Raycap

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Sustainability report
Raycap d.o.o.

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Annual Sustainability Report - Raycap d.o.o.

About this Report

Raycap d.o.o. is pleased to present its Annual Sustainability Report for the year 2023 (period from 1 January 2023 to 31 December 2023), a comprehensive documentation of our performance and commitment to Corporate Responsibility and Sustainable Development. This report reflects our dedicated efforts to align with our strategic goals and commitments.

Purpose

This report is intended for internal communication with our esteemed Board of Directors. It serves as a vital tool for sharing insights and fostering alignment with our sustainability agenda.

It's important to note that Raycap d.o.o. does not bear the responsibility for public sustainability reporting but retains the discretion to share this information with key external stakeholders as deemed appropriate.

Reporting Principles

Raycap has been actively assessing the impacts of its value chain concerning the United Nations Sustainable Development Goals (SDGs). We are committed to following the guidelines provided by the United Nations Global Compact and diligently working to align our sustainability strategy and reporting with the SDGs. Our aim is to transparently showcase our dedication to these overarching global objectives.

The content of this report and the selection of relevant indicators have been determined by considering internationally recognized frameworks and standards as reference, including the Global Reporting Initiative (GRI) principles and indicators, EcoVadis assessments, the Carbon Disclosure Project (CDP), and the Sustainability Accounting Standards Board (SASB) framework, to ensure the comprehensive and robust nature of our sustainability reporting.

Engage and Share Your Input

We value the perspectives and expertise of our Board of Directors and stakeholders. If you would like to discuss any aspect of this report or provide your valuable input, please feel free to reach out:

Name: Evangelos Papavasileiou
Position: ESG & Sustainability Manager
Email: epapavasileiou@raycap.com

Your input is invaluable in shaping our sustainability journey and ensuring we remain aligned with our corporate responsibilities and commitments.

Thank you for your continued support and dedication to Raycap's mission of responsible and sustainable business practices.

Sincerely,

Evangelos Papavasileiou
ESG & Sustainability Manager

Company & Sustainability Overview

General

Raycap, founded in 1987, has a strong legacy in developing products that protect and support vital infrastructure worldwide. With a global team of over 2.000 employees, subsidiaries in 8 countries, business operations spanning more than 75 countries, and a portfolio of over 300 patents, Raycap is a leader in delivering advanced technology solutions. The company consistently meets the demands of evolving telecommunication and industrial infrastructures, providing innovative, reliable, and custom solutions for telecommunications, renewable energy, transportation, defense, and other sectors.

Raycap combines engineering expertise, a commitment to innovation, and robust intellectual property to design and manufacture solutions that enhance infrastructure protection, connection, and concealment. Through state-of-the-art production capabilities, Raycap supports large and small-scale product roll-outs, ensuring high standards in customer service, product design, aesthetics, and ease of installation, making it a one-stop provider for telecom, energy, and transportation solutions.

For Raycap, the governance framework mandates that the Board must embody a comprehensive spectrum of expertise, experience, and educational backgrounds to ensure its effectiveness in overseeing the company's strategic direction and operational integrity. Specifically, it is essential that the Board's composition fosters a diverse and dynamic environment conducive to balanced and informed decision-making, enhancing Raycap's capability to navigate the complexities of its business landscape. The Board's self-evaluation responsibility is critical in maintaining its collective competence, ensuring it continuously meets the dynamic needs of overseeing the company's operations and guiding it towards sustainable success.

Raycap operates transparently, prioritizing quality and reliability while aligning its goals with global sustainability standards. The company integrates economic, social, and environmental dimensions into its business model, supporting sustainable innovation and entrepreneurship.

Raycap d.o.o. Overview

Raycap d.o.o. is a part the Raycap Group since 2015, when at that time three individual companies Iskra Zaščite d.o.o., Varsi d.o.o. and GasStar d.o.o. have been acquired by the group.

Key Company Details

Corporate name: *RAYCAP prenapetostne zaščite d.o.o.*

Distinctive Titles: *Raycap d.o.o.*

Registered office: *Pod hrasti 7, Poslovna cona Žeje pri Komendi, 1218 Komenda, Slovenia*

Legal Type: *Limited liability company*

Registration Number: *5286948*

Primary Business Activity Code (BAC): *Manufacture of electronic components*

As of 31st December 2022, the sole (100%) owner of Raycap d.o.o. is the company Raycap (Cyprus) Limited, which has headquarters in Acropoleos, 66 Acropolis Tower, 4th floor, 2012 Nicosia, Cyprus.

The parent company of the Group, Raycap Group Operations LTD prepares the consolidated financial statements that are available at the head office of the company. Persons authorized for representation of Raycap d.o.o. on 31st December 2023:

- Mirjam Cergolj, Managing Director
- Goran Vučinić, Managing Director
- Konstantinos Samaras, Managing Director
- Paraskevas Kondylis, Holder of Procuration

The company's activities are widely diversified, whereas its core activity is the production of electronic components. The company develops, produces and sales surge arresters for devices used in the field of energy, telecommunications, IT and in measuring techniques. In addition to surge arresters Company develops, produces, and sells distributors and rails for installation of surge arresters, fittings and measuring devices for telephone lines in telephone switchboards. The company also develops products for detection of overvoltage and control of the surge arrester status.

All our products are CE compliant and conform with all legal and certification requirements and do not include any dangerous resources that are on RoHS or similar lists.

Raycap operates in accordance with transparency, quality, and reliability by coordinating the dynamics of sustainable goals with our global and local stakeholders. Our company's long-term success is strongly allied with our achievements in integrating three dimensions of sustainable development into our business model: economic, social, and environmental.

Sustainable development is closely linked to our business strategy, in which entrepreneurship and innovation are part of our DNA in achieving competitiveness in everything we do. Therefore, we are committed to creating innovative engineering solutions for our customers in a sustainable way. Overvoltage products manufactured in Slovenian part of Raycap belong to industrial markets, and are primarily intended to protect major powerplants, telecommunication networks, wind farms, solar power plants, railway networks and other important systems in industries.

Raycap d.o.o. reflects Raycap Group's vision and core values.

Raycap Vision & Mission

WHAT: The solution provider with the talent and resources for innovation and a passion for excellence

WHO: Highly experienced staff who work together to provide ideal solutions for customer needs

CORE EQUITY: Providing the essential ingredients to meet the customer's needs and protect the customer's investment

Our core values, which form the bedrock of our organization, are depicted below. They represent not just our ethical compass but also our commitment to a sustainable future, where business growth and environmental stewardship go hand in hand:

1. Customers

Nothing can distract us from our number one priority: our customers. We structure and manage our company to ensure this. We free our people from distractions and worries so they can focus their full attention and energy in better serving our customers. For us it is crystal clear: if we contribute to our customers' success, we too will be successful in the long run.
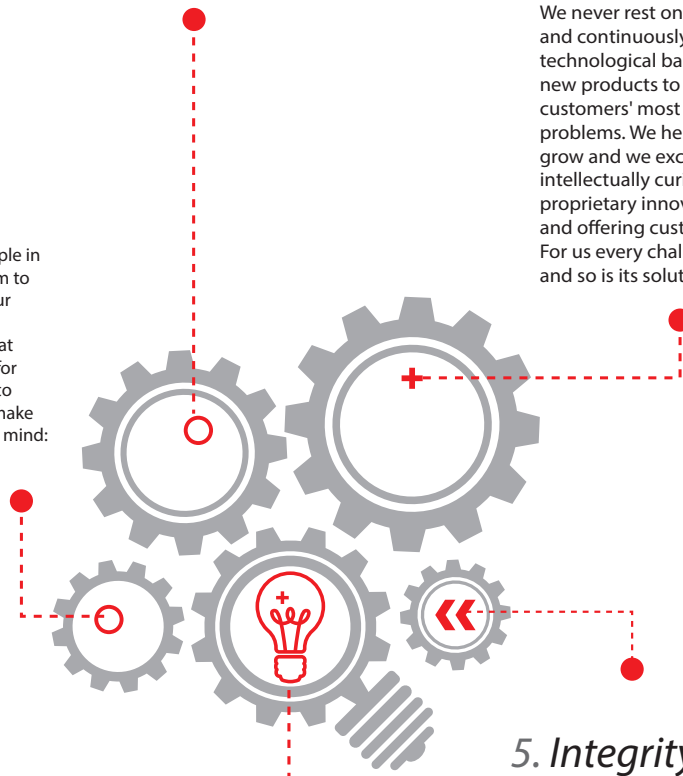
4. Innovation

We never rest on past successes, and continuously push the technological barriers, inventing new products to address our customers' most challenging problems. We help our customers grow and we excel by being intellectually curious, seeking proprietary innovative solutions and offering customized products. For us every challenge is unique and so is its solution.

2. Talent

We seek and attract the best people in every field and we empower them to perform miracles every day for our customers.
Raycap is comprised of many great individuals, yet there is no room for individualism. Everyone is ready to step in, assume responsibilities, make quick decisions with one thing in mind: delight our customers every day.

5. Integrity

We mean what we say and we say what we mean. At Raycap we are transparent to our customers, our employees, our vendors, our stake-holders. We are always direct and truthful, even in difficult situations. We firmly believe that being honest and uncomplicated in our dealings and communications is the best way for all parties involved. In the long run, honesty always pays off.

3. Excellence

Excellence in everything we do is part of our DNA. Innovation and pioneering does not stop at R&D. We want to have the best people in every function, employ the most advanced tools and equipment, create inspiring working environments, find new and better ways of performing even the simplest tasks.
Excellence and innovation is a constant, relentless drive throughout the organization.

Raycap

"It's our business to help yours thrive."

Distinctions / Certifications

Raycap d.o.o. has been assessed by the international organization Ecovadis since 2020 regarding corporate social responsibility with an emphasis on four key areas: environment, labor and human rights, ethics and sustainable supply chain. The company currently holds a Platinum rating, placing it among the top 1% of all companies assessed worldwide.

Participation in Networks and Associations

Guided by the conviction that our organization plays a crucial part in society, we enthusiastically embrace the principle of "corporate responsibility." By doing so, we actively support and partner with various national and international entities, networks, and associations. Our aim is to actively contribute to the advancement of our industry while consistently improving the excellence of our offerings. Raycap d.o.o. actively engages with the following affiliations:

IEC, International Electrotechnical Commission

CENELEC, European Committee for Electrotechnical Standardization

Chamber of Commerce and Industry of Slovenia

SIST, Slovenian institute for Standardization

Slovene-German Chamber of Commerce and Industry

MIDEM, Society for Microelectronics, Electronics Components and Materials
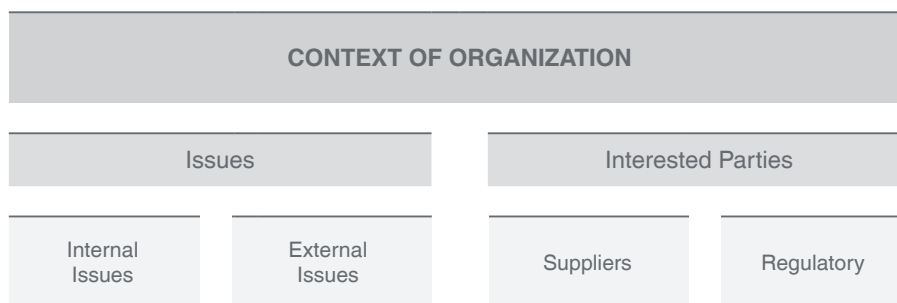

Purchasing Association of Slovenia

Stakeholders' identification

At Raycap we prioritize effective communication as a fundamental pillar of our sustainable development strategy, recognizing its pivotal role in our achievements and progress. We deeply acknowledge the substantial influence and impact our stakeholders have, not only in shaping our business strategy but also in driving the overarching growth and success of our organization.

To this end, we have implemented a procedure designed to determine the context of the organization and effectively manage both internal and external factors, as well as the expectations and requirements of our stakeholders. These elements can significantly affect our organization's ability to achieve intended results, either positively or negatively. The scope of this procedure encompasses the entire organization and its integrated management systems, as depicted in the schematic below.

CONTEXT OF ORGANIZATION			
Issues		Interested Parties	
Internal Issues	External Issues	Suppliers	Regulatory

Our objective is to proactively manage these demands through a strategic and continuous PDCA approach (Plan-Do-Check-Act), with the SWOT Analysis (Strengths-Weaknesses-Opportunities-Threats) serving as a valuable tool in identifying the most relevant impacts and guiding our focus. It is imperative to conduct regular management reviews on the status of actions taken, with these reviews occurring at least once a year and involving both top management and department leaders.

Below, we have listed the key stakeholders we have identified, each playing a crucial role in our journey:

STAKEHOLDERS	ENGAGEMENT REQUIREMENTS AND COMMUNICATION
Owners and BoD	Requirements: The owners and board of directors prioritize robust and consistent financial performance, stringent legal compliance, and the proactive avoidance of penalties. There's a significant focus and support for sustainability and the integration of sustainability practices into our operations.

Communication: The board convenes biannually to review and discuss the company's performance, sustainability efforts, and strategic direction. The Board of Directors is responsible and accountable for the control and publication of non-financial information as well as for the approval of the company's material issues and communication of critical issues that may have a significant impact on the organization's sustainability performance, reputation, or stakeholders. |
| Customers | Requirements: Our customers prioritize receiving excellent value for their investments, encompassing high-quality products and services, punctual deliveries, and cost-efficiency. They expect swift responses, deep professional knowledge, and expert consultancy to address their needs and challenges effectively.

Communication: Engagement with our customers is facilitated through detailed questionnaires, on-site audits, and customer visits, allowing for a two-way exchange of feedback and insights. There's a significant emphasis from our customers on the importance of sustainable practices within our operations. These interactions provide a platform for discussing sustainability initiatives, sharing best practices, and reinforcing our commitment to environmental stewardship. |

| STAKEHOLDERS	ENGAGEMENT REQUIREMENTS AND COMMUNICATION
Employees	*Requirements: Our employees value opportunities for professional growth, timely and consistent compensation, a safe and healthy workplace, job security, and a positive work environment that supports their professional development.*
	Communication: We are deeply committed to engaging our employees in our sustainability initiatives, understanding that they are crucial participants in our journey towards a more sustainable future. Their dedication, insights, and contributions are vital in advancing our sustainability objectives. Over recent years, we have developed and executed a comprehensive communication strategy to foster awareness, collaboration, and a sense of shared responsibility.
	To facilitate open dialogue and feedback, we conduct regular town hall meetings, disseminate information through corporate emails, and organize feedback sessions and managerial meetings. These platforms enable us to share updates and insights on business developments, project progress, and legal compliance, ensuring our team is well-informed and aligned with our goals.
Vendors	*Requirements: Our vendors prioritize establishing cooperative and partnership-oriented relationships. Essential requirements include on-time payments, adherence to reciprocal negotiations based on mutually agreed terms and conditions and maintaining open lines of communication, ensuring that any changes or updates in our business relationship are transparently shared.*
	Communication: Our engagement strategy with vendors involves regular meetings and site visits to foster a culture of openness and mutual support. We actively share challenges and exchange best practices and innovative initiatives. We place significant emphasis on the importance of sustainable practices, expecting our vendors to meet the stringent sustainability standards we set for ourselves.
Law Enforcers / Regulators	*Identification of applicable statutory and regulatory requirements for the products and services provided and understanding of the requirements.*

Business Value Chain Impacts and Sustainable Development Goals

Since 2016, Raycap has been actively analyzing the impact of its value chain in relation to the UN Sustainable Development Goals (SDGs). In alignment with the UN Global Compact guidelines, we have identified and prioritized the SDGs most relevant to our operations, guiding our sustainability actions. The figure below highlights our primary strategic focus areas and the corresponding SDGs.
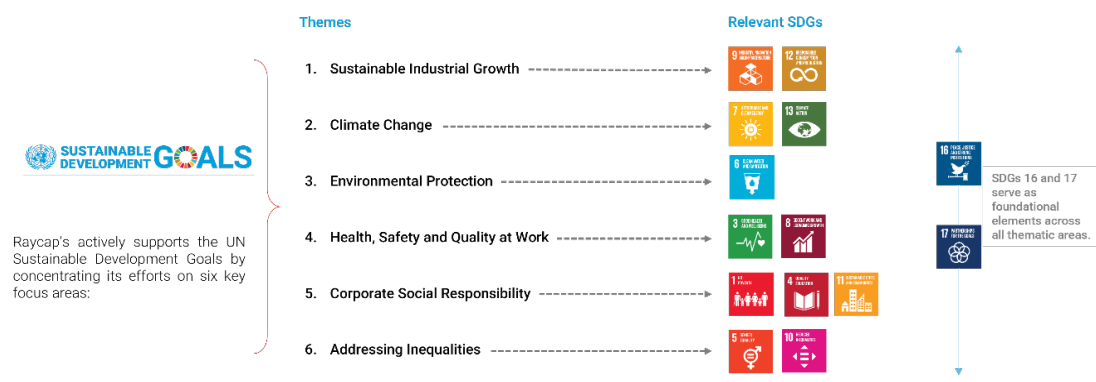
Our efforts are particularly concentrated on SDG No. 9: "Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation." Within this goal, we emphasize the following sub-targets, and have established internal objectives to support them:

- 9.1: Develop quality, reliable, sustainable, and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with an emphasis on affordable and equitable access for all.

- 9.5: Enhance scientific research and upgrade the technological capabilities of industrial sectors globally, particularly in developing countries. By 2030, we aim to promote innovation and significantly increase the number of research and development workers per million people, as well as boost both public and private R&D investments.

Raycap offers products and solutions which are protecting among others the critical infrastructure in the ICT Telecom networks, Energy Utilities, RES Parks, and Rail Networks. We are helping our customers to build and operate resilient infrastructures/systems worldwide by providing high quality innovative products. Our customers' performance has positive and direct impacts on human well-being across the globe.

