

ESG REPORT

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SUSTAINABLE, SOCIAL, AND RESPONSIBLE

Environmentally sustainable business practices along with socially oriented and responsible company management are core elements of the Komax Group's corporate strategy. They are incorporated into both the Komax Group's long-term targets and its operating activities. The Komax Group is determined to develop its competencies in questions of sustainability on an ongoing basis. With the new Strategy 2028, sustainability (ESG) will form an integral part, with specific targets that are set out in this ESG Report.

DEAR READER

Countless events in the recent past have shown once again how important it is to adopt a responsible approach in dealing with each other and the resources available to us. The coronavirus pandemic and wars in both Europe and the Middle East are just a few examples of this. Global warming is real, and in some cases has had massive repercussions for human life and the business activity of companies. The Komax Group is one such company. It takes responsibility and plays its part in preserving the quality of life of coming generations. That is why it seeks to create value on a long-term, sustainable basis.

We are a fair and reliable partner for all stakeholders at all times. Where our workforce is concerned, we offer an appreciative working environment, and our products are long-lasting, energy-efficient, and of a high quality. We attach considerable value to environment-friendly production and the prudent use of resources. This is because we want to help our customers shrink their environmental footprint. But this is nothing new: The Komax Group has been an advocate of responsible business practices in keeping with ESG for decades.

We took a major step forward in this respect in 2023. To provide the framework for the Group-wide, strategic implementation of ESG, sustainability was incorporated into the Articles of Association at the 2023 Annual General Meeting in line with a proposal from the Board of Directors. In addition, in April 2023 the Board of Directors appointed a Sustainability and Innovation Committee, which supports the Board of Directors and the Executive Committee in sustainable corporate development, strengthens our innovative capacity, and oversees sustainability reporting.

ESG is an integral component of the Komax Group's new Strategy 2028. To this end, the Komax Group carried out an in-depth materiality analysis in 2022 at the instruction of the Board of Directors so as to identify central themes. Taking this analysis as a basis, we developed 13 long-term targets in 2023 that will bring us closer – step by step – to our vision of a fair, responsible, and climate-neutral organization. In step with this, we have broken our ESG targets down into three core elements: Fairness, Responsibility, and Climate Protection. Our focus will be on the areas where we can have the biggest impact. The operational implementation of ESG as an overarching initiative in all business areas is already being executed under the stewardship of CEO Matijas Meyer. An important first step here was the improvement of data quality in 2023. Following the Komax Group's publication of comprehensive ESG data for the first time for 2022 with its ESG Short Report, we were able to improve data quality further in the reporting year. This now allows us to provide you with additional information.

This ESG Report gives you an insight into our strategy, our targets, and how we intend to achieve them. It was drawn up in accordance with the GRI Standards and broken down by the themes that are important to us. The sections that are relevant for the vote at the Annual General Meeting were approved by the Board of Directors in keeping with the requirements of Swiss legislation (the Swiss Code of Obligations) and will be submitted to the Annual General Meeting to be held on 17 April 2024 for approval. Details are listed on page 101 of this report. We look forward to continuing to present you in the future with detailed annual updates on the progress we are making in the form of a comprehensive ESG Report.

Yours sincerely,



Dr. Beat Kälin
Chairman of the Board of Directors



Dr. Andreas Häberli
Chairman of the Sustainability and
Innovation Committee

SCOPE OF THE ESG REPORT

Komax Holding AG publishes comprehensive financial results twice a year, in English and German: for the first half in August and for the full year in March, in the form of media releases and annual/half-year reports in PDF format. The ESG Report is an integral part of annual reporting and is published together with the Annual Report. This is the first ESG Report published in accordance with the GRI guidelines. The corresponding GRI index is available on the website of the Komax Group (www.komaxgroup.com/en/annualreport2023/gri-index). In addition, an ESG Short Report was published to coincide with Investors' Day on 28 September 2023.

The present report encompasses the period from 1 January to 31 December 2023, and was published on 12 March 2024. The publication dates can be found in the financial calendar on the Komax Group website (www.komaxgroup.com/en/invest-in-komax/financial-calendar). The scope of consolidation of ESG reporting is identical to that of our financial reporting. Data and qualitative statements relate to the entire Komax Group as per the list of equity holdings on pages 171–172 of the Financial Report, other than where explicitly stated otherwise. The Alcava Group was acquired with effect from 1 October 2023 (▶ page 168, Financial Report). This acquisition was not taken into consideration, other than where indicated differently. Certain data elements such as those relating to energy and material consumption, fuels, waste, and recycling were obtained for a nine-month period and extrapolated in a linear way to cover the twelve-month period. In order to facilitate an expedient comparison with the previous year, data for the entire 2022 calendar year was also taken into account for the Schleuniger Group. This was done even though the consolidation of Schleuniger did not take place until the beginning of September 2022.

The ESG Report was drawn up in compliance with Art. 964a et seq. of the Swiss Code of Obligations (SCO), as well as in accordance with the GRI Standards and the GHG Protocol. The Komax Group takes its cue from globally recognized standards. Based on a materiality analysis, the Komax Group has defined the relevant targets for its sustainable development. Using this as a basis, it wants to contribute to the realization of the global targets of the Sustainable Development Goals (SDGs) of the United Nations. Of the 17 SDGs, it has defined the following seven goals as those to which it can make the greatest possible contribution:



In the ESG report, the logo of each of the seven targets is placed next to a section that explains how one aspect of the Komax Group is contributing to the corresponding SDG.

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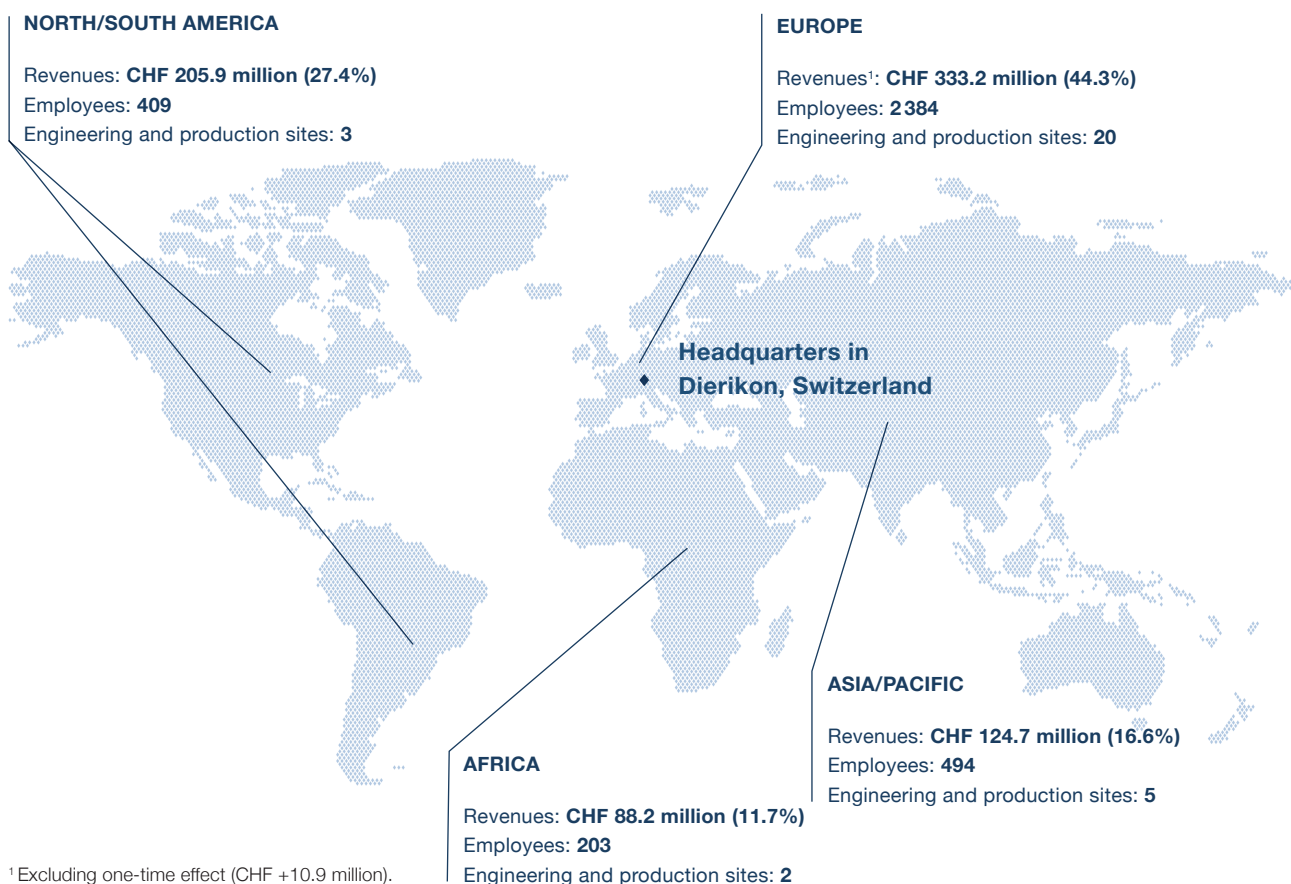
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The Komax Group at a glance

The Komax Group has some 3 500 employees, and is a pioneer as well as market and technology leader in automated wire processing solutions. It offers serial production machines, customer-specific systems, quality assurance modules, test systems, networking solutions, and services for the processing of all sorts of wires, including for the production of wire harnesses in vehicles. Headquartered in Dierikon, Switzerland, the Komax Group is active in three market segments – Automotive, Aerospace & Railway, and Industrial & Infrastructure. The Automotive market segment is the key market, accounting for 75% of revenues. The headquarters of the Komax Group can be found at Industriestrasse 6, 6036 Dierikon, Switzerland. Worldwide, the Komax Group has 30 engineering and production sites, and offers sales and service support in more than 60 countries.

