, and decent work: Management approach</p> <hr/> <p>Sustainability Report, Sustainable purchasing: Management approach</p> <hr/> <p>Sustainability Report, Compliance and fair business practices: Management approach</p> <hr/> <p>Sustainability Report, Upholding human rights: Management approach</p>
2-26 Mechanisms for seeking advice and raising concerns	<p>Corporate Governance</p> <hr/> <p>Code of Conduct</p> <hr/> <p>Sustainability Report, Compliance and fair business practices: Management approach</p>
2-27 Compliance with laws and regulations	<p>Sustainability Report, Compliance and fair business practices: Implementation and outlook</p>
2-28 Membership associations	<p>Zehnder Group Homepage</p>

Stakeholder engagement

GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	Sustainability Report, Communication with stakeholder groups
	2-30 Collective bargaining agreements	Sustainability Report, Proud to be Zehnder Sustainability Report, Respect for human rights

Materiality assessment and list of material topics

GRI 3: Material Topics 2021	3-1 Process to determine material topics	Sustainability Report, Materiality analysis
	3-2 List of material topics	Sustainability Report, Materiality analysis

Climate action

GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report, Climate action: Impacts, risks, and opportunities
		Sustainability Report, Climate action: Management approach
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Sustainability Report, Climate action: Implementation and outlook
	302-2 Energy consumption outside the organisation	Sustainability Report, Climate action: Implementation and outlook
	302-3 Energy intensity	Sustainability Report, Climate action: Implementation and outlook
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Sustainability Report, Climate action: Implementation and outlook
	305-2 Energy indirect (Scope 2) GHG emissions	Sustainability Report, Climate action: Implementation and outlook
	305-3 Other indirect (Scope 3) GHG emissions	Sustainability Report, Climate action: Implementation and outlook
	305-4 GHG Emissions intensity	Sustainability Report, Climate action: Implementation and outlook

Resource-efficient production

GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report, Resource-efficient production: Impacts, risks, and opportunities
		Sustainability Report, Resource-efficient production: Management approach

GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Sustainability Report, Resource-efficient production: Management approach
	303-2 Management of water discharge-related impacts	Sustainability Report, Resource-efficient production: Management approach
	303-3 Water withdrawal	Sustainability Report, Resource-efficient production: Implementation and outlook
	303-4 Water discharge	Sustainability Report, Resource-efficient production: Implementation and outlook
	303-5 Water consumption	Sustainability Report, Resource-efficient production: Implementation and outlook
GRI 305: Emissions 2016	305-7 Nitrogen oxides (NO _x), sulphur oxides (SO _x), and other significant air emissions	Sustainability Report, Resource-efficient production: Implementation and outlook
GRI 306: Waste 2020	306-3 Waste generated	Sustainability Report, Resource-efficient production: Implementation and outlook
	306-4 Waste diverted from disposal	Sustainability Report, Resource-efficient production: Implementation and outlook
	306-5 Waste directed to disposal	Sustainability Report, Resource-efficient production: Implementation and outlook

Circular products and innovation

GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report, Circular products and innovation: Impacts, risks, and opportunities
		Sustainability Report, Circular products and innovation: Management approach
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Sustainability Report, Circular products and innovation: Implementation and outlook
	301-2 Recycled input materials used	Sustainability Report, Circular products and innovation: Implementation and outlook
	301-3 Reclaimed products and their packaging materials	Sustainability Report, Circular products and innovation: Implementation and outlook

Occupational health and safety

GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report, Occupational health and safety: Impacts, risks, and opportunities
		Sustainability Report, Occupational health and safety: Management approach

GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Sustainability Report, Occupational health and safety: Management approach
	403-5 Worker training on occupational health and safety	Sustainability Report, Occupational health and safety: Management approach
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Sustainability Report, Occupational health and safety: Management approach
	403-8 Workers covered by an occupational health and safety management system	Sustainability Report, Occupational health and safety: Implementation and outlook
	403-9 Work-related injuries	Sustainability Report, Occupational health and safety: Implementation and outlook
	403-10 Work-related ill health	Sustainability Report, Occupational health and safety: Implementation and outlook