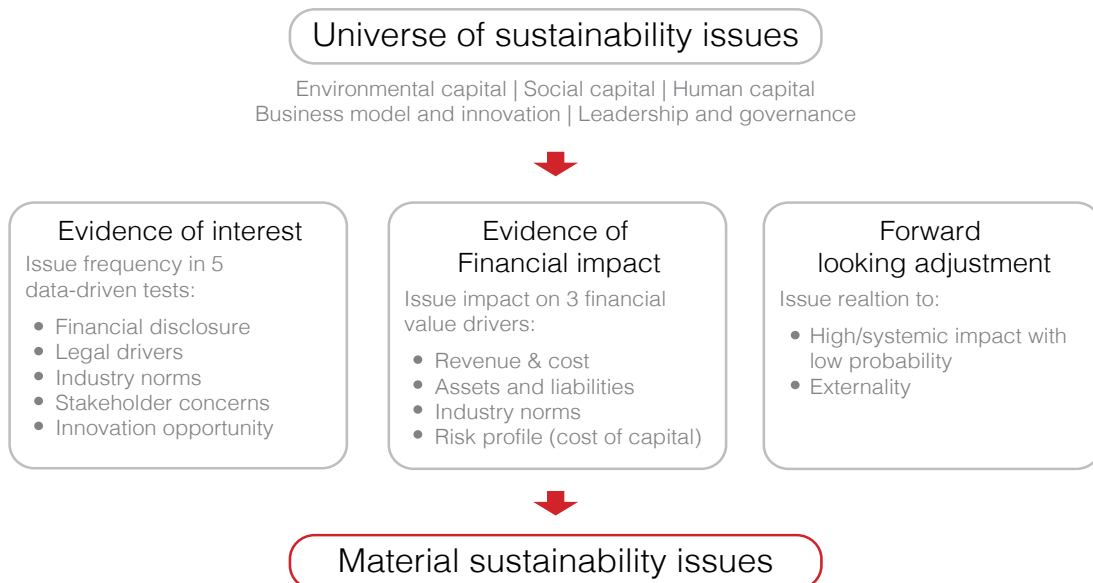## SASB Materiality Process and Results

Following the SASB framework and evidence-based method related to sectorial proposals for the material topics identified already for electronic and electrical equipment plus electronic manufactures and OEM designers, a first materiality Raycap's assessment has been modeled, considering the 5-factor test and evidence of financial impacts. All sustainability topics were categorized in 6 groups as shown below and they were ranked for their impact in 5 factors:

Sustainability Topics

   1. Environmental Capital

   2. Social Capital

   3. Human Capital

   4. Business Model & Innovation

   5. Leadership and Governance

   *6. Supply Chain Sustainability*

5 Factors Categories

   1. Direct financial impacts & risk

   2. Legal, regulatory & policy drivers

   3. Industry norms, best practices
     & competitive drivers

   4. Stakeholder concerns & social trends

   5. Opportunities for innovation

Universe of sustainability issues

Environmental capital | Social capital | Human capital
Business model and innovation | Leadership and governance

Evidence of interest

Issue frequency in 5 data-driven tests:

- Financial disclosure
- Legal drivers
- Industry norms
- Stakeholder concerns
- Innovation opportunity

Evidence of Financial impact

Issue impact on 3 financial value drivers:

- Revenue & cost
- Assets and liabilities
- Industry norms
- Risk profile (cost of capital)

Forward looking adjustment

Issue realtion to:

- High/systemic impact with low probability
- Externality

Material sustainability issues

In total 23 sustainability topics have been identified based on 5 factors test. The diagrams below present the final score of each one item. In addition, a model of SASB has been used for matching all 23 sustainability topics to financial impacts.

Sustainability Topics Total Impact Score (SASB)
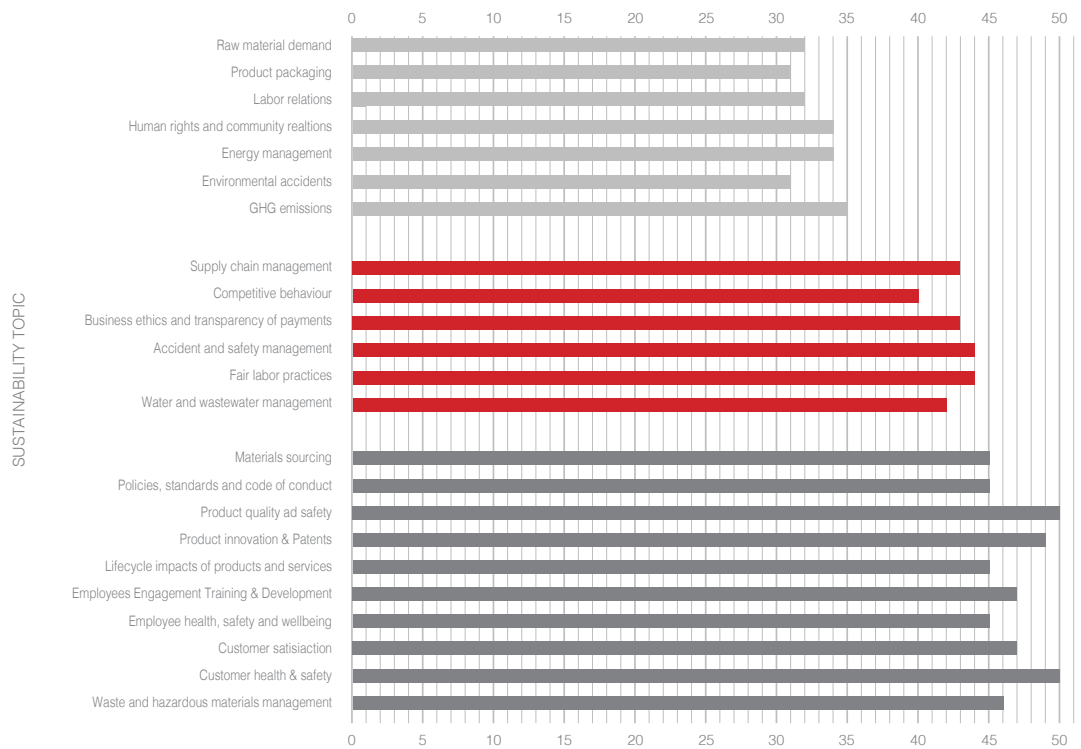
We Care for Sustainable Business and Financial Resilience

Financial data

For a comprehensive overview of Raycap d.o.o.'s financial performance in fiscal year 2023, we recommend consulting the company's Audited Annual Financial Statements, publicly available through the Agency of the Republic of Slovenia for Public Legal Records and Related Services (AJPES) at: https://www.ajpes.si/.

Adapting to Climate Change: Prospects and Challenges

Understanding the significance of climate change in our business processes, sales, and expenditure is crucial. Raycap is committed to a continuous review of these impacts. Our analysis has highlighted several key areas where climate change presents both possibilities and obstacles:

Opportunities:

- Emission Reduction and Carbon Neutrality: Advancing towards reducing emissions and achieving carbon neutrality in our operations thus attracting more customers with a green agenda.

- Transition to Renewable Energy: Supporting the shift towards renewable energy via investing in sustainable and energy efficient facilities thus also reducing operational costs.

- Sales Growth through Energy Transition: Being at the fore front of the global energy transition by designing and manufacturing solutions for uninterrupted production of renewable energy from wind and solar parks. A growing need for energy-efficient solutions in power management, surge protection and telecom infrastructure is also anticipated.

- Innovative Product Development: Designing and developing circular, energy-efficient and low maintenance products with long life cycle that offer uninterrupted operation of equipment, minimizing maintenance costs, spare parts use, and environmental footprint.

- Promoting Employee Well-Being: Focusing on the health and safety of our employees as a core aspect of our business philosophy, aligning with our vision of a workplace free of accidents.

Risks:

- Supply Chain Sustainability: Handling the increased complexity of ensuring sustainability across global supply chains, where standards and practices vary widely. This includes the challenge of auditing and influencing suppliers' practices and potentially increased raw material costs.

- Regulatory Compliance: Keeping up with varying and evolving environmental and sustainability regulations in the areas we operate in, that could potentially require additional resources.

- Extreme Weather Resilience: As climate change leads to more extreme weather events, products designed for surge protection and power management must be increasingly robust and reliable.

- Carbon Footprint Reduction: Implementing strategies to reduce the carbon footprint of the company's operations, especially regarding Scope 3 emissions given the considerable impact of indirect emissions in our industry due to complex supply chains and distribution networks.

- Climate Change Impact on Productivity and Infrastructure: Address the need for upgrading infrastructure and equipment to be more climate-resilient, ensuring operational efficiency and reducing downtime due to climate-related disruptions.

We Care for Our Planet

Raycap's commitment to environmental protection is deeply embedded in our business ethos, aligning with our spirit of entrepreneurship and innovation. At Raycap, our group-level Environmental Policy serves as a compass, emphasizing environmental stewardship. Building on this foundation, we actively drive the energy transition and climate protection through cutting-edge technological solutions. Our strong focus on research and development enables continuous innovation in surge protection, connectivity, and energy management solutions. To support this mission, we invest in advanced manufacturing technologies and collaborate with research institutes, universities, and development partners. By integrating R&D-driven advancements, we enhance the resilience, efficiency, and sustainability of our solutions, contributing to a more reliable and greener energy infrastructure.

Our commitment to environmental responsibility is demonstrated through our proactive approach to pollution prevention, rigorous monitoring, and strict adherence to both local and international environmental regulations in our operations in Slovenia. This dedication has resulted in an impeccable record of ***zero non-compliances with environmental laws and regulations in 2021-2023, with no associated complaints or fines, successfully maintaining our relevant rolling target.*** We continuously strive to enhance our environmental management practices, ensuring that our business strategy is in perfect harmony with our environmental responsibilities, consistently exceeding standards and setting a benchmark for excellence.

We fulfill our commitment to environmental stewardship through **a certified Environmental Management System (EMS) in line with the ISO 14001 International Standard**, ensuring comprehensive environmental management **across all our facilities and operations in Slovenia**. To further demonstrate our dedication, we continually invest in advanced infrastructure and rigorously monitor our environmental impact through specific KPIs, implementing effective strategies for sustainable management.

KPIs – Environmental Performance	2021	2022	2023	Target 2024
Environmental Incidents	0	0	0	0
Complaints by Interested Parties	0	0	0	0
Environmental Non-Conformances (ISO 14001)	0	3	2	1
Environmental Improvement Actions	3	3	5	2

In 2023, our commitment to environmental stewardship was underscored by an investment of 16.755€ (maintenance and service of the treatment plant, ISO 14001 certificate, annual assessment of air emissions) in environmental treatment efforts. These funds were directed towards comprehensive measures aimed at minimizing our ecological footprint, including but not limited to the treatment and disposal of waste, emissions management through advanced filtration systems and the use of agents, the acquisition and utilization of emissions certificates, environmental liability insurance and remediation activities.

Additionally, we cultivate a strong culture of environmental awareness, supported by group-level annual targets that underline our dedication to sustainability. We achieved 100% acknowledgment of environmental policies across Raycap d.o.o. in 2023, demonstrating consistent engagement with our Code of Conduct. As part of our training program, all Raycap employees receive a 1,5-hour combined Health, Safety, and Environmental (HSE) training during induction and annual refreshers, covering essential environmental topics such as waste management, safe hazardous substance handling and disposal, and energy conservation. Starting next year, we aim to expand and enhance the program by introducing additional modules on climate change, sustainable resource use, and emissions reduction strategies, further aligning employee education with our evolving environmental objectives and regulatory expectations.

KPIs – Environmental Awareness	2021	2022	2023	Target 2024
Employee Acknowledgment Rate of Environmental Policies	100%	100%	100%	100%
Environmental Training Coverage	100%	100%	100%	100%
Environmental Training Completion Rate	100%	100%	100%	100%
Average HSE Training Hours per Employee	1,5	1,5	1,5	≥ 2
Environmental Drills	1	1	1	≥ 1

This approach encourages responsible and sustainable practices across all levels of our organization and throughout our value chain.

Climate Change and Energy Usage

In our commitment to addressing climate change, Raycap places a significant focus on the management and reduction of greenhouse gas emissions and energy usage.

In 2023, **Raycap Group pledged to set a near-term target through the Science-Based Targets initiative (SBTi) to reduce our absolute Scope 1 and 2 emissions by 50% by 2030, alongside a 50% reduction in Scope 3 emissions intensity with a base year of 2022. As part of our broader net-zero strategy, we aim to also decrease all absolute Scope 1, 2, and 3 emissions by 90% by 2050 or earlier with a base year of 2022**. This ambitious commitment highlights our dedication to aligning

with the latest climate science and meeting SBTi's stringent standards, ensuring our long-term strategy is centered on achieving substantial and scientifically supported emission reductions.

Ongoing Developments (as of 2024)[1]

We meticulously measure and track energy consumption, along with Scope 1 and 2 emissions, across the entire Raycap Group, including Raycap d.o.o.'s manufacturing and office locations, since 2016. Our calculations align with the GHG Protocol, ensuring accuracy and transparency in emissions reporting.

Beginning with the 2022 reporting year, we expanded our documentation to include Scope 3 emissions. Additionally, we are restating our 2022 related metrics due to improved reporting accuracy and expanded coverage to fully capture emissions from all fleet operations and all Raycap facilities worldwide, with no significant exceptions.

Our annual reporting through the CDP Climate Change Report forms a critical foundation for our Net Zero roadmap, driving our efforts to reduce our carbon footprint and reinforcing our commitment to meaningful progress toward a sustainable future.

KPIs – Energy Consumption (GRI 302)	2021	2022	2023
Fuel Consumption from Non-Renewable Sources (MWh)	982	1.248	1.020
Natural Gas Consumption	982	1.248	1.020
Komenda	530	573	454
Ljubljana	453	675	566
Fuel Consumption from Renewable Sources (MWh)	0	0	0
Purchased Energy Consumption (MWh)	4.225	5.095	4.982
Electricity Consumption	4.032	4.960	4.806
Komenda	1.155	1.589	1.914
Ljubljana	2.877	3.372	2.892
Thermal Energy/Hot Water Consumption	193	135	176
Komenda	0	0	0
Ljubljana	193	135	176
Aggregate Energy Consumption (MWh)	5.207	6.343	6.002
KPIs – Energy Intensity	2021	2022	2023
Energy Consumption Sales Intensity (MWh consumed per 1000 EUR of revenue)	0,098	0,088	0,086

In 2023, our aggregate energy consumption decreased by 5%, from 6.343 MWh in 2022 to 6.002 MWh. This reduction was primarily driven by lower natural gas consumption, which declined by 18% compared to the previous year (from 1.248 MWh to 1.020 MWh). Electricity consumption also decreased slightly by 3%, from 4.960 MWh to 4.806 MWh. At the same time, our energy consumption sales intensity continued to improve, decreasing from 0,088 MWh per 1.000 EUR of revenue in 2022 to 0,086 MWh in 2023, reflecting improved operational energy efficiency despite ongoing high energy demands, particularly in our varistor manufacturing activities.

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1   *In 2024, we launched an internal review process to enhance our climate ambition and evaluate the adoption of a formal science-based net-zero target. As of the publication of this report, Raycap is preparing to submit updated near-term targets and a net-zero commitment to the Science Based Targets initiative (SBTi) and seek validation in line with the latest guidance. This ongoing process reflects our increasing commitment to align with the 1.5°C pathway and drive deep, long-term decarbonization across our value chain.*

KPIs – GHG Emissions (CO2 eq tn) (GRI 305)	Raycap Group			Raycap d.o.o.		
	2021	2022	2023	2021	2022	2023
Scope 1 Emissions	1.359	2.009	1.885	200	348	286
Scope 2 Location-Based Emissions	3.311	5.499	5.185	880	1.882	1.832
Scope 2 Market-Based Emissions	1.320	5.051	3.225	948	1.810	2.636
Scope 3 Emissions	n/a	219.720	150.217	n/a	34.826	30.571
Upstream	n/a	218.393	149.705	n/a	34.783	30.513
Downstream	n/a	1327	512	n/a	43	58
Total GHG Emissions (market-based)	2.679*	226.780	155.327	1.148*	36.984	33.493

*No scope 3 data available for 2021

KPIs – GHG Emissions	Raycap Group			Raycap d.o.o.		
	2021	2022	2023	2021	2022	2023
GHG Emissions Sales Intensity (tCO2e per 1000 EUR of sales)	n/a*	0,466	0,500	n/a*	0,512	0,477

KPIs – Renewable Energy	2021	2022	2023
Total Renewable Energy Produced (MWh)	0	0	0
Total Renewable Energy Consumed (incl. GOs) (MWh)	1.800	1.800	200
Percentage of Total Electricity Consumption Covered by GOs	45%	36%	4%
Avoided Emissions due to Renewable Energy (tCO2e)	1.017,79	667,44	97,35

[2]

In 2023, our total greenhouse gas emissions at Raycap d.o.o. decreased by 9%, from 36.984 tCO2e in 2022 to 33.493 tCO2e, reflecting solid progress toward our reduction goals. This reduction was primarily driven by a 6% decrease in Scope 1 emissions, achieved through lower natural gas consumption across our facilities, and a 12% reduction in Scope 3 emissions, following continued efforts to optimize our supply chain.

However, Scope 2 market-based emissions increased by 46%, rising from 1.810 to 2.636 tCO2e. This was the result of a significant reduction in the use of Guarantees of Origin (GOs), which covered only 4% of electricity consumption in 2023, compared to 36% in 2022. This shift contributed to higher reported emissions from purchased electricity, despite a slight reduction in overall electricity consumption.

Our GHG emissions intensity improved slightly, decreasing from 0,512 to 0,477 tCO2e per 1.000 EUR of revenue, indicating a positive trend in emissions performance relative to economic output, even as our varistor manufacturing activities continue to have high energy demands.

Looking ahead, we are committed to increasing the share of low-carbon electricity in our energy mix and restoring the higher levels of GO coverage achieved in previous years. In parallel, we plan to leverage contractual agreements with our electricity providers to secure green electricity. These efforts are fully aligned with **our group-wide target to reach 100% clean electricity by 2040**, supporting our long-term decarbonization roadmap and contributing to a more sustainable future.

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[2] Note: The 2022 figures for energy consumption, Scope 1 and Scope 2 greenhouse gas emissions (both location- and market-based), as well as avoided emissions, have been restated in this RY2023 report. The restatement follows a data quality review that incorporated updated metering data, corrected fuel usage records, revised electricity consumption allocations, and the application of accurate residual mix emission factors. These updates enhance the accuracy of reported values and ensure alignment with Group-level GHG reporting methodology. The changes are disclosed in accordance with GRI 2-4: Restatements of information and the GHG Protocol.