The Komax Group aims to further expand its market position and set the pace on the trends that are important today, such as automation, e-mobility, and autonomous driving. To this end it has defined ambitious growth and profitability targets. Through its business strategy, which is geared toward long-term success, it aims to create sustainable value (► page 22 onwards).

In its market environment, the Komax Group is impacted by a number of megatrends. Key among these is the trend toward greater automation on the part of customers of the Komax Group. In addition, the rising number of vehicles manufactured is an important growth driver. Further details on these megatrends and the markets: ► pages 18–21 and 38–45 of the Annual Report 2023.



Final assembly of the Alpha machine series at the headquarters in Dierikon, Switzerland.



Corporate purpose of the Komax Group

For decades now, the Komax Group has been known for innovative products and its leading market position. At the same time, it also wants to contribute to the sustainable development of society. The corporate purpose of the Komax Group can be summarized in just a few words:

As a driver of innovation and market leader in automated wire processing, we develop and produce intelligent, reliable, and optimally cost-effective wiring solutions for smart mobility and smart city applications. We work closely with our customers to make life simpler, more convenient, and safer.

The Komax Group understands smart mobility to mean the increasingly multifaceted nature of the mobility offering for end customers. Be it bikes, cars, or public transport – many of these forms of mobility are increasingly relying on electrical drive systems and a higher number of electronic components. Wherever electricity is used, wires are required, and wherever wires are installed, areas of application arise for the Komax Group. Smart city solutions support the optimum usage of this mobility spectrum, e.g., through traffic guidance systems or intelligent electricity usage, distribution, and storage systems. All these solutions need cables, be it for transmitting power or transferring data. The Komax Group helps with the production of these on the basis of high-quality, automated, resource-conserving processes, thereby also contributing to these megatrends.

Five core values

All business processes in the Komax Group are aligned with five core values. These core values are fundamental elements of the identity of the Komax Group, and are enshrined in its Code of Conduct. They form the basis for environmentally sustainable business development as well as socially oriented and responsible corporate governance.

THE FIVE CORE VALUES OF THE KOMAX GROUP



INNOVATION

As a pioneering and visionary company, we ensure that our business activity has a long-term focus. We are always open to new ideas and regularly re-examine our approach. This includes looking beyond our immediate concerns. We are willing to take risks – on the basis of knowledge and understanding – in order to reinforce our leadership in terms of innovation. Following new paths can lead to mistakes. We realize and tolerate this because it gives us an opportunity to become even better. We are increasing our lead by continuing to press ahead with innovations proactively, quickly, and determinedly while remaining committed to our usual high quality standards.



CUSTOMER FOCUS

The varying needs of our customers are at the center of our activities. We listen to them carefully and ask the right questions. Understanding their requirements enables us to keep on improving. We strive to ensure that our solutions offer our customers added value, so that they can increase their efficiency and productivity and thus gain a competitive advantage. We are close to our customers, communicate actively, and foster friendly, long-term relationships and partnerships based on respect and esteem.



SUCCESS

We pursue ambitious targets and make an effort to achieve them every day. As a market and technology leader we make high demands of ourselves and strive to find the best solution for our customers. Our long history of success encourages us to continue the success story and create sustainable value. This benefits our customers, employees, and investors. We want all these stakeholders to share equally in our success. We nurture competent, committed employees who enable us to retain loyal, satisfied customers.



QUALITY

Our day-to-day work is driven by quality and a willingness to examine what we do critically. We provide our customers with solutions that fully meet our quality requirements and supply what we have agreed. This commitment lies at the heart of our long-term, trusting customer relationships. Our efforts to keep on getting better include always delivering the agreed quality and actively asking customers how we can improve further. It is clear to us that this creates trust, which is of inestimable value.



RESPONSIBILITY

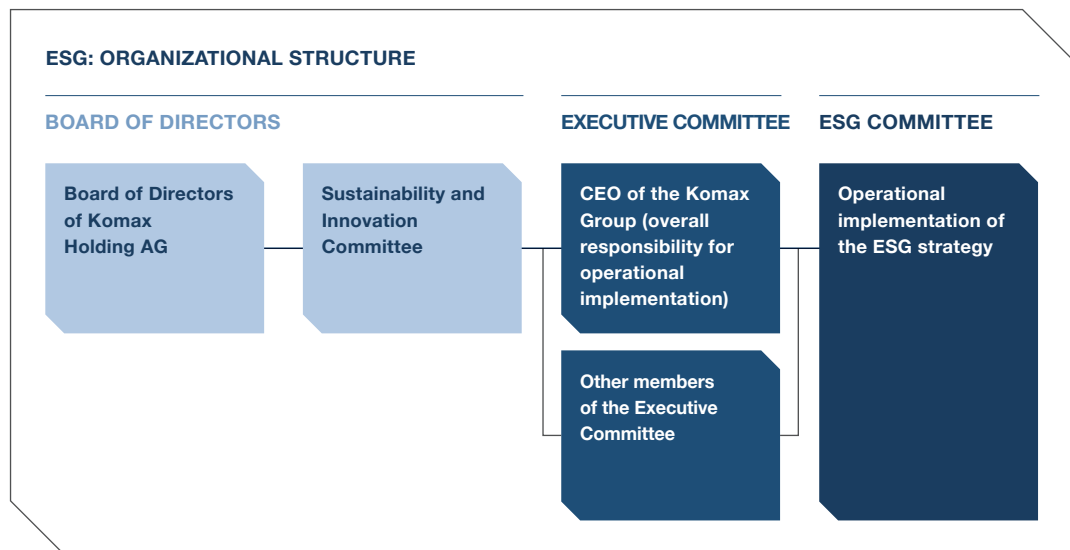
We take our responsibility toward our customers, employees, and investors seriously and act as a reliable, trustworthy partner. Our integrity and ability to keep to our agreements and meet our deadlines make us stand out from the crowd. We keep our word and ensure that our partners and colleagues do so too. A strong sense of shared responsibility is important to us and we are careful to foster it. We take responsibility for our actions, make decisions, and carry them out. If we pass our responsibility on to others, we do so deliberately and ensure that they assume it in turn.

Embedding ESG in the Komax Group

ESG was defined as one of the key strategic targets of the Komax Group by the Board of Directors back in 2022. Key ESG metrics have been compiled and documented since 2021. The Komax Group firmly anchored ESG in the company when developing its Strategy 2028. Part of this involved the comprehensive revision of the Articles of Association at the Annual General Meeting on 12 April 2023, including the introduction of Article 2a, "Sustainability", which underscores the principle of sustainability already being applied by the Komax Group. The new Articles of Association also take account of current best practice in corporate governance.

Following the 2023 Annual General Meeting, the Board of Directors also set up a Sustainability and Innovation Committee. This committee informs and advises the Board of Directors regularly on new developments in the different areas of ESG and monitors sustainability reporting (► pages 111/112, Corporate Governance).

The CEO has overall responsibility for the operational execution of the ESG strategy. He drives this forward together with the Vice President Investor Relations / Corporate Communications, who steers and supervises its implementation into the business processes centrally. Another development in the reporting year was the initiation of an ESG Committee with senior managers from various areas such as Group Legal and Compliance, Global Human Resources, Global Operations & Supply Chain, etc., in order to provide broad-based support with implementation at an operating level and ensure that the various ESG initiatives progress according to plan.



In order to ensure sustainable business practices, the Komax Group has for many years implemented certain Codes of Conduct (for employees, suppliers, and partners) and has a number of Group-wide and local guidelines in place, such as in the areas of procurement, workplace safety, and data protection. In keeping with the new ESG targets, these are to be enhanced with guidelines on topics such as human rights, corruption, and bribery – in alignment with the UN's Guiding Principles on Business and Human Rights.

As a consequence of the consistent strategic anchoring of ESG in the Komax Group, members of the Executive Committee will be set individual ESG targets annually from 2024 onward, with these targets based on the ESG targets laid down in the context of Strategy 2028. The degree of target attainment will be a criterion for the amount of variable compensation paid (cash bonus). The Komax Group will also continue to broaden and optimize reporting on its ESG activities on an ongoing basis. The focus here will be on data compilation and data quality.

