



ESG UPDATE CAPITAL MARKET DAY 2021

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**PROUD OF OUR IMPROVED ESG RATING
TO BBB (FORMER „B“)**

The MSCI ESG RATINGS logo features the text 'MSCI' in a large, bold, black font, with 'ESG RATINGS' in a smaller, black font below it. To the right of the text is a circular orange icon containing the letters 'BBB' in white. Below the logo is a horizontal scale of ESG ratings: CCC, B, BB, BBB, A, AA, and AAA. The 'BBB' rating is highlighted with an orange background, while the others are white.

CCC	B	BB	BBB	A	AA	AAA
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ESG 3-STEP-PLAN



INCREASED IMPORTANCE OF ESG COMPLIANCE

- › Customers – supplier evaluation also in terms of sustainability
- › Investors – looking out for sustainable investment opportunities
- › Employees – want to work for engaged sustainable employers
- › Legislators – EU Taxonomy on increased ESG reporting requirements
- › Additional stakeholders – various requirements



ESG FOCUS TOPICS

STAKEHOLDER SURVEY AND MATERIAL ANALYSIS



12 main ESG risks impacting S&T identified with stakeholder analysis performed in Q3 2021

ESG FOCUS TOPICS

ESG RISK IDENTIFIED AND CONTRIBUTION TO SDG GOALS



UN SDG's	S&T's Contribution
SDG 3	Medical Devices and Solutions (e.g. Software for imaging devices and patient information systems)
SDG 4	Teaching solutions (e.g. remote learning platforms), School equipment (e.g. iPads and Laptops), Support of employee education (e.g. opportunity for dual studies)
SDG 5	Equal treatment of all employees regardless of gender (e.g. Diversity Policy) Enhance number of females working at S&T in management positions (e.g. Leadership Academy)
SDG 7	Smart Energy Solutions (e.g. Smart meters)
SDG 8	Provides safe and secure working environments for all workers (Code of Conduct) and Obliges its suppliers to do the same (Supplier Code of Conduct)
SDG 9	R&D activities (e.g. in the field of clean and environmentally technologies and industrial processes)
SDG 11	Kontron's Transportation solutions (e.g. efficient trains)
SDG 12	Smart factory solutions (real-time analysis of the manufacturing data → less material consumption and less waste is generated)
SDG 13	Reduce GHG emissions (e.g. strict travel policy, switch fleet to e-vehicles)

Main ESG risks impacting S&T identified → we focus on ESG measures in these areas and thus contribute to the achievement of 9 SDG goals

ESG IMPROVEMENTS AND ONGOING INITIATIVES



COMMUTE & TRAVEL

Promotion of train travel, video-conferencing and home-office work! Where possible, the vehicle fleet will be gradually converted to e-vehicles.



PROMOTION OF CLEAN TECHNOLOGIES

Expansion of renewable energy usage, e.g. increased usage of photovoltaic systems



GROUP SUSTAINABILITY MANAGER

Position of group sustainability manager was established for the coordination of ESG activities throughout the group



STEP-BY-STEP ESG PLAN

3 years plan to coordinate ESG topics on group level, MSCI Rating already improved to BBB, clear target to continue improvements!



DIVERSITY

Continue to increase share of women in S&T management positions from 21.6% up to 25.6% equaling the current gender distribution in S&T, additional female SVB Member elected (currently 40% of SVB are female), group-wide diversity policy introduced in H1 2021



HUMAN DEVELOPMENT

Group-wide Leadership Academy with a focus on female talents launched, increased communication of training possibilities to employees



EMPLOYEE SURVEY

S&T will conduct it's first group-wide employee survey to obtain feedback from employees and further improve S&T as employer for best talent



AUDIT

Increased audit committee independency since June 2020, Financial expert added. change of auditor in 2022 planned, auditor tender currently in progress.



STOCK OPTION PLAN & REMMUNERATION

Stock Option Plan for broad employee base established, further initiatives to secure fair and equal remuneration planned, new targets/MTI with ESG link were set up



COMMUNICATION

Intensify communication with small investors "Kleinaktionären", e.g. new shareholder website was set up



PRIVACY AND DATA SECURITY

Additional Security measures implemented Further companies ISO 27001 certified New data protection training initiative started

S&T's ongoing ESG initiatives are continued and expanded, new initiatives are gradually introduced

ESG GOALS – 2020,2021 AND BEYOND



Extended Sustainability Reporting

- › Increased number of ecological and social KPI's
- › Basis to implement scope I and II reporting
- › In line with GRI standard



Quantitative ESG Goals will be defined

Extensive Communication

- › Increased communication of S&T's green product solutions
- › Stronger inclusion of sustainable topics in the annual report
- › Exchange with our suppliers and evaluation of their ESG strategies



Contribute to S&T's Brand Awareness strategy

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