

SUSTAINABILITY REPORT

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1 SUSTAINABILITY STRATEGY MANAGEMENT

1.1 RESPONSIBILITY AND COMMITMENT

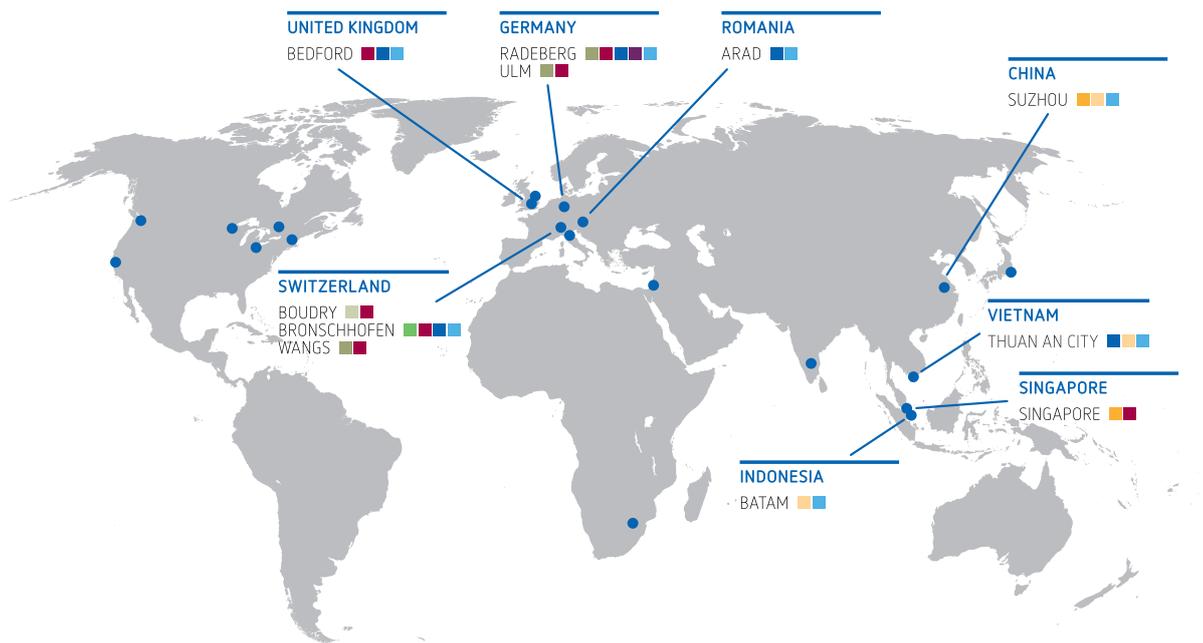
The Cicor Group is a globally active development and manufacturing partner providing innovative technology solutions for the electronics industry. Cicor offers highly complex printed circuit boards (PCB) and hybrid circuits, in addition to electronic manufacturing services (EMS) such as microelectronic assembly and plastic injection molding. With approximately 2,200 employees across eleven production sites, the Group supplies customized products and services – design to finished products – from one source.

Cicor knows that being a sustainable company is a priority for its customers. The Group recognizes that upholding strong Environmental, Social and Governance (ESG) values is paramount to its success, not only to be a responsible corporate citizen but because ESG management is a key partnership criterion for some of its cus-

tomers. The customers' perceptions of Cicor's ESG practices can impact their decision to place an order.

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 of these commitments. Fulfilling this aim requires consistent, high-quality services that use minimal resources and uphold first-rate occupational safety. Therefore, Cicor's quality policy, environmental policy, and health and safety policy are equal components of the corporate policy. Its performance on these priorities is how the Group measures its success in meeting its corporate policy.

Locations



Operating sites

- Printed circuit boards
- Substrates and hybrid circuits
- Printed electronics
- Engineering
- PCB assembly
- Microelectronic assembly
- Tool design and fabrication
- Plastic injection molding
- Box building and system assembly

- Cicor sales offices and representatives

Cicor also expects its suppliers to mirror its commitment by executing business operations that preserve the environment, contribute to social well-being 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 constantly improving their sustainability programs, and who share Cicor's goal of zero harm. The health and safety of the public should be safeguarded at all times, while any adverse effects to the communities, environment and natural resources must be continually minimized. To this end, suppliers must adhere to appropriate environmental permits and reporting, pollution prevention and 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.