The Komax Group is a member of various industry organizations. For example, as part of ARENA2036 and the project next2OEM, interdisciplinary teams are researching how automotive production might work in the future. Potential solutions for digitalization in wire processing are being developed together with other companies as part of the Open Industry 4.0 Alliance, the

SPE Industrial Partner Network, and the Single Pair Ethernet System Alliance. Together with other leading technology companies, the Komax Group is looking for holistic solutions for industrial control cabinet construction as part of the Smart Cabinet Building Initiative, with a view to optimally exploiting the considerable automation potential in this area (► pages 48–52).

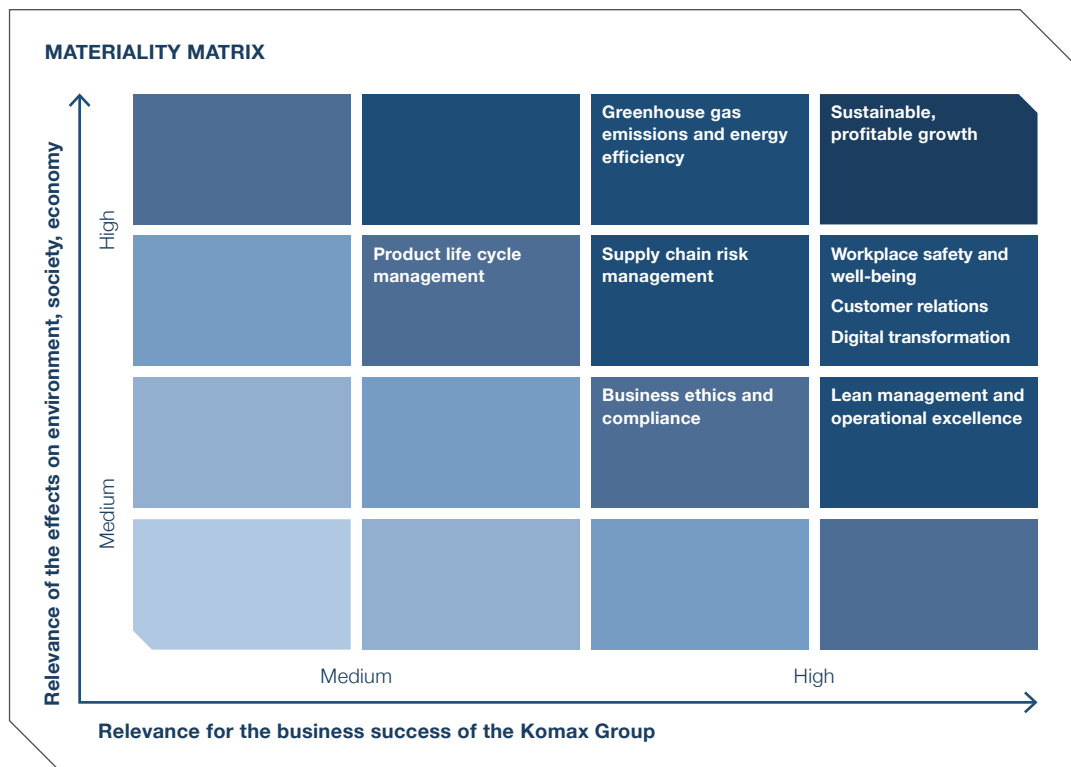
MATERIALITY ANALYSIS

In its business activities, the Komax Group is on the one hand influenced by the various trends, risks, and opportunities that have an impact on long-term business success. In addition, through its activities it has its own impact on the environment, the economy, and society. In order to identify the key interacting and influencing factors, the Komax Group carried out a comprehensive double materiality analysis in 2022. This forms the basis for the ESG strategy.

The materiality analysis encompasses the following stages:

- Internal analysis in all relevant topic areas
- Semi-structured interviews with customers, analysts, investors, proxy advisors, and representatives from peer companies
- Semi-structured interviews with representatives from the Executive Committee and the Board of Directors, and intensive discussions with both bodies
- Internal online survey on the topic of ESG, in which more than 25% of all Komax Group employees participated
- Feedback from external sustainability experts
- Validation by the Executive Committee and the Board of Directors

This analysis produced nine themes that are material to the Komax Group. These were evaluated by the Executive Committee and the Board of Directors and set out in a materiality matrix in such a way as to demonstrate the relevance of the impact of business activities on the environment, society, and the economy, as well as the relevance for the business success of the Komax Group.



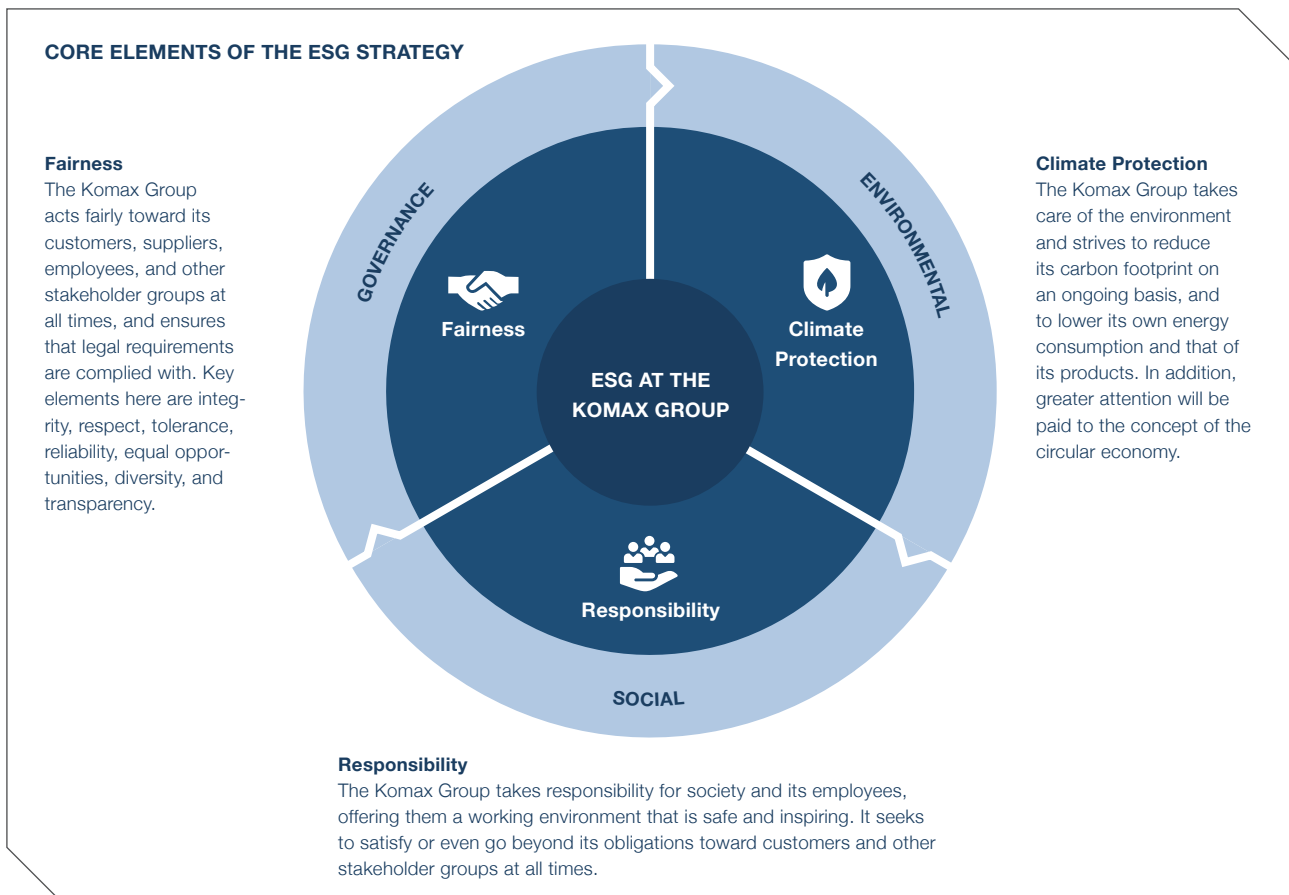
ESG STRATEGY

ESG – an integral component of Strategy 2028

Following the combination with the Schleuniger Group at the end of August 2022, the Komax Group analyzed the new situation in detail and developed the strategy in place for the period 2024 to 2028 (► pages 22–29). At the heart of the revised strategy are four key, market-oriented strategic priorities: Create Value Along Customer Journey, Innovate for Automation and Quality, Strengthen Global Customer Proximity, and Develop Non-automotive Markets. In addition, two strategic initiatives address issues that are important to the attainment of profitability targets and the financing of growth: Scale Komax and Schleuniger, and Lean and Excellent, Digital Transformation. The overall picture is complemented by the ESG strategic initiative, which forms a framework and the foundation for sustainable action by the Komax Group. In this area, the Komax Group has greater ambitions than just meeting regulatory requirements. This explains why ESG is a strategic component and a part of the overall brand strategy (► page 37).