Attractive employer

GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report, Attractive employer: Impacts, risks, and opportunities
		Sustainability Report, Attractive employer: Management approach
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Sustainability Report, Attractive employer: Implementation and outlook
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Sustainability Report, Attractive employer: Implementation and outlook
	404-2 Programs for upgrading employee skills and transition assistance programs	Sustainability Report, Attractive employer: Management approach
	404-3 Percentage of employees receiving regular performance and career development reviews	Sustainability Report, Attractive employer: Implementation and outlook

Diversity, equal opportunity, inclusion, and decent work

GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report, Diversity, equal opportunity, inclusion, and decent work: Impacts, risks, and opportunities
		Sustainability Report, Diversity, equal opportunity, inclusion, and decent work: Management approach
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Sustainability Report, Diversity, equal opportunity, inclusion, and decent work: Implementation and outlook
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Sustainability Report, Diversity, equal opportunity, inclusion, and decent work: Implementation and outlook

Sustainable purchasing

GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report, Sustainable purchasing: Impacts, risks, and opportunities
		Sustainability Report, Sustainable purchasing: Management approach
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Sustainability Report, Sustainable purchasing: Implementation and outlook
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Sustainability Report, Sustainable purchasing: Implementation and outlook
	308-2 Negative environmental impacts in the supply chain and actions	Sustainability Report, Sustainable purchasing: Implementation and outlook
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Sustainability Report, Sustainable purchasing: Implementation and outlook
	414-2 Negative social impacts in the supply chain and actions taken	Sustainability Report, Sustainable purchasing: Implementation and outlook

Compliance and fair business practices

GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report, Compliance and fair business practices: Impacts, risks, and opportunities
		Sustainability Report, Compliance and fair business practices: Management approach
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	While at Group level we conduct risk assessments related to corruption as reported, this data is currently not being collected locally and is therefore omitted.
	205-2 Communication and training about anti-corruption policies and procedures	Sustainability Report, Compliance and fair business practices: Implementation and outlook
	205-3 Confirmed incidents of corruption and actions taken	Sustainability Report, Compliance and fair business practices: Implementation and outlook
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	Sustainability Report, Compliance and fair business practices: Implementation and outlook

Upholding human rights

GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report, Upholding human rights: Impacts, risks, and opportunities
		Sustainability Report, Upholding human rights: Management approach

Swiss Code of Obligations index

Transparency on non-financial matters

CO ARTICLE	DISCLOSURE	LOCATION	
964b para. 1	Environmental matters (in particular CO ₂ goals)	Sustainability Report, Environmental matters	
964b para. 1	Social issues	Sustainability Report, Social issues	
964b para. 1	Employee-related issues	Sustainability Report, Employee-related issues	
964b para. 1	Respect for human rights	Sustainability Report, Respect for human rights	
964b para. 1	Combating corruption	Sustainability Report, Combating corruption	
964b para. 1	Information required to understand the business performance	Management Report	
964b para. 1	Information required to understand the business result	Financial Report	
964b para. 1	Information required to understand the state of the undertaking and the effects of its activity on ...	... environmental matters (in particular CO ₂ goals)	Sustainability Report, Environmental matters
		... social issues	Sustainability Report, Social issues
		... employee-related issues	Sustainability Report, Employee-related issues
		... respect for human rights	Sustainability Report, Respect for human rights
		... combating corruption	Sustainability Report, Combating corruption
964b para. 2 ciph. 1	Description of the business model	Sustainability Report, Organisational purpose	
964b para. 2 ciph. 2	Description of the policies adopted including the due diligence applied in relation to ...	... environmental matters (in particular CO ₂ goals)	Sustainability Report, Climate action: Management approach
			Sustainability Report, Resource-efficient production: Management approach
			Sustainability Report, Circular products and innovation: Management approach
		... social issues	Sustainability Report, Sustainable purchasing: Management approach