We also remain dedicated to further reducing both absolute emissions and emissions intensity in line with our long-term sustainability goals. This commitment is supported by targeted initiatives designed to drive ongoing progress. Some of the initiatives we have implemented to date include:

Other initiatives:

- Efficient Buildings: In August 2023, we finalized the extension of the new Komenda building. Key features include thermal insulation with rockwool panels, low-emission double glazing with thermally broken aluminum frames, and measures to avoid thermal bridges. Solar protection, such as blinds over windows, further boosts energy performance. Beyond these requirements, we maximize energy savings with high-efficiency heat pumps, insulated ducts and hydronic pipes, heat recovery exchangers, and Building Management System (BMS) automation for precise climate control. Hot water is produced with heat pumps, supported by efficient hydraulic systems and insulated pipes. Additionally, at our Komenda facility, we recover waste heat from the compressor's heated oil through a closed-loop heat exchanger system, which warms water for sanitary use, further enhancing our energy efficiency.

  To further enhance sustainability, our facilities also feature electric vehicle chargers and extensive landscaping to improve microclimatic conditions, reflecting our commitment to energy efficiency and environmental responsibility.

- Optimal Room Temperature Management: to efficiently regulate indoor temperatures and enhance energy savings, we have established a systematic temperature guideline, ensuring that room temperatures are maintained at an ideal range and do not surpass a maximum threshold of 23°C.

- Enhanced Lighting Efficiency: we have implemented a scheduled lighting system that automatically turns off lights during non-operational hours, particularly at night. Additionally, we've upgraded to sensor-equipped lighting in all corridors, guaranteeing that lights are activated only in the presence of individuals.

  In 2023, we advanced our **LED lighting upgrade program** across our existing manufacturing facilities in Slovenia, *increasing coverage to 95% in 2023*, **with a target of 100% by 2026**. All new buildings are equipped with LED lighting as a standard, and any replacements are exclusively done with LED fixtures. Additionally, new buildings feature advanced KNX systems for automated lighting control, optimizing energy use by adjusting brightness based on natural light and occupancy. Presence detectors further enhance efficiency by reducing energy waste in unoccupied spaces. To maximize natural lighting, we also incorporate extensive roof light tubes, minimizing dependence on artificial lighting during the day.

- Compressed Air Optimization: We have implemented a comprehensive compressed air optimization program that includes integrating compressors into a centralized control system, enabling demand-based operation aligned with electricity tariff periods. Real-time monitoring via data loggers, biannual air lines maintenance, and a continuous leakage detection program further support efficiency. These measures are projected to reduce electricity consumption by 134,472 kWh annually, resulting in estimated savings of €14,823.12.

- Minimizing HFC Emissions: To align with best practices and mitigate the environmental impact of HFC leakage, we conduct annually at least two inspections and maintenance of our HVAC systems across all facilities. These proactive measures are designed to prevent refrigerant leaks that could harm the environment. These figures represent refrigerants added solely due to leakages and exclude those used for new installations, highlighting our progress in reducing losses.

- Optimizing IT Energy Use: We have embraced cloud storage and server virtualization to reduce the need for physical servers across our locations. For the limited server rooms that we still maintain, we have implemented high-efficiency air conditioning systems to minimize energy consumption. Additionally, we have invested in advanced network equipment with platinum-rated power supplies and energy-efficient features such as Energy Efficient Ethernet (EEE), significantly enhancing our IT energy efficiency.

Water Conservation and Wastewater Management

At Raycap, we are committed to responsible water stewardship across all operations, recognizing water as an invaluable resource increasingly impacted by global demand and climate change. We continuously monitor and report our water use metrics through the CDP Water Security Report, underscoring our dedication to transparency and alignment with sustainability goals. Our strategy is focused on balancing operational growth with prudent water use, with a keen focus on assessing and managing associated risks, especially in high-stress regions and at facilities where water is essential for operational processes.

Our manufacturing facilities in Slovenia, account for less than 3% of Raycap's total water withdrawals, and are both situated in low stress water area as identified by the WRI Aqueduct Water Risk Atlas. Nevertheless, we have set ambitious targets, including a **20% reduction in water withdrawals per unit of revenue by 2030, based on a 2022 baseline**. In alignment with group-wide objectives, we are also **committed to maintaining zero non-compliance incidents with water pollution regulations and ensuring 100% access to WASH (Water, Sanitation, and Hygiene) services for all employees across our locations.**

KPIs – Water Consumption		2021	2022	2023
Total Water Consumption (m³)		3.341	4.166	3.374
	Komenda	2.289	3.070	2.835
	Ljubljana	1.052	1.096	539
Total Water Discharges (m³)		3.070	3.781	3.163
	Komenda	2.289	3.070	2.827
	Ljubljana	781	711	336
Total Water Consumption (m³)		271	385	211
	Komenda	0	0	8
	Ljubljana	271	385	203
KPIs – Water Intensity		2021	2022	2023
Water Withdrawals Sales Intensity (Liters consumed per 1 EUR of revenue)		0,063	0,058	0,048

All water withdrawals at Raycap d.o.o. are sourced exclusively from third-party suppliers, and all discharges are directed to third-party facilities for proper treatment and disposal. In 2023, total water withdrawals decreased by 19%, from 4.166 m³ to 3.374 m³, reflecting the positive impact of our water-saving initiatives. This reduction was primarily driven by the Ljubljana facility, which achieved a remarkable 51% decrease, from 1.096 m³ to 539 m³.

Our Water Withdrawals Sales Intensity also improved for the third consecutive year, decreasing from 0,058 liters per EUR of revenue in 2022 to 0,048 liters in 2023, demonstrating more efficient water use relative to economic output.

These results were supported by the following initiatives:

- Closed Loop Cooling: We have successfully integrated all machinery requiring technological cooling into a closed-loop cooling system. This measure effectively eliminated the generation of wastewater.

- Alcohol-based Cleaning: We replaced conventional water-based washing processes with an alcohol-based cleaning system, designed to achieve an annual water saving of approximately 1,250 m³. In 2023, the positive impact of this initiative was already evident in our reduced water withdrawals, along with significant financial savings from eliminating the use of cleaning liquids, filters, and special waste handling.

To ensure ongoing environmental protection, we implement a comprehensive wastewater treatment process across our facilities, consistently, **successfully maintaining our year-over-year target of zero pollution incidents also in 2023**. Our operations strictly prevent any discharge of untreated effluent into the environment. At our Komenda facility, wastewater generated primarily from sanitary use is directed to the municipal treatment plant. At our Ljubljana site, where industrial wastewater results from zinc oxide varistor production, on-site treatment is carried out before discharge into the public sewer network.

This treatment involves a sedimentation and filtration system, where wastewater is first collected in a dedicated tank to allow fine impurities particularly heavy metals such as zinc, cobalt, and chromium compounds to settle. These are subsequently removed through filtration. The treated water is either reused in production processes or safely discharged to the local wastewater treatment plant (CČN Zalog). Solid residues are responsibly managed by authorized waste handlers, ensuring full compliance with environmental regulations.

To further safeguard water quality, we conduct annual operational monitoring of our wastewater in accordance with legal requirements. Laboratory-certified sampling and testing are performed on-site to verify compliance with regulatory discharge thresholds. Each analysis includes a wide range of physico-chemical parameters. Particular focus is placed on the detection of heavy metals relevant to our operations, including aluminum, antimony, zinc, cobalt, chromium, manganese, nickel, silver, and lead. All measured values in the 2023 campaign were well within legal limits. Additionally, our monitoring includes mercury, which was below detection limits. Organic indicators such as chemical and biochemical oxygen demand (COD and BOD5), ammonium, and nitrates are also tested, confirming the overall effectiveness of our wastewater treatment and our commitment to responsible discharge practices.

KPIs - Wastewater Management (GRI 306)	2021	2022	2023
Percentage of Wastewater Processed at Local Municipal Treatment Plants (m³)	100%	100%	100%
Percentage of Wastewater Treated as per Regulations	100%	100%	100%
Annual Wastewater Monitoring Report Issuance	100%	100%	100%
Total number and total volume of significant leakage of harmful substances recorded	0	0	0

Finally, **for the period 2021–2023, Raycap d.o.o. successfully achieved our group-wide target of ensuring 100% access to WASH (Water, Sanitation, and Hygiene) services for all employees**. We maintained our drinking water initiative across our locations in Slovenia by equipping all faucets with high-quality water systems. This provides employees with safe, accessible drinking water while significantly reducing plastic waste, avoiding the use of plastic bottles.

Waste Management

At Raycap, we are committed to minimizing waste generation, reducing material use, and ensuring responsible waste management across all operations. Our approach is built on a circular economy model, integrating waste prevention, reuse, recycling, and recovery, in alignment with ISO 14001, local regulations, and the EU Waste Framework Directive.

Our operations generate hazardous and non-hazardous waste, primarily from production processes, packaging materials, and facility maintenance. Waste-related impacts include:

- Resource efficiency challenges: Material waste can increase resource demand.
- Regulatory compliance risks: Strict EU and national regulations require full traceability and proper disposal.
- Environmental risks: Improper disposal of hazardous waste could lead to contamination.
- Circular economy contribution: Maximizing material recovery reduces landfill dependency.

To mitigate these impacts, we implement strict waste tracking, responsible disposal practices, and ongoing employee training. Each production site is equipped with clearly marked collection points to enable efficient sorting of materials such as metals, paper and cardboard, electrical components, batteries and other e-waste, and plastics, allowing employees to separate waste at the source and prevent contamination of waste streams. Collected waste is then transferred to central containers for pick-up by licensed companies, which manage its transportation and compliant disposal.

Special attention is given to the responsible handling of hazardous waste, which is essential to our environmental and safety commitments. Our hazardous waste procedure, as outlined in document "ODN 007: Instructions for working with chemicals", follows stringent guidelines for classification, storage, handling, and disposal in alignment with the European Waste Framework Directive. To further strengthen control measures, access to designated chemical storage areas is restricted to authorized personnel only, and secure lockers have been installed to prevent unauthorized use. In 2023, we continued our partnership with Aurenis, a licensed hazardous waste disposal company, to ensure safe and compliant processing, maintaining a record of zero instances of improper handling.

For non-hazardous waste, we have developed specific internal work instructions and procedures on responsible management, covering a variety of materials such as office paper, plastics, and metal scraps.

Our process also includes meticulous mapping of waste streams and classification based on the European Waste Catalogue (EWC) code, hazardous classification, and source. We systematically track waste volumes in metric tonnes and document each collection, transportation, and final treatment process. This ensures compliance with national reporting obligations via the Electronic Waste Registry, where data is cross-checked with reports from licensed disposal companies.

To drive further improvement in our waste management practices, we have set several specific group and entity-level targets:

- Achieve 100% Recyclable Packaging by 2030: We aim to transition all packaging materials to be fully recyclable by 2030. Starting in the next two years, we plan to fully map the recyclability and content of our current packaging to identify necessary changes.
- Zero Non-Compliance Rate: We are committed to maintaining a zero-non-compliance record in terms of waste management regulations, supported by annual reporting and collaboration with licensed disposal companies.
- Employee Training on Waste Management: Ensure ongoing 100% participation in annual waste management training, reinforcing awareness of waste segregation protocols and hazardous waste handling.

- Reduce Scrap Rate: We have set facility-level targets to annually reduce the internal scrap rate, as outlined in the relevant table under the section "Scrap and Rework Cost Management." These targets support our commitment to improving manufacturing efficiency and minimizing production waste.

From 2021 to 2023, we maintained a flawless record of compliance with waste management regulations, with zero incidents of non-compliance.

KPIs - Waste Management (GRI 306)	2021	2022	2023
Total Waste Generated (tn)	193,84	10.161,85	12.165,02
Non-Hazardous Waste (Tn)	109,565	10.124,405	12.103,536
Hazardous Waste (Tn)	84,278	37,443	61,482
Waste Directed to Recovery (Tn)	-	10.059,97	12.048,52
Percentage of Waste Directed to Recovery (%)	-	99%	99,04%
Waste Directed to Disposal (Tn)	-	101,88	116,50
Percentage of Waste Directed to Disposal (%)	-	1%	0,96%
Percentage of Waste Collected by Licensed Companies	100%	100%	100%
Annual Reporting Compliance on Generated Waste and Management	100%	100%	100%

In 2023, Raycap d.o.o. upheld its strong commitment to responsible and sustainable waste management, ensuring that 100% of operational waste was handled by licensed waste management companies. Of the total 12.165 tonnes of waste generated, 99,04% was directed to recovery operations, with only 0,96% disposed of, reflecting minimal environmental impact. The marked increase in waste volumes in 2022 and 2023 compared to 2021 is primarily due to construction activities associated with the extension of our manufacturing plant.

To support transparent and sustainable reporting, we systematically map all waste streams according to the applicable recovery or disposal method. We also actively follow up with our waste contractors to verify the final treatment route of each stream, ensuring accurate EWC classification and continuous improvement. Raycap has consistently achieved 100% compliance with annual waste reporting requirements, demonstrating transparency and alignment with regulatory and stakeholder expectations.

Additionally, in 2023 we strengthened our focus on waste reduction and recycling initiatives across operations, achieving both cost savings and environmental benefits through innovative material use and improved resource management as highlighted below:

- Scrap and Rework Cost Management: We monitor the cost of non-quality (CoNQ) across our Slovenian plants, with a focus on manufacturing scrap tracked via our ERP system. This enables targeted actions to reduce scrap-related waste, optimize costs, and drive operational improvements. Insights feed into monthly reviews to support continuous performance enhancement.

KPIs – Scrap Rate	2021	2022	2023	Target 2024
Scrap rate (NCR) - Ljubljana	10%	7,15%	5%	≤ 5%
Scrap rate (NCR) - Komenda	0,6%	0,48%	0,5%	≤ 0,5%

- Glass Powder Recovery: We are improving our resource efficiency by introducing an internal reuse process for excess glass powder generated during the varistor passivation stage. Instead of discarding the unused material, it is now collected, remixed, and reintroduced into production. Once fully implemented, this closed-loop approach is expected to reduce virgin material use by 15% and avoid approximately 225 kg of waste annually, enhancing the sustainability of our operations.

- Chemical Inventory Optimization: To further reduce material consumption and waste, we have implemented operational improvements through the use of ERP-based controls for more effective chemical inventory management. The system enables early identification of upcoming expiration dates and supports stock adjustments to prevent excess ordering. Where possible, chemicals nearing expiration are returned to suppliers for replacement, reducing waste and promoting efficient resource use.

- Packaging: Raycap emphasizes environmentally responsible packaging, focusing on recyclability, material efficiency, and waste reduction. We primarily use paper-based materials with recycled content where feasible and continuously optimize packaging dimensions to reduce unused space. Conventional plastic fillers have been replaced with paper-based alternatives, and wooden pallets and Styrofoam packaging received with varistor components from suppliers are reused internally. We also continue investing in standardized returnable plastic boxes for products and components, significantly reducing the need for single-use cardboard and polystyrene. These efforts contribute to both environmental impact reduction and improved packaging sustainability. Additionally, we collaborate with suppliers to stay updated on market innovations and enhance our practices where possible.

- Plastic Usage: We continued our strategic partnership with Omaplast, a firm specializing in the recycling of waste plastic. In 2023 we contributed a total of 1.700 kg of waste plastic to Omaplast, where it undergoes a transformation into reusable material and subsequently re-entering the market as a sustainable product.

Product End-Of-Life Management

Raycap d.o.o. ensures responsible management of waste electrical and electronic equipment (WEEE) and packaging waste in accordance with Extended Producer Responsibility (EPR) requirements under national law. In Slovenia, where we place products and packaging on the market, we fulfill our legal obligations through formal contracts with Slopak d.o.o., a licensed Collective System (PRO).

For electrical and electronic equipment (EEE), Raycap d.o.o. reports the quantities placed on the Slovenian market and prepays for the future collection, treatment, and environmentally responsible processing of WEEE. All relevant products are marked with the crossed-out wheeled bin symbol,

helping ensure appropriate disposal. While the collective nature of the system and the time lag between placement and end-of-life prevent direct tracking of actual WEEE recovery per product, we ensure 100% financial coverage for recovery obligations based on placed volumes. The table below presents our reported quantities, in line with in-country regulatory requirements:

KPIs - Market Placement (Slovenia)	2021	2022	2023
Total EEE Placed on the Market (tonnes, All Countries)	1,79	1,41	0,74
EEE Placed on the Market in Slovenia (tonnes)	0,79	~0,00	0,00
WEEE Collection Coverage* (based on EEE placed in Slovenia)	100%	100%	100%

Financial coverage via Collective System in Slovenia

For packaging waste, Raycap d.o.o. also participates in the national EPR system through Slopak. This includes reporting, financial coverage, and contractual arrangements to ensure compliant management of both household and industrial packaging waste, in line with regulatory obligations.

Air Pollution

The company diligently conducts annual assessments via an external authorized institute under our environmental initiatives and submits reports to the Slovenian Environmental Agency on the amount of fluorinated greenhouse gases and ozone-damaging substances in accordance with local regulations. The reporting process includes detailing quantities of subject gases and substances at various stages: during the initial filling at equipment installation, subsequent replenishments, and capturing of any waste emissions.

No instances of non-compliance have been identified in 2023, and we strive to maintain zero incidents associated with air pollution.

KPIs - Air Pollution	2021	2022	2023
3-yearly Reporting Compliance on External Air Emissions Measurement	100%	100%	100%
Annual Reporting Compliance on Estimation of Emissions of Substances to Air	100%	100%	100%
5-yealy Reporting Compliance on Environmental Noise Measurements	100%	100%	100%
Instances of Air Pollution Incidents	0	0	0

Biodiversity

We acknowledge the importance of biodiversity and are committed to its preservation, even though our manufacturing plant is located in the industrial zone of Komenda, an area not classified as sensitive to biodiversity. Nonetheless, we understand our role within the broader ecological landscape and are dedicated to implementing measures that support biodiversity. This includes adopting environmentally friendly practices, minimizing our ecological impact, and actively funding NGOs that work in conservation and ecological education.