Core elements of the ESG strategy

With the new Strategy 2028, the Komax Group is embedding ESG topics even more consistently in its business processes. As part of this, it has defined three focus areas – Fairness, Responsibility, and Climate Protection – with which it intends to concentrate in particular on its customers, employees, suppliers, and the planet. The Komax Group has a long-term ambition for each of these focus areas, and has defined 13 overarching targets for the next five years based on the materiality analysis. In order to attain these targets, various strategic initiatives are being pursued and comprehensive reporting established.



ESG TARGETS 2024–2028

 Climate Protection

Greenhouse gas emissions and energy efficiency

Steady CO₂ emissions (Scope 1 and Scope 2) by 2028, despite strong growth.



Reduction in energy consumption by 2% per year (in MWh per CHF 1 million in revenues).



¹ Excluding one-time effect on revenues (CHF +10.9 million).

50% of electricity consumption from renewable sources by 2028.



Product life cycle management

Eco-design check for all newly developed products from 2025.

The Komax Group started preparations for implementing eco-design checks in 2023.

Implementation of the circular economy concept through the creation of recycling options – all products recyclable from 2028.

The Komax Group is testing various concepts for offering customers the possibility of recycling the products sold to them at the end of these products' useful lifespan.

 Fairness

Workplace safety and well-being

Realization of the vision of zero workplace accidents – accident rate to be halved by 2028.

Baseline is the average LTIR ratio for 2022 and 2023: 4.2.

Employee motivation level above average compared with peer industrial companies at all sites (data collected in a three-year cycle via ValueQuest survey).



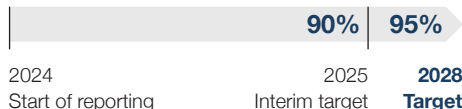
Customer relations

Above-average customer satisfaction in an industry comparison.

The Komax Group is working on a concept that will allow customer satisfaction data to be captured on a continuous basis Group-wide from 2025.

On-time delivery achieved on over 90% of all orders from 2025, rising to over 95% from 2028.

The Komax Group is working on processes and the systematic capture of data at all production sites to report a Group-wide metric from 2025.



 Responsibility

Business ethics and compliance

100% of employees complete and pass Code of Conduct training courses at least every two years.

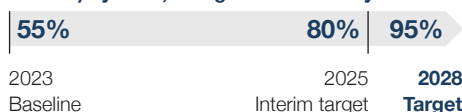
Regular Code of Conduct training is planned for 2024.

Introduction of guidelines on human rights, bribery, and corruption by the end of 2024.

The Komax Group is working on various Group-wide guidelines that are expected to come into force by the end of 2024.

Supply chain risk management

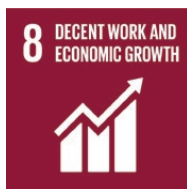
Code of Conduct signed by 80% of suppliers (by purchasing volume) by 2025, rising to over 95% by 2028.



Annual audit of existing and/or potential new suppliers based on a risk matrix approach.

The risk matrix approach shall be implemented in 2024.

SUSTAINABLE, PROFITABLE GROWTH



The Komax Group aims to achieve sustainable and profitable growth. By this it means the all-encompassing, long-term development of the Komax Group and its environment with the aim of creating value not just in the economic sense, but also in an environmental and social sense. As an international business, the Komax Group is bound up with a dense network of stakeholders whose further development it influences both directly and indirectly. It bears responsibility for these stakeholders in many different ways, and can best meet that responsibility through sustainable, value-creating business development. It therefore takes care to ensure that it has a robust financial base and pursues a long-term strategy so that future generations can also benefit from the impact of the Komax Group. It fundamentally rejects any notion of making profits at the cost of the environment and society. It attaches considerable value to environment-friendly production and the responsible use of natural resources, and offers its employees an appreciative working environment. Far from being empty phrases, these principles have been applied by the Komax Group for decades.

The goal of growing both sustainably and profitably is to be pursued further through Strategy 2028, which was formulated in 2023. In achieving this goal, the Komax Group pursues four strategic priorities, which are in turn supported by strategic initiatives. The Komax Group has set itself ambitious financial targets to be achieved by 2028, namely generating revenues of CHF 1.0–1.2 billion and EBIT of CHF 120–160 million. Strategy 2028 is set out in detail on pages 22–29 of the Annual Report 2023. Information on the market segments and market development can be found on pages 38–45 of the Annual Report.

Ensuring financial stability

The Komax Group requires financial stability if it is to grow sustainably. It is distinguished by its robust equity base and strong profitability. Its equity ratio is 55.1%. This solid foundation enables the Komax Group to systematically pursue opportunities to develop further, and offers security in challenging times.

The Komax Group secures its debt financing through a long-term syndicated loan facility, which provides financial freedom of maneuver for sustainable company development, as well as facilitating acquisitions. This has been linked to an ESG component since December 2022. A bonus/malus system based on the ESG rating was agreed with the banks making up the syndicate.

Another means of securing long-term growth is stability in the shareholder base. Through its combination with Schleuniger in 2022, the Komax Group secured a new anchor shareholder with a long-term orientation in the form of Metall Zug AG, which held 25% of shares in the reporting year.

Growth and profitability of the Komax Group in a five-year comparison¹

in TCHF	2023 ²	2022	2021	2020	2019
Revenues	762 923	606 332	421 067	327 623	417 771
Operating profit (EBIT)	72 808	71 732	44 794	11 254	24 035
in % of revenues	9.5	11.8	10.6	3.4	5.8
Group earnings after taxes (EAT)	43 836	51 773	30 375	-1 319	13 221
in % of revenues	5.7	8.5	7.2	-0.4	3.2
Equity ratio in % ³	55.1	53.2	51.4	52.3	50.8
Basic earnings per share in CHF	8.55	12.11	7.90	-0.34	3.44

¹ A complete five-year comparison can be found on page 194 of the Annual Report.

² Including one-time effects (revenues: CHF +10.9 million; EBIT: CHF +5.0 million).

³ Equity attributable to equity holders of the parent company.

INTERACTIONS BETWEEN THE KOMAX GROUP AND ITS ENVIRONMENT

In its activities, the Komax Group is influenced by trends, risks, and opportunities in its key markets, as well as by global developments. Its actions also have an impact on its environment.

Economic risks and opportunities

Among the principal economic risks identified by the Komax Group are the economic environment and the situation with regard to competitors. Beyond these, there are further risks that are set out in the following chapters on the themes that are material to the Komax Group.

Geopolitical uncertainties and regional or global economic downturns represent a risk for the Komax Group. As a manufacturer of industrial capital goods, the Komax Group is partially reliant on how the economy in its main markets – and in the automotive market in particular – is developing. In difficult market phases, its customers are more reluctant to invest, and tend to delay or put off investment decisions. This means that the Komax Group's business is subject to a certain degree of volatility. Added to this is an average visibility in the markets of around three months, which restricts reaction times to major changes. Only part of these market risks can be reduced.

On the other hand, the economic development process also offers opportunities. This is because every downturn phase is followed by a period of significant catch-up in capital expenditure on the part of customers. The goal is to be ready for this, so as to derive the maximum possible benefit and secure a high order intake. For this to be possible, it is important for the Komax Group to be close to its customers at all times (➤ page 32 onwards) so that it can react to any developments that start to emerge. Achieving a high level of flexibility in production planning is also key to being able to ramp up production capacities and facilitate short supply times if there is a sharp increase in demand.

The situation with regard to competitors also represents a certain degree of risk, since the market is increasingly shifting toward Asia, where the majority of competitors are located. Asia also offers major opportunities for the Komax Group, as this region has to date had the lowest share of revenues in proportion to the size of the market. The Komax Group's market-leading innovative strength (➤ page 46 onwards) gives it the opportunity to grow and create further unique selling propositions, not least because the Komax Group is active in a growth market. The degree of automation among its customer base is still much too low. Consequently, the need for automation solutions from the Komax Group and its peers will remain significant for a number of years.

The Komax Group has a comprehensive risk management system (➤ pages 95/96). Business risks are countered by intensive monitoring and analysis of market developments as well as by sets of encompassing guidelines. This is explained in detail in the following themes that are material to the Komax Group. Risks are insured or other solutions implemented wherever it makes sense.

Economic contribution

High-quality wire processing is of great importance in the market segments addressed by the Komax Group. The wire harness is the largest electrical component in vehicles as well as other customer applications. It is highly complex, and errors in production can rapidly lead to comprehensive, expensive recalls. This is bad not just for the vehicle driver, but also for the automotive manufacturer and its suppliers. In 2023, some 90 million vehicles were produced. At around 20%, the degree of automation in wire processing is still low, but growing requirements in respect of quality and traceability as well as the increasing trend of nearshoring (➤ pages 18–21 and 41) call for an increasing amount of automation in the long term. The Komax Group has a very strong market position with by far the largest market share in the industry (around 40%). It is therefore an innovation driver in automated wire processing.

