

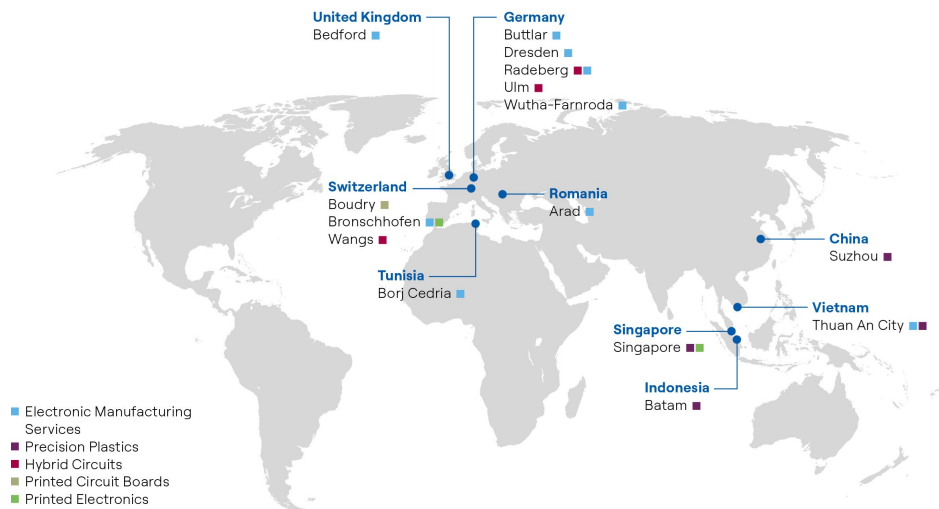


# Sustainability Report

# 1 Sustainability Report 2023

## 1.1 About Cicor

The Cicor Group is a globally active provider of full-cycle electronic solutions from research and development to manufacturing and supply chain management. Cicor and its approximately 2500 employees create value to its customers through the combination of customer-specific development solutions, high-tech components, as well as electronic device manufacturing. The Group, head-quartered in Bronschhofen (Switzerland), operates 15 production sites in Switzerland, the United Kingdom, Germany, Romania, Tunisia, Singapore, Indonesia, Vietnam and China.



Cicor sites as of 31st December 2023

## Mission statement

As an internationally active company with a strong brand, Cicor generates steadily growing value for its customers, shareholders, and employees while offering innovative products and services for a range of technologically demanding applications within the electronics industry. Cicor uses the vast expertise within the company and cooperation across different divisions to keep developing new technologies. The Group strives to be an attractive employer that encourages an open and honest corporate culture.

## Core values

- Intense collaboration and use of synergies
- Passionate and firm commitment to customers
- Meticulous, fast, and disciplined execution
- Resolute in obtaining continuous improvement
- Persistent drive to succeed

## 1.2 Cicor's Value Chain

The development and production of Cicor's electronic solutions involve direct and indirect procurement. Direct procurement includes a wide range of suppliers mainly based in OECD countries as well as some Asian based suppliers. Components and suppliers for products vary between location of production sites especially depending on the production focus of each site. The indirect procurement contains all assets that are necessary for the operations of the Cicor sites: machines, production equipment such as safety equipment for employees, IT hardware/software and office equipment. These are typically locally purchased.

### Services

**Electronic Manufacturing Services (EMS):** Cicor is an international electronics service provider with a wide range of products and services in the fields of printed circuit board assembly, system assembly and box building, switchgear cabinet construction, cable assembly, tool design and fabrication as well as plastic injection molding, Cicor offers outsourcing solutions for the development and manufacture of electronic assemblies and complete device systems.

**Printed Circuit Boards (PCB):** Cicor is a leading PCB manufacturer specialized in sophisticated applications and highly miniaturized circuits. The company develops and produces high-quality rigid, rigid-flexible and flexible PCB's, focusing on high- and ultra-high-density interconnects.

**Substrates and hybrid circuits (Substrates):** Cicor is a leading manufacturer of high-quality thin-and thick-film substrates and hybrid circuits. Thick-film technology is a sophisticated technology for the production of wiring supports that has been used for decades. Thin-film technology is used in cases where the highest levels of miniaturization, high-frequency properties and biocompatibility are required.

### Target Markets

The Cicor Group sells its products to leading companies in the medical, industrial and aerospace & defence, wearables and building technology sectors. However, Cicor generates 84% of its sales in its three target markets (Medical, Industrial and Aerospace & Defence). The main markets are Switzerland and Europe, while Asia and America only account for a small proportion.

In medical technology, technological advances are constantly broadening the range of new, fascinating opportunities for the development and manufacture of electronic devices. As a global outsourcing partner, Cicor Group is responsible for the production of many electronic and plastic components for the hearing aid industry. Additionally, the company develops functional safe control systems for jet ventilation lung respiratory devices with a maximum reliability, stability, and functional safety.

Digital transformation, IoT, rising automation and smart cities need sensors which electronical parts get more complex and miniaturized. Cicor has been supporting its customers in the development and production of complex solutions for industrial electronics and building technology products that meet the high demands of today and tomorrow.

Highly reliable equipment is crucial for mission and life critical applications. Cicor has supported strategic international programs and collaborated with market-leading prime and tier one companies. The company continuously demonstrates the precision of its manufacturing processes and ensures traceability of its products throughout the supply chain.

## 2 Sustainability Strategy Management

### 2.1 Responsibility and commitment

Cicor places a strong emphasis on sustainability across all levels of the company. The corporate strategy, including sustainability is integral part of the Cicor Board of Directors' agenda. Rather than being discussed in a separate committee, sustainability is integrated strategically at Cicor. Results and progress towards sustainability goals are reviewed annually by the Board of Directors and the management. The Board of Directors also oversees and approves the reporting on non-financial aspects and the due diligence in relation to minerals and metals from conflict-affected areas and child labor.

The Annual Report includes the management report, sustainability report, corporate governance report, remuneration report, financial report, and financial statements of Cicor. The sustainability report, which is available as a separate document, contains information about non-financial aspects according to art. 964b of the Swiss Code of Obligations. Responsibility for economic, environmental, and social topics is embedded in the entire management structure, with final reporting line to the board of directors. The Board of Directors is always available to address stakeholder and shareholder concerns; concerns raised at the Annual General Meeting are handled in accordance with the Articles of Association. In 2023, no significant concerns were raised directly with the Board of Directors outside the Annual General Meeting. For more details on the governance arrangements, please refer to the Corporate Governance Report.

Cicor is aware that being a sustainable company is a priority for its customers and stakeholders. The Group recognizes that upholding strong Environmental, Social, and Governance (ESG) values is paramount to its success and goes beyond being just a responsible corporate citizen. The company perceives a comprehensive ESG strategy as a benefit in all its business relationships. Customers' perceptions of Cicor's ESG practices can impact their decision to place orders. Thus, the Group further developed and implemented its ESG and Compliance Strategy in 2023. This included the introduction of a Group Compliance Officer, updating the Group's risks and chances, launching projects to improve Cicor's supplier management, and the implementation of new KPI's as well as a monthly recording of environmental data. Workshops to improve the knowledge and awareness of diverse compliance matters have been held for example at our sites in Wangs and Ulm. Additionally, an e-learning platform will be launched in 2024 to provide all employees easy access to training material on ESG and compliance knowledge. Building on these measures and the advanced understanding of compliance topics gathered throughout the last years, Cicor plans to extend its ESG and Compliance strategy in 2024, with the aim of creating and implementing a comprehensive Compliance Management System covering all ESG topics.

The guiding principles for thought and action at Cicor are meeting customer expectations, ongoing improvement, and fulfilling relevant legal requirements at all times. Thus, Cicor's corporate policy incorporates all three commitments. Following all of these principles requires consistent, high-quality services that use minimal resources and support first-rate safety. Therefore, Cicor's quality policy, environmental