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 various technologically demanding applications within the electronics industry. Cicor uses the vast expertise within the company and cooperation between different divisions to keep developing new technologies. The Group strives to be an attractive employer that encourages an open and honest corporate culture.

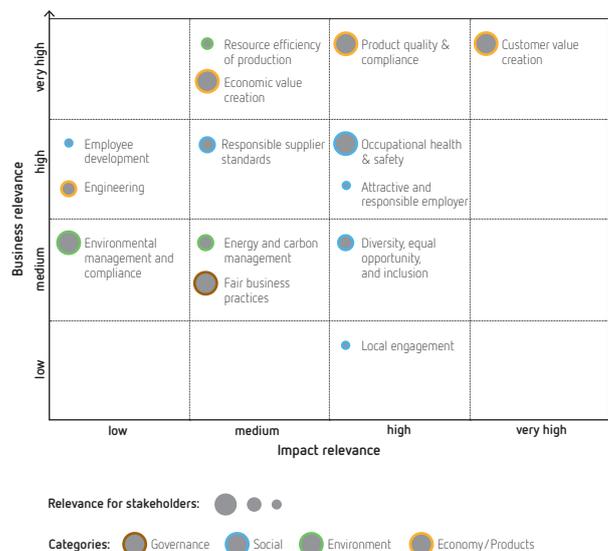
Core values

- 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 MATERIAL TOPICS

This report has been drafted to fulfill the standards of the Global Reporting Initiative (GRI). 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 (sustainability standards, industry information, peer analysis) sources. Material topics were those identified by Cicor as important from an internal company perspective and/or from the perspective of external stakeholders, and/or have a significant economic, environmental or social impact. The topics were determined and evaluated in a workshop with Cicor's management (GRI 102-46). The materiality matrix shows the results of this material topic analysis (GRI 102-47).

Materiality matrix



1.3 STAKEHOLDER MANAGEMENT

Establishing and maintaining good relationships with all stakeholders are essential for long-term business success. Cidor 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) analysis or specific stakeholder analysis as part of the certification processes (GRI 102-42). The most important stakeholders include customers, employees, suppliers and shareholders (GRI 102-40). Cidor 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, with day-to-day communication as the paramount interaction – that is, regular contact with customers and suppliers, and personal discussions with employees to assess satisfaction and well-being. The goal of these interactions is to bring business-relevant issues to light (GRI 102-43, GRI 102-44).

2 MAXIMIZING ECONOMIC POTENTIAL

2.1 ECONOMIC PERFORMANCE

The Cidor Group 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 Cidor to achieve good margins on manufactured products. Furthermore, the Group recognizes that efficiency in tooling management will lead to faster setup and production and that increasing productivity will strengthen the Group's capability to produce more with no capital investment.

Cidor implements a multilevel approach to manage its economic performance. In addition to constantly reviewing prices, the Group analyses Request for Quotes (RFQ) in relation to its business segment, technology and competitive environment. Cidor also ensures 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 Group's economic performance including measuring sales performance and Earnings Before Interest and Taxes (EBIT). Cidor also compares its actual production output against planned output.

2.2 CUSTOMER VALUE CREATION

The Cidor Group is a 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 Cidor's business plan – the company works hard to win customers and projects in the medicine, industrial, aerospace, and defense sectors, in both production and development phases. Long-term customer retention is then achieved through high production 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.

Currently, Cidor's reaction time is strongly affected by global issues regarding long lead times for raw materials and availability issues for electronic components. To maintain Cidor'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. Cidor will accomplish this by shortening delivery times, developing a superior supply chain and pursuing competitive costs for materials.

Cidor implements growth targets to measure and expand on its value creation for customers. To develop close relationships with its customers, the company ensures customers are listened to and their needs are clarified. The Group emphasizes delivery of goods and services at the agreed level of quality, quantity and timing, while seeking and responding accordingly to ongoing customer feedback.