The Komax Group wants to help resolve a number of global challenges with its current business model. Automation facilitates higher quality as well as safety in production processes and end products. It reduces the quantity of rejects as well as wear and tear, thereby reducing the intensity of resources and costs at the production stage. Automated processes also improve workplace safety. Ultimately, they offer a solution to the increasing shortage of skilled personnel and help ensure the long-term success of customers. Details on the corporate purpose of the Komax Group: ➤ page 65.

In its environment, for example in respect of employees, suppliers, and communities, the Komax Group makes a significant contribution. Material expenses amounted to CHF 272.2 million in 2023, with personnel expenditure coming in at CHF 277.0 million. The Komax Group devoted some 1% of this personnel expenditure to the training of its workforce.

Given its global structure, the Komax Group pays taxes in many different countries. It carries out its business on the basis of operational not tax considerations. In this, compliance with local tax legislation is the responsibility of the local companies. The Komax Group pays taxes where they fall due. In the year under review, the Komax Group paid a total of CHF 17.1 million in income taxes.

Sustainable dividend policy

The Komax Group pursues a sustainable dividend policy that takes account of its ambitious growth targets and allows shareholders to participate in its success. For the 2023 financial year, the Board of Directors is proposing to the Annual General Meeting of 17 April 2024 a dividend of CHF 3.00 per share (2022: CHF 5.50), corresponding to a payout ratio of 35.1%.

Cleantech – contributing to clean mobility

According to S&P Global Mobility, over 30% of new cars around the world will be powered by electricity from 2026. With its innovative solutions for the processing of high-voltage cables for electric vehicles, the Komax Group is making an important contribution to this transition. Its center of competence for e-mobility in Hungary is seeing a clear and substantial increase in demand for automation solutions for the processing of high-voltage cables thanks to the fast-growing market for electric and hybrid vehicles. The serial production of complex high-voltage cables in the necessary quantities requires great precision and efficiency. For this reason, the automation of these processes is becoming ever more important. For many years now, the Komax Group has been able to offer a portfolio of solutions covering the entire value chain – from the processing of high-voltage cables through to the testing of the final harnesses – and it continues to expand this portfolio. Included in its portfolio are solutions for processing individual high-voltage cables, alongside machines that enable entire wire harnesses to be manufactured for electric vehicles on a fully automated basis. In addition, adaptronic in particular offers systems for the testing of high-voltage cables (current innovations: ▶ pages 46–55).



Supporting local communities

In keeping with its corporate purpose, the Komax Group is keen to make a contribution to society, and to make life simpler, safer, and more convenient. It achieves this not only through its business strategy, but also by actively supporting a whole range of projects, including in the spheres of education, sport, culture, and social well-being. The corresponding activities are organized and implemented on a decentralized basis at the level of individual companies (projects: ▶ page 92).

LEAN MANAGEMENT AND OPERATIONAL EXCELLENCE

If the corporate goals of the Komax Group in the area of longevity and sustainability are to be achieved, streamlined organizational and process structures are required, as is a constant willingness to improve. This is where Lean Management and Operational Excellence come in. The efficient design of the entire value chain across all company areas can dramatically reduce the waste of valuable resources such as materials, energy, innovative output, and time. The Komax Group's business environment is continuously changing, which necessitates ongoing adjustments and improvements. In this environment, inefficient or outdated processes and structures can rapidly lead to the loss of employees and customers, as well as giving rise to high costs, particularly as almost a third of all staff are employed in Switzerland, a high-price country. This would increase any number of operational, financial, legal, and social risks as detailed in this report, and thereby impair commercial success, as well as negating the Komax Group's positive impact on its environment. Lean Management and Operational Excellence are key to the mindset of the Komax Group, which is why, for example, 26 employees in Switzerland completed the Lean Six Sigma Green Belt certification process in 2023.

The Komax Group is keen to make use of all opportunities open to it in order to improve on an ongoing basis. At Board of Directors level, the Sustainability and Innovation Committee explores the themes of technology, innovation, and sustainability in depth. It reviews new developments and the resulting risks and opportunities several times a year, and supports the Executive Committee on the strategic development of these themes.

At an operating level, relevant market developments are analyzed by the corresponding business units together with the Global Operations & Supply Chain area, and depending on the outcome are then taken into consideration by the Komax Group where feasible. Among other things, this involves peer group comparisons, exchanges of views with customers, suppliers, and research institutes, and in some cases also the assistance of external consultancy firms.

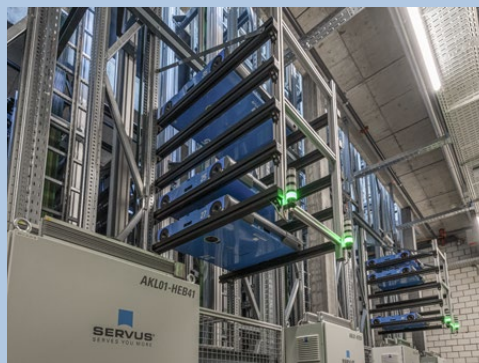
Moreover, development and production processes are optimized on an ongoing basis. The Komax Group has put in place a process-oriented organization in this respect, in which the entire life cycle of a product is considered right from the very start. With its KOP (“Komax optimizes processes”) program, it pursues ongoing improvement management in keeping with the Kaizen principle. For example, even at the product development stage care is taken to ensure that the number of different screws for a machine are minimized in order to reduce the workload and the number of tools and replacement parts required at the later assembly stage and service. Every process is closely observed and scrutinized. By way of example: Is the anodization of surfaces really necessary, or could this step be dispensed with for the benefit of the environment? Could a machine be built in such a way that it can then be sent to the customer with less packaging?

Based on training and ongoing thematization, the Komax Group promotes process-optimized thinking on the part of its employees, encouraging them to scrutinize the status quo and contribute new ideas. Among other things, this includes project management methods such as Scrum and Kanban. At Komax in Switzerland, for example, ideas in some departments are discussed in daily 15-minute meetings and tested as quickly as possible. Special bonuses are awarded to staff for particularly effective improvements.

In the 2023 reporting year, the main focus of activity was the integration of the Schleuniger Group and the associated optimization of numerous processes in almost all company areas (➤ pages 32/33; ➤ pages 46–55).

AUTOMATED SMALL PARTS WAREHOUSE IN DIERIKON

At its headquarters in Switzerland, the Komax Group operates an automated, robot-supported small parts warehouse system, which supplies all levels of the vertical factory in Dierikon with materials. Employees on any floor can order the items they require via a dedicated screen. This is then delivered by autonomous transport robots from the warehouse in the basement, which is home to up to 21 000 containers with various items. This logistical solution saves costs, is energy-efficient, and facilitates work at the assembly stage.



DIGITAL TRANSFORMATION

The switch from analog processes to digital systems has been taking place in all sorts of different walks of life for many years now. For a business like the Komax Group, this presents numerous opportunities as well as risks that need to be addressed. On the one hand, all sorts of processes can be designed much more efficiently through the digital medium; on the other, employees need to be properly trained in the handling of digital possibilities in order to guarantee data protection and cybersecurity. This is an area that harbors not just financial risk but also considerable reputational risk for the Komax Group. In addition, the Komax Group drives forward digitalization for its customers so that they can differentiate themselves from their competitors with their solutions. The Komax Group is seeking to leverage potential in this area in a targeted way with its Strategy 2028. For that reason, it has been implementing both internal and external digital transformation for years. The development of software and digital services is of crucial importance for the Komax Group in this context. This is evident from the fact that more than a half of employees in Research and Development are working on this aspect.

SMART FACTORY by KOMAX

Customers of the Komax Group have to deliver consistently high quality and reliability despite rising complexity and higher personnel expenses, while the the same time keeping costs as low as possible. Specifically, the Komax Group has developed a vision for how wire manufacturing can be optimized in the future – the SMART FACTORY by KOMAX. This encompasses five components that the Komax Group is working on continuously (➤ page 49).

Digitalization of internal processes increases efficiency

For the Komax Group, the basis for external digital transformation is the digitalization of internal processes, as well as the Group-wide updating and standardization of data and systems. For example, the rollout of a standardized customer relationship management system for all companies was completed in the reporting year. In addition, the step-by-step introduction of a new ERP system over a period of several years was continued, with a number of locations going live in the reporting year. This ERP renewal process will be continued in 2024, while this year will also see the introduction of a standardized global HR management system, among other things. The progress made in digitalization projects over the last few years has improved data quality, increased transparency, and helped to make business activity more efficient generally.

Measures to protect against cyber risks

To avoid the benefits of digitalization being overshadowed by new risks, the Komax Group continuously analyzes cyber risks as part of its internal risk management process (➤ page 163, Financial Report). It derives measures from this activity to ensure that all its own data, as well as that of customers, suppliers, and employees, is protected to the greatest extent possible. The measures are further developed and implemented by the Head Global IT Security and the team on an ongoing basis. In addition to detailed data protection guidelines, the Komax Group has also implemented technical security measures such as the encryption and pseudonymization of data, data logging/recording, and access restrictions. It has improved data security with the assistance of external partners through regular penetration tests (simulated external attacks), and has round-the-clock monitoring in place 365 days a year thanks to its Security Operations Center (SOC). In addition, all publicly accessible services have been scanned for potential weaknesses on a monthly basis since 2022.