Historically, we have maintained a record of zero incidents of non-compliance with biodiversity protection regulations, underscoring our commitment to upholding and contributing to biodiversity preservation.

Commitment to Product Responsibility

Our passion for tackling complex engineering challenges and delivering groundbreaking technological solutions goes hand in hand with our commitment to product responsibility, ensuring that each Raycap product not only meets the highest standards for quality and safety but also delivers reliable, customer-centered service.

R&D is at the core of our innovation strategy, driving advancements in surge protection, connectivity, and energy management. In 2023, we invested €2,7 million in R&D, marking an 8,7% increase from the previous year, and supported a team of 27 engineers and specialists. This sustained investment fuels continuous product improvement across key areas, including performance optimization, sustainability, and technological innovation.

- Product Environmental Compliance: Raycap is committed to ensuring environmental responsibility in its manufacturing processes by minimizing the use of hazardous substances in its products. Our Environmental Compliance Standards apply to all suppliers, setting a global baseline for regulatory compliance regarding materials used in our products. Supplier reliability is regularly assessed, and material compositions are carefully reviewed to ensure adherence to environmental regulations. All new materials undergo a rigorous qualification process, to verify compliance with legal frameworks such as the EU RoHS Directive (2011/65/EU) and the REACH Regulation (EC) No. 1907/2006. Where possible, we avoid reliance on exemptions under these regulations and strive to phase out substances of very high concern (SVHC) when viable alternatives exist. Our commitment to responsible materials management aligns with our broader sustainability strategy. For a deeper look at how Raycap integrates circular economy principles into product design, usage, and end-of-life considerations, refer to the next section on Innovation for Circularity.

- Product Safety: All Raycap products are accompanied by comprehensive manuals detailing health, safety, and environmental guidelines for installation, use, and maintenance. These manuals include storage and care instructions to extend product lifespan and minimize environmental impact. Our products comply with CE standards (or equivalents) and are certified by VDE/UL, particularly for our Surge Protection Devices,

ensuring compliance with rigorous safety and environmental protection standards. Additionally, many of our products are equipped with Environmental Monitoring Units (EMUs), which play a critical role in safeguarding client health and safety. These units provide real-time data on potential leakages, temperature fluctuations, and operational status, enabling early detection of issues and implementation of preventive measures. By minimizing risks and enhancing operational reliability, EMUs ensure both optimal product performance and a safer environment for users. To further support safe and proper product usage, Raycap regularly conducts technical training seminars for customers, which include dedicated modules on health, safety, and environmental guidelines. These sessions help customers understand product functionality, safe installation practices, and how to respond to potential risks, thereby reducing incidents related to misuse and promoting a culture of safety throughout the product lifecycle.

- Customer Support & Quality Assurance: Raycap d.o.o. has established structured procedures for collecting and responding to external feedback related to product quality and safety, as outlined in our Control of Non-Conformances (OP-07.01). This includes the management of customer-reported non-conformities at any stage, before, during, or after product use. Issues are documented and evaluated through problem reports, with classification by severity and confirmation of responsibility. Customer complaints and returns are processed using a Return Merchandise Authorization (RMA) system, with root cause analysis conducted using the 8D methodology. The procedure defines clear response timelines: initial reply within 48 hours, containment actions within one week, and full resolution within one month. A formal Escalation and Recall Process is in place to identify affected products, communicate with customers, and coordinate corrective measures such as recalls, replacements, or compensation where needed. This ensures a consistent and transparent approach to addressing health and safety concerns raised by customers and continuously improving product reliability.

- Certifications and Continuous Improvement: Our commitment to quality is demonstrated through an extensive list of certifications, including ÖVE, UL, ETL, CSA, ATEX, and IECEx. All products are meticulously labeled with essential characteristics and come with detailed manuals and safety data sheets, ensuring transparency and accessibility for customers and end-users. For our Greece-based operations, we adhere to the ISO 9001:2015 quality management system, which ensures consistent product safety and quality from development to disposal.

Over the next five years, starting in 2022, we have committed to achieving and maintaining a zero-incident rate in customer health and safety attributable to product safe¬ty issues. This commitment is supported by rigorous product safety protocols that uphold the highest standards of reliability. It is important to note that incidents resulting from improper use or failure to follow provided product guidelines are outside the scope of this target. This commitment is complemented by our **internal target to sustain customer satisfaction levels above 50/55 for Raycap d.o.o. sales during the same period**. Customer satisfaction is measured based on the resolution of reported cases/issues, price competitiveness, customer service and R&D support. These metrics reflect our unwavering dedication to ensuring product safety and service excellence.

KPIs – Product Quality & Customer Satisfaction	2021	2022	2023	Target 2024
Average Customer Satisfaction Score	52/55	51/55	49/55	52/55
Justified Customer Complaints (Major & Critical)	0	0	0	0
Customer Complaints Received	138	103	176	160
Justified Customer Complaints (Major)	0	0	0	0
Justified Customer Complaints (Minor)	55	41	70	62
Customer Complaints Resolved	100%	100%	100%	100%
Customer Health & Safety Issues Reported	0	0	0	0
Recalls due to Health and Safety Issues	0	0	0	0

With regards to non-compliance concerning intellectual property rights, marketing communications (incl. advertising, promotion and sponsorship), regulations and/or voluntary codes concerning product and service information and labeling, no incidents were reported for the period 2021-2023.

Innovation for Circularity

At Raycap, sustainability is at the core of our innovation. Every product we design is crafted to address current needs while preparing for the challenges of tomorrow. Our dedication to circular economy principles ensures that we optimize processes, materials, and outcomes to deliver sustainable solutions at every stage of a product's lifecycle. This approach minimizes environmental impacts while meeting the expectations of our customers and stakeholders.

Product Design and Lifecycle:
- Eco-design guidelines in R&D
- Use of sustainable/ recycled materials
- LCAs to assess environmental impact
- Nesting optimization to reduce waste
- Reduced packaging initiatives
- Designed for easy dismantling

Production & Distribution:
- Sustainable production methods
- Energy efficient facilities and energy monitoring
- Automation/upgrades to improve efficiency
- Eco-friendly logistics to maximize capacity

CIRCULAR ECONOMY

Product Use:
- Elimination of voltage drop (no fuses)
- Long operational life
- Maintenance-free technology
- Minimization of operational downtime

Waste Management and Recycling:
- Waste management system in place (ISO 14001)
- Waste sorting for optimal recycling and disposal
- Certified hazardous waste treatment
- Waste water monitoring
- Scrap reuse and component recovery

Product Design and Lifecycle: Sustainability begins at the design phase, guided by our ECO-Design guidelines, which emphasize resource efficiency, waste reduction, and modular designs for easy recycling. By optimizing Bills of Materials (BOMs) to reduce material variety, we streamline production, minimize stockholding, and optimize material use. We also conduct Life Cycle Assessments (LCAs) and develop Environmental Product Declarations (EPDs) to understand and minimize environmental impacts, driving improvements across product lines.

Product Use: Raycap products are designed for maximum efficiency and minimal resource consumption during the use phase. Our Surge Protection Devices (SPDs) feature low internal resistance, reducing energy loss and heat generation, while their maintenance-free design and ability to withstand repeated surges without replacement conserve resources over their lifecycle. Certain product lines incorporate rechargeable batteries and photovoltaic (PV) systems for environmentally friendly power options, while monitors with sleep mode functionality minimize idle power consumption. These features, combined with the long operational life of products like Strikesorb modules, reduce replacements, conserve resources, and minimize downtime for customers.

Production and Distribution: Raycap prioritizes sustainability in its production and distribution processes. Our manufacturing facilities incorporate energy-efficient systems, advanced monitoring, and automated equipment upgrades to reduce energy consumption and enhance productivity. Consolidating shipments and optimizing logistics further contribute to environmental efficiency by minimizing transportation emissions.

End-of-Life Management: Responsible end-of-life management is central to Raycap's commitment to circularity. All applicable products are marked with the WEEE symbol to guide proper disposal and recycling, and we actively participate in take-back systems for WEEE and batteries to ensure materials are responsibly processed and reintegrated into the production cycle. Our product designs prioritize easy dismantling, maximizing recyclability for components we have collaborated with a specialized company to meticulously assess and report on the recyclability ratio of our product range. Through this partnership, we have gained valuable insights into the composition and recyclability of our products, enabling us to make informed decisions about materials and design improvements. Additionally, we have performed End of Life analysis in line with "ECO'DEEE recyclability and recoverability calculation method" for key products.

Additionally, our innovations in packaging reduce material usage and enhance transparency by clearly communicating these improvements to stakeholders, underscoring our dedication to environmental stewardship.

To contribute to our overall goal of a 50% reduction in Scope 3 emissions by 2030, **we are targeting a 20% reduction in emissions associated with product end-of-life, using 2022 as the baseline**. Recognizing that end-of-life impacts depend on external factors, we will focus on enhancing product recyclability, promoting responsible disposal practices, and engaging with stakeholders to support this objective.

KPIs – EoL Emissions (CO2 eq tn)	2022	2023
Raycap Group – EoL Emissions	1327	512
Raycap d.o.o. – EoL Emissions	43	58

While the Raycap Group achieved a significant reduction in 2023 (from 1.327 to 512 tCO2e), Raycap d.o.o. saw a slight increase (from 43 to 58 tCO2e) due to increased production of larger, higher-weight products. These results reinforce our commitment to continued innovation in end-of-life processes as production scales and product types evolve.

We Care for our People and the Community Well-being

At Raycap, our people are the cornerstone of our success and sustainable growth. We invest in their development, providing continuous opportunities for improvement. Additionally, we deeply respect the societal interests and essential needs tied to our operations. Our commitment goes beyond compliance, prioritizing the health and safety of our employees, clients, and local communities across all regions where we operate. We conduct all activities with the utmost respect for the dignity and rights of every individual involved. To uphold these values, we have implemented stringent protocols and continuous monitoring systems, ensuring the safety and well-being of all our stakeholders.

Employee Data

As of December 31st, 2023, Raycap d.o.o. employed a total of 423 employees, reported in alignment with year-end data for consistency.

KPIs – Employee Count	2021	2022	2023
Total Employee Count	443	512	423
Direct Employee Count	261	263	307
Non-Direct Employee Count	182	249	116

Building on our commitment to transparency in employee dynamics, it's noteworthy that **for the period 2023, 94% of our management team originated from local communities in our country of operations,** underscoring our strong commitment to nurturing local talent and deepening our connections with the communities we serve.

Equality, Diversity & Inclusion

Raycap is a global company with employees from different countries, environments, and cultures. We believe that our diversity is a source of strength and competitive advantage, which is why we employ people of different genders, nationalities, generations, abilities, and social backgrounds. To ensure that our employees are engaged, motivated and able to reach their full potential, we encourage and promote a culture of mutual respect, tolerance, and cooperation.

We actively protect the dignity of all employees and stakeholders by taking firm action against any form of harassment or discrimination. Our goal is to ensure a respectful, inclusive environment that fosters equality and diversity. This commitment is embedded in our Group-level Code of Conduct and Human Rights & Labour Policy and further reinforced through Raycap d.o.o.'s local Employee Handbook and the Policy on Equal Treatment and Protection of Employee Dignity.

In 2023, we successfully upheld our commitment to fostering a respectful and inclusive work environment by achieving a third consecutive year with zero incidents of workplace harassment or discrimination, consistently meeting our year over year target of zero incidents.

Committed to equal opportunity and affirmative action, we ensure all our job postings and promotional opportunities reflect this policy. We guarantee that all qualified candidates are considered for employment and advancement without bias regarding age, disability, race, color, national origin, sex, religion, sexual orientation, and other personal characteristics. To attract a diverse pool of candidates and eliminate unintentional bias, we use gender-neutral job descriptions and foster a workplace environment where all individuals have fair access to advancement opportunities.

KPIs – Leadership Diversity	2021	2022	2023
Percentage of Women within the Global Organization's Board	28,6%	28,6%	28,6%
Percentage of Minorities and/or Vulnerable Groups within the Global Organization's Board	0%	0%	0%
Percentage of Women within the Organization's Senior Management	50%	50%	50%
Percentage of Minorities and/or Vulnerable Groups within the Organization's Senior Management	0%	0%	0%
Percentage of Women within the Organization's Management Team	36,4%	30,8%	38,5%
Percentage of Minorities and/or Vulnerable within the Organization's Management Team	0%	0%	0,0%

| KPIs - Workforce Diversity | Total Count | | | Percentage (%) | | |
Direct Employees	2021	2022	2023	2021	2022	2023
By gender						
Men	80	124	131	31%	47%	43%
Women	181	139	176	69%	53%	57%
By age group						
Under 18	0	0	0	0%	0%	0%
Under 30	31	30	41	12%	11%	13%
31-50	158	162	178	61%	62%	58%
Over 50	72	71	88	28%	27%	29%
Minority / vulnerability status						
Minority / vulnerability status	10	10	9	3,83%	3,80%	2,93%

| KPIs - Workforce Diversity | Total Count | | | Percentage (%) | | |
Non-Direct Employees	2021	2022	2023	2021	2022	2023
By gender						
Men	44	54	23	24%	22%	20%
Women	138	195	93	76%	78%	80%
By age group						
Under 18	0	0	0	0%	0%	0%
Under 30	49	69	30	27%	28%	26%
31-50	118	154	71	65%	62%	61%
Over 50	15	26	15	8%	10%	13%
Minority / vulnerability status						
Minority / vulnerability status	5	5	6	2,75%	2,01%	5,17%

In Raycap we are aware that promoting gender equality and representation in the workforce and management is essential for creating a diverse and inclusive workplace, thus we follow the principle of "equal pay for equal work" regardless of gender, race or ethnicity or other possible discriminatory factors. Specific measures include:

- Annual review and adjust salary structures to eliminate gender pay gaps.
- We provide parental leave policies for both mothers and fathers to support more equal distribution of caregiving responsibilities.
- We are promoting women in leadership and encourage qualified women to pursue leadership roles.

Raycap monitors wage equality through the Average Unadjusted Gender Pay Gap. Between 2021 and 2023, this gap has steadily decreased from 37,99% to 31,67%, reflecting ongoing efforts to promote fair and equitable compensation across all roles and levels. In this context, **we have set an entity-specific target to further reduce the gap to 28 % or lower by 2030, aligning with a 1,1 percentage-point annual reduction pace, based on a straight-line trajectory from 2021,** as part of our broader efforts to drive continuous improvement in pay equity and to progressively eliminate the pay gap over time.

KPIs – Wage Equality	2021	2022	2023
Average Unadjusted Gender Pay Gap	37,99%	34,72%	31,67%

We have implemented targeted initiatives to promote the integration of employees with disabilities such as:

- Providing accessible building features, including elevators, ramps, and other accommodations, to ensure barrier-free access for all employees.

- Introduction of special workstations for disabled people, which are adapted to their limitations (no lifting of heavier loads, avoidance of forced posture of the spine, etc.)

- respect for the time-limited capacity of disabled people (we allow 4- or 6-hour workstations)

Specifically in 2023 we have continued our partnership with Dobrovita, a company dedicated exclusively to employing individuals who hold official status as people with disabilities. Our collaboration with Dobrovita commenced in June 2022, during which we desig¬nated a specific segment of our production exclusively for their team. To facilitate a smoother integration process, we assigned them tasks involving lighter manual work and redeployed our regular employees to more demanding positions. As a result of this partnership, in 2023, we have been employing between 4 to 6 individuals from Dobrovita, each working their full schedule with us.

In alignment with our commitment to fostering an inclusive and respectful work environment, Raycap has consistently provided employees with essential information on equality, diversity, and maintaining a harassment-free workplace, as outlined in our Code of Conduct and supporting policies. Until 2023, this was achieved through detailed explanations of these policies and best practices in 30-minute discussion sessions facilitated by HR, ensuring 100% employee coverage and alignment with our values.

Building on this foundation, in 2023 Raycap introduced a dedicated training session titled "Diversity, Discrimination, and Anti-Harassment" to further equip employees with the knowledge and skills needed to recognize and address potential violations more effectively.

KPIs – DEI and Anti-Harassment Training	2021	2022	2023
Employee Acknowledgment Rate of "Equal treatment and Dignity Protection" Policy	100%	100%	100%
"Diversity, Discrimination, and Anti-Harassment" Training Coverage	100%	100%	100%
"Diversity, Discrimination, and Anti-Harassment" Training Completion Rate	100%	100%	100%
Average "Diversity, Discrimination, and Anti-Harassment" Training Hours per Employee	0,5	0,5	0,5

Labor & Human Rights

We uphold a global commitment to respecting and promoting human rights as outlined in our Code of Conduct. Our operations strictly follow the principles of the International Labor Organization (ILO) core conventions on labor standards and comply with all relevant employment laws, including those on wages, working hours, collective bargaining, and anti-discrimination, in every region where we operate. We maintain a work environment free of harassment, intimidation, and violence, extending this commitment throughout our value chain. This dedication is also reflected in our engagement with suppliers and partners, fostering a shared culture of compliance and accountability.

Our "Human Rights and Labour Policy" formalizes these commitments, emphasizing a robust due diligence process to prevent violations, and mandates corrective actions if incidents occur. Raycap upholds zero tolerance for human rights violations, maintaining a strict stance of non-participation—whether direct, passive, or implicit—in any related offenses. This includes avoiding interactions with third parties suspected of enabling or contributing to human rights abuses.

We implement rigorous hiring procedures to mitigate risks related to child labor, forced labor, and human trafficking. While these risks are minimal within our operations, preventive measures include background checks and verification of legal status and age through national registries for all employees. **Our commitment is reinforced by a rolling target of zero tolerance for incidents involving illegal child labor, forced labor, or human trafficking—a standard we successfully maintained in the period 2021-2023.** In the unlikely and unlawful event that any individual below the legal working age is found in the workplace, the Company will immediately remove them from work. Additionally, we are committed to supporting these individuals and their families by helping them access appropriate services and viable alternatives.

While Raycap d.o.o. does not currently employ young workers, we are prepared to ensure their safety and well-being if such cases arise. This includes conducting risk assessments, designing safe workplaces, implementing protective measures, prohibiting hazardous tasks, and providing regular medical supervision. We also commit to informing young workers and their legal guardians about potential risks and ensuring any vocational training is conducted under strict supervision in a safe environment. These measures align with labor laws to safeguard the health and development of young workers.