		... employee-related issues	<p>Sustainability Report, Occupational health and safety: Management approach</p> <hr/> <p>Sustainability Report, Attractive employer: Management approach</p> <hr/> <p>Sustainability Report, Diversity, equal opportunity, inclusion, and decent work: Management approach</p>
		... respect for human rights	<p>Sustainability Report, Upholding human rights: Management approach</p>
		... combating corruption	<p>Sustainability Report, Compliance and fair business practices: Management approach</p>
964b para. 2 ciph. 3	Presentation of the measures taken to implement these policies and an assessment of the effectiveness of these measures ...	... environmental matters (in particular CO ₂ goals)	<p>Sustainability Report, Climate action: Implementation and outlook</p> <hr/> <p>Sustainability Report, Resource-efficient production: Implementation and outlook</p> <hr/> <p>Sustainability Report, Circular products and innovation: Implementation and outlook</p>
		... social issues	<p>Sustainability Report, Sustainable purchasing: Implementation and outlook</p>
		... employee-related issues	<p>Sustainability Report, Occupational health and safety: Implementation and outlook</p> <hr/> <p>Sustainability Report, Attractive employer: Implementation and outlook</p> <hr/> <p>Sustainability Report, Diversity, equal opportunity, inclusion, and decent work: Implementation and outlook</p>
		... respect for human rights	<p>Sustainability Report, Upholding human rights: Implementation and outlook</p>
		... combating corruption	<p>Sustainability Report, Compliance and fair business practices: Implementation and outlook</p>
964b para. 2 ciph. 4 lit. a	Description of the main risks that arise from our own business operations, related to ...	... environmental matters (in particular CO ₂ goals)	<p>Sustainability Report, Climate action: Impacts, risks, and opportunities</p> <hr/> <p>Sustainability Report, Resource-efficient production: Impacts, risks, and opportunities</p> <hr/> <p>Sustainability Report, Circular products and innovation: Impacts, risks, and opportunities</p>
		... social issues	<p>Sustainability Report, Sustainable purchasing: Impacts, risks, and opportunities</p>

		... employee-related issues	<p>Sustainability Report, Occupational health and safety: Impacts, risks, and opportunities</p> <hr/> <p>Sustainability Report, Attractive employer: Impacts, risks, and opportunities</p> <hr/> <p>Sustainability Report, Diversity, equal opportunity, inclusion, and decent work: Impacts, risks, and opportunities</p>
		... respect for human rights	<p>Sustainability Report, Upholding human rights: Impacts, risks, and opportunities</p>
		... combating corruption	<p>Sustainability Report, Compliance and fair business practices: Impacts, risks, and opportunities</p>
964b para. 2 ciph. 4 lit. b	Description of the main risks that arise from our business relationships, products or services related to ...	... environmental matters (in particular CO ₂ goals)	<p>Sustainability Report, Climate action: Impacts, risks, and opportunities</p> <hr/> <p>Sustainability Report, Resource-efficient production: Impacts, risks, and opportunities</p> <hr/> <p>Sustainability Report, Circular products and innovation: Impacts, risks, and opportunities</p>
		... social issues	<p>Sustainability Report, Sustainable purchasing: Impacts, risks, and opportunities</p>
		... employee-related issues	<p>Sustainability Report, Occupational health and safety: Impacts, risks, and opportunities</p> <hr/> <p>Sustainability Report, Attractive employer: Impacts, risks, and opportunities</p> <hr/> <p>Sustainability Report, Diversity, equal opportunity, inclusion, and decent work: Impacts, risks, and opportunities</p>
		... respect for human rights	<p>Sustainability Report, Upholding human rights: Impacts, risks, and opportunities</p>
		... combating corruption	<p>Sustainability Report, Compliance and fair business practices: Impacts, risks, and opportunities</p>
964b para. 2 ciph. 5	Main performance indicators for our activities in relation to ...	... environmental matters (in particular CO ₂ goals)	<p>Sustainability Report, Climate action: Implementation and outlook</p> <hr/> <p>Sustainability Report, Resource-efficient production: Implementation and outlook</p> <hr/> <p>Sustainability Report, Circular products and innovation: Implementation and outlook</p>
		... social issues	<p>Sustainability Report, Sustainable purchasing: Implementation and outlook</p>

	... employee-related issues	<p>Sustainability Report, Occupational health and safety: Implementation and outlook</p> <hr/> <p>Sustainability Report, Attractive employer: Implementation and outlook</p> <hr/> <p>Sustainability Report, Diversity, equal opportunity, inclusion, and decent work: Implementation and outlook</p>
	... respect for human rights	<p>Sustainability Report, Upholding human rights: Implementation and outlook</p>
	... combating corruption	<p>Sustainability Report, Compliance and fair business practices: Implementation and outlook</p>
964b para. 4	Scope of consolidation	<p>Sustainability Report, Our approach to reporting</p> <hr/> <p>Financial Report, Overview of companies</p>