Komax is also certified under the “Trusted Information Security Assessment Exchange” (TISAX) standard, which addresses the secure processing of information received from business partners, and data protection between automotive manufacturers and their suppliers in accordance with the EU’s General Data Protection Regulation (GDPR). Existing security measures are adjusted on an ongoing basis in line with technological developments. All employees are obliged to participate in regular cybersecurity training. There were no substantiated complaints in respect of data theft, data abuse, or the loss of customer data during the reporting period. Further information on governance can be found in the Corporate Governance section of the 2023 Annual Report (➤ pages 102 to 120).

CLIMATE PROTECTION – CARING FOR THE ENVIRONMENT

A key part of the Komax Group's ESG strategy is reducing its carbon footprint while reducing its own energy consumption and that of its products. It also intends to implement the circular economy concept, thereby making its products recyclable.



GREENHOUSE GAS EMISSIONS AND ENERGY EFFICIENCY

Tackling the ongoing issue of climate change is a global challenge that equally affects nations, institutions, and companies, as well as each and every individual. The Paris Agreement of 2015 envisages limiting global warming to a maximum of 1.5°C, but at any rate to well below 2°C compared with the preindustrial era. The key element in the attainment of these targets is the reduction of greenhouse gas emissions, above all CO₂ emissions.

As a responsible business, the Komax Group plays its part here, which is essential if it is to meet various requirements in the form of regulatory guidelines and the desire for greater transparency on the part of investors, customers, suppliers, and the wider public. As a global business with subsidiaries all around the world, a comprehensive logistics network, around 3500 employees, and a key position in the automotive supply chain among others, the Komax Group has an obligation to make its own contribution to the attainment of climate targets. It therefore engages actively with the various regulatory requirements of its stakeholders. By reducing total energy consumption and increasing energy efficiency, the Komax Group can bring down its CO₂ emissions, contribute to the attainment of the above-mentioned climate targets, save costs, secure the trust of both customers and investors, and increase its appeal to new employees. The reduction of CO₂ emissions and the boosting of energy efficiency in business activities are therefore crucial themes.

In order to reduce its CO₂ emissions, the Komax Group has incorporated three specific targets into its ESG strategy. Its focus lies on the substitution of fossil fuels with renewable energies and the reduction of total energy consumption through an increase in energy efficiency in the operations of its various production sites. The latter is to be achieved above all through optimization of the energy consumption of buildings, of the equipment and machinery used, and of logistics, as well as by sensitizing employees to the issue of saving energy. In particular, the managing directors of the large production companies are to be given enhanced responsibility through the setting of annual targets aimed at reducing CO₂ emissions. The Vice President Investor Relations / Corporate Communications is responsible for monitoring the effectiveness of the measures taken and providing support to the individual companies. Progress is measured once a year through a comprehensive data-gathering exercise and then analyzed by the ESG Committee headed by the CEO.

Strong growth with steady CO₂ emissions by 2028

The Komax Group is seeking to achieve revenue growth of up to 60% by 2028. But despite this strong growth, the CO₂ emissions it causes either directly (Scope 1) or indirectly (Scope 2) are to remain steady. By 2028, the Komax Group has set itself the goal of compensating for the additional CO₂ emissions caused by its growth through a range of measures on an ongoing basis, thereby keeping CO₂ emissions at 2023 levels (▶ page 70). Regular monitoring of the status quo is the first step on the road to the long-term goal of climate neutrality.

With this in mind, the Komax Group has been systematically compiling the direct and indirect emissions data of its companies ever since the 2021 financial year. The Komax Group currently has 30 engineering and production sites worldwide. In 2023, its sites produced total emissions of 5 687 tCO₂e, of which 51.5% related to its own sources (Scope 1) and 48.5% to procured energy

(electricity and district heating – Scope 2). The main drivers of emissions are electricity consumption at production sites, the use of energy for heating purposes, and the use of fuel to power Group-owned vehicles. The lion's share of CO₂ emissions is generated in Germany (26%), followed by the USA (16%) and Switzerland (13%). The emissions intensity (market-based) amounted to 7.56 tCO₂e of emissions per CHF 1 million of revenues (2022: 7.01 tCO₂e of emissions per CHF 1 million of revenues). The 2023 financial year forms the basis for the attainment of the climate targets of the Komax Group.

The Komax Group has set itself the target of keeping CO₂ emissions (Scope 1 and Scope 2) steady up to 2028 despite its ambitious revenue growth target.

Preparing for the measurement of Scope 3 emissions

Scope 3 emissions, i.e., all upstream and downstream emissions such as those produced along supply chains, are not yet fully measured due to the complexity of these supply chains. The Komax Group is extending the measurement of all relevant emissions data in stages, and is actively incorporating suppliers into this process.

CO₂ emissions and energy consumption¹

Scope		Unit	2023	2022	Unit	2023	2022
Scope 1²		tCO₂e	2 929	2 866	MWh	13 528	12 588
	Heating and fuel	tCO₂e	2 929	2 866	MWh	13 087	12 588
	Heating oil	tCO ₂ e	67	92	MWh	247	338
	Natural gas	tCO ₂ e	1 407	1 127	MWh	6 943	5 562
	Diesel	tCO ₂ e	946	1 030	MWh	3 721	4 053
	Gasoline	tCO ₂ e	509	617	MWh	2 176	2 635
	Own energy sources³	tCO₂e	0	n. a.	MWh	441	n. a.
	Solar electricity produced	tCO ₂ e	0	n. a.	MWh	590	n. a.
	Solar electricity sold	tCO ₂ e	0	n. a.	MWh	-149	n. a.
	Solar electricity consumed	tCO ₂ e	0	n. a.	MWh	441	n. a.
Scope 2⁴		tCO₂e	2 757	3 238	MWh	13 381	13 401
	Electricity and heat	tCO₂e	2 757	3 238	MWh	13 381	13 401
	Electricity (purchased)	tCO ₂ e	2 493	3 064	MWh	11 909	12 437
	District heating ⁵	tCO ₂ e	265	173	MWh	1 473	964
Scope 1+2		tCO₂e	5 687	6 104	MWh	26 909	25 989

¹ The greenhouse gas inventory was prepared in accordance with the Greenhouse Gas Protocol.

² Emission factors from "DEFRA 2023" for the year 2023 and "DEFRA 2022" for the year 2022 were used for the calculation of emissions from heating fuels and motor fuels.

³ Electricity from our own photovoltaic systems, collected for the first time in 2023.

⁴ Emissions for 2023 and 2022 are reported as "market-based." The corresponding emission factors come from local electricity suppliers. The "location-based" calculation results in 3 419 tCO₂e (2023) and 3 064 tCO₂e (2022). The corresponding emission factors come from "IEA 2023" for 2023 and "IEA 2022" for 2022.

⁵ Emission factors from "DEFRA 2023" for 2023 and "DEFRA 2022" for 2022 were used to calculate emissions from the purchase of heat.

Emissions intensity: emissions per revenue unit and employee

	Unit	2023	2022
Per revenue unit¹	tCO₂e/CHF 1 million	7.56	7.01
Scope 1	tCO ₂ e/CHF 1 million	3.89	3.71
Scope 2 ²	tCO ₂ e/CHF 1 million	3.67	3.30
Per employee³	tCO₂e/FTE	1.71	1.66
Scope 1	tCO ₂ e/FTE	0.88	0.88
Scope 2 ²	tCO ₂ e/FTE	0.83	0.78

¹ Excluding one-time effect on revenues (CHF +10.9 million) in 2023.

² The intensities for 2023 and 2022 are reported according to the "market-based" approach.

³ Average full-time equivalents of the reporting year.

Energy intensity: energy consumption per revenue unit and employee

	Unit	2023	2022
Per revenue unit¹	MWh/CHF 1 million	35.78	42.86
Per employee²	MWh/FTE	8.10	10.54

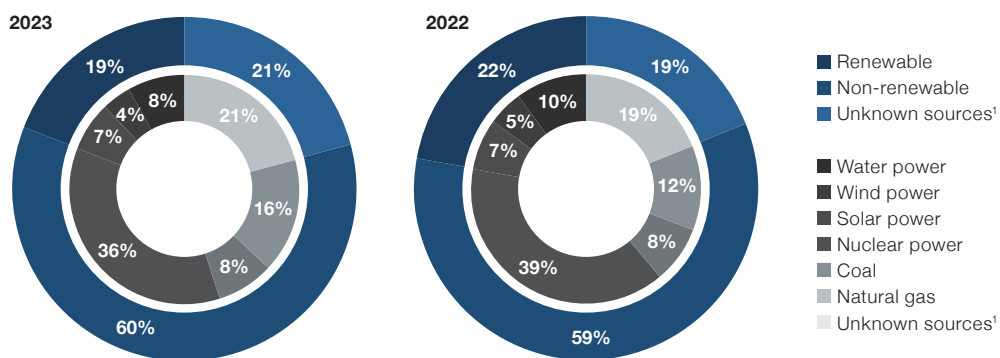
¹ Excluding one-time effect on revenues (CHF +10.9 million) in 2023.