Since 2023, Raycap d.o.o. has introduced a dedicated half-hour human rights training session titled «Awareness Training on Child Labor, Forced Labor, and Human Trafficking» to equip employees with the skills needed to recognize and report potential violations. Prior to this initiative, these topics were integrated into broader presentations and explanations of the Code of Conduct and related policies delivered to employees. This dedicated training underscores our commitment to ethical labor practices, fostering a vigilant and well-informed workforce.

Looking ahead to 2024, we plan to enhance this approach by integrating DEI and human rights topics into a unified, upgraded "Respectful Workplace & Human Rights" training program. This comprehensive session will reinforce our commitment to inclusivity and policy compliance, **with the objective of ensuring that every employee completes at least one hour of relevant training annually, starting in 2024.**

KPIs – Human Rights Training	2021	2022	2023
Employee Acknowledgment Rate of Human Rights & Labour Policies	100%	100%	100%
"Child Labor, Forced Labor and Human Trafficking" Training Coverage	100%	100%	100%
"Child Labor, Forced Labor and Human Trafficking" Training Completion Rate	100%	100%	100%
Average "Child Labor, Forced Labor and Human Trafficking" Training Hours per Employee	0,5	0,5	0,5

Additionally, our operations and internal controls are regularly reviewed by the Slovenian Labor Inspectorate. These external audits focus on key areas of labor law compliance, including employment contracts, working hours, documentation, inclusion of persons with disabilities, and occupational health and safety. Random employee interviews and checks of mandatory records (e.g., identity documents, medical certificates) confirm the robustness of our procedures. These inspections help validate the effectiveness of our internal systems in ensuring lawful employment practices and serve as a preventive control against potential risks such as child or forced labor.

Workplace Dialogue

Raycap recognizes the importance of maintaining effective social dialogue within the organization to foster open communication, mutual understanding, and cooperation between management and employees. We fully support the principle of freedom of association, respecting every employee's right to make an independent choice regarding union membership or the formation of unions. Employees have the autonomy to select representatives who can effectively advocate for their interests.

Raycap d.o.o. complies with all applicable laws, rules, and the provisions of collective agreements relevant to the electrical industry. We specifically adhere to the Collective Agreement for the Electrical Industry of Slovenia ("Kolektivna pogodba za dejavnost elektroindustrije Slovenije"), which is universally applied across our workforce (100% coverage). This agreement provides comprehensive guidance on key aspects of working conditions, including:

- Working hours (Articles 13–18)

- Absences (Articles 20–25)

- Wages and benefits (Articles 42–58)

- Protection from harassment (Article 5a)

- Non-discrimination (Article 29) and equal opportunities (Article 44)

- Employee training and development (Articles 13, 30–34, 44)

The agreement takes effect the day after its publication in the Official Gazette of the Republic of Slovenia and is binding for all companies in the sector based on their primary business activity and registration.

Although employees at Raycap d.o.o. have not formed an internal union, some are members of the Association of Free Trade Unions of Slovenia. We maintain open cooperation with this association to address any issues or questions that may arise. In addition, employee representation is ensured through the annual election of a formally recognized employee representative, selected directly by the workforce. This representative plays a key role in consultation with management, expressing employee perspectives on the key subjects of the Electro-Industry Collective Agreement and other workplace related matters, and contributing to a culture of mutual trust and collaboration.

To further foster transparent communication and maintain a human-centered approach within a creative and collaborative work environment, Raycap upholds an open-door policy that encourages dialogue across all organizational levels. This ensures every employee has the opportunity to express ideas, raise concerns, and propose improvements. At Raycap d.o.o., this policy is further supported through dedicated "talking hours" every Wednesday, where employees can pre-arrange meetings with senior management via email or through line managers. The schedule, along with management contact details, is posted on the production bulletin board. Structured communication channels also include daily one-on-one supervisor meetings, weekly team meetings between directors, team leaders, and employees, and quarterly Town Hall meetings. In 2023, eight Town Halls were held, covering topics such as business strategy, financial performance, sustainability, safety, diversity, inclusion, and employee well-being.

Raycap fosters a human-centered approach through transparent communication across all levels of the organization. We maintain an open-door policy that encourages employees to express ideas, raise concerns, and propose improvements. At Raycap d.o.o., this is further supported by dedicated "talking hours" every Wednesday, during which employees can book meetings with senior management via email or line managers. The schedule and management contact details are posted on the production bulletin board. In 2023, 37 employees made use of this opportunity.

Structured communication includes daily one-on-one supervisor meetings, weekly departmental meetings, and quarterly Town Halls, of which eight were held in 2023. These forums address business strategy, financial performance, sustainability, safety, diversity, inclusion, and employee wellness.

Communication is further supported through accessible grievance procedures, confidential feedback tools such as suggestion boxes and dedicated email contacts, and safe reporting channels defined in our Code of Conduct and Whistleblower Protection Policy.

KPIs – Workplace Dialogue	2021	2022	2023
Percentage of Employees Covered by the Collective Agreement for the Electrical Industry of Slovenia	100%	100%	100%
Number of Townhall Meetings Held	12	8	8

Occupational Health Safety

At Raycap, the health and safety of our employees are paramount. We view a safe and healthy work environment not only as a fundamental right but also as a cornerstone of our operational excellence. Our comprehensive health and safety program as described in the following section is in line with our designated policies to prevent workplace injuries and illnesses, and to foster a culture of safety and well-being. All relevant guidelines are communicated to all employees via the "HSE Employee Handbook".

Our Occupational Safety and Health Management System, certified under ISO 45001:2018, applies to all our operating facilities, ensuring that our practices align with internationally recognized standards and reinforcing our commitment to prevent workplace injuries and illnesses. Regular independent audits of our management system, as mandated by ISO 45001:2018, validate our compliance with the highest industry standards. These audits assess our ability to manage workplace risks effectively, affirm the robustness of our safety protocols, and provide actionable insights to drive continuous improvement.

To measure performance and ensure transparency, we utilize key safety metrics, including Lost Time Incident Rate (LTIR), Severity Rate (SR), Lost Workday Rate (LWR), and Total Recordable Incident Rate (TRIR). These metrics allow us to meet diverse reporting requirements for stakeholders and clients.

To support this commitment, starting in 2021 we have set an ambitious target to achieve a TRIR below 1 over the next five years. This goal surpasses industry best practices, as the U.S. Bureau of Labor Statistics reported a TRIR of 2.0 for the electrical equipment manufacturing sector in 2020.

Our latest metrics reflect these efforts, showcasing our dedication to safeguarding the well-being of our workforce and subcontractors across all operations.

Health & Safety Performance Highlights

At Raycap, we systematically record and monitor all work-related incidents, covering our entire workforce, including both direct employees and non-direct or temporary staff. This comprehensive approach reflects our strong commitment to safeguarding the health and well-being of all personnel, regardless of role or location.

In 2023, Raycap d.o.o. recorded a total of five work-related accidents, across 755.952 hours worked, demonstrating steady progress toward our safety objectives. Although total lost workdays increased slightly to 115 (up from 108 in 2022), this was primarily due to incidents involving non-direct employees. Among direct employees, lost workdays fell significantly, from 49 in 2021 to just 5 in 2023, representing a reduction of nearly 90% over two years.

This positive trend underlines the positive impact of long-term employment relationships in building a stronger safety culture, as employees are more deeply integrated into our safety systems and procedures and benefit from ongoing training, resulting in fewer and less severe incidents.

These trends are further reflected in our 2023 health and safety KPIs. The Lost Time Incident Rate (LTIR) decreased from 1,66 in 2022 to 1,32 in 2023, indicating a reduction in the frequency of incidents per hours worked. However, the Lost Workday Rate (LWR) and Severity Rate (SR) increased, driven by a small number of more serious cases involving non-direct employees that required extended recovery periods. While this marks progress in incident prevention, it highlights the need to strengthen our focus on minimizing the severity of incidents when they do occur.

KPIs - Health and Safety Performance	2021	2022	2023	Target 2024
Total Number of Hours Worked	685.537	844.078	755.952	-
Direct Employees	446.353	447.738	498.152	
Non-Direct Employees	239.184	396.340	257.800	
Work Related Fatal Accidents	0	0	0	0
Direct Employees	0	0	0	
Non-Direct Employees	0	0	0	
Work Related High-Consequence Accidents	0	0	0	0
Direct Employees	0	0	0	
Non-Direct Employees	0	0	0	
Work Related Accidents & Ill-Health	5	7	5	0
Direct Employees	4	2	2	
Non-Direct Employees	1	5	3	
Work Related Lost Time Incidents	5	7	5	0
Direct Employees	4	2	2	
Non-Direct Employees	1	5	3	
Lost Workdays	57	108	115	-
Direct Employees	49	17	5	
Non-Direct Employees	8	91	110	
Health & Safety Minor Incidents (MI-MTI)	5	7	3	<10
Direct Employees	2	1	3	
Non-Direct Employees	3	6	0	
Lost Time Incident Rate (LTIR)*	1,46	1,66	1,32	≤ 1
Total Recordable Incident Rate (TRIR)**	1,46	1,66	1,32	-
Lost Workday Rate (LWR)***	16,63	25,59	30,43	-
Severity Rate (SR)****	11,40	15,43	23,00	-
Health & Safety Complaints by Interested Parties	0	0	0	0
Health & Safety Internal Non-Conformances (ISO 45001)	0	1	1	≤ 4
Health & Safety Improvement Actions	0	6	0	≥ 15

*LTIR = (Number of lost time cases x 200,000) / total number of hours worked by employees
**TRIR = Number of Incidents x 200,000 / total number of hours worked in a year
*** LWR = (Number of lost workdays x 200,000) / Total number of hours worked by employees.
**** SR = (Lost Workdays due to Work Related Incidents)/(Number of Work Related Incidents)

Note: The 2021–2022 health and safety data have been restated in this RY2023 report following a data integrity review, which identified inaccuracies in workforce coverage and underlying inputs such as hours worked, incident counts, and lost days. The revised figures—now accurately reflecting both direct and non-direct employees—affect LTIR, TRIR, LWR, and SR. This restatement also supports alignment with Group-level reporting standards currently under development and is disclosed in accordance with GRI 2-4: Restatements of information.

Strategies and Risk Mitigation Measures

To maintain these high standards, Raycap d.o.o. employs a robust set of strategies and measures, guided by our ISO-certified management system and monitored by our "Joined Labor-Management Health and Safety Committee", a pivotal group at the heart of our H&S system that regularly convenes to discuss and address health and safety concerns. This committee ensures an ongoing dialogue between management and employees on health and safety matters. Through these regular meetings, the committee actively reviews workplace conditions, identifies potential hazards, and develops strategies to mitigate risks. This collaborative approach reinforces our commitment to maintaining a safe and healthy work environment for all staff members.

To achieve and sustain our safety objectives, Raycap d.o.o. employs a comprehensive array of risk management strategies:

- Regular Risk Assessments: Conducted annually across all sites, these assessments target the workplace environment, equipment safety, employee work practices, and emergency preparedness, ensuring proactive identification and mitigation of hazards.

- Personal Protective Equipment (PPE): Our PPE catalog is continually updated to meet industry standards, ensuring that employees are equipped with protective gear appropriate to their specific tasks. Supervisors actively monitor compliance with PPE requirements and verify that all necessary equipment is properly used. Additionally, every employee is required to sign a formal declaration confirming that all required PPE has been provided. Employees are also obligated to promptly report any issues, deficiencies, or concerns regarding their protective equipment to their supervisors, enabling swift resolution and ensuring continued workplace safety.

- Subcontractor and Guest Safety Protocols: All subcontractors and guests are required to undergo safety inductions before accessing our premises. This includes guidance on the use of personal protective equipment (PPE), adherence to emergency procedures, and strict compliance with Raycap's health and safety policies to ensure their well-being while onsite.

- Environmental Monitoring: Regular measurements of noise levels, air quality, lighting, and other conditions help us promptly identify and address potential health risks.

- Machine and Equipment Inspections: Routine maintenance and safety checks are conducted on all equipment to maintain safe operations and comply with safety standards.

- Ergonomic Workspaces: Workstations are thoughtfully designed to prioritize comfort and minimize strain, particularly for roles involving repetitive tasks or physical demands. To further reduce the risk of fatigue and repetitive motion injuries, we implement rotational duties, allowing employees to alternate between tasks and maintain overall well-being while maximizing productivity.

- Hazard Communication: Comprehensive procedures are in place to identify and communicate chemical and other potential hazards to employees. This includes providing access to MSDS documentation, employee training on hazard awareness, and ensuring proper labeling of hazardous substances in line with regulatory requirements.

- Ventilation Systems for Hazardous Substances: Workstations where hazardous substances might be present are equipped with advanced solder fume extractors designed to minimize employee exposure. These systems are supplemented by strict adherence to handling protocols for hazardous chemicals, including the use of Material Safety Data Sheets (MSDS) to guide safe practices and ensure compliance with hazard communication procedures.

- Health & Safety Training: We empower our employees through a comprehensive 1,5-hour combined Health, Safety, and Environmental (HSE) training program, delivered during onboarding and refreshed annually or when specific needs arise. Key topics include the proper use of personal protective equipment (PPE), ergonomic practices, fire safety, emergency response, and the safe handling of hazardous substances. In addition, production floor personnel receive tailored on-the-job training focused on chemical handling, EX-zone protocols, and electrical safety. This integrated approach ensures all employees are equipped to work safely and in compliance with relevant standards.

KPIs - Health and Safety Measures	2021	2022	2023	Target 2024
Employee Acknowledgment Rate of Health & Safety Policies	100%	100%	100%	100%
"Health & Safety" Training Coverage	100%	100%	100%	100%
"Health & Safety" Training Completion Rate	100%	100%	100%	100%
Average HSE Training Hours per Employee	1,5	1,5	1,5	≥ 2
Percentage of Newcomers that Underwent Health & Safety Induction	100%	100%	100%	100%
Percentage of On-Site Subcontractors that Underwent Health & Safety Induction	100%	100%	100%	100%
Health & Safety Emergency/Evacuation Drills Performed	2	2	3	≥3

We maintain a structured Health Promotion Program based on occupational risk assessments. All newcomers undergo mandatory medical check-ups prior to employment, while existing employees are examined on a rolling schedule aligned with their exposure level and role type. Employees in production or higher-risk roles are typically assessed every 3-4 years, while those in office-based positions follow a five-year cycle. This system ensures that 100% of employees are covered at all times according to the agreed intervals with our authorized occupational doctors.

In addition to routine physical examinations, the program offers confidential mental health consultations upon request. Any employee who develops a health concern may contact the Health & Safety or HR departments to request a medical check-up and can be fast-tracked for an ad-hoc examination by our authorized occupational doctor.

KPIs – Employee Medical Check-Ups	2021	2022	2023
Percentage of Newcomers that Underwent Medical Check-Up	100%	100%	100%
Percentage of Employees that Underwent Medical Check-Up Cycle	100%	100%	100%

Working Conditions & Employee Well-Being

At Raycap, we are committed to fostering a work environment that prioritizes fair compensation, secure working conditions, and the overall well-being of our employees. For Raycap d.o.o., specific policies and benefits are clearly communicated through our **Employe Handbook,** ensuring transparency and accessibility. Key measures include:

- Equitable Compensation: Raycap d.o.o. is committed to fair compensation and ensures equitable pay by assigning employees to positions with defined salary ranges according to our Job Systematization Act. Salaries are determined on a gross basis, reflecting the role's tariff class, and are disbursed by the 15th of each month for the prior period, underscoring our commitment to timely and fair wage practices. Our compensation practices, ensure all employees receive pay that meets or exceeds the legally mandated minimum wage. These are complemented by firm benefits, including daily lunch allowance, travel allowance, a private healthcare plan, and additional discretionary perks such as performance bonuses, business travel reimbursements, Jubilee rewards, severance, Solidarity Aid and relocation packages.

  A significant metric used to assess internal pay equity is the ratio of the annual total compensation of the highest-paid individual to the median annual compensation of all employees. This indicator provides transparency on compensation fairness and supports our broader efforts toward equitable pay practices. In 2023, the ratio stood at 17,7, reflecting a slight increase from 2022. While the upward trend partly reflects

organizational growth and performance-based incentives at senior levels, we recognize the importance of maintaining a fair and balanced compensation structure. We are committed to monitoring this ratio annually and to implementing targeted measures, including structured pay ranges, internal benchmarking, and inclusive promotion practices, to ensure continued progress toward compensation equity across the organization.

KPIs – Equitable Compensation	2021	2022	2023
Ratio of the Annual Total Compensation for the Highest Paid Individual to the Median Annual Total Compensation for All Employees	14,99	17,11	17,7

In 2023, Raycap d.o.o. conducted its first inaugural annual living wage gap analysis, evaluating each employee's monthly gross salary and firm company-provided benefits against living wage thresholds in Slovenia. These thresholds were derived from WageIndicator.org, a globally recognized platform providing robust and up-to-date living wage benchmarks based on local costs of living. This initiative reflects our commitment to ensuring fair and equitable compensation for all employees. To address any identified disparities, we have set an internal target to **continuously pay a living wage, ensuring that 100% of our direct employees receive compensation at or above the local living wage.** Through this proactive approach, we aim to enhance financial security, support employee well-being, and contribute to an improved quality of life for our workforce.

KPIs – Living Wage	2023
Living Wage Threshold for Central Slovenia (€ /month) Wageindicator.org	1.365,50
Percentage of direct employees covered by a living wage benchmarking analysis	100%
Percentage of direct employees paid below living wage	0%
Percentage of all employees paid below living wage (direct & non-direct)	0%
Percentage of average wage gap for direct employees paid below living wage against a living wage benchmark	0%

- Parental Flexibility: We support parents with a "Parental Schedule," allowing for adjusted start or end times to facilitate childcare responsibilities, such as dropping off or picking up children from school or kindergarten.

- Breastfeeding Support: Female employees with children under 18 months have the right to breastfeeding breaks of at least one hour per day.