TCFD index

TCFD content index

TOPIC	DISCLOSURE	LOCATION
Governance	The Board's oversight of climate-related risks and opportunities	Sustainability Report, Climate action: Governance
	Management's role in assessing and managing climate-related risks and opportunities	Sustainability Report, Climate action: Governance
Strategy	Climate-related risks and opportunities the organisation has identified over the short, medium, and long term	Sustainability Report, Climate action: Risks and opportunities
	The impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	Sustainability Report, Climate action: Strategy
	The resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Sustainability Report, Climate action: Strategy
Risk management	The organisation's processes for identifying and assessing climate-related risks	Sustainability Report, Climate action: Risk management
	The organisation's processes for managing climate-related risks	Sustainability Report, Climate action: Risk management
	How processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	Sustainability Report, Climate action: Risk management
Metrics and targets	The metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Sustainability Report, Climate action: Targets Sustainability Report, Climate action: Metrics
	Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks	Sustainability Report, Climate action: Targets Sustainability Report, Climate action: Metrics
	The targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Sustainability Report, Climate action: Targets Sustainability Report, Climate action: Metrics

List of abbreviations

CARA	Clean Air Remote Application
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COO	Chief Operating Officer
CO ₂ e	Carbon dioxide equivalent
DEFRA	Department for Environment, Food and Rural Affairs
EACs	Energy Attribute Certificates
EMEA	Europe, Middle East, and Africa
EPDs	Environmental product declarations
ESG	Environmental, social, and governance
ETI	Ethical Trading Initiative
EU	European Union
GHG	Greenhouse gas
GRI	Global Reporting Initiative
GWP	Global warming potential
HR	Human Resources
IEA	International Energy Agency
ILO	International Labour Organization
ILO-IOE	International Labour Organization and International Organisation of Employers
ISO	International Organization for Standardization
IPCC	Intergovernmental Panel on Climate Change
KPI	Key performance indicator
LCA	Life cycle assessment
NOx	Nitrogen oxides (NO and NO ₂)
OECD	Organisation for Economic Co-operation and Development
OHS	Occupational health and safety
PVD	Physical vapour deposition
SBTi	Science Based Targets initiative
SDGs	Sustainable Development Goals
SOP	Standard operating procedure
SOx	Sulphur oxides (SO ₂ and SO ₃)
TCFD	Task Force on Climate-related Financial Disclosures
UN	United Nations
UNGC	United Nations Global Compact
UNGPs	UN Guiding Principles on Business and Human Rights
VOCs	Volatile organic compounds (e.g. benzene, ethylene)

Independent practitioner's limited assurance report



Independent practitioner's limited assurance report on selected key performance indicators (KPIs) in the Sustainability Report 2025 (including the GHG emissions) to the Board of Directors of Zehnder Group AG, Gränichen

We have been engaged by the Board of Directors to perform assurance procedures to provide limited assurance on the selected key performance indicators (the KPIs) in the Sustainability Report 2025 (including the GHG emissions) of Zehnder Group AG for the period ended 31 December 2025. Our limited assurance engagement focused on the selected KPIs as presented in the Sustainability Report 2025 (the Report) on pages 137 to 233 marked with the symbol .

The selected key performance indicators (KPIs) in the Report were prepared by Management of Zehnder Group AG (the 'Group') based on the guidelines for sustainability reporting of the Global Reporting Initiative, the "GRI Standards" (latest versions). The Group presents its basis of reporting in the section "Our approach to reporting" in the Report on page 137 and on the respective pages where the above-mentioned indicators were disclosed (the "suitable Criteria"). The following selected KPIs were subject to our engagement:

- Environment:
 - [Energy consumption \[GRI 302\]](#)
 - [Water and Effluents \[GRI 303\]](#)
 - [Total Scope 1 and Scope 2 GHG emissions \[GRI 305-1 and 305-2\]](#)
 - [Total Scope 3 GHG emissions \[GRI 305-3\]](#)
 - [Waste \[GRI 306\]](#)
- Social:
 - [Occupational Health and Safety \[GRI 403\]](#)
 - [Training and Education \[GRI 404\]](#)
 - [Diversity and Equal Opportunity \[GRI 405\]](#)
- Governance:
 - [Governance structure and composition \[GRI 2-9\]](#)
 - [Nomination and selection of the highest governance body \[GRI 2-10\]](#)
 - [Chair of the highest governance body \[GRI 2-11\]](#)
 - [Role of the highest governance body in overseeing the management of impacts \[GRI 2-12\]](#)
 - [Delegation of responsibility for managing impacts \[GRI 2-13\]](#)