² Average full-time equivalents of the reporting year.

50% of electricity consumption from renewable energy sources by 2028

The greatest lever for the Komax Group as it seeks to reduce its CO₂ emissions (Scope 1 and Scope 2) is the consumption of energy at its various sites. Here it is increasingly focusing on renewable energies such as solar or hydropower and replacing fossil energy fuels with carbon-neutral solutions. In 2023, 19% of all energy consumed originated from renewable energy sources, which represents a small year-on-year decrease (2022: 22%).

Electricity mix



¹ Information about the power mix is not yet available for some locations.

The Komax Group has set a target for 50% of its total electricity consumption to come from renewable energy sources by 2028.

The Komax Group has set itself the target of obtaining 50% of its total electricity consumption from renewable energy sources by 2028. The majority of machinery sold (approx. 60% of revenues) is manufactured in Switzerland, which is why the proportion of all energy consumed by the Komax Group is correspondingly high in this country. At the Swiss production locations, the Komax Group is already drawing electricity from its own photovoltaic systems, from “blue” electricity (which is derived 100% from hydropower), and from natural power obtained through Central Switzerland’s RegioMix scheme. At present, five Komax Group sites have their own photovoltaic systems, which produced approx. 590 MWh (2022: approx. 220 MWh) of solar energy in 2023. This equates to almost 5% of the Komax Group’s total electricity consumption. There was a significant increase in the production of solar power in the reporting year, which was predominantly the result of a new photovoltaic system being installed at the Burghaun site of Komax Taping Germany. In addition, the building at the Dierikon location purchased in 2021 was fitted with a photovoltaic system encompassing 600 m² in 2023. Over the next few years, numerous projects are planned to increase the proportion of renewable energies further, such as through further photovoltaic systems and changes in the energy mix of local suppliers.

Reduction in energy consumption by 2% per year (as a proportion of revenues) through sustainable site development

In 2023, the Komax Group consumed a total of 26 909 MWh of energy (2022: 25 989 MWh). The energy intensity amounted to 35.78 MWh per CHF 1 million of revenues (2022: 42.86 MWh per CHF 1 million of revenues). From 2024, energy consumption as a proportion of revenues is to be brought down by 2% annually.

The Komax Group has set a target of reducing its energy consumption in relation to revenues by 2% per year.

In order to achieve its emissions targets, the Komax Group is continuously reducing energy consumption at its locations. The company relies on district heating based on a low-carbon wood-chip heating system for its own buildings at its headquarters. The heating for the new building occupied in 2020, the building acquired in 2021, and existing facilities therefore has a small carbon footprint. Energy consumption is to be brought down further through renovations of older production sites.

Reduction of emissions in production and logistics

A major proportion of the value creation delivered by the Komax Group lies in engineering services. The majority of components are manufactured and supplied by third parties, which means that actual production at the Komax Group primarily comprises the assembly of components. The Komax Group generates a low level of emissions with its own production facilities (Scope 1 and Scope 2) compared to other industrial companies. A significant proportion of emissions originates in its supply chains (Scope 3). The Komax Group is aware of this, and is currently analyzing these supply chains and building up a database so that sustainability can be measured and improved throughout the entire value creation process in the future.

Sensitizing employees to energy themes

Another key element is the involvement of all employees worldwide in sustainability matters. The Komax Group will be launching an internal campaign with various measures in order to sensitize its workforce to the need to be mindful in the consumption of electricity and other resources. The details of this initiative are still being worked out.

A contribution to the reduction of CO₂ emissions is already being made at the Swiss sites of Cham, Dierikon, and Rotkreuz by the mobility bonus, which is available to more than 800 employees. All staff at these locations who forgo motorized private transport on their journey to and from work receive monthly bonuses of up to CHF 100.



PRODUCT LIFE CYCLE MANAGEMENT

The Komax Group understands product life cycle management to mean consideration of all environmentally relevant aspects of its products over their entire life cycles. This starts at the development stage and continues into production, encompassing the materials and energy required at this point. This is followed by the period of use at customer production sites, which encompasses servicing activities and ends with product disposal. The Komax Group manufactures several thousand machines every year, which require tons of steel and aluminum as well as wood for packaging. In order to conserve resources and at the same time help customers to reduce their carbon footprint, the Komax Group strives to offer products that are as efficient and long-lasting as possible. In some cases these will be used for decades. In Europe in particular, CO₂ thresholds are putting pressure on automotive manufacturers to reduce the emissions of their vehicles in order to avoid fines and reputational damage. Since it is part of the automotive industry supply chain, the onus is on the Komax Group to contribute to the reduction of the carbon footprint of vehicles. It also needs to be able to provide its customers with product emission data going forward in order to avoid competitive disadvantages arising.

The Komax Group pursues three key approaches to mitigate the environmental repercussions of its products across their life cycles. First, it ensures that its customers receive resource-sparing finished products that are free of any contaminants or conflict materials. Within the organization, the development and production areas are responsible for this aspect. They in turn are supported by the global procurement team (contaminant-free and conflict-mineral-free materials) as well as Group Legal and Compliance, which defines the legal framework. In addition, the Komax Group is driving forward measures at its production sites to reduce energy consumption in the manufacturing process and promote the transition to renewable energies (► pages 78 and 81).

Second, a focus has been placed on reducing the use of resources in new developments in order to permanently bring down the energy consumption of machines during their operation. And third, the Komax Group is working on solutions for the recycling of its products. These approaches will be supported by the high quality and longevity of the products themselves. The Group's own global service network and its collaboration with partners ensures that these machines are professionally maintained. This has a positive impact on their performance, value retention, and lifespan, as well as saving resources.

Materials usage

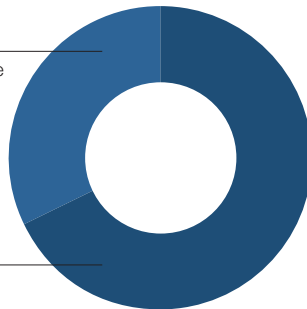
Resource	Unit	2023	%	2022	%
		Consumption	Share	Consumption	Share
Renewable¹	metric ton	1 228	68	1 468	67
Wood	metric ton	1 135	63	1 359	62
Cardboard	metric ton	93	5	109	5
Non-renewable	metric ton	570	32	735	33
Steel	metric ton	252	14	321	15
Aluminum	metric ton	244	14	243	11
Copper	metric ton	61	3	157	6
Filling (plastic, expanded polystyrene/ EPS, etc.)	metric ton	13	1	14	1
Total¹	metric ton	1 798	100	2 203	100

¹ Including packaging materials.

Materials used

2023

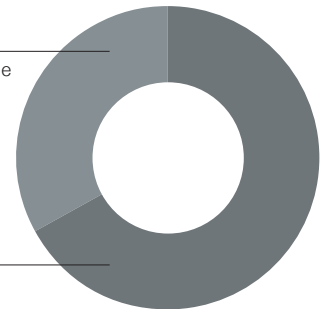
32% non-renewable



68% renewable

2022

33% non-renewable



67% renewable

DEALING WITH PACKAGING MATERIAL AT THE DIERIKON SITE, SWITZERLAND

Every year, the Komax Group dispatches some 1 000 machines and any number of replacement parts to all corners of the world from its headquarters in Dierikon, Switzerland. In 2023, this required some 700 tons (2022: 850 tons) of wood, which Komax obtains from a nearby biosphere reserve in the canton of Lucerne. This is a naturally renewable area of forest. The wood is heat-treated prior to delivery to Komax to remove bacteria and other damaging microorganisms, thus ensuring that the packaging does not end up threatening local flora and fauna at the target destination due to the importing of alien species. The Komax Group adopts a careful approach to packaging material generally. Suppliers are requested to keep packaging to an absolute minimum and never to use materials containing toxic or other hazardous substances.



Sustainable resource management in production

On the production side, the Komax Group seeks to increase its energy efficiency on an ongoing basis. Highly automated, state-of-the-art production systems are used for the strategically important components that the Komax Group manufactures in-house. For example, in Dierikon alone Komax invests around CHF 1 million annually in the renewal of its machinery portfolio for parts production. Energy efficiency and environmental friendliness are key decision-making criteria, alongside investment volumes, when it comes to procuring new systems. The careful and efficient use of resources has high priority. Production systems are based on lean management concepts, which are designed to avoid errors and minimize waste. Wherever possible, waste materials, and wastewater are recycled or disposed of appropriately. What's more, optimization programs are designed to ensure that waste volumes are reduced on an ongoing basis.

Water usage

		2023	2022
	Unit	Consumption	Consumption
Europe	m ³	22 826	19 186
Asia/Pacific	m ³	3 642	4 156
North/South America	m ³	14 504	18 321
Africa	m ³	1 088	1 014
Global water usage	m³	42 060	42 677

The level of water usage is low due to the Komax Group's business model.