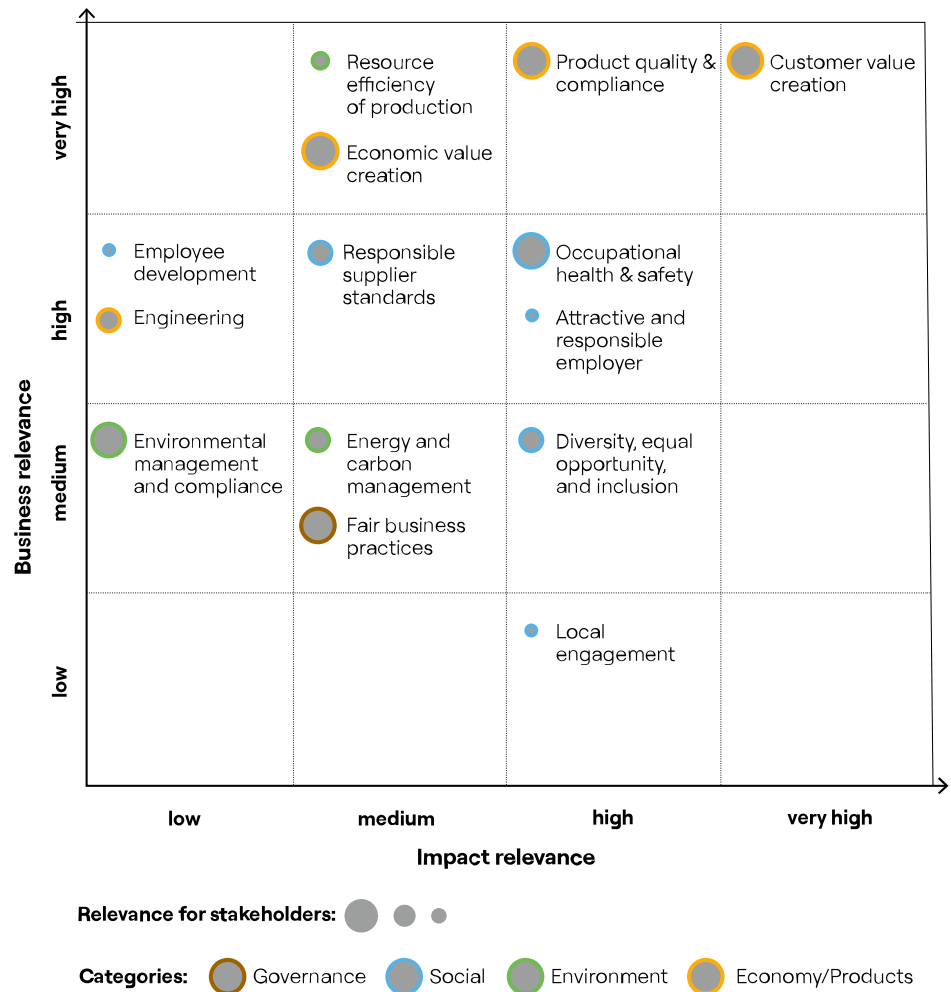
policy, and health and safety policy are equally important components of the corporate policy. The performance in these aspects is how the Group measures its success in meeting its corporate policy.

Cicor also expects its suppliers to mirror its commitment by executing business operations that preserve the environment, contribute to the social wellbeing of the communities in which they are present, and demonstrate accountability and transparency in sustainability performance. Furthermore, the Group seeks partnerships with suppliers dedicated to continuously improving their sustainability programs, and who share Cicor's goals and values. The health and safety of the public should be safeguarded at all times, while any adverse effects to communities, environment, and natural resources must be continually minimized. To this end, suppliers must adhere to appropriate environmental permits and reporting, pollution prevention, waste reduction, hazardous substance management, wastewater and solid waste controls and processes, air emissions controls and procedures, and all applicable laws and regulations regarding materials restrictions. With this shared commitment, suppliers assist Cicor in achieving its sustainable supply chain objectives by continuously delivering price competitive and environmentally sound goods and services.

## 2.2 Material topics

This report has been drafted in accordance with the GRI Standards. As a basis for this sustainability report, a materiality analysis was carried out in 2021. This process started with an analysis that evaluated a wide range of internal (documents, guidelines, directives) and external sources (sustainability standards, industry information, peer analysis). Material topics were those identified by Cicor as relevant for its business success, that have a significant economic, environmental, or social impact, and/or are relevant from the perspective of external stakeholders. The material topics were determined and evaluated in a workshop with Cicor's management. The results of this materiality analysis are depicted in the materiality matrix which was reviewed in the reporting year and its current validity was confirmed.

## Materiality matrix



## 2.3 Stakeholder management

Establishing and maintaining good relationships with all stakeholders is essential for long-term business success. Cicor defines stakeholders as individuals or groups that have an economic relationship with the company and/or are affected by the company’s actions. Within the divisions, stakeholders are identified and prioritized through management reviews, SWOT (strengths, weaknesses, opportunities, and threats) analyses or specific stakeholder analyses as part of the certification processes. The most important stakeholders include customers, employees, suppliers, and shareholders. Cicor regularly exchanges information with all stakeholders to understand the individual needs of each stakeholder group and identify new developments and market requirements in a timely manner. Depending on the group, this contact takes place in different ways and at different levels, while day-to-day communication is the paramount interaction – that is, regular contact with customers and suppliers, and personal discussions with employees to assess satisfaction and wellbeing. The goal of these interactions is to bring business-relevant issues to light.

# 3 Maximizing Economic Potential

## 3.1 Economic value creation

Cicor understands that prolonged planning is only possible when the company is financially stable in the short, medium, and long term. It knows that a strong financial position creates flexibility for strategic decisions. This is accomplished by providing customers with high-value materials that enable Cicor to achieve good margins on manufactured products. Furthermore, Cicor recognizes that efficiency in tooling management will lead to faster setup and production and that increasing productivity will strengthen the capability to produce higher quantities of products without additional capital investment.

Cicor implements a multilevel approach to manage its economic performance. In addition to constantly reviewing prices, Cicor analyses requests for quotes (RFQ) in relation to business segment, technology, and competitive environment. Cicor also ensures that all managers are aware of assets and expenses when making managerial decisions and share information with key managers in monthly meetings. Key Performance Indicators (KPIs) are in place to monitor the economic performance, including measuring sales performance and Earnings Before Interest and Taxes (EBIT). Cicor also compares its actual production output against planned output.

Optimizing processes is a crucial undertaking in creating economic value. Cicor constantly works on operational excellence ideas and holds regular meetings to share knowledge across its sites. In 2023, a monthly reporting of environmental KPI's was implemented on group level to promote a better understanding of how process efficiency can be increased.

## 3.2 Customer value creation

Cicor is a goods manufacturer and service provider, and as such, creating value for its customers is a prerequisite for establishing and maintaining long-term partnerships. Customer acquisition is a crucial component of Cicor's business plan – the company works hard to win customers and projects in the medical, industrial and aerospace & defence sectors, in both production and development phases. Long-term customer retention is then achieved through high product and service quality and close customer contact. Key elements in value creation for customers include having highly qualified employees, using high-quality materials with high availability at the best possible prices, and committing to technological leadership and continuous process optimization.

To maintain Cicor's position as a market leader, creating customer value by boosting customer satisfaction, improving customer experience, providing additional service benefits, and eliminating wasteful processes are all important. Cicor will further strengthen its competitiveness by shortening delivery times, developing a superior supply chain, and pursuing competitive costs for materials.

Cicor implements growth targets to measure and expand its value creation for customers. In order to build close relationships with its customers, the company ensures that customer requests are taken on board and their needs are satisfied. Cicor

attaches great importance to the delivery of goods and services in the agreed quality, quantity, and timing, while continuously obtaining customer feedback and generating appropriate responses.

While Cicor's reaction time continues to be somewhat affected by global issues regarding long lead times for raw materials and availability issues for electronic components, Cicor's services have been maintained without interruption.

Cicor maintains regular alignment with customer requirements throughout the organization by ensuring customer consulting, supplier management, and operational excellence. For example, the production site in Bedford holds purchasing meetings with customers and works with suppliers to align on supply chain objectives. This cooperation not only increased customer loyalty, but also led to cost savings for Cicor and its customers.

Cicor endeavors to solve its customers' challenges by helping to address issues they cannot resolve themselves or by identifying more affordable solutions than they can access on their own. The Group increases customer satisfaction by improving efficiency, reducing costs, and upgrading quality, while respecting the relevant standards and laws and ensuring compliance with regulations and rules.

Cicor pushes for stronger customer relationships with better communication and continuous technology exchanges. This can lead to a greater understanding of customer needs and enables more foresight and flexibility. Additionally, the Group is striving to reach its full potential by improving its business selection and introducing a design-to-manufacture approach. Cicor uses customer input for its innovation and development planning, with a portion of its innovation initiatives focused on novel processes and newly available materials.

Progress in achieving Cicor's customer targets is monitored using KPIs, including on-time delivery (OTD), customer complaints, revenue increment tracking, first pass yield and quality reporting, response time, technical competence, product quality and lead time, as well as an annual customer survey. For example, every year the production site in Arad aims to reduce the average number of customer complaints per month compared to the previous year. In both years, 2022 and 2023, this target was achieved. In Bedford, the rolling twelve-month average for both delivery and quality performance exceeded 99% in the reporting year. This was achieved through customer focus and a culture of continuous improvement. Cicor also takes recommendations from customer audits to improve the company and its services.



### 3.3 Product quality and compliance

Poor product quality harms not only the customer's but also Cicor's reputation. Therefore, delivering high-quality products is a non-negotiable prerequisite for Cicor's competitiveness. Providing superior performance that meets its customers' expectations is crucial. The Group seeks to perpetually expand its know-how and technological capability and develop innovative applications with improved performance from new materials. The Group believes that quality is achieved through optimized processes rather than frequent inspections, and thus has implemented safe and reliable working practices as a way to maintain and improve quality control.