- Flexible Working Arrangements: Our approach supports work-life balance through flexible working hours, including sliding schedules with arrival times between 6:00 and 9:00, and the option to redistribute working hours based on workload. In addition, we offer remote work opportunities upon agreement with supervisors, particularly in exceptional cases such as contact with a COVID-positive individual, returning from business trips or vacations, or to accommodate personal or family needs.

- Health Care Plans: In Slovenia, health care is compulsory, with costs fully covered by manda¬tory contributions from both employer and employee. **We have set a target that by 2024 we offer a company-funded private health care plan that extends to all employees**, covering hospitalization, outpatient services, and diagnostic tests. This plan supplements social security benefits and includes coverage for eligible dependents, ensuring comprehensive health support for our workforce and their families.

- Proactive Health and Safety Measures: Raycap d.o.o. collaborates with occupational doctors to provide continuous health consultations and confidential mental and physical health support for our employees. Our wellness initiatives include free periodical medical check-ups as per Health and Safety Risk Assessment, organizing voluntary flu and Covid-19 vaccinations, and fresh fruit provisions in all workspaces. Automated defibrillators are installed across our facilities, with regular employee training to maintain a safe and responsive work environment.

- Work Hours and Overtime Structure: Raycap d.o.o.'s internal Policy on Working Hours, Breaks, Rest, and Annual Leave defines structured work hours and fair overtime compensation. We offer both five- and six-day workweeks, depending on department needs, and ensure that only actively worked time at designated locations is counted. Overtime is compensated according to legal guidelines and Collective Agreement provisions, supporting a balanced approach to work and rest. To monitor compliance and accuracy, all employees are issued a personal electronic card upon onboarding, which they use to record their working hours through the company's electronic time-tracking system. As part of our ongoing commitment to employee well-being, we are working toward an **entity-level target to keep Overtime as a Percentage of All Working Hours below 7% for the next five years, starting in 2022.**

- Absence/Leave: Employees at Raycap d.o.o. are entitled to annual leave as outlined in the company's relevant policy, which complies with Slovenian Labor Law and the Collective Agreement. Beyond the legally mandated leave, Raycap d.o.o. provides up to seven days of personal paid leave based on job requirements, promoting work-life balance. The company also supports employees with educational leave, sick and parental care leave, and maternity, paternity, and parental leave in accordance with the Act on Parenthood and Family Benefits. This includes 105 days of maternity leave, 30 days of paternity leave, and 130 days of parental leave, which is available to either parent and is extended by 90 additional days in the case of twins.

KPIs – Leave and Absence	2021	2022	2023
Overtime as a Percentage of all Working Hours	7%	6,39%	3,91%
Number of Overtime Hours Paid	32.226	38.669	24.140
Percentage of Employees Using Full Leave Entitlement	100%	100%	100%
Total Hours of Paid Personal Leave	74.565	88.558	95.176
Total Hours of Additional Personal Leave	926	1.060	1.492
Total Hours of Parental Care Leave	1.788	2.789	3.733
Total Hours of Maternity/Paternity Leave	18.240	22.146	24.338
Absenteeism Rate	8,20%	8,54%	8,77%

To gauge employee satisfaction and enhance working conditions, we conduct an annual anonymous Employee Satisfaction Survey since 2022. This survey is a vital tool for understanding our employees' perspectives and identifying areas for improvement. **In 2023, we achieved a 63% participation rate, with an average satisfaction level of 78%**. Survey findings are communicated transparently across multiple channels, reinforcing our commitment to openness and continuous improvement.

To further strengthen our commitment to employee well-being, we have set an entity-level target to increase our satisfaction rate to 80% over the next five years.

KPIs – Employee Satisfaction	2022	2023
Percentage of Employees Covered by Satisfaction Survey	71%	63%
Average Employee Satisfaction Level in the Organization	79%	78%

Employee Performance Assessment

At Raycap, we place strong emphasis on the performance evaluation of our employees across all roles within the organization. Our Performance Development Process is a structured, ongoing initiative designed to foster open dialogue, encourage teamwork, and assess performance in alignment with our core values, strategic direction, and organizational goals. This process includes regular reviews, culminating in a year-end evaluation that ensures alignment with our strategic objectives while also supporting each employee's personal aspirations, fostering both professional growth and individual fulfillment.

Employees are evaluated on a 1 to 4 scale across key attributes:

- Positive Attitude, Commitment, and Teamwork: Fostering a cohesive and supportive work environment.

- Innovation and Professional Knowledge: Encouraging continuous improvement and knowledge-sharing.

- Work Performance: Measuring the variety, quality, and impact of tasks, contributing to overall productivity. Particularly for production employees, productivity data from our ERP system is also taken into account

- Compliance with Health, Safety, and Internal Policies: Ensuring adherence to company standards.

These evaluations are refined through a weighted formula, and management annually designates performance levels—top, medium, and average—based on results.

This process not only promotes development but also serves as the basis for rewarding top performers through annual salary increases and performance bonuses, issued in the first quarter of each year. These rewards help us maintain a competitive compensation framework within the industry.

A core component of the process is the one-on-one discussion between each employee and their supervisor, focusing on strengths, areas for improvement, and career development. By incorporating career aspirations into these discussions, we aim to align personal goals with company objectives, empowering employees to reach their full potential and advance within the organization.

In 2023, Raycap d.o.o. successfully completed its annual performance evaluation, encompassing the entire workforce and achieving a 100% assessment rate for the third consecutive year.

Training and Development

We recognize that our people are the foundation of our innovative offerings, which is why we prioritize enhancing employee competencies, creating a motivating work environment. We continually invest in our team's development through professional training, mentorship programs, and targeted recruitment of top talent across diverse fields.

Each year, Raycap develops an **Annual Training Plan**, securing the necessary resources to support it. This plan is designed to address employee development needs and align with the company's strategic goals. Beyond mandatory training in Quality, Environment, Health & Safety, Ethics, and Information Security, aligned with our relevant ISO management systems, it includes:

- **Onboarding training** for new recruits to ensure smooth integration into the company.

- **Technical training** directly relevant to each role's requirements.

- **Skill-building in new competencies** that empower employees to excel in their roles.

Our recruitment strategy balances integrating junior-level employees, who are nurtured into skilled professionals, with hiring experienced specialists to bring advanced knowledge and expertise. This blend of emerging talent and seasoned proficiency creates a dynamic, innovative workplace.

For employees pursuing further education aligned with both their personal growth and company objectives, Raycap covers related expenses, such as registration or tuition fees, in accordance with company agreements. We offer a mix of internal and external training tailored to individual roles and potential, guided by a **skills matrix** that identifies and addresses competency gaps. Additionally, Raycap supports job rotation programs, enabling employees to gain varied technical knowledge and develop skills essential for career progression. In many cases, we also fund language courses and postgraduate programs that align with our strategic vision.

KPIs - Training & Development	2021	2022	2023
Average Training Hours per Employee	5,81	9,67	4,86
Total Training Hours Delivered	1.517,00	2.542,00	1.492,00
Internal Trainings Hours	1.259	703	1.315
External Training Hours	258	1.839	177
Percentage of Employees Enrolled in Trainings	83%	100%	100%
Total Investment in Training (€)	11.220	62.320	38.622
Training Investment per Employee (€)	42,99	236,96	125,81

Building on our progress in recent years, we aim to further enhance our efforts by achieving an average of 8 hours training per employee annually within the next three years.

Employees who complete external training are required to share their acquired knowledge with colleagues. This involves summarizing key insights and distributing them to relevant team members, as well as leading brief informational sessions. This practice ensures valuable information is circulated within the team, enhancing our collective skill set and fostering a culture of shared learning and collaboration.

Career Mobility

At Raycap, we actively promote career mobility and growth by prioritizing internal talent for new roles. Guided by our strategic growth plans and succession planning, we offer opportunities for employees to take on positions of increased responsibility, both in Greece and in other countries where Raycap operates.

When a position opens, we first advertise internally, enabling team members to apply for:

- Departmental promotions, allowing advancement within their current department.

- Inter-departmental moves through promotions or lateral mobility, fostering skill development across roles and departments.

- Relocation opportunities, offering new roles in different locations to match personal and professional aspirations.

Additionally, we implement a **job rotation program**, giving employees the chance to broaden their technical expertise and develop new skills essential for their career progression.

In 2023, Raycap d.o.o. recorded a total of 21 internal promotions, a 31% increase from 2022, underscoring our commitment to supporting internal talent development and fostering career growth.

KPIs – Career Mobility	2021	2022	2023
Number of Internal Promotions	17	16	21

Initiatives for Positive Local Community Impact

At Raycap, we are committed to supporting local communities in a way that promotes sustainability and well-being while minimizing environmental impacts. Our approach is holistic, encompassing environmental, social, and economic factors to ensure a positive and lasting effect on our community.

In 2023, our initiatives in Slovenia delivered tangible outcomes across all three pillars:

- Strengthening the local economy: We directed €31,7 million to Slovenian suppliers, reinforcing the regional economy while reducing emissions linked to long-distance transportation.

- Promoting healthy lifestyles: Employees received fresh, locally grown fruit twice a week, an €74 k investment that supports urban agriculture while boosting workforce wellness.

- Investing in green infrastructure: Our 12,000 m² Komenda facility was built to high energy-efficiency standards, features a green roof and newly planted trees, and offers 5 EV charging stations for staff and visitors.

- Supporting community health: Thirteen employees participated in voluntary blood donations, with Raycap covering 168 hours of paid leave paid hours (≈ €2,3 k) to enable their contribution.

- Enhancing emergency preparedness: We provided paid leave (14 hours) for employees active in volunteer firefighting and mountain rescue, hosted a live fire drill at our facility, and donated €1,500 to the local fire brigade.

- Disaster relief support: Following the devastating August 2023 floods, we assisted nine affected colleagues with €16.000 in solidarity grants, 264 hours of additional leave, flexible working arrangements, and access to psychological support.

- Youth development and education: Three local students completed a total of 2.352 hours of practica training with us, helping build local talent and strengthen the future workforce.

- Promoting sustainable mobility: We invested €96,000 in a company-funded bus service, providing employees without private transport with a reliable, low-carbon commuting option and reducing local traffic congestion.

We Care for Responsible Sourcing

At Raycap, we recognize that the supply chain is a pivotal component of our sustainability objectives and that the impact of our operations extends well beyond our immediate activities, reaching into the network of partners and suppliers we engage with. This holistic perspective is essential in driving meaningful and effective environmental and social changes.

In line with our commitment to achieving Net Zero emissions by 2050, we are targeting a 50% reduction in Scope 3 supply chain-related emissions (including Purchased Materials, Capital Goods, and Upstream Transportation) by 2030, using 2022 as the baseline year. This ambitious goal reflects our

dedication to combating climate change by working closely with our suppliers and service providers to reduce emissions, adopt sustainable practices, and build a low-carbon supply chain.

These efforts are guided by our Group level Sustainable Procurement Policy, which has been in effect since 2022 and is communicated internally and externally. Oversight of this policy is managed by the Procurement Performance Taskforce, established to ensure effective implementation, continuous improvement, and compliance.

In 2023, its members included the following roles and individuals:

- ESG & Sustainability Manager: Evangelos Papavasileiou, responsible for overall policy coordination and alignment with Raycap's sustainability strategy.

- Supply Chain Managers: Makis Tsitlidis and Urška Hribar Andrič, overseeing procurement practices, supplier assessments, and risk mitigation.

- Quality Managers: Margaritis Margaritopoulos, Tadej Knez, and Doug Clayton, ensuring that supplier quality standards meet Raycap's sustainability and compliance objectives and leading audits.

The Sustainable Procurement Committee conducts an annual review of the policy, incorporates feedback from suppliers and subcontractors, and ensures our practices align with the latest industry standards and stakeholder expectations.

Communicating and Enforcing Supply Chain Sustainability

Since 2023, Raycap's group-wide Third-Party Code of Conduct has set rigorous standards for our partners, holding them to the same high levels of ethical, sustainable, and legal practices that we uphold internally. The code promotes fair working conditions, equal employment opportunities, and a safe, respectful workplace, while strictly prohibiting involuntary labor, child labor, corruption, bribery, and money laundering. It emphasizes transparency in business dealings, requiring adherence to fair competition, conflict of interest policies, data privacy, intellectual property rights, and accurate record-keeping. Additionally, the code calls for environmental stewardship and encourages contributions to community well-being, aligning our partners with Raycap's commitment to integrity and responsible operations across all business activities.

Additionally, our Terms and Conditions of Purchase include clauses addressing environmental, social, and ethical responsibilities, ensuring that our commitment to sustainability is embedded contractually with our suppliers and subcontractors. This integration makes sustainability a core requirement, extending Raycap's standards beyond internal practices and reinforcing our dedication to a responsible and transparent supply chain.

For a consecutive year, we have been diligently working to ensure that 100% of our suppliers and subcontractors adhere to our Third-Party Code of Conduct and T&Cs. Alternatively, we sought reassurance that they have internally embraced the same high standards of sustainability and ethical conduct.

KPIs - Ethical Sourcing	2021	2022	2023
Percentage of Targeted Suppliers in Compliance with Code of Conduct Standards	100%	100%	100%
Number of Purchase Orders Issued	7065	7603	7032
Percentage of Purchase Orders & Agreements that Include T&C Clauses on Environmental, Labor, and Human Rights Provisions	100%	100%	100%

To this end, and to further enhance transparency and accountability in our supply chain, we have established a dedicated reporting channel at supplychaincompliance@raycap.com, where suppliers can also seek information and guidance on compliance matters. Reports can additionally be made at codeofconduct@raycap.com, as outlined in our Third-Party Code of Conduct. Both channels ensure anonymity, full confidentiality, and protection against retaliation, aligning with our whistleblowing policies and commitment to responsible sourcing.

Vendor Selection, Risk Assessment and Performance Enhancement

Raycap d.o.o. has implemented robust procedures to ensure that external providers are carefully selected, assessed, and periodically evaluated. Sustainability is a key criterion within this process, aligned with our commitment to responsible sourcing and operational continuity.

Our process incorporates a Vendor Risk Assessment & Evaluation Questionnaire, which serves as the primary tool for collecting critical supplier information. This questionnaire supports our pre-approval of all new suppliers and ongoing yearly assessments of critical suppliers, covering areas such as compliance with ISO 9001, 14001 and 45001 standards; adherence to Raycap's General Terms and Conditions of Purchasing (GTCP); third-party Code of Conduct; and overall performance in sustainability standards such as environmental stewardship, anti-corruption, and ethical supply chain management.

A key aspect of our procurement process is the risk-based thinking applied to supplier control. Suppliers and subcontractors are classified based on their criticality to our operations, using criteria such as:

- Financial impact on Raycap's operations

- Availability of alternatives

- Geographical and logistical risks

- Adherence to sustainability standards and regulatory compliance

This classification system, reviewed periodically, allows us to apply tailored levels of control to each supplier. For critical suppliers, this includes more rigorous evaluations through:

- Ongoing performance monitoring across key areas, including pricing, delivery reliability, quality, and sustainability aspects, with a focus on identifying and implementing corrective actions where standards are not met.

- Addressing non-conformities in supplied materials by systematically tracking issues and requiring suppliers to implement corrective actions to prevent recurrence.

- Conducting on-site audits when necessary to verify compliance with our quality and sustainability standards in practice and to ensure any identified gaps are rectified through targeted corrective actions.

In the 2023 reporting year, we conducted sustainability assessments covering 25% of our active suppliers, accounting for 78% of our total annual spend. For critical suppliers, the coverage ratio rose to 94%, marking a significant improvement compared to previous years and demonstrating strong progress toward our **2026 goal of assessing 100% of critical suppliers annually**. In total, we completed 103 assessments focused on environmental and/or social criteria, underscoring our commitment to monitoring supplier compliance with Raycap's sustainability standards.

KPIs – Supplier Monitoring	2021	2022	2023
Percentage of Active Suppliers Covered by a Sustainability Assessment	16%	17%	25%
Percentage of Annual Spend Covered by a Sustainability Assessment	74%	86%	78%
Percentage of Targeted/Critical Suppliers Covered by a Sustainability Assessment	61%	53%	94%
Number of Audits for Suppliers Including Environmental and/or Social Aspects	25	26	5
Number of On-Site Audits to Suppliers Including Environmental and/or Social Aspects	0	4	5
Number of Incidents Related to Supplier Non-Compliance with Critical Sustainability Aspects	0	0	0
Percentage of Audited/Assessed Suppliers Engaged in Corrective Actions or Capacity Building	50%	60%	50%

The COVID-19 pandemic and associated travel restrictions significantly impacted our ability to carry out on-site supplier audits in recent years. As a result, no audits were conducted in 2021, and only four took place in 2022. However, in 2023, we successfully resumed our audit program, completing five on-site audits, marking a step forward in re-establishing our supplier oversight efforts.

In cases of significant non-conformance with our standards identified through remote or on-site assessments, Raycap takes a structured approach to address gaps. This includes implementing corrective action plans with clearly defined deadlines for improvement and providing capacity-building support to suppliers where needed. Persistent non-compliance or critical violations, such as unsafe practices, unethical behavior, non-conformance with conflict minerals, or other regulatory requirements, may result in disengagement from the supplier to safeguard the integrity of our supply chain and ensure compliance with our sustainability commitments.

No incidents of critical social non-compliance (e.g., child labor, forced labor, unsafe conditions, or human rights violations) were recorded from 2021 to 2023. Our assessments also reviewed anti-corruption and legal compliance, with suppliers disclosing any fines, prosecutions, or penalties over the past five years. No significant violations were reported during this period either.

This process allows us to proactively identify potential risks to our supply chain and take corrective actions as needed, ensuring ethical and responsible sourcing practices. To reinforce this, we engage with our suppliers by providing guidance on sustainability compliance and regulatory updates, as well as offering support and upskilling where performance gaps are identified in critical areas.

Internal Awareness on Sustainable Procurement

We place strong emphasis on internal training for our supply chain teams, ensuring they are equipped with the knowledge and skills to drive sustainability across all procurement activities while staying aligned with evolving international standards. **In 2023, we continued our Sustainable Procurement training program, originally launched in 2021, focusing on the principles of responsible sourcing, supplier evaluation, and the integration of sustainability criteria into purchasing decisions.** The training also covered conflict minerals and key international regulations such as REACH, RoHS, and Prop 65, while highlighting the importance of supplier collaboration to support ethical sourcing and the development of sustainable products and services.