Cidor maintains regular alignment with customer requirements throughout the organization by ensuring customer consulting, supplier management and operational excellence. For example, at our production site in Arad, each customer has a team in place consisting of key account manager, project manager, sourcing team, procurement and new product introduction (NPI) engineer. Materials are managed through an enterprise resource planning (ERP) system, and Cidor's production capabilities are carefully scheduled. In Ulm, an after-sales team and an export control expert have been installed to help customers with questions they may have regarding export. The site also started a fast prototyping project and executed a training program for the sales team to increase their understanding of foreign cultures which included an English course.

Cidor's services were maintained without interruption despite the raw materials shortages and supply chain problems presented by the global COVID-19 pandemic. Together with the customers and suppliers, Cidor took coordinated actions to deal with these new circumstances. In Batam, after receiving a project transfer from Singapore in 2020, raw material constraints were overcome by capitalizing on economies of scale in material purchases across the whole supply chain. Seeking to purchase an increased volume of resin enabled early bargaining, helping to fulfill the customer product request in the shortest time possible.

Cicor endeavors to solve its customers' challenges by helping the customer address issues they cannot resolve themselves or by finding more affordable solutions than the customer can access on its 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 allow for 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. In the reporting year in Boudry, quality has increased and the number of customer complaints has reduced by 20 %.

Progress on Cicor's customer goals is monitored through 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. Cicor also takes recommendations from customer audits to improve the company and its services.

2.3 PRODUCT QUALITY AND COMPLIANCE

Poor product quality not only harms the customer's reputation, it also damages Cicor's. Therefore, delivering high-quality products is a non-negotiable aspect of Cicor's competitiveness. Providing superior performance that meets its customers' expectations is crucial. The Group seeks to perpetually expand its know-how and technological capabilities and develop innovative applications with improved performance from new materials. The Group believes that quality is achieved by processes rather than inspections, and thus has implemented safe 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 adherence to all relevant laws and regulations. In particular, since Cicor is delivering to the aerospace, defence and medical markets, quality is an extremely high priority.

ISO 9001, 14001 and 45001 certifications also reassure customers that Cicor 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 on the required skills, including retraining within a defined time interval. All Cicor's processes are documented in detail and their observance is regularly 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 RACI (Responsible, Accountable, Consulted and Informed). Policies and processes for the handling of chemicals and hazardous substances according to the European Union REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) and RoHS (Restriction of Hazardous Substances in Electrical and Electronic Equipment) directive, 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, such as parts per million (ppm), number of complaints, and its 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 within the ISO 9001/13485 certifications and customer audits is assessed.

2.4 ENGINEERING

Engineering is fundamental to the Cicor Group. More than 150 well-trained engineers with interdisciplinary competencies work on customer projects, making the engineering department a unique selling point of the company. In many cases, engineering is the primary entry point for Cicor's customers. 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 energy-efficiency is largely based on the product design, which is carried out exclusively by Cicor's customers. However, Cicor's manufacturing approach 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, reducing material consumption and minimizing waste, such as the miniaturization of circuits or consolidating the type of chemicals used in production, using one rather than multiple types of coating material. 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 technologies is verified at the customer project level.

The Group has interdisciplinary teams driving the implementation of new technologies. Cicor constantly evaluates new process materials and methods with 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 profound verification of engineering requirements.

For innovation projects, Cicor undertakes milestone planning and monitoring. In the reporting year the engineering pipeline 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 connectivity.

3 MINIMIZING ENVIRONMENTAL IMPACT

3.1 ENERGY AND CARBON MANAGEMENT

Reducing Cicor's greenhouse carbon emissions not only fulfills customer requirements but also affects the company's reputation within the industry. Increasing the company's energy efficiency and reducing energy consumption and CO₂ emissions also leads to a reduction in costs. As a high energy consumption company, the Group acknowledges its responsibility and obligations in this regard.

Cicor has a number of policies and measures in place that contribute to its goal of becoming a greener company. The Group establishes responsibilities, provides guidance for relevant departments in reviewing energy use, and formulates standards and norms for energy consumption. Among its initiatives, the Group is replacing outdated, low-efficiency equipment, investing in modern, high-efficiency production lines and maximizing the energy efficiency of buildings by regularly maintaining lighting, ventilation and cooling systems, and using natural light optimally. In addition, Cicor will build a solar farm on the roof of the site in Wangs (currently in the planning phase), which will allow the site to produce its own energy for the climatization of the clean room. Overall responsibility of 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 electricity and energy (such as gas and oil) and CO₂ emission levels.