Cicor's customers trust the company to comply with their requirements and specifications, while ensuring that products are produced in compliance to all relevant laws and regulations. In particular, since Cicor is delivering to the medical and aerospace & defence markets, quality is an extremely high priority.

Where possible, Cicor certifies its sites in accordance with international standards such as ISO 9001, 14001, 27001 and 45001 to reassure customers that the company has a well-managed system to ensure high product quality. As part of the certified quality system, all responsibilities are defined and employees must qualify for the required skills, including repeated training within a defined time interval. All of Cicor's processes are documented in detail internally at each site and their compliance is regularly internally and externally audited.

The Group has clearly defined work instructions and processes to comply with specifications, as well as an extensive quality management and approval process in the production phase. Cicor's Integrated Management System provides process descriptions, behaviors, and responsibilities assigned as per a RACI matrix (Responsible, Accountable, Consulted, and Informed). Policies and processes for the handling of chemicals and hazardous substances according to the European Union REACH regulation (Registration, Evaluation, Authorization and Restriction of Chemicals) and RoHS directive (Restriction of Hazardous Substances in Electrical and Electronic Equipment), conflict minerals and other regulated substances are also implemented.

Materials are purchased from authorized sources with quality guarantees. The Group fosters a strong network of material suppliers to maintain its place at the cutting edge of the latest technical trends.

The Group verifies that its product quality and compliance are managed effectively with a series of KPIs, including defect rates, number of complaints, and non-quality cost. For some product certifications there are periodic third-party audits. Moreover, suppliers are rated by key customers using a scorecard that covers all relevant business parameters such as pricing, OTD, technical support, and innovation.

Cicor holds monthly management meetings, during which KPI achievement according to ISO 9001/13485 certifications and customer audits are assessed.

## 3.4 Engineering

Engineering is of fundamental importance to the Cicor Group. Around 200 well-trained engineers with interdisciplinary skills work on customer projects, making the engineering department a unique selling point of the company. In many cases, a need for engineering is the starting point for a customer relationship with Cicor. Cicor's engineers support the Group's customers in the areas of hardware and software engineering, printed circuit board (PCB) layout and component selection, test engineering, tool design, printed electronics, and process and quality management throughout the entire product life cycle.

Usage of green technology or the degree of energy efficiency depends largely on the product design, which is specified exclusively by Cicor's customers. However, Cicor's manufacturing approach in close engagement with customers enables the company to positively influence the manufacturability of the products and their production efficiency. Cicor chooses technologies and production methods that use fewer valuable resources, reduce material consumption, and minimize waste generation, such as the miniaturization of circuits or using one rather than multiple types of coating material to reduce the number of types of chemicals used in production. In addition to decreasing the use of these materials, the Group also reduces dross and reprocessing cost. The implementation of requirements such as energy efficiency and green technology is verified at the customer project level.

The Group's interdisciplinary teams drive forward the implementation of state-of-the-art technology. Cicor constantly evaluates new process materials and methods and fosters continuous improvement programs to reduce scrap rates, increase yield and first pass yield rate, and decrease the amount of wasted materials. As responsibilities and processes are defined during the development phase, the requirements and standards are identified by the customer and are largely their responsibility. However, in addition to this, Cicor conducts in-depth verification of engineering requirements.

For innovation projects, Cicor undertakes milestone planning and monitoring. In the reporting year the pipeline for engineering projects was well-filled, and thus many products were developed and improved. Cicor has noted that its customers' requirements for energy efficiency are increasing, especially in connection with the Internet of Things (IoT) and digital networking worldwide.

# 4 Minimizing Environmental Impact

## 4.1 Energy and carbon management

The usage of non-renewable energy is associated with considerable carbon emissions and thus contributes greatly to global warming. As a company with high energy consumption, the Cicor Group is aware of its impact on the environment and the resulting responsibilities and obligations. Reducing greenhouse carbon emissions not only fulfils customer requirements but also affects the company's reputation within the industry. Increasing the company's energy efficiency and thus reducing energy consumption and CO<sub>2</sub> emissions also positively affects procurement costs.

Besides reputational damage, potential carbon emission levies on procured energy feature a risk for Cicor's business. The Group has a number of policies and measures in place, to build resilience and to maintain competitiveness compared to other technology providers. The Group establishes responsibilities, provides guidance on reviewing energy consumption, and formulates standards and norms for energy procurement.

### Improving energy and carbon efficiency

Cicor envisions to reduce its climate impacts on multiple fronts simultaneously. In particular, purchasing energy from certified renewable sources is at the heart of Cicor's decarbonization strategy. Among its initiatives, the Group is also replacing outdated, low-efficiency equipment, invests in modern, high-efficiency production lines, and maximizes the energy efficiency of buildings by regularly maintaining lighting, ventilation and cooling systems, and by using natural light optimally. Another pillar for reducing the Group's environmental footprint is the extension of in-house electricity generation. In 2023, photovoltaics plants were installed on the rooftops of the sites in Arad and Thuan An City. Furthermore, the Wangs site will pursue the installation of an additional solar farm on its rooftop in 2024.

Overall responsibility for energy and carbon management lies with the maintenance and production manager (site manager). The Group tracks its energy and carbon management through specific KPIs, including the consumption of energy. In 2023, Cicor implemented the monthly consolidation of environmental data on group-level. In this way, the Group more closely monitors its carbon emissions and its performance in energy consumption to pave the way to execute an extended Corporate Carbon Footprint Accounting (CCF) for the first time in 2024 as part of the CSRD reporting.

### Environmental performance

Cicor collected data about the electricity consumption and fossil fuel combustion for heating purposes of all its sites for the years 2022 and 2023. The measures implemented to increase the share of renewable electricity prove to be gradually improving. In 2023, almost 20% of electricity was procured from regenerative sources according to our site's declarations. Cicor uses mainly natural gas to keep its facilities at ambient temperature, but also works with a significant portion of district heat. While the absolute consumption and emission values remain largely constant in 2023 compared to 2022, Cicor was significantly more productive. This mirrors in a 24% increased revenue in 2023 compared to 2022. The Scope 1 and 2 carbon intensity of

the Group's operations was thus significantly reduced from 38 tCO<sub>2</sub>e/Mio. CHF revenue to 31 tCO<sub>2</sub>e/Mio. CHF.

<b>Environmental Performance Indicators<sup>1)</sup></b>	<b>2023</b>	<b>2022</b>
<b>Energy consumption in MWh</b>	<b>30 538</b>	<b>31 255</b>
<b>Electricity</b>	<b>26 031</b>	<b>27 187</b>
of which from renewable sources	19%	17%
<b>Heat<sup>2)</sup></b>	<b>4 507</b>	<b>4 068</b>
Natural gas	2 800	2 809
District heating	1 414	880
Heating oil	142	47
LPG	83	234
<b>Total GHG Emissions in tCO<sub>2</sub>e<sup>3)</sup></b>	<b>11 963</b>	<b>11 909</b>
<b>Scope 1</b>	<b>641</b>	<b>655</b>
Combustibles	641	655
<b>Scope 2</b>	<b>11 322</b>	<b>11 254</b>
Electricity <sup>4)</sup>	11 068	11 104
District heating	254	150

<sup>1)</sup> The Environmental Performance Indicators cover all 15 production sites and Cicor's headquarters in Bronschhofen.

<sup>2)</sup> The Bedford site's heat consumption is excluded due to the lack of data availability.

<sup>3)</sup> Calculations in accordance with the WRI/WBCSD Greenhouse Gas Protocol guidelines. Scope 1: GHG emissions from combustibles (natural gas, heating oil, and LPG). Scope 2: GHG emissions stemming from the production of electricity and district heating. Sources for emission factors: DEFRA & IEA

<sup>4)</sup> Greenhouse gas emissions associated with the production of electricity were accounted for in accordance with the 'location-based approach' according to the Greenhouse Gas Protocol Scope 2 standard.

## 4.2 Resource efficiency of production

Cicor is aware of the negative environmental effects of disposing waste in landfill dumpsites as well as the emissions associated with incineration. Negligent pollution would lead to reputational damage. As a company generating hazardous waste in significant proportions, the Group strives to continuously improve its resource efficiency through reduction of material consumption, reuse of scrap and recycling of waste. Besides reducing the environmental impact, resource efficiency helps minimize production costs.

### Minimizing impacts

Cicor manages its production processes to improve efficiency, with several performance initiatives in place. The Group implements new technologies, minimizes material consumption, lessens technological scrap, optimizes stocks, and strictly monitors the expiration dates of received materials and chemicals. The company aims to actively influence the transition to a sustainable future by implementing the usage of renewable resources where possible. Cicor promotes the circular economy by selectively collecting waste for recovery or recycling and also recycles electronic parts for its customers under contractual agreement. The Group uses recycled raw materials for injection molding (excluding automotive and medical parts) and sells waste, including unused packaging materials and scrap metal. Cicor has further implemented processes for waste reduction in accordance with ISO 14001 across the entire Group. The effective usage rate of raw materials is greater than 98%, while molding yield is more than 99%. As an example, in cooperation with the World Resource Company (WRC), the production site in Boudry has developed and introduced a copper sludge recycling process with a greatly reduced carbon emission footprint in 2022. In addition, wastewater treatment was fully internalized, and the recycling of plastic waste was driven forward.