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- [Role of the highest governance body in sustainability reporting \[GRI 2-14\]](#)
- [Conflicts of interest \[GRI 2-15\]](#)
- [Communication of critical concerns \[GRI 2-16\]](#)
- [Collective knowledge of the highest governance body \[GRI 2-17\]](#)
- [Evaluation of the performance of the highest governance body \[GRI 2-18\]](#)
- [Remuneration policies \[GRI 2-19\]](#)
- [Process to determine remuneration \[GRI 2-20\]](#)

Inherent limitations

The accuracy and completeness of the key performance indicators in the Report (including the GHG emissions) are subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. In addition, the quantification of the indicators is subject to inherent uncertainty because of incomplete scientific knowledge used to determine factors and the values needed to combine e.g. emissions of different gases. Our assurance report will therefore have to be read in connection with the guidelines for sustainability reporting of the Global Reporting Initiative (the "GRI Standards" (latest versions)) used by the Group, its definitions and procedures stated in the section "Our approach to reporting" and on the respective pages where the above-mentioned indicators were disclosed.

Board of Director's responsibility

The Board of Directors of Zehnder Group AG is responsible for the preparation and presentation of the Report in accordance with the suitable Criteria. This responsibility includes the design, implementation and maintenance of the internal control system related to the preparation and presentation of the Report that are free from material misstatement, whether due to fraud or error. Furthermore, the Board of Directors is responsible for the selection and application of the suitable Criteria and adequate record keeping.

Independence and quality management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and relevant independence and ethical requirements as transposed in Switzerland by EXPERTsuisse.

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

1 Independent practitioner's limited assurance report on selected key performance indicators (KPIs) in the Sustainability Report 2025 to the Board of Directors of Zehnder Group AG, Gränichen



Practitioner's responsibility

Our responsibility is to perform a limited assurance engagement and to express a conclusion on the selected KPIs in the Report marked with the symbol . We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) 'Assurance engagements other than audits or reviews of historical financial information' and the International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements ('ISAE 3410'), issued by the International Auditing and Assurance Standards Board. Those standards require that we plan and perform our procedures to obtain limited assurance whether anything has come to our attention that causes us to believe that the selected KPIs in the Group's Report, marked with the symbol , were not prepared, in all material respects, in accordance with the suitable Criteria.

Based on risk and materiality considerations, we performed our procedures to obtain sufficient and appropriate assurance evidence. The procedures selected depend on the assurance practitioner's judgement. A limited assurance engagement under ISAE 3000 (Revised) and ISAE 3410 is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement and therefore less assurance is obtained with a limited assurance engagement than for a reasonable assurance engagement.

We performed the procedures, among others:

- Suitability assessment on the section "Our approach to reporting" including the criteria to determine whether they are appropriate when applied in relation to the disclosures and indicators;
- Reviewing the application of the internal reporting guidelines for the selected KPIs together with the suitable Criteria;
- Inquiries and detailed walkthroughs with relevant stakeholders for the selected KPIs;
- Analytical procedures;
- Reperformance of relevant calculations (including the GHG emissions);
- Additional assurance procedures as deemed necessary (e.g. sample based source tracing);
- Reading of other information to identify and resolve material inconsistencies or material misstatements of facts within the Report (i.e. other than selected indicators);
- Local level procedures (site visits to inspect local processes and reconcile source evidence).

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

Conclusion

Based on the work we performed, nothing has come to our attention that causes us to believe that the selected key performance indicators (KPIs), marked with the symbol , in the Sustainability Report 2025 (including the GHG emissions) of Zehnder Group AG on pages 137 to 233 for the period ended 31 December 2025 are not prepared, in all material respects, in accordance with suitable Criteria.

**Other matter**

The prospective nor retrospective information in the Report of the Zehnder Group AG for the period ended 31 December 2025 was not subject to an assurance engagement. Our conclusion is not modified in respect of this matter.