Key Environmental Indicators	2020
Energy consumption in MWh	32 570
Electricity	27 023
Of which from renewable sources	9%
Heat¹	5 547
Fuel oil	–
Natural gas	2 320
LPG/propane	–
District heating	3 227
Total GHG Emissions in tCO₂e²	12 606
Scope 1	476
Combustibles	476
Scope 2	12 130
Electricity ³	11 413
District heating	717

1 Heating consumption of Bedford, UK is excluded.

2 Calculations in accordance with the WRI/WBCSD Greenhouse Gas Protocol guidelines. Scope 1: GHG emissions from combustibles. Scope 2: GHG emissions stemming from the production of electricity and district heating. Sources for emission factors: Defra & IEA

3 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.

Across its sites, the Group is making progress. In 2021, in Singapore, Batam and Arad, it has replaced fluorescent lamps with LED lighting and areas of the factory that have limited use have been fitted with presence sensors. In Arad, Cicor is planning to implement a photovoltaic installation to generate electrical power. In Batam, energy consumption was also reduced by adding injection barrel insulation to eight injection molding machines in the clean room molding (CRM), while in Radeberg, CO₂ emissions were decreased by switching electricity contractors and reducing business travel. In Boudry, an energy- and CO₂-saving program with the Federal Agency for Energy and Economy (AEnEc) is in place. After the installation of a new industrial cooling system, energy consumption dropped by 25%. In addition, replacing a heat exchanger in the acid gas exhaust allowed for better control of acid gas emissions, and generated electricity savings of 1,393 MWh and CO₂ emission savings of 236 t in 2020. In order to manage greenhouse gas emissions effectively, the Bedford site began installing its own meters on all electrical and water supplies to accurately measure electricity and water consumption. This enables accurate calculations of greenhouse gas emissions and lays the basis for decision making on significant levers. The meters will be in place by April 2022.

3.2 RESOURCE EFFICIENCY OF PRODUCTION

Besides reducing Cicor’s environmental impact, resource efficiency helps minimize production costs. Cicor manages its resource efficiency of production to ensure continuous improvement, with several performance initiatives in place. The Group implements new technologies, minimizes material consumption, lessens technological scrap, optimizes stocks and strictly controls the expiration dates of received materials and chemicals. Cicor advances the circular economy by selectively collecting waste for recovery or recycling, and also recycles the electronic parts of products 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. The effective usage rate of raw materials is greater than 98 %, while molding yield is more than 99 %.

At the production site in Boudry, reduction of waste is a benchmark for the Lean pillar of its Excellence 2022 program. Leaders are briefed and trained to understand wastage and lead improvement groups to pass the knowledge through to all employees to pursue performance excellence. In addition, a wastewater treatment plant at the Boudry site samples and monitors liquid effluents to decrease pollution. The plant has reduced internal non-conformities and scraps by 20 % and has witnessed a positive impact on raw material consumption, processes, chemistries and energy. Productivity improvement, measured by operating income compared to working hours, has risen by over 8 %.

Most of Cicor’s sites manage resource efficiency of production with a monthly review of designated KPIs including water consumption, reduction of waste, recycling, amount of scrap and productivity. Goals are continually evaluated with dedicated teams and action plans.

Key Resource Efficiency Indicators	2020
Waste in metric tons	479
General waste	286
Incineration	128
Landfill	6
Recycling	152
Special waste	193
Water consumption in cubic meters	75'229

3.3 ENVIRONMENTAL MANAGEMENT AND COMPLIANCE

The Cicor Group understands the importance of effective environmental management, not only to fulfill its vision of being a more environmentally friendly company but also to comply with local laws and regulations. As a high energy consuming company, with a significant proportion of electroplating and chemical processes, Cicor recognizes its obligation to monitor and reduce its environmental impact. From a business perspective, management of Cicor’s environmental footprint saves energy, differentiates the company from its competitors and reduces costs, in addition to enabling the Group to promote greener activity.