Furthermore, Cicor's operational excellence program, which aims to increase resource efficiency, was implemented globally at all production sites. This includes the introduction of a monthly monitoring system of key figures on water consumption, waste and scrap generation, waste treatment, and productivity at site level, allowing the Group's performance to be tracked closely.

### Waste and water management

The total waste amount generated in Cicor's operations increased slightly in 2023 compared to 2022 from 926 t to 963 t. Considering the growth of the company and its production volume this is not surprising.

Resource Efficiency Performance Indicators <sup>1)</sup>	2023	2022
<b>Waste in metric tons</b>	<b>963</b>	<b>926</b>
<b>General waste</b>	<b>734</b>	<b>690</b>
Incineration	149	111
Landfill	12	8
Recycling	573	572
<b>Special Waste</b>	<b>229</b>	<b>236</b>
<b>Water consumption in cubic meters</b>	<b>77 432</b>	<b>82 185</b>

<sup>1)</sup> The Resource Efficiency Performance Indicators cover all 15 production sites and Cicor's headquarters in Bronschhofen.

## 4.3 Environmental management and compliance

The Cicor Group is aware of the importance of environmental management in two respects: Not only does Cicor aim to make a contribution to a low-emission future, but the Group also strives to avoid the financial and reputational consequences of non-compliance with international and local laws and regulations and public expectations. As a company with a high energy consumption due to electroplating and other energy-intensive chemical processes, Cicor recognizes its responsibility to monitor and reduce its environmental impact. From a business perspective, management of Cicor's environmental footprint reduces costs by saving energy and differentiates the company from its competitors, increasing its attractiveness for investors, customers, and potential employees.

### Certified management approaches

The Group's main concept to ensure effective and compliant environmental management across its individual sites is alignment with renown international certification standards. In recent years, Cicor has progressively managed to address its site's environmental impacts in line with ISO 14001. The Group heeds the associated criteria by acting in accordance with legal requirements, assessing results with audits and improvement programs where new objectives are specified. Following the ISO guidelines, Cicor identifies its environmental impacts and controls them through its operations, in addition to pinpointing any risks and emergency situations that could arise. Cicor has instilled a culture of establishing objectives and defining roles, responsibilities, resources, and competencies, as well as authorities.

### Advances beyond certification

The group aligns its communication and the development of new as well as the revision of existing policies with these norms. In addition, Cicor envisions to improve its environmental management and compliance beyond the existing initiatives and practices in order to meet increasingly stringent environmental laws and regulations to remain fully compliant with all legal requirements. For this purpose, the Group cultivates a company culture of continual communication, training and awareness raising on this topic. In 2023, there were no environmental violations identified.

Some production sites have a zero environmental accidents objective. The site in Boudry, for example, is adhering to the OPAM law (Ordonnance sur les accidents majeurs) and the federal program of energy monitoring and saving, in addition to submitting an official annual report to its local environment authorities. The site in Boudry employs a health and safety and environment engineer and two full-time equivalents (FTEs) in its wastewater treatment facility.

Cicor uses KPIs to monitor its environmental management and compliance. KPIs include the number of sanctions from local authorities for environmental infractions, compliance rate with legal obligations, and waste recovery fulfilment rate. Audits are executed and their results evaluated. Further monitoring is accomplished through inspections and test results from suppliers.

# 5 Incentivizing Employees and Productivity

## 5.1 Attractive and responsible employer

As a company operating in a market that continues to grow with digitalization and automation, Cicor offers stable jobs and a healthy working environment. The Group places significant emphasis on creating value for its employees in order to maintain a talented workforce and attract new employees to satisfy its needs as a growing company. In particular, the Group has developed a workforce strategy to counter the shortage of qualified specialists on the labor market that poses a major challenge for the entire industry. This increases Cicor's competitiveness and resilience, both in the labor market and at site level, and counters knowledge loss by reducing employee turnover.

At the heart of Cicor's workforce strategy is improving the capabilities and maximizing the potential of its employees. Furthermore, Cicor recruits from diverse backgrounds to ensure a constant flow of new ideas, creativity, and experience, striving to cultivate a competent workforce with the ability to innovate, respond to change and build on opportunities. The workforce strategy is set out in internal documents that stipulate the strengthening of Cicor's attractiveness as an employer through the implementation of the following concepts in particular: Structured integration programs for new employees, promotion of employees' individual professional development, freedom of work planning for employees through flexible working hours and the option of remote office work, and attractive and fair salaries.

### Fair working conditions

A second crucial pillar, strengthening fair and healthy working conditions at Cicor, has been further promoted by starting to implement a corporate social strategy focusing on equal opportunities, diversity, health, and wellbeing for all employees of Cicor Group. As part of this process, the Cicor Integrity Line was implemented in 2023 to provide every employee and stakeholder of Cicor with the possibility to anonymously inform the Group of misconduct against our Code of Conduct and our ethical standards.

The individual sites operate with strong effort to implement the concepts associated with these strategies. In 2023, the site in Wangs for example has introduced new personnel regulations that offer more vacation days and more flexible working hours. The sites in Bedford, Radeberg, and Dresden initiated annual employee surveys to measure the annual progress of employee satisfaction. At group level, Cicor developed a strategy to strengthen employer branding, the first implementation of which is planned for 2024. This will also entail a data evaluation to measure their effectiveness.

As a consequence of Cicor's efforts to provide attractive working conditions, the corporate collection of employee data reveals an employee turnover of only around 8% across the sites, a number falling below industry average for manual workers. Simultaneously, Cicor's workforce has grown compared to 2022 by 19%, with a

reasonably even distribution pattern over gender and age groups, and with 60% of employees being covered by collective bargaining agreements. In 2023, 62% of the Group's employees worked in European countries, 33% on the Asian continent, 4% were located in Africa, and two sales people operate from the U.S.A.. Cicor does neither employ workers with non-guaranteed hours contracts nor control business activities of any workers who are not in an employment relationship with the company.

Composition of Workforce <sup>1)</sup>	2023 <sup>2)</sup>			2022 <sup>3)</sup>		
	Male	Female	Diverse	Male	Female	Diverse
<b>Workforce by employment contract</b>	<b>1 161</b>	<b>1 444</b>	<b>1</b>	<b>972</b>	<b>1 213</b>	<b>1</b>
Permanent	949	1 010	1	793	837	1
Temporary	212	434		179	376	
<b>Workforce by employment type</b>	<b>1 161</b>	<b>1 444</b>	<b>1</b>	<b>972</b>	<b>1 213</b>	<b>1</b>
Full-time	1 098	1 326	1	933	1 140	1
Part-time	63	118		39	73	
<b>Workforce by category</b>	<b>1 161</b>	<b>1 444</b>	<b>1</b>	<b>972</b>	<b>1 213</b>	<b>1</b>
Operations	767	1 212	1	672	1 026	1
Engineering & Development	194	35		162	32	
Marketing & Sales	67	41		56	33	
Purchasing	27	52		19	47	
Finance & Controlling	15	46		15	41	
Administration (HR, IT, etc.)	91	58		48	34	

<sup>1)</sup> Data on workforce covers all of Cicor Group's sites if not stated otherwise. Numbers shown are head count by Dec. 31, 2023.

<sup>2)</sup> Compared to 2022, the indicators for 2023 additionally contain the employees of the sites Wutha-Farnroda/Buttlar and Borj Cedria.

<sup>3)</sup> Wangs not included.

Additionally, some Cicor sites monitor KPIs such as the number of applications, interview-to-hire ratio, and time-to-hire, and evaluate employees annually on absenteeism. Sites also ask resigning employees to answer a questionnaire that identifies areas for improvement. Cicor works on a system of flat hierarchies, with decision making in recruitment shared by team leaders, department heads, division heads, management, and human resources.



## 5.2 Employee development

Employee development is an underlying priority throughout the Cicor Group. Most locations have aligned training with corporate objectives in order to minimize the risk of losing technological competitiveness. This enables Cicor to keep pace with emerging trends in the field of high-tech development and production. As qualified employees are crucial to the Group's success, focusing on employee development ensures know-how is maintained and implemented across new projects. Cicor also knows that employee development increases its versatility and its ability to function as a flexible and agile company. The Group further looks to spread specific expertise more widely across the organization to achieve improved resilience to employee fluctuation. This helps Cicor fulfil business requirements and enables employees to get involved in different areas of the company and expand their skills. With this business strategy that focuses strongly on employee development, Cicor not only generates value for itself, but also contributes to a competent workforce in the labor market.