KPIs – Sustainable Procurement Awareness	2021	2022	2023	Target 2024
Buyers Acknowledgment Rate of Sustainable Procurement Policies	-	100%	100%	100%
"Sustainable Procurement" Topics Training Coverage	100%	100%	100%	100%
"Sustainable Procurement" Topics Training Completion Rate	100%	100%	100%	100%
Average Hours of "Sustainable Procurement" Training per Buyer	1	1	1	2

Starting in 2024, we are committed to increasing our annual "Sustainable Procurement" training to two hours per employee, encompassing a broader range of related topics. This enhanced training will deliver comprehensive insights into international best practices, equipping our team to integrate sustainability more effectively across all procurement processes.

Compliance with Responsible Sourcing Initiatives and Regulations

At Raycap, we are committed to maintaining a supply chain free of conflict minerals, as outlined in our Responsible Minerals Sourcing Policy. This commitment is underpinned by adherence to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, ensuring ethical sourcing practices and alignment with global standards.

Our due diligence process is structured to identify and mitigate risks associated with conflict minerals. Suppliers are required to acknowledge and adhere to our conflict minerals standards through relevant policies and terms and conditions of purchase. This is reinforced during the annual vendor profile update or upon registration for new suppliers, establishing a strong baseline for responsible sourcing across our supply chain.

We prioritize suppliers based on the nature of their products (such as electronics and metals), procurement spend, and geographic sourcing risks, focusing on those providing materials that may contain 3TGs (tin, tantalum, tungsten, and gold), as well as other critical minerals. This targeted approach, supported by Material Safety Data Sheets (MSDS) and internal classification, enables us to identify suppliers likely to deliver components containing 3TGs or other critical raw materials. Shortlisted suppliers are required to complete the Conflict Minerals Reporting Template (CMRT) or equivalent declarations (e.g. EMRT, AMRT etc.). These declarations enable us to gather detailed information about the supply chain, including the identity and location of smelters, to broaden our understanding of potential conflict mineral sources.

We utilize the CMRT data to trace minerals back to their upstream actors, such as smelters or refiners. Suppliers are encouraged to source from smelters validated as conflict-free through third-party certification programs, such as the Responsible Minerals Assurance Process (RMAP). For any smelters not yet certified, we engage with suppliers to understand their due diligence efforts and corrective action plans. Where applicable, we rely on independent third-party audit reports to validate smelter compliance and ensure minerals are sourced responsibly, avoiding contributions to conflict.

Recognizing the importance of a comprehensive understanding of our supply chain, we are expanding our efforts with a **target to achieve conflict minerals reporting coverage for 80% of our total annual procurement spend for Raycap d.o.o. by 2026, through formal declarations from suppliers**. Furthermore, **by 2025, we plan to implement specialized training programs to ensure 100% of identified relevant suppliers are trained on conflict minerals requirements,** including ethical sourcing practices, completing CMRTs, and identifying conflict-affected regions.

We continuously review and refine our supplier engagement strategies to improve response rates, enhance data accuracy, and ensure robust traceability mechanisms. Transparency remains at the core of our efforts, with regular progress updates shared in our annual sustainability reports and through client communications.

As part of our commitment to supporting our clients' compliance requirements, we provide tailored conflict minerals declarations at both the product and customer levels in response to specific client requests. Additionally, we voluntarily maintain entity-level CMRT reporting, even though Raycap entities worldwide are not subject to a regulatory obligation for formal reporting. This proactive approach ensures we align with our clients' expectations and demonstrate our dedication to transparency and responsible sourcing.

KPIs - Responsible Minerals	2021	2022	2023
Percentage of Active Suppliers in Compliance with Raycap's Conflict Minerals Requirements	100%	100%	100%
Percentage of Annual Procurement Spend Covered by Supplier Conflict Minerals Declarations	68%	55%	58%
Percentage of Active Suppliers Covered by Conflict Minerals Declarations	29%	43%	54%
Total Number of Suppliers Targeted for Conflict Minerals Inquiry	140	163	191
Percentage of Targeted Suppliers that Responded	56%	83%	76%
Number of Suppliers Identified as Providing Products Containing 3TGs	44	46	67

In a similar manner, we rigorously manage compliance with regulations on substances of concern, including REACH, RoHS, California Prop 65, the Stockholm Convention on Persistent Organic Pollutants (POPs), and Per- and Polyfluoroalkyl Substances (PFAS). This involves systematic evaluation and ongoing monitoring of our supply chain to ensure conformity with applicable environmental and safety standards. By doing so, we uphold our commitment to responsible sourcing and minimize the risk of hazardous substances in our products and processes.

Suppliers are required to provide up-to-date declarations confirming the regulatory status of the materials they supply. These requirements are embedded in our onboarding and annual review processes and are governed by internal procedures such as DN.06.03. **In 2023, 100% of the products purchased by Raycap d.o.o. were accompanied by Material Safety Data Sheets and confirmed as compliant with REACH and RoHS III regulations.**

KPIs - Compliant Materials	2021	2022	2023
Percentage of Products/Materials Purchased with Accompanying Material Safety Data Sheets	100%	100%	100%
Percentage of Products/Materials Purchased Compliant with REACH or Equivalent	100%	100%	100%
Percentage of Products/Materials Purchased Compliant with ROHSIII or Equivalent	100%	100%	100%

In the second half of 2023, we concentrated on assessing the impact of the Carbon Border Adjustment Mechanism (CBAM) and raising awareness within our supply chain by communicating essential information to relevant suppliers. This proactive engagement lays a solid foundation for compliance and streamlined data collection to meet regulatory requirements, while also supporting our sustainability goal of reducing emissions across our supply chain.

To advance this initiative, we have set the following targets:

- **Ensure all relevant suppliers receive targeted CBAM training on embedded emissions data collection by the end of 2024.**

- **Obtain primary embedded emissions data from relevant suppliers by the end of 2025 to align with the regulatory requirements**.

These objectives will drive compliance and strengthen our efforts toward a more sustainable and transparent supply chain

Local Sourcing

We strive to increase our engagement with local suppliers, recognizing the importance of supporting businesses within our region. In 2023 69% of our annual procurement spend was directed towards suppliers based in Slovenia, a notable rise from 56% in 2022. This reflects our growing emphasis on local sourcing and its role in our sustainability efforts.

By prioritizing local suppliers, we contribute to economic development and job creation within the communities where we operate. Additionally, reducing our reliance on international suppliers significantly lowers transportation-related carbon emissions, helping us achieve our carbon reduction targets.

KPIs – Local Sourcing	2021	2022	2023
Percentage of Active Suppliers that are Based/ Registered in the Country of Operation	76%	78%	78%
Percentage of Annual Spend on Suppliers Based/ Registered in the Country of Operation	61%	56%	69%
Percentage of Annual Spend on Suppliers Based/ Registered in the European Economic area (EEA)	75%	77%	85%

While cost and product availability remain important factors in our procurement strategy, sourcing from local suppliers is a cornerstone of our sustainability commitment. This approach fosters collaboration with local stakeholders, strengthens our regional supply chain, and supports our broader environmental objectives.

We Care for Business Ethics & Sustainable Governance

Our Corporate Governance approach is rooted in upholding the highest ethical standards, fostering a culture of integrity, and proactively safeguarding against risks. We operate with strict adherence to local and European laws, with a ZERO TOLERANCE policy towards corruption, bribery, and unethical behavior, enforced by clear and stringent consequences for any violations. In line with these principles, Raycap prohibits any form of political contributions, ensuring our operations remain free from political influence and focused solely on ethical and sustainable practices. This commitment ensures our operations are not only legally compliant but also morally irreproachable.

The Board of Directors at Raycap holds ultimate responsibility for enforcing, overseeing, and ensuring compliance with our ethical standards. To further support these efforts, we have also established a group-level Business Ethics Taskforce that actively monitors adherence to relevant policies, assesses ethical risks, and promotes initiatives reinforcing our commitment to high ethical standards.

In 2023, its composition was as follows:

- Michael Androutsos – CFO

- Andreas Kolotouros – HR Director

- Vesna Rejec Skrt – HR Director, Slovenia

- Kathleen Orzech – VP & Corporate Secretary, US

- Evangelos Papavasileiou – ESG & Sustainability Manager

- External Consultant – Optional member, brought in as needed to provide additional expertise and independent perspective.

This structure supports our mission to uphold ethical values throughout the organization, with the Board ensuring accountability at the highest level.

Our commitment to ethical governance extends to our employees, who are expected to uphold our rigorous standards of compliance as detailed in our internal policies. For the period 2021-2023, we maintained a record free from legal violations or fines, underscoring our success in adhering to these principles. To further reinforce this commitment, we have set a to maintain zero public legal cases involving Raycap or its employees related to corruption, fraud, or bribery during the period 2023–2028. Additionally, our financial statements are audited annually by an independent third party, further ensuring the accuracy and reliability of our financial reporting.

We are dedicated to implementing robust governance mechanisms that align with our commitment to maintaining the highest standards of corporate conduct and in 2023 we retained our pristine record as evidenced by the absence of incidents of corrupt practices.

KPIs – Anti-Corruption	2021	2022	2023
Reported Incidents of Corrupt Practices (incl. Fraud, Money Laundering and Bribery)	0	0	0
Confirmed Incidents of Corrupt Practices (incl. Fraud, Money Laundering and Bribery)	0	0	0
Number of Employees Dismissed or Disciplined for Corruption	0	0	0
Instances of Contract Terminations with Business Partners due to Ethical Violations	0	0	0
Public Legal Cases Related to Corruption Against the Company or its Employees	0	0	0
Fines and Settlements Related to Bribery, Corruption, and Anti-Competitive Practices	0	0	0

Code of Conduct & Business Ethics Policy

In 2023, our organization introduced an updated Code of Conduct (CoC) alongside a dedicated Group-level Business Ethics Policy, reinforcing our commitment to ethical professionalism and clearly defining the principles that guide our business activities. These core documents shape the daily conduct of our employees and partners, aligning our operations with international standards such as the OECD Guidelines for Multinational Enterprises, ISO 26000, and the UN Global Compact Principles across the areas of human rights, labor, environmental responsibility, and anti-corruption.

These policies apply to all Raycap entities and extend to employees, contractors, and business partners, ensuring consistent ethical standards across the organization. They address a broad range

of areas, including legal compliance, anti-corruption, fair competition, conflicts of interest, anti-money laundering, fraud prevention, intellectual property protection, fair employment practices, accurate record-keeping, economic sanctions, confidentiality, data privacy, employee health and safety, environmental responsibility, and community engagement. Through these policies, we uphold our commitment to integrity, transparency, and responsible business conduct.

To reinforce our commitment to these principles, all new hires and existing employees are required to complete our mandatory "Code of Conduct and Policies Training." This training is an integral part of the "Onboarding Program" for new employees and is also delivered as an annual refresher to ensure ongoing awareness and compliance across all staff. The training offers a comprehensive overview of the Code of Conduct, enriched with practical examples and "red flag" indicators presented through a dedicated session. It also includes an introduction to key group and entity-level policies rooted in the Code of Conduct, such as the Raycap d.o.o.Employee Handbook, Environmental Policy, Human Rights and Labour Policy, Business Ethics Policy, Occupational Health and Safety Policy, Whistleblower Protection Policy, Employees Equal treatment and Dignity Protection Policy, and IT and Personal Data Protection Policies, among others. Employees are encouraged to raise questions throughout the presentation, fostering an interactive environment that clarifies how Code of Conduct provisions apply in practice. This structured approach ensures that all employees are well-informed and equipped to uphold our values of integrity, safety, and sustainability in their roles.

Raycap enforces a zero-tolerance approach to ethics violations and has established a target of zero breaches of its business ethics policy provisions from 2023 through 2028. Any violation is subject to disciplinary action, from formal warnings to termination, depending on severity, ensuring fair treatment in compliance with local laws. To reinforce commitment, acknowledgment of the CoC is mandatory for all employees, renewed annually to maintain high standards. In 2023, 100% of Raycap d.o.o. personnel confirmed their adherence to the CoC and related policies. We are pleased to report no breaches were identified this year, reflecting our team's dedication to ethical excellence across all business aspects.

KPIs – CoC/Ethics Compliance & Awareness	2021	2022	2023
Employees' Acknowledgement Rate of Code of Conduct & Business Ethics Policy.	100%	100%	100%
Employees' Acknowledgement Rate of Raycap d.o.o. Employee Handbook	100%	100%	100%
Breaches of the Code of Conduct	0	0	0
Complaints Received on Business Ethics Issues by Interested Parties	0	0	0
Complaints on Business Ethics Requiring Corrective Actions	0	0	0
Total Hours of "Code of Conduct and Policies" Training During Onboarding	522	526	612
Coverage of "Code of Conduct and Policies" Training During Onboarding	100%	100%	100%
Completion Rate of "Code of Conduct and Policies" Onboarding Module	100%	100%	100%
Average Hours of "Code of Conduct and Policies" Training per New Hire	2	2	2

* Metrics account for direct employees only.

Cybersecurity & Data Privacy

At Raycap d.o.o., we prioritize the protection of our digital assets, ensuring the confidentiality, integrity, and availability of our information systems. In line with the GDPR Directive (EU) 2016/680 and the national Personal Data Protection Act (ZVOP-2), we have implemented a robust Information Security Management System (ISMS) governing data handling and processing across the company. While we have not yet attained ISO 27001 certification, we align our practices with group-level standards, drawing on the experience and certified systems of other entities within the Raycap Group.

Our IT Policy forms the backbone of the ISMS, providing a structured framework to safeguard both physical and electronic information assets, including personally identifiable information (PII). Key elements of the policy include rigorous data backup procedures, defense against viruses and cyber threats, and strict access controls. The policy also outlines clear protocols for managing and reporting security incidents. All employees and relevant external parties are expected to comply with this policy, and regular training is provided to ensure awareness and proper handling of information security.

Raycap's ISMS is dynamic and continuously evolving to address emerging risks. Overseen by a dedicated Information Security Committee, the ISMS aligns our security objectives with business goals. The committee conducts regular risk assessments and applies a Risk Treatment Plan to proactively mitigate information- and privacy-related risks.

Our strategic objective is to implement a comprehensive Cybersecurity Framework across the Raycap Group by the end of 2025, covering all entities, including Raycap d.o.o. This framework will formalize and align security practices across the organization, enhancing our ability to detect, manage, and respond to digital threats. Key initiatives supporting this goal include strengthened access controls, centralized device and patch management, and the deployment of advanced threat detection tools.

To further strengthen our defenses, Raycap's Information Security Committee oversees regular internal and external assessments, including periodic penetration tests and system audits to proactively identify vulnerabilities and enhance threat monitoring. In Q4 2023, Raycap d.o.o. engaged an independent third party to perform a comprehensive vulnerability risk assessment and audit, covering internal, external, and social engineering scenarios as part of our ongoing commitment to rigorous security standards. All audit results are documented and communicated to relevant management, feeding into a continuous improvement loop. Our Internal Audit Process mandates that audit findings and corrective actions are recorded, reviewed, and followed up, maintaining our ISMS's adaptability and resilience against emerging risks.

In addition to these measures, we maintain robust disaster recovery protocols and secure backups of critical data—both locally and in the cloud—with clear retention and destruction schedules to ensure the protection of data across all storage mediums. Our incident management system enables swift, coordinated responses to security breaches, allowing lessons learned from incidents to inform continuous improvements in our security posture.

Raycap enforces strict security requirements for third-party suppliers and contractors. These external parties are required to comply with our data protection protocols, supported by documented agreements and regular evaluations, to safeguard sensitive information.

KPIs – Information Systems & Security	2021	2022	2023	Target 2024
Information Systems uptime	99,9%	99,9%	99,9%	≥99,5%
Number of Vulnerability Assessments/Audits Performed	0	1	0	1
Number of back-up failures	0,0%	0,0%	0,0%	≤0,5%
Interested parties Information Security Non-Conformances	0	0	0	0
Number of Customer Data Breaches or Privacy Violations	0	0	0	0
Number of Complaints Concerning Customer Privacy or Data Loss	0	0	0	0
Number of Medium to High Severity Information Security Incidents	0	0	2	0
Number of Minor Information Security Incidents	0	2	0	0

We foster a culture of shared responsibility for information security and data privacy. All employees, as well as relevant external parties, are required to comply with the IT Policy and provide written approval of our Data Privacy Statement. Non-compliance leads to clear repercussions as outlined in our disciplinary policies and contractual agreements.

In 2022, we launched a comprehensive IT Security Awareness Training Program focused on key topics such as phishing, ransomware prevention, and password management. The program aims to ensure that all employees receive at least one hour of training annually, with a target of 100% completion each year. The initial rollout included a gap analysis to align our practices with ISO 27001 requirements, laying a solid foundation for a robust and resilient information security culture across the organization. In 2023 we performed a 1-hour refreshing session encompassing 100% of employees.

To further strengthen our defenses, we have set an internal target to receive at least 10 reports of potential threats from employees annually. This target serves as a measure of employees' understanding and vigilance against phishing attempts, suspicious emails, and other cyber risks. We actively encourage reporting, recognizing that proactive identification of threats helps us address vulnerabilities swiftly and ensures that our defenses remain robust. By empowering employees to act as the first line of defense, we reinforce our commitment to safeguarding sensitive information and maintaining a secure digital environment.

KPIs – Information Security Awareness	2021	2022	2023	Target 2024
Employees' Acknowledgement Rate of Information Security Policies (Personal Data Protection Policy, Personal Data Processing Request Management Policy, Policy for the Use of Computer Network & Internet & Information Protection)	100%	100%	100%	100%
Employees' Acknowledgement of Data Privacy Statement (GDPR)	100%	100%	100%	100%
Number of Information Security Awareness T raining Sessions	0	1	1	1
"Information Security Awareness" Training Coverage	0%	100%	100%	100%
Average Hours of "Information Security" Training per Employee	0	2	1	2

Whistleblowing Procedure

We have established a robust Whistleblower Protection Policy and mechanism, integral to our sustainability ethos. This policy, aligned with the European Parliament Directive 2019/1937 and Slovenian legislation, enables employees, partners, and third parties to report concerns related to deviations from our Code of Conduct, company policies, and regulatory frameworks. These include, but are not limited to, breaches of data privacy and information security threats, bribery and corruption, violations of human and labor rights, workplace harassment and discrimination, non-transparent business dealings, health and safety incidents, environmental issues, and non-compliance with our sustainable procurement practices.