The Group works to limit its environmental impact in line with ISO 14001. All Cicor’s sites are ISO 14001 certified, enabling the Group to control and improve its environmental impact and costs. Following the 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. The Group adheres to the certification in building and maintaining policies and in its communication. Moreover, the Group heeds the ISO 14001 criteria by acting in accordance with legal requirements, assessing results with audits and improvement programs where new objectives are specified. Cicor is currently considering setting up its energy management system following ISO 50001.

The Group wants to further its environmental management and compliance beyond the improvement initiatives in its facilities and practices in order to meet increasingly stringent environmental laws and regulations. Cicor’s aim is to determine and fulfill all legal and other requirements regarding the environment where applicable. For this purpose, Cicor is began to cultivate a company culture of continual communication, training and awareness raising on this topic. In 2021, there were no known environmental violations.

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 fulfillment rate. Audits are executed and their results evaluated. Further monitoring is accomplished through inspections and test results from suppliers.

4 INCENTIVIZING EMPLOYEES AND PRODUCTIVITY

4.1 ATTRACTIVE AND RESPONSIBLE EMPLOYER

The Cikor Group places significant emphasis on creating value for its employees to maintain a talented workforce and attract new employees in times of growth. This increases the Group's competitiveness, both in the labor market and at site level, and reduces employee turnover.

Cikor 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 Group is consistently and continuously enhancing its employer brand.

At the heart of Cikor's workforce strategy is improving the capabilities and maximizing the potential of its employees. The Batam and Singapore sites, for example, assess the merits, expertise and skills of individuals, both in the hiring process and on an ongoing basis, to ensure the best available people are being recruited and developed appropriately. At the Arad site, strong procedures are in place for recruitment and staff evaluation, with a bonus scheme to motivate employees to work toward individual and company goals. In Boudry, the Excellence 2022 program complements fair rewards schemes and competitive remuneration packages, especially for manual workers, and continuously compares wages to the industry average to increase them where necessary. Finding the right people for open roles and allowing them to grow meaningfully within the organization has increased productivity and employee retention. Sites report that staff turnover in the Group's offices is low and falls below the industry average for manual workers.

Composition of Workforce	2021		
	Male	Female	Diverse
Workforce by employment contract	928	1 272	1
Permanent	774	780	1
Temporary	154	492	

Workforce by employment type	2021	2020	2019
Full-time	897	1 199	1
Part-time	31	73	

Workforce by category	2021	2020	2019
Operations	644	1 112	1
Engineering & development	168	27	
Marketing & sales	52	23	
Purchasing	14	42	
Finance & controlling	11	32	
Administration (HR, IT, etc.)	40	36	

	2021	2020	2019
Workforce by gender	2 201	2 201	2 201
Male	928	928	928
Female	1 272	1 272	1 272
Diverse	1	1	1

Workforce by age	2021	2020	2019
< 30	762	762	762
30 – 50	1 047	1 047	1 047
> 50	392	392	392

Cikor is also continuously enhancing working conditions to remain competitive and retain qualified employees. For example, in 2021 the Radeberg site improved work time flexibility, work tools, work organization and occupational safety. It also continued to offer social benefits for employees, such as profit sharing, workplace health promotion, personal accident insurance and an occupational pension scheme. (See also: Occupational Health and Safety).

The global COVID-19 pandemic has presented a challenge in fulfilling employment goals. Cikor has acted quickly to mitigate negative effects by utilizing short-term work to avoid layoffs and offering flexible working hours to enable employees to manage their family commitments. In 2021, some of Cikor's sites faced further obstacles in finding qualified personnel. One of the primary difficulties in recruitment for the Boudry site, for example, is attracting new engineers to enter the printed circuit boards (PCB) manufacturing business since PCB is a very specific field that requires special competences. The site is currently evaluating the possibility of bringing in lease workers from outside the organization to boost its workforce.

To overcome recruitment challenges and attract the best talent, Cikor sites use various recruitment channels to advertise vacancies, including social media, online recruitment and labor agencies.

Fluctuation By Gender and Age		2021
	Entries	Departures
Total by gender	233	197
Male	113	80
Female	120	117
Total by age	233	197
< 30 years	105	71
30–50 years	107	94
> 50 years	21	32

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. In Boudry, Cicor began offering a new apprenticeship in production this year to help build the future workforce internally. Cooperation with schools and universities and attendance at trade fairs is planned to increase familiarity with Cicor and promote its opportunities for this age group.