### Retaining and broadening knowledge

Cicor is aware that the demands on its employees are increasing and that regular training and broad knowledge in diverse disciplines is necessary. This is most apparent in the fields of medical and aerospace & defence, although it is also relevant in other regulated areas. In particular, staff are retrained each year in the tasks they currently perform to refresh their knowledge and update their skills. The Group also offers training programs for all internal processes. In 2023, at the Wangs and Ulm sites, for example, Workshops on Compliance topics were offered to new and current employees accompanying regular yearly sessions for professional updates. Seeking to generate flexibility, Cicor further trains its staff on different activities by offering a number of cross-functional training courses. In Arad and the Bedford production site for example, employees are trained for various activities and processes outside their actual field of activity. Additionally, the Group financially supports external courses in the cases where new skills will reinforce employees' capabilities within their roles. The Group also institutionalized the exchange of individual employees among specialist areas in manufacturing, helping to identify talents and promote wide-ranging expertise. Cicor plans to extend this strategy with a group wide learning management system (LMS) in 2024 and 2025.

### Promoting future leaders

Cicor further recognizes that employee development is key to motivate its workforce – employees tend to remain with a company that values them and helps them grow. To improve the management of this topic, leadership instruction is provided also to medium and lower management levels. Cicor's human resources and department managers create yearly employee development plans, taking into account goals identified in annual staff reviews, while also promoting overall employee development across the board. Across the entire company, employees are given equitable opportunities to be considered for training and development based on their abilities and needs, helping them reach their full potential.

Cicor's continuous business success is testament to the effectiveness of its concepts and measures in place. Nevertheless, the Group's employee development efforts are evaluated through regular internal and external audits.

Beyond the boundaries of the organization, some departments of the Group provide training courses for students in particular activities related to electronics production and development. Additionally, Cicor subsidizes technical college education and postgraduate degrees when in alignment with the company's current needs.

## 5.3 Occupational health and safety

In most countries, high legal requirements are placed on the protection of employees with regard to health and safety and society's expectations regarding these issues have grown considerably in recent decades. Manufacturing processes at Cicor are highly diverse and most sites pursue operations featuring significant specific health and safety risks. In particular, the Sites in Wangs, Ulm, and Boudry operate processes involving chemicals with high health hazards to the respiratory system. Therefore, active management of the topic is required to prevent damage to Cicor's employee's health and avoid the consequences of non-compliance with the respective laws and expectations. Illness and accident-related absences jeopardize the company's productivity. Also from a business perspective, the occupational health and safety of the workforce is of the utmost importance to the Cicor Group. This includes the health and safety of Cicor's employees, as well as visitors. The Group has created a safe working environment and recognizes that caring for the health and safety of its staff not only helps retain its workforce but also offers a more attractive working environment for potential employees.

### Cicor's comprehensive health and safety approach

Cicor's goal is to have zero working accidents or occupational illnesses. The Group aims to supply every necessary means and resource to ensure the health and safety of collaborators and contributors. Besides adhering to applicable government health and safety laws and regulations, Cicor's own health and labor safety policy, quality and environment standard operating procedures, health and safety programs as well as production safety officers support the careful occupational health and safety management. On a decentralized level, most sites have a safety committee and a chairman appointed by management to oversee safety aspects. Moreover, at some sites, an additional health and safety task force has been set up. To further encourage employees' commitment to occupational health and safety and continued engagement around the topic, the workers' union is part of the health and safety committees. The responsibility for maintaining health and safety across the Group falls on the quality department, maintenance department and HR. However, every collaborator and contributor has a duty to support and advocate for all health and safety measures.

Risks and hazards are identified and controlled throughout operational health and safety documentation, including specific work instructions, training, and clarification of special personal safety equipment to be worn. Health and safety practices of Cicor include preventing exposure to hazardous substances, mandatory checks on air, water, noise and lighting, verification for special equipment such as pressure tanks, lifters, and cranes, as well as fire detection and fighting.

## Health and safety training

Cicor believes occupational health and safety can be maintained and improved through communication, training, and awareness. The Group enlists an external safety consultant, organizes staff training, issues protective equipment where necessary, arranges regular occupational health and safety meetings, and provides a medical service for its staff. Employees have the opportunity to receive periodic medical consultations from an external company contracted by Cicor. As required by each site's individual safety guidelines, all new staff are given a safety orientation, daily safety inspections are conducted, and general awareness is imparted through yearly safety training. The options and accessibility of trainings will be further improved by the implementation of a Group-wide e-learning platform in 2024. The Group also runs monthly health and safety campaigns. Health and Safety incidents are noted in the "dangerous situations and hazards report", and each record is analyzed and treated as part of a continuous improvement action plan.

## Emergency and safety strategies

Emergency management is covered with an emergency response Group. Trained first aiders and/or safety managers, as well as one defibrillator, are in place on each site, and simulations are carried out to ensure emergency preparedness and response.

In Arad, internal health and safety committee meetings are held every six months, which gives employees an opportunity to report dangerous situations and involves them in the implementation and development of the health and safety management system. Employees can also use a suggestion box as needed to report hazardous circumstances. In Batam, an escalation chart is available for reference if an unsafe situation emerges. When an abnormal situation is identified, employees can then feed this information back to the Safety Officer. Furthermore, the Batam site also offers instruction on personal protective equipment (PPE). Cicor's comprehensive health and safety measures have allowed certification of the production sites in Arad, Batam, and Boudry according to ISO 45001.

## Effectiveness of Cicor's health and safety management

Cicor monitors its management of occupational health and safety via internal audits and specific KPIs. Regular KPI assessments include health and safety incidents, occupational illness occurrence, internal health and safety non-conformities, rate of adherence to legal requirements, occupational accidents, hazards spotted, and hazards treated. Zero fatalities were recorded over the last two years. In 2023, work-related injuries remained at a low level (13 per 1000 full-time equivalents). Simultaneously, the incidents appeared to be less severe (58% reduced lost workdays per injury).

Key occupational health and safety figures	2023	2022
Fatalities	–	–
Injuries <sup>1)</sup>	33	16
per 1000 FTEs	13	8
Lost work days due to work-related injuries <sup>1)</sup>	155	129
per 1000 FTEs	61	66
Lost work days due to illness	27 782	16 968

<sup>1</sup> The sites of Boudry, Bronschhofen, and Bedford included non-occupational injuries in the 2022 declaration. The numbers for 2022 were thus adjusted to include only work-related injuries for the 2023 sustainability report.

Furthermore, the Group tracks the number of complaints and sanctions about occupational health and safety violations and has instigated a monthly inspection report to gauge the effectiveness of Cicor's initiatives. The Group organizes a bimonthly labor incident monitoring report and works toward continuous improvement of its action plan and safety training matrix. Additionally, a survey is conducted every two years with all Cicor's employees to evaluate potential to further develop its occupational health and safety concepts.

## 5.4 Diversity, equal opportunity, and inclusion

The Cicor Group strongly upholds the values of diversity, equality of opportunity and inclusion. The Group fosters an inclusive culture that respects people's differences, promoting a healthy work environment and offering everyone a chance to excel in their given role. This supports the employees' personal and professional development and contributes to their satisfaction and well-being in the workplace. Cicor has been making continuous efforts to promote a diverse and inclusive workforce and combat discrimination. Thus, the Group does not have to fear negative publicity, which might lead to a failure to attract or retain key talent and ultimately result in financial losses for Cicor.

### Fair hiring policy

According to Cicor's values, employees must be recruited solely on the basis of merit—namely, their skills, experience, and ability to perform the job, regardless of sexual orientation, age, race, gender, religion, marital status, family responsibilities or disability. By hiring fairly and based on merit, Cicor has access to a wide pool of candidates for vacancies. While a policy to foster this fair hiring culture is currently only in place at the Bedford site, concept is being rolled out across the entire Group. Indeed, hiring in 2023 was relatively even between males (54%) and females (46%). Naturally, candidates between 30 and 50 years of age were recruited most frequently (51%) compared to younger (33%) and older (16%) applicants as Cicor depends strongly on technology specialists with a high level of education and experience. Cicor believes that an inclusive workplace centered on good communication causes every employee to feel valued at work.

Diversity of Cicor's workforce by gender and age group	2023	2022
<b>Workforce by gender</b>	<b>2 606</b>	<b>2 186</b>
Male	1 161	972
Female	1 444	1 213
Diverse	1	1
<b>Workforce by age</b>	<b>2 606</b>	<b>2 186</b>
< 30	791	694
30-50	1 202	1 036
> 50	613	456

Cicor employs around 55% women while middle-aged employees make up slightly less than half of the workforce. Cicor's commitment to a diverse workforce is also reflected in the way the board of directors is composed with 50% male/female members. The diversity of the Board of Directors as well as the Executive Committee is shown in detail in the Corporate Governance Report.