The Board of Directors has ultimate oversight of the implementation and monitoring of the whistleblowing policy, ensuring it effectively addresses all reported concerns, particularly those involving workplace harassment or human rights violations.

At Raycap d.o.o., the day-to-day management of whistleblowing reports is entrusted to appointed Ombudsmen, who are selected from within the organization based on their integrity, longstanding service, and in-depth knowledge of the company's structure and operations. These individuals serve as trusted contacts, respected by both management and employees, and are responsible for reviewing incoming reports, ensuring confidentiality, and providing regular updates to upper management on the progress and outcomes of investigations.

Currently, Raycap d.o.o. has designated the following Ombudsmen:

- Barbara Pavli Hren

- Katja Strbad

Reports can be made confidentially through secure and accessible channels established by the organization. Specifically, employees of Raycap d.o.o. can report issues anonymously via the following dedicated email addresses:

moj.glas@raycap.com - For employees based in Slovenia
speakup@raycap.com - For all Raycap employees
codeofconduct@raycap.com – For all Raycap employees and third parties

Additionally, reports can be submitted in person to the Responsible Officer for Receiving and Monitoring Reports through postal mail marked "Confidential," or via telephone and other voice messaging systems, including methods accessible to persons with disabilities.

All reports are reviewed within seven days, in line with legal requirements, to confirm their relevance and credibility. If valid, the Ombudsman, acting independently and confidentially, initiates the appropriate investigative procedures in cooperation with management. Whistleblowers are provided with a receipt of submission and are kept informed throughout the process.

Investigations are conducted fairly and discreetly. Where violations are confirmed, Raycap responds in proportion to the nature and severity of the issue—this may involve disciplinary measures, corrective actions, or support for affected individuals. A follow-up evaluation ensures the effectiveness of the actions taken and helps prevent recurrence, reinforcing our commitment to accountability and continuous improvement.

Raycap guarantees absolute protection for whistleblowers, ensuring no retaliation for reports made in good faith. This approach is key to maintaining trust and integrity within the company. By promoting clear and open communication, the policy empowers employees to actively uphold ethical standards, which is a vital part of the company's commitment to sustainability.

In 2023, no reported incidents were recorded across critical areas such as harassment, forced labor, labor rights violations, fraud, health and safety issues, or environmental breaches, highlighting the robustness of our culture and the effectiveness of our compliance systems.

KPIs - Whistleblowing	2021	2022	2023
Total Number of Incidents Reported through the Anonymous Reporting Mechanism	0	0	0
Follow-Up Actions Taken on Reports from the Anonymous Reporting Mechanism	0	0	0
Percentage of Employees Aware of the Anonymous Reporting Mechanisms	100%	100%	100%
Employees' Acknowledgement Rate of Whistleblowing Protection Policy	100%	100%	100%

Risk Mitigation

Raycap d.o.o. conducts comprehensive internal and external audits across financial, operational, and compliance areas to reinforce our commitment to integrity, transparency, and governance effectiveness. Our Internal Audit Process is aligned with ISO standards, ensuring conformance to international best practices and continuous improvement. The internal audit follows a systematic process of planning, execution, and follow-up, in accordance with the PDCA cycle, enabling the identification of risks, non-conformities, and opportunities for improvement.

The audits cover critical functions such as sales and procurement—two areas with a higher propensity for corruption risks—making them focal points of our internal control efforts. In addition, our internal audit process includes rigorous assessments of anti-bribery, anti-corruption, and anti-competitive practices, alongside a thorough review of compliance with our Code of Conduct. These internal audits are scheduled at least annually for procurement and sales, as well as other high-risk areas, to ensure that controls and compliance mechanisms are functioning effectively.

Moreover, the company's financial statements are audited annually by independent third parties, ensuring transparency and reliability in financial reporting. These financial audits also encompass key areas such as refunds, cash handling, inventory management, product returns, and other critical financial operations, further strengthening stakeholder confidence.

Over the next two years, Raycap aims to intensify its anti-corruption efforts by conducting a comprehensive external group-wide corruption risk assessment and audit. This initiative will focus on evaluating the effectiveness of existing controls and identifying potential vulnerabilities across all business units. The assessment will address high-level forms of corruption, including but not limited to various forms of bribery, conflicts of interest, collusion, fraud, anti-competitive practices, revolving door scenarios, insider trading, patronage, tax evasion, and money laundering. By proactively addressing these risks, Raycap reinforces its unwavering commitment to ethical business practices and its dedication to maintaining the highest standards of integrity and governance across the organization.

Lastly, Raycap guarantees confidentiality and protection for whistleblowers who report corruption risks or violations, with robust internal and external reporting mechanisms in place, as described in our Whistleblower Protection Policy.

Alignment with GRI Indicators and SDGs

GRI content index	
Statement of use	Raycap d.o.o. has reported the information cited in this GRI content index for the period from 1 January 2023 to 31 December 2023, with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

Topic	GRI Indicators	Reference	Link to SDGs	Raycap Material Issues
GRI 2: General Disclosures 2021	2-1 Organizational details	Company & Sustainability Overview		
	2-2 Entities included in the organization's sustainability reporting	About this Report		
	2-3 Reporting period, frequency and contact point	About this Report		
	2-4 Restatements of information	p. 17-18 (Energy Consumption & GHG Emissions); p.37-38 (Health & Safety Performance)		
	2-5 External assurance	This report has not been externally assured		
	2-6 Activities, value chain and other business relationships	Company & Sustainability Overview Stakeholders' identification		
	2-7 Employees	Employee Data	SDG 8, SDG 10	
	2-8 Workers who are not employees	Employee Data	SDG 8	
	2-9 Governance structure and composition	Company & Sustainability Overview	SDG 5, SDG 16	
	2-10 Nomination and selection of the highest governance body	Company & Sustainability Overview	SDG 5, SDG 16	
	2-11 Chair of the highest governance body	Company & Sustainability Overview	SDG 16	
	2-12 Role of the highest governance body in overseeing the management of impacts	Stakeholders' identification	SDG 16	
	2-13 Delegation of responsibility for managing impacts	Stakeholders' identification		

Topic	GRI Indicators	Reference	Link to SDGs	Raycap Material Issues
GRI 2: General Disclosures 2021	2-14 Role of the highest governance body in sustainability reporting	Stakeholders' identification		
	2-15 Conflicts of interest	Code of Conduct	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	
	2-16 Communication of critical concerns	Stakeholders' identification		
	2-17 Collective knowledge of the highest governance body	Company & Sustainability Overview		
	2-18 Evaluation of the performance of the highest governance body	Company & Sustainability Overview		
	2-19 Remuneration policies	Equality, Diversity & Inclusion Working Conditions & Employee Well-Being		
	2-20 Process to determine remuneration	Working Conditions & Employee Well-Being		
	2-21 Annual total compensation ratio	Working Conditions & Employee Well-Being		
	2-22 Statement on sustainable development strategy	Company & Sustainability Overview		
	2-23 Policy commitments	Raycap Vision & Mission Code of Conduct	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	
	2-24 Embedding policy commitments	We Care for Business Ethics & Sustainable Governance		
	2-25 Processes to remediate negative impacts	Stakeholders' identification		
	2-26 Mechanisms for seeking advice and raising concerns	Workplace Dialogue Whistleblowing Procedure	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	
	2-27 Compliance with laws and regulations	We Care for Business Ethics & Sustainable Governance		
	2-28 Membership associations	Participation in Networks and Associations		
	2-29 Approach to stakeholder engagement	Stakeholders' identification		
	2-30 Collective bargaining agreements	Workplace Dialogue Whistleblower Procedure	8 DECENT WORK AND ECONOMIC GROWTH	
GRI 3: Material Topics 2021	3-1 Process to determine material topics	SASB Materiality Process and Results		
	3-2 List of material topics	SASB Materiality Process and Results		
	3-3 Management of material topics	SASB Materiality Process and Results		

Topic	GRI Indicators	Reference	Link to SDGs	Raycap Material Issues
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Financial data	8 DECENT WORK AND ECONOMIC GROWTH / 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	
	201-2 Financial implications and other risks and opportunities due to climate change	Adapting to Climate Change: Risks and Opportunities	8 DECENT WORK AND ECONOMIC GROWTH / 13 CLIMATE ACTION	
	201-3 Defined benefit plan obligations and other retirement plans	Financial data / Compensation and Benefits	8 DECENT WORK AND ECONOMIC GROWTH	
	201-4 Financial assistance received from government	Financial data	8 DECENT WORK AND ECONOMIC GROWTH	
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Working Conditions & Employee Well-Being	1 NO POVERTY / 5 GENDER EQUALITY / 8 DECENT WORK AND ECONOMIC GROWTH	Employee health, safety and well-being / Human Rights and community relations
	202-2 Proportion of senior management hired from the local community	Employee Data	8 DECENT WORK AND ECONOMIC GROWTH	Human Rights and community relations
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Initiatives for Positive Local Community Impact	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE / 11 SUSTAINABLE CITIES AND COMMUNITIES	n/a
	203-2 Significant indirect economic impacts	N/A		Assessed as not material
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Local Sourcing	8 DECENT WORK AND ECONOMIC GROWTH	Supply chain managemen / Materials sourcing
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Risk Mitigation	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Policies, standards and Code of Conduct
	205-2 Communication and training about anti-corruption policies and procedures	Code of Conduct	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Policies, standards and Code of Conduct
	205-3 Confirmed incidents of corruption and actions taken	We Care for Sustainable Governance & Corporate Responsibility	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Policies, standards and Code of Conduct
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Code of Conduct	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Policies, standards and Code of Conduct / Competitive behavior

Topic	GRI Indicators	Reference	Link to SDGs	Raycap Material Issues
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Climate Change and Energy Usage	7, 8, 12, 13	Energy Management
	302-2 Energy consumption outside of the organization	Climate Change and Energy Usage	7, 8, 12, 13	Energy Management
	302-3 Energy intensity	Climate Change and Energy Usage	7, 8, 12, 13	Energy Management
	302-4 Reduction of energy consumption	Climate Change and Energy Usage	7, 8, 12, 13	Energy Management
	302-5 Reductions in energy requirements of products and services	Climate Change and Energy Usage	7, 8, 12, 13	Energy Management / Product Innovation and Patents / Lifecycle impacts of products and services
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Conservation and Wastewater Management	6, 12	Water and wastewater management
	303-2 Management of water discharge-related impacts	Water Conservation and Wastewater Management	6	Water and wastewater management
	303-3 Water withdrawal	Water Conservation and Wastewater Management	6	Water and wastewater management
	303-4 Water discharge	Water Conservation and Wastewater Management	6	Water and wastewater management
	303-5 Water consumption	Water Conservation and Wastewater Management	6	Water and wastewater management
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	n/a		Assessed as not material
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Climate Change and Energy Usage	3, 12, 13, 14, 15	GHG emissions
	305-2 Energy indirect (Scope 2) GHG emissions	Climate Change and Energy Usage	3, 12, 13, 14, 15	GHG emissions
	305-3 Other indirect (Scope 3) GHG emissions	Climate Change and Energy Usage	3, 12, 13, 14, 15	GHG emissions
	305-4 GHG emissions intensity	Climate Change and Energy Usage	13, 14, 15	GHG emissions
	305-5 Reduction of GHG emissions	Climate Change and Energy Usage	13, 14, 15	GHG emissions

Topic	GRI Indicators	Reference	Link to SDGs	Raycap Material Issues
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste Management	3 GOOD HEALTH AND WELL-BEING / 6 CLEAN WATER AND SANITATION / 11 SUSTAINABLE CITIES AND COMMUNITIES / 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Waste and Hazardous Material Management
	306-2 Management of significant waste-related impacts	Waste Management	3 GOOD HEALTH AND WELL-BEING / 6 CLEAN WATER AND SANITATION / 8 DECENT WORK AND ECONOMIC GROWTH / 11 SUSTAINABLE CITIES AND COMMUNITIES / 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Waste and Hazardous Material Management
	306-3 Waste generated	Waste Management	3 GOOD HEALTH AND WELL-BEING / 6 CLEAN WATER AND SANITATION / 11 SUSTAINABLE CITIES AND COMMUNITIES / 12 RESPONSIBLE CONSUMPTION AND PRODUCTION / 15 LIFE ON LAND; 3 GOOD HEALTH AND WELL-BEING / 11 SUSTAINABLE CITIES AND COMMUNITIES / 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Waste and Hazardous Material Management
	306-4 Waste diverted from disposal	Waste Management	3 GOOD HEALTH AND WELL-BEING / 6 CLEAN WATER AND SANITATION / 11 SUSTAINABLE CITIES AND COMMUNITIES / 12 RESPONSIBLE CONSUMPTION AND PRODUCTION / 15 LIFE ON LAND	Waste and Hazardous Material Management
	306-5 Waste directed to disposal	Waste Management		Waste and Hazardous Material Management
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Vendor Selection, Risk Assessment and Performance Enhancement		Supply chain management; Materials sourcing
	308-2 Negative environmental impacts in the supply chain and actions taken	Compliance with Responsible Sourcing Initiatives and Regulations	5 GENDER EQUALITY / 8 DECENT WORK AND ECONOMIC GROWTH	Supply chain management; Materials sourcing
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Employee Data	5 GENDER EQUALITY / 8 DECENT WORK AND ECONOMIC GROWTH / 3 GOOD HEALTH AND WELL-BEING	Employee engagement training and development
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Working Conditions & Employee Well-Being	5 GENDER EQUALITY / 8 DECENT WORK AND ECONOMIC GROWTH	Employee health, safety and well-being
	401-3 Parental leave	Working Conditions & Employee Well-Being		Employee health, safety and well-being
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health Safety		Employee health, safety and well-being; Accident and safety management
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health Safety		Employee health, safety and well-being; Accident and safety management
	403-3 Occupational health services	Occupational Health Safety		Employee health, safety and well-being; Accident and safety management

Topic	GRI Indicators	Reference	Link to SDGs	Raycap Material Issues
GRI 403: Occupational Health and Safety 2018	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health Safety Workplace Dialogue		Employee health, safety and well-being Accident and safety management Employee engagement training and development
	403-5 Worker training on occupational health and safety	Occupational Health Safety		Employee health, safety and well-being Accident and safety management Employee engagement training and development
	403-6 Promotion of worker health	Occupational Health Safety Working Conditions & Employee Well-Being		Employee health, safety and well-being Accident and safety management
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health Safety		Employee health, safety and well-being Accident and safety management
	403-8 Workers covered by an occupational health and safety management system	Occupational Health Safety		Employee health, safety and well-being Accident and safety management
	403-9 Work-related injuries	Occupational Health Safety		Employee health, safety and well-being Accident and safety management
	403-10 Work-related ill health	Occupational Health Safety		Employee health, safety and well-being Accident and safety management

Topic	GRI Indicators	Reference	Link to SDGs	Raycap Material Issues
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Employee Development		Employee engagement training and development
	404-2 Programs for upgrading employee skills and transition assistance programs	Employee Development Internal Upskilling		Employee engagement training and development
	404-3 Percentage of employees receiving regular performance and career development reviews	Employee Performance Assessment		Employee engagement training and development
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Equality, Diversity & Inclusion		Labor Relations Fair labor practices Human Rights and community relations
	405-2 Ratio of basic salary and remuneration of women to men	Equality, Diversity & Inclusion		Labor Relations Fair labor practices Human Rights and community relations
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Equality, Diversity & Inclusion Labor & Human Rights Whistleblower Procedure		Labor Relations Fair labor practices Human Rights and community relations
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Labor & Human Rights Workplace Dialogue Communicating and Enforcing Supply Chain Sustainability Vendor Selection, Risk Assessment and Performance Enhancement		Labor Relations Fair labor practices Human Rights and community relations
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Labor & Human Rights Communicating and Enforcing Supply Chain Sustainability Vendor Selection, Risk Assessment and Performance Enhancement		Labor Relations Fair labor practices Human Rights and community relations
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Labor & Human Rights Communicating and Enforcing Supply Chain Sustainability Vendor Selection, Risk Assessment and Performance Enhancement		Labor Relations Human Rights and community relations

Topic	GRI Indicators	Reference	Link to SDGs	Raycap Material Issues
GRI 413: Local Communities 2016	*413-1 Operations with local community engagement, impact assessments, and development programs*	*Initiatives for Positive Local Community Impact*		*Human Rights and community relations*
	413-2 Operations with significant actual and potential negative impacts on local communities	*Initiatives for Positive Local Community Impact*		*Human Rights and community relations*
GRI 414: Supplier Social Assessment 2016	*414-1 New suppliers that were screened using social criteria*	*Vendor Selection, Risk Assessment and Performance Enhancement*		*Supply chain management* *Materials sourcing*
	414-2 Negative social impacts in the supply chain and actions taken	*Vendor Selection, Risk Assessment and Performance Enhancement*		*Supply chain management* *Materials sourcing*
GRI 416: Customer Health and Safety 2016	*416-1 Assessment of the health and safety impacts of product and service categories*	*Responsible Products*		*Customer Health and Safety* *Product Innovation and Patents* *Lifecycle impacts of products and services*
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	*Responsible Products*		*Customer Health and Safety* *Product Innovation and Patents* *Lifecycle impacts of products and services*
GRI 417: Marketing and Labeling 2016	*417-1 Requirements for product and service information and labeling*	*Responsible Products*		*Product Quality and Safety* *Customer Satisfaction*
	417-2 Incidents of non-compliance concerning product and service information and labeling	*Responsible Products*		*Product Quality and Safety* *Customer Satisfaction*
	417-3 Incidents of non-compliance concerning marketing communications	*Responsible Products*		*Product Quality and Safety* *Customer Satisfaction*
GRI 418: Customer Privacy 2016	*418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data*	*Cybersecurity & Data Privacy*		*Business ethics and transparency of payments*

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