Some Cicor sites monitor KPIs such as the number of applications, interview-to-hire ratio, time-to-hire, fluctuation rate and employee turnover, and evaluate employees annually on absenteeism. Sites also ask resigning employees to answer a questionnaire that identifies areas for improvement.

4.2 EMPLOYEE DEVELOPMENT

Employee development is an underlying priority throughout the Cicor Group. The Group has aligned training with its corporate goals, enabling 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 also looks to spread specific expertise more widely across the organization.

Cicor knows 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 field of medical technology, although it is also relevant in other regulated areas. 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 manage its employee development, the Group offers training programs for all internal processes. Staff are retrained each year in the tasks they currently perform to ensure that all employees are up to date in their knowledge. Leadership instruction is also provided to medium and lower management levels.

The Group gives employees equitable opportunities to be considered for training and development based on their abilities and needs, helping them reach their full potential. For example, in 2021 the site

in Bronschhofen implemented a validated qualification and training system. The head of department proposes courses for identified employees to improve their existing skills and learn new ones.

Seeking to generate flexibility, Cicor trains its staff on different activities by offering a limited number of cross-training courses. The exchange of individual employees between specialist areas is institutionalized in manufacturing, helping to identify talents and promote wide-ranging expertise.

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. The Group financially supports external courses in the cases where new skills will reinforce employees' capabilities within their role. Furthermore, in select departments, students are trained for particular activities related to electronics production and development. Further education in the form of technical college or a postgraduate degree is also subsidized if it corresponds with the current needs of the company. In Ulm, three talents are currently being supported with further training, and over the past year the site successfully developed two high-potential employees and two long-term employees. In Wangs, internal talents are being developed to assume new positions or take on expanded roles and responsibilities – most notably, the site's Sales Manager and Head of HR. In Radeberg, there was a revival of external training in the fall of 2021 after the COVID-19 lockdown.

The Group's employee development efforts are evaluated through regular internal and external audits. Employees are asked to complete a survey and staff appraisal to determine their satisfaction with the development program. An assessment is also done at the end of each course to understand how much the employees learned and establish to what extent it helps in their daily work.

4.3 OCCUPATIONAL HEALTH AND SAFETY

Occupational health and safety 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 option for potential employees.

Cicor's goal is to have zero working accidents or professional diseases. 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 standards operating procedures, health and safety programs and production safety officer support careful occupational health and safety management.

Across the Group, most sites have a safety committee and a chairman appointed by management to oversee safety aspects of the company. 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 involvement on the topic, the workers' union is part of the health and safety committee. The responsibility for maintaining health and safety across the Group falls on the quality department, maintenance department and HR. However, every collaborator and contributor have 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, namely, specific work instruction, training, and clarifying special personal safety equipment that should 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.

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 free periodic medical consults from an external company contracted by Cicor. All new staff are given a safety orientation, daily safety inspections are conducted, and general awareness is imparted through yearly safety training. The Group also runs monthly health and safety campaigns. 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 management is covered with an emergency response Group (GIC: Groupe d'Intervention Cicorel). 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, then employees can feed this information back to the Safety Officer. Furthermore, the Batam site also offers instruction on personal protective equipment (PPE). These measures helped the site achieve ISO 45001:2018 certification.

The Boudry site has a health and safety training matrix in place. This includes occupational health and safety courses, such as an introduction to health and safety for all new employees and a course on chemical handling and responses to chemical events. Additionally, the site utilizes lone worker training and firefighting training. Boudry employees also have access to an environment, health and safety (EHS) department, which has a strong focus on health at work. In addition, there are regular field campaigns on health. The site was able to record progress in 2021, adding one FTE on EHS subjects, launching a new EHS campaign program in April 2021 and installing a new fume exhaust for the laboratory.

Cicor monitors its management of occupational health and safety via internal audits and specific KPIs. Regular KPI assessments include health and safety incidents, professional disease occurrence, internal health and safety non-conformities, rate of adherence to legal requirements, occupational accidents, hazards spotted, and hazards treated. 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. A survey is conducted with all Cicor's employees to further evaluate its occupational health and safety.