## Combating discrimination

To safeguard its employees, Cicor's Code of Conduct has been updated in 2022 with new company rules and guidelines that integrate equity, respect, and equality, and condemn any kind of discrimination. In 2023, Cicor implemented a group-wide whistleblower hotline, the Integrity Line. As a result of these continued efforts, there were no incidents of discrimination based on sexual orientation, race, color, gender, religion, political opinion, or the like, in 2022 and 2023. Another indication of fair and respectful work conditions at Cicor is the evenly distributed fluctuation of the Group's workforce across gender and age groups.

Fluctuation by gender and age group <sup>1)</sup>	2023
<b>Total by gender</b>	<b>8%</b>
Male	8%
Female	8%
<b>Total by age</b>	<b>8%</b>
<30 years	8%
30-50 years	8%
>50 years	7%

<sup>1)</sup> The fluctuation is calculated as the ratio of departures regarding the workforce. The calculation methodology has been changed compared to the previous year. Thus, the values cannot be compared.

## Advancing the social standards at Cicor

The responsibility for equal treatment of all employees lies with Cicor's top-level management. The Group's management seeks ideas from staff on how to further improve the working culture and environment and encourages them to raise issues or make suggestions. Cicor has an open-door policy to hear and address staff concerns and open feedback is continually received from employees in the form of emails or verbal communication. Accompanying the Integrity Line, Cicor plans to send out an anonymous questionnaire focusing on social topics to all employees in 2024. The goal is to receive meaningful feedback enabling the further development of the social strategy.

# 6 Creating Value beyond the Business

## 6.1 Responsible supplier standards

As is typical in the high-tech sector, Cicor's supply chain is complex, global, and multi-tiered. In 2023, the Group procured a broad variety of goods and services specific to the individual sites of the company (for more information see the chapter "supply chain overview"). This inevitably demands proactive management and presents a major challenge to assess and ensure compliance at all levels. In particular, ethical and social issues in the supply chain, such as child labor, forced labor, human trafficking, and environmental exploitation, can have severe legal, financial, and reputational consequences. Additionally, dependence on suppliers that do not meet responsible standards also poses a risk of supply chain disruption, a serious threat to the company's own productivity. Thus, Cicor makes every effort to uphold responsible supplier standards by taking appropriate precautions at the earliest stage with a supplier assessment form on Cicor level and a supplier self-assessment to mitigate potential risk to stakeholders.

Supplies from authorized sources help Cicor achieve its quality ambitions, with suppliers conducting failure analysis and taking corrective actions should a defect occur. The Group knows that testing, on-time delivery, and good-quality supplies are critical to meet customers' expectations and to experience fewer product rejections. Cicor also values reliability and openness of its suppliers, with the goal of forging long-term business partnerships. Since finding new sources is a costly process, strengthening relationships with sustainable suppliers is good practice.

## Supply chain overview

High-quality production is at the core of the Cicor Group's products. Across the group's fifteen sites, responsible standards are imposed on all supply chains. The following table provides a breakdown of each site's individual supply chain:

Site	Approach / Procured Goods	Number of Suppliers	Supplier Location Distribution
Arad, Romania	The site manages around 20000-part numbers for raw materials for electronic components, PCBs, and metal and plastic mechanical parts. Manufacturers for the electronic components are chosen by the customer from the authorized vendor lists (AVL).	~ 500	Based on purchase volume: Europe: 85 % Asia: 10 % North America: 5 %
Batam, Indonesia	The site purchases directly from suppliers that manufacture and sell the raw materials. All direct material purchases come from outside Indonesia.	> 640	Suppliers are primarily located in Asia, Europe, North America and Australia
Bedford, United Kingdom	The site is a build-to-print manufacturer. Its procurement strongly depends on component decisions of customers who are market leaders in the defence and aerospace industry	~ 150	Europe: 89 % North America: 10 % Asia: 1%
Boudry, Switzerland	The site oversees multiple subcontracting steps for surface treatments during the manufacturing process of PCBs. The supply chain consists of inbound and outbound transportation management and requires intense oversight.	~ 100 (including direct and indirect, subcontracted, suppliers)	Direct suppliers are primarily located in Europe and USA
Bronschhofen, Switzerland	The site functions as a contract manufacturer, and as such, buys raw materials to produce, test and deliver semi-finished and finished goods according to customers' bill of materials (BOM).	~ 400	Europe: 60 % (70 % CH / 30 % EU) Asia: 30 % North America: 10 %
Radeberg and Dresden, Germany	The sites produce electronic components for service-mount devices and chip and wire, PCBs, mechanical parts, thick film inks and ceramic substrates. The sites mainly purchase through distributors. As the sites focus on special technologies, the selection of possible suppliers is limited.	~ 400	Europe: 85 % North America: 10 % Asia: 5 %
Singapore	The site manufactures injection molds. It mainly purchases steel for the injection molds and plastic granulate for mold tests.	< 10	Singapore: 100 %
Suzhou, China	The site provides high-end precision injection parts, molds and assembly products. To ensure a stable quality of raw materials, the site purchases from globally leading plastic particle manufacturers and purchases from distinguished steel suppliers.	> 25 major suppliers	Based on purchase volume: China: 90 %
Thuan An City, Vietnam	The site buys materials from the customers' bill of materials. Whenever possible, electronic components are purchased from	Number of suppliers: > 150	Asia: 60 %

	accredited distributors offering specified brands with competitive pricing. If availability is limited or lead times are too long, the site buys from brokers upon clearance from its customers.		Switzerland: 10 %
Ulm, Germany, and Wangs, Switzerland	The sites source standard raw materials mainly from three suppliers. Other components are purchased from various suppliers.	~ 150	Ulm: Europe: 80 % North America: 15 % Japan: 5 % Wangs: Europe: 80 % North America: 15 % Japan und Taiwan: 5%
Wutha-Farnroda/Buttlar, Germany and Borj Cedria, Tunisia	The sites function as contract manufacturers, and as such, buy raw materials to produce, test and deliver semi-finished and finished goods according to customers' bill of materials (BOM).	~ 200	Europe: 70% Asia: 20 % North America: 10%

## Supplier commitment

The Group knows that maintaining the highest quality standards requires great attention to establishing a sustainable supply chain in the short-term, and thus actively engages its suppliers on this front. As a conceptual basis, the Group contractually asks its strategic suppliers to adhere to the Group's Code of Conduct which is shared with suppliers during the on-boarding process. The Code of Conduct is publicly available on the Group's website for consultation. The Code contains general social, ethical, and environmental criteria for suppliers. In particular, it establishes commitment to several human rights topics according to the United Nations Declaration, implements the core work standards from the International Labor Organization, and stipulates the handling of natural resources in accordance with the principles of the Rio Declaration. Cicor further requests that its suppliers possess and implement their own Codes of Conduct, which many top suppliers already have in place. To the best of the Group's knowledge, no supplier violated Cicor's Code of Conduct in 2022 and 2023.

Lastly, the Group works on the development of a supplier code-of-conduct to provide its suppliers with further insights and details about the company's core values and Cicor's expectations of its suppliers' commitments.

## Risk assessment and monitoring

As set out in Cicor's Compliance and ESG Strategy, the group has started to implement a standardized compliance assessment in 2023, which it will continuously expand and improve. This entailed the implementation of IntegrityNext by the end of 2023. The tool builds the basis for assessing supply chain risks according to a standardized three-step compliance screening.

First, Cicor has an established system to categorize suppliers according to the role the supplied goods play within the company. Group A and B suppliers, for example, deliver materials and services that influence the quality of Cicor's products. Goods that are relevant to the health, safety, or environmental impacts of Cicor's products are procured from group A members. Suppliers of category C are mostly local to the purchasing site and its supplies are not used in any production processes. In the second step, an abstract analysis of every individual supplier in terms of regional and industry risk potential is conducted for a variation of social, environmental, and ethic



topics via IntegrityNext. The Group further collects extensive self-assessment data from suppliers through comprehensive questionnaires. By the end of 2023, information from a total of 1325 suppliers belonging to the categories A and B have been uploaded to the tool and will be updated on an annual basis. Lastly, IntegrityNext offers the possibility to track critical news on different media platforms in a consolidated overview to complement the abstract and subjective views with an outside perspective and giving the company the chance to proactively screen its suppliers and contact them directly in case of a critical news alert. The combination of these three pillars should support Cicor during 2024 to actively identify risk potentials and uncover any cases of conduct against the core values of the company.

Cicor yearly evaluates its suppliers, resulting in more business for the partners that successfully adhere to the Group's standards and termination or reduced orders for those that do not. Cicor gauges its responsible supply chain performance through indicators such as lead time and payment terms, supplier management, supplier on-time delivery, and supplier rating and ranking.

## Due diligence assessment

In the reporting year 2023, Cicor reviewed the due diligence obligations regarding child labor and conflict minerals and metals in accordance with the newly applicable Swiss law pursuant to Art. 964j et seq. CO. For the production sites in Switzerland in particular, it was determined that for the reporting year 2023 Cicor is exempt from the due diligence and reporting obligations regarding conflict minerals. The examination with regard to child labor concluded that there were no reasonable grounds to suspect child labor in the reporting year 2023 and that Cicor is exempt from the due diligence and reporting obligations regarding child labor for the reporting year 2023.