Restriction of use and purpose of the report

This report is prepared for, and only for, the Board of Directors of Zehnder Group AG, and solely for the purpose of reporting to them on selected key performance indicators in the Sustainability Report 2025 (including the GHG emissions) and no other purpose. We do not, in giving our conclusion, accept or assume responsibility (legal or otherwise) or accept liability for, or in connection with, any other purpose for which our report including the conclusion may be used, or to any other person to whom our report is shown or into whose hands it may come, and no other persons shall be entitled to rely on our conclusion.

We permit the disclosure of our report, in full only and in combination with the suitable Criteria, to enable the Management to demonstrate that they have discharged their governance responsibilities by commissioning an independent assurance report over the selected key performance indicators in the Sustainability Report 2025 of Zehnder Group AG for the period ended 31 December 2025, without assuming or accepting any responsibility or liability to any third parties on our part. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors of Zehnder Group AG for our work or this report.

PricewaterhouseCoopers AG

Thomas Ebinger

Petar Lesic

Lucerne, 23 February 2026

The maintenance and integrity of Zehnder Group AG's website and its content are the responsibility of Management. The work we have performed as the independent assurance practitioner does not involve consideration of the maintenance and integrity of the Zehnder Group AG's website. Accordingly, we accept no responsibility for any changes that may have occurred to the reported selected key performance indicators (KPIs) in the Sustainability Report 2025 (including the GHG emissions) or the suitable Criteria since they were initially presented on the website.

Disclaimer

Disclaimer and cautionary statement

Certain statements in this document are forward-looking statements, including, but not limited to, statements that are predictions of or indicate future events, trends, plans, or objectives of Zehnder Group AG or Zehnder Group (the Group). The Group has based these forward-looking statements largely on current expectations, estimates, and projections about the factors that may affect the Group's future performance, including global economic conditions as well as the economic conditions of the regions and the industries that are major markets for the Group. The words "believe", "may", "will", "estimate", "continue", "target", "anticipate", "intend", "expect", "plan", and similar words and the express or implied discussion of strategy, plans, or intentions are intended to identify forward-looking statements. Forward-looking statements further include statements regarding the Group's targeted ESG targets and metrics, the mentioned KPIs, outlooks, and measures as well as statements, sometimes incorporated by reference, regarding the Group's targeted profit, return on equity targets, expenses, pricing conditions, dividend policy, results, as well as statements regarding the Group's understanding of general environmental, social, governance, economic, financial, and industry market conditions and expected developments. Undue reliance should not be placed on such statements because by their nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results and plans and objectives of Zehnder Group AG or the Group to differ materially from those expressed or implied in the forward-looking statements (or from past results). Factors such as (i) general economic conditions and competitive factors, particularly in key markets; (ii) the risk of a global economic downturn, in the construction industries in particular; (iii) performance of financial markets; (iv) levels of interest rates and currency exchange rates; (v) increased litigation activity and regulatory actions; (vi) costs associated with compliance activities; (vii) the timely development of new products, technologies, and services that are useful for our customers; (viii) our ability to anticipate and react to technological change and evolving industry standards in the markets in which we operate; and (ix) changes in laws and regulations and in the policies of regulators may have a direct bearing on the results of operations of Zehnder Group AG and its Group and on whether the targets will be achieved. Although Zehnder Group AG believes that the expectations reflected in any such forward-looking statements are based on reasonable assumptions, we can give no assurance that they will be achieved. Zehnder Group AG undertakes no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances, or otherwise. It should be noted that past performance or metrics are not a guide for future performance or metrics. Please also note that interim results are not necessarily indicative of full-year results. Persons requiring advice should consult an independent adviser. This communication does not constitute an offer or an invitation for the sale or purchase of securities in any jurisdiction.

THIS COMMUNICATION DOES NOT CONTAIN AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES; SECURITIES MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES ABSENT OF REGISTRATION OR EXEMPTION FROM REGISTRATION AND ANY PUBLIC OFFERING OF SECURITIES TO BE MADE IN THE UNITED STATES MUST BE MADE BY MEANS OF A PROSPECTUS THAT MAY BE OBTAINED FROM THE ISSUER AND THAT WILL CONTAIN DETAILED INFORMATION ABOUT THE COMPANY AND MANAGEMENT, AS WELL AS FINANCIAL STATEMENTS.