Key occupational health and safety indicators	2021
Injuries	21
Fatalities	0
Lost workdays due to work-related injuries	311
Lost workdays due to illness	16159

4.4 DIVERSITY, EQUAL OPPORTUNITY AND INCLUSION

The Cicor Group strongly upholds the values of diversity, equality of opportunity and inclusion. According to Cicor's policy, employees must be recruited solely on the basis of merit—namely, their skills, experience and ability to perform the job, regardless of 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. The Group aims to create an inclusive culture that respects people's differences and gives everyone a chance to excel in their given role. To safeguard its employees, Cicor's Code of Conduct has been updated with new company rules and guidelines that integrate equity, respect and equality, and condemn any kind of discrimination. Some of Cicor's sites have additional local policies to promote greater workforce diversity. Cicor believes that an inclusive workplace centered on good communication leads to every employee feeling valued at work.

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 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. In 2021, Cicor started to install whistleblower hotlines and suggestion boxes. In Boudry, for example, an external service has been subcontracted to listen anonymously to employees on any topic related to mobbing, discrimination, conflicts and stress at work. The Group is also planning to launch a process to close salary gaps between employees with the same education and experience who work at the same site.

As a result of these continued efforts, there were no incidents of discrimination based on race, color, sex, religion, political opinion, or the like, in 2021.

5 CREATING VALUE BEYOND THE BUSINESS

5.1 RESPONSIBLE SUPPLIER STANDARDS

Cicor upholds responsible supplier standards by taking appropriate precautions at the earliest stage to mitigate potential risk to stakeholders. The Group knows that maintaining the highest quality standards will require greater attention to the sustainability of its supply chain in the future, and thus actively engages its suppliers on this front. In particular, the company requires that ISO 14001 must be upheld. Supplies from authorized sources helps Cicor achieve its quality ambitions, with suppliers conducting failure analysis and taking corrective actions should a defect occur. The Group knows that on-time delivery and good-quality supplies are critical to meet customers' expectations and experience fewer product rejections. Cicor also values reliability and openness in 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 business.

The Group manages its commitment to responsible supplier standards with a number of measures. Cicor contractually asks its strategic suppliers to adhere to the Group's Code of Conduct, which is publicly available on the Group's website for consultation. The Code of Conduct contains environmental and social criteria for suppliers, and materials can be cross-checked to ensure a specific product complies with the relevant rules and regulations. Cicor is training its employees to raise awareness for environmental and social aspects in procurement. During evaluations for all suppliers that have a yearly turnover of more than EUR 50,000, the Group monitors adherence to ISO 14001 and ISO 45001. Cicor's supplier quality agreement, which the Group intends to sign with all important suppliers, contains provisions related to environmental management and health and safety. Furthermore, Cicor requests that its suppliers possess and follow their own Code of Conduct, which many top suppliers already have in place. There are no known cases in 2021 where suppliers violated the Code of Conduct. REACH, ROHS and conflict minerals documentations are requested with every order, which ensures that suppliers respect these standards.

In Boudry, the supplier guidebook was first implemented in 2020, creating the basis to introduce supplier standards to a potential supplier at the first point of contact. In Bronschhofen, audits are conducted to evaluate suppliers. In Radeberg, most purchases are made through distributors with no direct contact to the manufacturer, but partnerships are formed only with trustworthy suppliers who are at least ISO 9001 certified. Furthermore, the site does not grant approval of a supplier without a completed supplier self-assessment, which will include the Code of Conduct in the near future. Approval is granted by the head of purchasing and the head of qual-

ity – ensuring the four-eye principle. In the event of a discrepancy, the supplier is blocked.

Cicor undertakes yearly supplier evaluations, which result in more business for the suppliers that successfully adhere to the Group's supplier 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.

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

Overview supply chains

Supply chains – and thus supply chain management approach – vary greatly between Cicor's production sites.