## Responsible action

To ensure that Cicor continues to avoid human rights violations, child labor, as well as any other unethical or noncompliant behavior in its supply chain, the Group is training its employees with regular workshops during the year to raise awareness of the relevant environmental and social aspects in procurement. During the on-boarding process, all new suppliers are subjected to a compliance check according to the established risk assessment protocol. This allows critical suppliers to be evaluated at an early stage and measures to be taken to proactively manage compliance in close engagement with the corresponding suppliers. Especially suppliers for Cicor's medical technology undergo a regularly audit from Cicor side to ensure high quality standards in its products.

Furthermore, Cicor has developed a Modern Slavery Statement in 2023, setting out the measures the Group takes to prevent Modern Slavery and Human Trafficking in its own operations as well as in its supply chain. In particular, the discovery of any evidence of such human rights violations at directly contracted suppliers shall result in immediate action to engage with the supplier and the relevant authorities to understand the circumstances and implement remedial action to help the affected employees and protect them from further harm. Contracts with non-cooperative suppliers shall be terminated, and the cases must be reported to the responsible law enforcement authority. The Integrity Line introduced in 2023 is an important tool to monitor potential incidents. This whistle-blowing hotline enables all stakeholders to anonymously report unethical incidents to Cicor Compliance.

## 6.2 Fair business practices

The Cicor Group believes that upholding fair business practices is essential to its success. The responsible, law-abiding, and ethical behavior of the Cicor Group and its employees are of critical importance from an internal perspective as well as for business partners, customers, authorities and the public. For instance, uncovered cases of corruption or human rights violations cause direct financial burdens in connection to legal actions, such as fines and penalties. Operating in a toxic environment could also lead to kickback effects such as unethical behavior against the Group and failure to ensure human rights compliance could cause operational disruptions as a consequence of workers strikes, loss of employee morale, and increased employee turnover. Lastly, any ethical misbehavior can cause reputational damage, impairing businesses due to loss of trust among stakeholders and resulting restrictions in market access.

To mitigate such risks, Cicor has implemented fair, honest, and transparent business principles, with processes and products that reflect exemplary levels of quality, safety, and environmental impact. By avoiding unethical business practices, the Cicor Group strives to promote the population's trust in the integrity of the company and the economy overall and believes to contribute to the wellbeing of the society as a whole. The group has made and continues to make considerable efforts to minimize the risk of any form of slavery and to promote fair working conditions within its own business and its value chain and acknowledges that this work is an ongoing commitment.

### Current corporate practice

The Group's employees are expected to act in accordance with the highest standards of personal and professional integrity, especially in matters of ethics and governance. To ensure that the values of Cicor are upheld by all associated persona, the Group's Code of Conduct, among others, includes statements on topics connected to fair business practices. The Code is deployed to all persons who represent or are associated to the Group, communicated to all employees by the Human Resources department of the respective sites, and is required to be signed in acknowledgement of the applicable rules and guidelines. Apart from the Code of Conduct, Cicor's employees must also follow local working laws and regulations. Additionally, all employees' work contracts contain confidentiality and fidelity clauses to avert potential conflicts of interest. Especially supplier- and customer- contracts contain clauses on anti-bribery, UK modern slavery or similar clauses. Furthermore, the Group has a clear rule on avoiding politics or officially supporting a political party.

The implementation of the Integrity Line, which is an integral part of Cicor's Compliance and ESG Strategy in 2023, enables the Group's employees as well as any other stakeholder to anonymously report incidents of misconduct to the Group Compliance. A guideline and process description was created and deployed to all sites. In 2023, one notification was received. During further investigations, purchasing processes at the Cicor site in Suzhou were improved and documented clearly to cover the potential weak spot identified. Additionally, the previously existing suggestion boxes can continuously be accessed to submit complaints, suggestions, or desired improvements.

## Compliance with tax regulations

Cicor carries out internal and external audits, such as the financial audit, to monitor its management of its business practices. In particular, legal tax requirements are also rigorously respected by Cicor and its personnel, both in terms of taxation based on the profitability of the Group and revenue at staff level. Cicor does its duty in paying the correct taxes on time and adheres to tax law in the application of company taxes and taxes paid for employees and customers. The Group furthermore complies with local regulations according to transfer pricing, disallowing any profit sharing abroad. To ensure compliance, Cicor has established robust and effective implementation of its tax governance, control, and risk management system. Processes exist within the finance and human resources departments to track and comply with tax values and deadlines. The Group has additionally implemented a "tax-wiki", where all applicable law is explained, due dates outlined, and responsibilities defined. The tax-wiki is reviewed frequently and updated if tax regulations change or are newly put into effect. KPIs are in place to track the management of Cicor's tax obligations. These include the tax rate and tax refund rate. The internal control system is overseen by the company controller, finance manager and managing director. Advice is sought from the tax consultant on difficult topics, who is also responsible for preparing the Group's tax declaration. Accountants are regularly trained regarding changes in tax law, and Cicor ensures relevant employees are also made aware of the latest regulations through open communication.

## Safeguarding fair business practices

Cicor is in the process of further developing its Compliance and ESG Strategy to implement uniform, reliable and compliant business practices at Group level. An important pillar of the Compliance Strategy, the implementation of the standardized risk assessment approach involving IntegrityNext as a monitoring platform for suppliers, is in the process of being applied to all sites of the Group until the end of 2024. A risk matrix shall provide a suitable overview to support Cicor's corporate management to identify potential concept and measure gaps in combatting corruption, violation of human rights, and any other kind of unethical business practices. Furthermore, the Group protects itself from questionable business relationships by regular comparisons of its customer base with sanctions lists and by subjecting all new customers to a compliance check during the onboarding process. Cicor plans to apply these measures even more strictly and precisely as part of the strategy development in 2024.

In 2022 and 2023, Cicor did not detect any situation of unfair business practices or confirmed cases of corruption. There were also no reported cases of legal proceedings against anti-competitive behavior with regard to antitrust and monopoly law. Lastly, no breaches of environmental protection, economic or social laws or regulations were identified.

## 6.3 Local engagement

The Cicor Group considers local engagement an asset to the company and aspires to be seen by local communities as a supportive partner. In return Cicor's appeal as an attractive employer is increasing. A positive perception of the company within local populations is key to attract local professionals who are essential to the Group's business success. Accordingly, the Group endeavors to create awareness of the benefits of working for Cicor and its contributions to the communities in which it operates.

To attain visibility, our sites organize and contribute to charitable events to support the well-being of their local communities. In 2023, more than 30 000 Swiss francs have been raised by four sites. Almost half of Cicor's sites donated an additional amount of around 40 000 Swiss francs in total to local as well as international charity organizations. For example, Cicor Vietnam supported local children suffering and struggling with HIV and the site in Bronschhofen annually supports the local organization OHO (Ostschweiz hilft Ostschweiz). The sites receive feedback on engagement activities from local employees, customers, authorities, and municipalities, among others.

# 7 Reporting on non-financial matters in accordance with the Swiss Code of Obligations

## 7.1 Reference Tables on the Swiss Code of Obligations

<b>Required aspects acc. to art. 964a-c, Swiss CO</b>	<b>Chapter / material topic</b>
Business model	<a href="#">About Cicor</a>
Environmental matters (incl. CO <sub>2</sub> goals)	<a href="#">Energy and carbon management</a>
	<a href="#">Resource efficiency of production</a>
	<a href="#">Environmental management and compliance</a>
	<a href="#">Responsible supplier standards</a>
Social issues	<a href="#">Occupational health and safety</a>
	<a href="#">Diversity, equal opportunity, and inclusion</a>
	<a href="#">Responsible supplier standards</a>
	<a href="#">Fair business practices</a>
	<a href="#">Local engagement</a>
Employee-related issues	<a href="#">Stakeholder management</a>
	<a href="#">Attractive and responsible employer</a>
	<a href="#">Employee development</a>
	<a href="#">Occupational health and safety</a>
Respect for human rights	<a href="#">Diversity, equal opportunity, and inclusion</a>
	<a href="#">Responsible supplier standards</a>
Combatting corruption	<a href="#">Fair business practices</a>
	<a href="#">Fair business practices</a>
<b>Handling due diligence acc. to art. 964j-l, Swiss CO</b>	<b>Chapter / material topic</b>
Child labor	<a href="#">Responsible supplier standards</a>
Minerals and metals from conflict-affected areas	<a href="#">Responsible supplier standards</a>

## 7.2 Declaration of the Board of Directors

The Board of Directors of Cicor Technologies Ltd. bears the responsibility for the preparation and presentation of the Non-Financial Report 2023 in accordance with the applicable regulations.

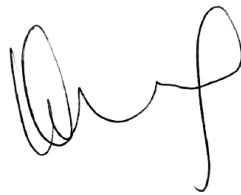
The Board of Directors of Cicor Technologies Ltd. approved the Non-Financial Report for 2023 and pledges to keeping it accessible on the company's website for at least ten years.



**Daniel Frutig**  
Chairman of the Board of Directors



**Norma Corio**  
Member of the Board of Directors



**Denise Koopmans**  
Member of the Board of Directors



**Konstantin Ryzhkov**  
Member of the Board of Directors

# 8 GRI Content Index



## CONTENT INDEX ESSENTIALS SERVICE

2024

Cicor Technologies Ltd. has reported in accordance with the GRI Standards for the period from 1 January 2023 to 31 December 2023. For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders.

Cicor publishes an annual sustainability report as part of the annual report. The 2023 report will be published on March 6, 2024. Questions regarding the sustainability report can be directed to Michael Götti, Vice President Corporate Marketing and Communications, michael.goetti@cicor.com.

GRI 1 used	GRI 1: Foundation 2021
Applicable GRI sector standard	None

## General Disclosures

GRI Standard	Disclosure	Location (chapter of the Sustainability Report) / Information	Omission
<b>The organization and its reporting practices</b>			
GRI 2: General Disclosures 2021	2-1 Organizational details	<a href="#">Management Report, About Cicor</a>	
	2-2 Entities included in the organization’s sustainability reporting	<a href="#">Financial Report, Consolidated financial statement Cicor Group, Note 3</a>	
	2-3 Reporting period, frequency and contact point	<a href="#">GRI Content Index statement</a>	
	2-4 Restatements of information	No restatements of information	
	2-5 External assurance	No external assurance	
<b>Activities and workers</b>			
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	<a href="#">1.2 Cicor’s Value Chain</a>	
	2-7 Employees	<a href="#">5.1 Attractive and responsible employer</a>	
	2-8 Workers who are not employees	<a href="#">5.1 Attractive and responsible employer</a>	
<b>Governance</b>			

## GRI 2: General Disclosures 2021

2-9 Governance structure and composition	<a href="#">Corporate Governance Report, 3 Board of Directors</a>	
2-10 Nomination and selection of the highest governance body	<a href="#">Corporate Governance Report, 3.3 Elections and terms of office</a>	
2-11 Chair of the highest governance body	<a href="#">Corporate Governance Report, 3.1 Members of the Board of Directors</a>	
2-12 Role of the highest governance body in overseeing the management of impacts	<a href="#">2.1 Responsibility and commitment</a>	
2-13 Delegation of responsibility for managing impacts	<a href="#">2.1 Responsibility and commitment</a>	
2-14 Role of the highest governance body in sustainability reporting	<a href="#">2.1 Responsibility and commitment</a> <a href="#">7.1 Declaration of the Board of Directors</a>	
2-15 Conflicts of interest	<a href="#">Corporate Governance Report, 3.2 Other activities and vested interests</a>	
2-16 Communication of critical concerns	<a href="#">2.1 Responsibility and commitment</a> <a href="#">Corporate Governance Report, 3.6 Information and control instruments towards the Group Management and risk management</a>	
2-17 Collective knowledge of the highest governance body	<a href="#">Corporate Governance Report, 3.4 Internal Organizational structure</a>	
2-18 Evaluation of the performance of the highest governance body	<a href="#">Remuneration Report, 1 Introduction</a>	
2-19 Remuneration policies	<a href="#">Remuneration Report, 3 Remuneration System</a>	
2-20 Process to determine remuneration	<a href="#">Remuneration Report, 3 Remuneration System</a>	
2-21 Annual total compensation ratio		Requirement(s) omitted: Annual total compensation ratio Reason: Information unavailable / incomplete Explanation: Data management system will be expanded for the next reporting period

**Strategy, policies and practices**

## GRI 2: General Disclosures 2021

2-22 Statement on sustainable development strategy	<a href="#">Management Report, Letter to Shareholders</a>	
2-23 Policy commitments	<a href="#">5 Incentivizing Employees and Productivity</a> <a href="#">6 Creating Value beyond the Business</a>	
2-24 Embedding policy commitments	<a href="#">5 Incentivizing Employees and Productivity</a> <a href="#">6 Creating Value beyond the Business</a>	



	2-25 Processes to remediate negative impacts	<a href="#">5.3 Occupational health and safety</a> <a href="#">6.1 Responsible supplier standards</a> <a href="#">6.2. Fair business practices</a>
	2-26 Mechanisms for seeking advice and raising concerns	<a href="#">6.1 Responsible supplier standards</a> <a href="#">6.2. Fair business practices</a>
	2-27 Compliance with laws and regulations	<a href="#">6.2 Fair business practices</a>
	2-28 Membership associations	No relevant membership associations during 2023.
<b>Stakeholder engagement</b>		
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	<a href="#">1.3 Stakeholder management</a>
	2-30 Collective bargaining agreements	<a href="#">5.1 Attractive and responsible employer</a>

## Material Topics

GRI Standard	Disclosure	Location	Omission
GRI 3: Material Topics 2021	3-1 Process to determine material topics	<a href="#">2.2 Material topics</a>	
	3-2 List of material topics	<a href="#">2.2 Material topics</a>	
<b>Maximizing Economic Potential</b>			
<b>Economic value creation</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	<a href="#">3.1 Economic value creation</a>	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	<a href="#">Financial Report, Consolidated Income Statement</a>	
<b>Customer value creation</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	<a href="#">3.2 Customer value creation</a>	
<b>Product quality and compliance</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	<a href="#">3.3 Product quality and compliance</a>	
<b>Engineering</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	<a href="#">3.4 Engineering</a>	
<b>Minimizing Environmental Impact</b>			
<b>Energy and carbon management</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	<a href="#">4.1 Energy and carbon management</a>	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	<a href="#">4.1 Energy and carbon management</a>	
	302-4 Reduction of energy consumption	<a href="#">4.1 Energy and carbon management</a>	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	<a href="#">4.1 Energy and carbon management</a>	
	305-2 Energy indirect (Scope 2) GHG emissions	<a href="#">4.1 Energy and carbon management</a>	
	305-5 Reduction of GHG emissions	<a href="#">4.1 Energy and carbon management</a>	
<b>Resource efficiency of production</b>			

GRI 3: Material Topics 2021	3-3 Management of material topics	<a href="#">4.2 Resource efficiency of production</a>
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	<a href="#">4.2 Resource efficiency of production</a>
	306-3 Waste generated	<a href="#">4.2 Resource efficiency of production</a>
<b>Environmental management and compliance</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	<a href="#">4.3 Environmental management and compliance</a>
<b>Incentivizing Employees and Productivity</b>		
<b>Attractive and responsible employer</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	<a href="#">5.1 Attractive and responsible employer</a>
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	<a href="#">5.1 Attractive and responsible employer</a>
<b>Employee development</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	<a href="#">5.2 Employee development</a>
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	<a href="#">5.2 Employee development</a>
<b>Occupational health and safety</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	<a href="#">5.3 Occupational health and safety</a>
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	<a href="#">5.3 Occupational health and safety</a>
	403-2 Hazard identification, risk assessment, and incident investigation	<a href="#">5.3 Occupational health and safety</a>
	403-3 Occupational health services	<a href="#">5.3 Occupational health and safety</a>
	403-4 Worker participation, consultation, and communication on occupational health and safety	<a href="#">5.3 Occupational health and safety</a>
	403-5 Worker training on occupational health and safety	<a href="#">5.3 Occupational health and safety</a>
	403-6 Promotion of worker health	<a href="#">5.3 Occupational health and safety</a>
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<a href="#">5.3 Occupational health and safety</a>
	403-9 Work-related injuries	<a href="#">5.3 Occupational health and safety</a>
<b>Diversity, equal opportunity, and inclusion</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	<a href="#">5.4 Diversity, equal opportunity, and inclusion</a>

GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	<a href="#">5.4 Diversity, equal opportunity, and inclusion</a>
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	<a href="#">5.4 Diversity, equal opportunity, and inclusion</a>
<b>Creating Value beyond the Business</b>		
<b>Responsible supplier standards</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	<a href="#">6.1 Responsible supplier standards</a>
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	<a href="#">6.1 Responsible supplier standards</a>
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	<a href="#">6.1 Responsible supplier standards</a>
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	<a href="#">6.1 Responsible supplier standards</a>
<b>Fair business practices</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	<a href="#">6.2 Fair business practices</a>
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	<a href="#">6.2 Fair business practices</a>
	205-3 Confirmed incidents of corruption and actions taken	<a href="#">6.2 Fair business practices</a>
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	<a href="#">6.2 Fair business practices</a>
GRI 207: Tax 2019	207-2 Tax governance, control, and risk management	<a href="#">6.2 Fair business practices</a>
<b>Local engagement</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	<a href="#">6.3 Local engagement</a>
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	<a href="#">6.3 Local engagement</a>