Site	Approach	Number	Locations
Arad, Romania	The site manages around 20 000-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).	~700	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.	~250	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).	<600	Europe: 60 % (70 % CH / 30 % EU) Asia: 30 % North America: 10 %
Radeberg, Germany	The site produces electronic components for service-mount devices and chip and wire, PCBs, mechanical parts, thick film inks and ceramic substrates. The site mainly purchases through distributors. As the site focuses on special technologies, the selection of possible suppliers is limited.	>450	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 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.	Number of suppliers: >150	Asia: 60 % Switzerland: 10 %
Ulm, Germany, and Wangs, Switzerland	The sites source standard raw materials mainly from three suppliers. Other components are purchased from various suppliers.	Ulm: >300 Wangs: <400	Ulm: Europe: 80 % North America: 15 % Japan: 5 % Wangs: Europe: 80 % North America: 15 % Japan and Taiwan: 5 %

5.2 FAIR BUSINESS PRACTICES

The Cicor Group believes that upholding fair business practices is essential to its success. Cicor has fair, honest and transparent business principles, with processes and products that reflect exemplary levels of quality, safety and environmental impact.

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. Cicor has a Code of Conduct, which is deployed to all persons who could affect the Group's fair business practices and communicated to all employees by the Human Resources department of their respective site. Signing the Code of Conduct implies acknowledgement of its rules and guidelines. All employees must follow the Code of Conduct, as well as local working laws and regulations. All Cicor employee work contracts contain confidentiality and fidelity clauses to avert potential conflicts of interest. Some customer contracts contain anti-bribery clauses. The Group has a clear rule on avoiding politics or officially supporting a political party.

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, with 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 satisfy 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.

Staff can always contact human resources in case of an incident against Cicor's fair business practices or its Code of Conduct. Additionally, all employees have access to suggestion boxes where they can submit complaints, suggestions or desired improvements. At some sites, a whistleblowing hotline has been set up. Cicor carries out internal and external audits, such as the financial audit, to monitor its management of its business practices. A customer survey and customer rating is also implemented, along with a yearly supplier evaluation and benchmarking. To encourage increased transparency and trust as well as fair and open discussion of

Cicor's business practices and possible infringements, the Group has site-specific initiatives. In Boudry, a personnel committee collects potential issues in a quarterly meeting and a half-year report is administered by an external service provider.

If the Group's business practices are violated, action is taken. In Arad, a fine was imposed for an infraction in 2020 involving a missing report sheet that should have outlined the latest changes in a work contract and had to be provided at the closing of the contract. In 2021, there were no known situations 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. Further, there were no known breaches of environmental protection, economic or social laws or regulations.

5.3 LOCAL ENGAGEMENT

The Cicor Group considers local engagement an asset to the company and aspires to be seen by local communities as a partner. The goal is to be viewed as an attractive company supporting the communities in which it is present, in turn raising its appeal as a local employer. The perception of Cicor within local populations is key to achieving this goal. Accordingly, the Group endeavors to do outreach to create awareness of the benefits of working for Cicor and the Group's contributions to the particular communities. As well, Cicor works to promote the industry in general as advantageous to the country and society at large.

Several of Cicor's sites have initiatives in place to support their local communities. In Arad, sponsorships are offered to a variety of non-governmental organizations and events for children with special needs and social events were funded. In Bronschhofen, more than CHF 10,000 are put aside each year to finance local community activities. In Suzhou, currently employees are encouraged to participate in determining how Cicor can support the surrounding population. In Thuan An City, the local flood relief program is funded, and in Radeberg, donations are made to public organizations and care institutions.

The sites receive feedback on engagement activities from local employees, customers, authorities and municipalities, among others. However, there are no structured surveys or assessments in place to evaluate Cicor's engagement or achievements.

6 ABOUT THIS REPORT

Cicor Technologies Ltd., headquartered in Boudry in Switzerland and stock-listed at the Swiss Stock Exchange, is reporting comprehensively on its sustainability efforts for the first time for the calendar year 2021. This report has been prepared in accordance with the GRI standards: Core option. Cicor commits to an annual sustainability reporting cycle. About 56 % of Cicor's employees are covered by a collective bargaining agreement (GRI 102-41). The entities included in the consolidated financial statements can be seen on page 54 of the annual report (GRI 102-45). There were no significant changes to the Group's organizational structure or the supply chains of the Group companies in the reporting year (GRI 102-48). The material topics were determined for the first time in 2021 (GRI 102-49). The content of the report has not been externally assured. Questions regarding the sustainability report can be directed to Michael Götti, Vice President Corporate Marketing and Communications, michael.goetti@cicor.com.

7 GRI CONTENT INDEX

For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report. The GRI Materiality Disclosures Service was carried out on the English version of the report.

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