Waste

Source	Unit	Waste	Waste diverted from disposal	Recycling rate in % ³
2023				
Non-hazardous waste	metric ton	966	613	63
Scrap metal	metric ton	293	272	93
Paper and cardboard	metric ton	217	195	90
Mixed industrial waste ¹	metric ton	456	146	32
Hazardous waste	metric ton	76	15	20
Waste oil, solvent, ink, coolant, sludge, etc.	metric ton	76	15	20
Total waste	metric ton	1 042	628	60
2022				
Non-hazardous waste²	metric ton	1 690	915	54
Scrap metal	metric ton	477	291	61
Paper and cardboard	metric ton	474	445	94
Mixed industrial waste ¹	metric ton	739	179	24
Hazardous waste	metric ton	82	22	27
Waste oil, solvent, ink, coolant, sludge, etc.	metric ton	82	22	27
Total waste	metric ton	1 772	937	53

¹ All other non-hazardous waste, incl. PET, glass, batteries, etc.

² In 2022, the non-hazardous waste generated was exceptionally high due to a renovation at the Thun site, Switzerland, as well as due to inaccuracies in data collection at some locations.

³ The amount of waste recycled and the resulting recycling rate are partly based on estimates. The Komax Group plans to implement uniform processes to measure the recycling rate in the future.

Reduction of energy consumption in new developments

Since the machines of the Komax Group operate over long periods, in some cases even over decades, they have an impact on the environment. With more than 50 000 installed machines worldwide, there is long-term potential to contribute to global climate targets in this area – even if this potential is low due to the modest consumption of energy. When developing new machines going forward, the Komax Group will focus even more strongly on reducing their electricity consumption during the lifetimes of these machines with customers.

Eco-design check from 2025

What matters here is not just electricity consumption, but also minimizing the environmental repercussions of a product over its entire life cycle. For this reason, the Komax Group is working on the introduction of an eco-design check that it intends to apply to all newly developed products from 2025 onward. Among other things, the aim is to preserve or improve the longevity, repairability, and reusability of its products, as well as reduce the consumption of energy and other resources.

The Komax Group has set itself the target of putting all newly developed products through an eco-design check from 2025 onwards.

Focus on circular economy

Another important issue when considering the life cycle of machines is the point at which they have reached the end of their operational lives. The Komax Group has yet to focus on this aspect. This is set to change, as the Komax Group attaches great importance to the concept of the circular economy as a core element of designing its business activity in a more resource-sparing and energy-efficient way. At the beginning of 2024, the Komax Group embarks on an analysis of the prerequisites for being able to offer its customers recycling solutions for the machinery they have bought. The goal is for customers to be able to recycle all machines sold by Komax from 2028 onward.

The Komax Group has set itself the target of taking the concept of the circular economy into account, and enabling the recycling of all products as of 2028.

Over the longer term, the Komax Group is aiming not only to run its own business in a climate-neutral way, but also to help its customers reduce their carbon footprints. Its business model is helpful here, as automating processes can help to save resources – such as in the area of taping wire bundles, where customers of the Komax Group use up to 25% less adhesive tape than they would with manual processing.

Certifications and integrated management systems

The majority of the Komax Group's production locations are ISO 9001 certified. Moreover, multiple sites that together house a third of the entire workforce have ISO 14001 certification. These have integrated management systems that exhaustively cover all company processes. The sites of Komax AG and Komax Romania Trading S.R.L., at which more than 20% of all employees of the Komax Group work, additionally have ISO 45001 certification and therefore management systems that encompass health protection and workplace safety. The Komax Group works continuously on the implementation of management systems, and over the next few years will be looking to achieve further certifications at its Thun site in Switzerland and at the Radevormwald site in Germany, among others.

21
sites with
ISO 9001
certification

Country	Company	Certification
China	Komax (Shanghai) Co., Ltd.	ISO 9001
	Schleuniger Machinery (Tianjin) Co., Ltd.	ISO 9001
Germany	adaptronic Prüftechnik GmbH	ISO 9001 ISO 14001
	Komax SLE GmbH & Co. KG	ISO 9001 ISO 14001 DE AEOC 104360
	Komax Testing Germany GmbH	ISO 9001 ISO 14001
	Schleuniger GmbH	ISO 9001
	WUSTEC GmbH Co. KG	ISO 9001
France	Komax Laselec SAS	ISO 9001
Mexico	Komax de México, S. de R.L. de C.V.	ISO 9001
	Komax Testing México, S. de R.L. de C.V.	ISO 9001
Austria	Komax Austria GmbH	ISO 9001
Romania	Komax Romania Trading S.R.L.	ISO 9001 ISO 14001 ISO 45001
Switzerland	Komax AG	ISO 9001 ISO 14001 ISO 45001
	Schleuniger AG	ISO 9001
Singapore	Komax Singapore Pte. Ltd.	ISO 9001
Czech Republic	Komax Czech Republic Trading s.r.o.	ISO 9001
Tunisia	Komax Testing Tunisia sarl	ISO 9001
Türkiye	Komax Testing Türkiye Test Sistemleri San. Ltd. Şti.	ISO 9001
Hungary	Komax Hungary Kft.	ISO 9001
USA	Cirris Inc.	ISO 9001
	Komax Corporation	ISO 9001

RESPONSIBILITY – TAKING RESPONSIBILITY FOR PEOPLE

As the global market leader, the Komax Group is part of many local communities. As such, it bears a particular responsibility – toward its 3500 employees, their families, the environment in which they live, and also its customers.

OVERVIEW AND SOCIAL KEY FIGURES

At the end of 2023, the Komax Group employed 3 490 people worldwide (2022: 3 390). As a result of the combination with the Schleuniger Group, 1 070 new staff joined in 2022. There was no significant fluctuation in headcount in 2023. The majority of employees have permanent, full-time employment contracts. Personnel expenses in the year under review amounted to CHF 277.0 million (2022: CHF 209.3 million).

In 2023, the Komax Group employed the majority of its workforce in Switzerland (1 045 employees), followed by Germany (859), the USA (278), China (272), and Türkiye (150).

Employees by area and region

2023	Switzerland ¹	Europe ¹	America ¹	Asia ¹	Africa ¹	Total
Production	365	522	94	176	113	1 270
Research and development	220	100	21	27	0	368
Engineering	75	201	24	40	16	356
Marketing and sales	188	229	101	107	28	653
Service	42	112	107	89	29	379
IT	68	36	9	4	0	117
Administration ²	87	139	53	51	17	347
Total headcount as at 31 December 2023	1 045	1 339	409	494	203	3 490

2022	Switzerland	Europe	America	Asia	Africa	Total
Production	397	512	122	136	102	1 269
Research and development	224	94	19	23	0	360
Engineering	75	190	39	35	14	353
Marketing and sales	180	199	105	90	20	594
Service	46	113	106	85	21	371
IT	65	35	7	5	0	112
Administration ²	83	125	56	54	13	331
Total headcount as at 31 December 2022	1 070	1 268	454	428	170	3 390

¹ The individual companies and their locations are listed on pages 171–172.

² Including management.

Social key figures¹

The Komax Group significantly expanded the degree of detail in its 2023 data survey to include social key figures. For this newly compiled data (▶ table, page 87) there is no prior-year comparison.

	Unit	2023	2022
Employees as at 31 December²	FTE	3 369	3 267
Employees as at 31 December³	Headcount	3 490	3 390
of which male		2 766	2 713
of which female		724	677
Full-time employees		3 059	2 977
of which male		2 502	2 491
of which female		557	486
Part-time employees		431	413
of which male		264	222
of which female		167	191
Permanent employees		3 384	3 187
of which male		2 685	2 546
of which female		699	641
Temporary employees		106	138
of which male		81	113
of which female		25	25
Contractors ⁴		93	65
of which male		80	54
of which female		13	11
Apprentices, trainees		177	154
of which male		135	125
of which female		42	29
Voluntary turnover rate ⁵	%	11.0	8.2
Personnel expenses	in CHF million	277.0	209.3

¹ The Alcava Group, acquired in 2023, is included in the social key figures.

² FTE (full-time equivalents) of all employees directly employed by the Komax Group, with the exception of apprentices, trainees, cleaning staff, and external employees on their own account (contractors).

³ Headcount of all employees directly employed by the Komax Group, with the exception of apprentices, trainees, cleaning staff, and external employees on their own account.

⁴ Employees without an employment contract with the Komax Group are mainly temporary workers and cleaning staff.

⁵ Changes initiated by employees.

The Komax Group's fluctuation rate has been at a pleasingly low level for many years, and shows that employees enjoy their work at the Komax Group. In 2023 this figure stood at 11.0% (2022: 8.2%). Viewed over the longer term, this is a high figure for the Komax Group and is connected with the currently volatile market environment and the growth of the Group.

Women made up 20.7% of the Komax Group workforce in 2023 (2022: 20.0%), which is a good level for a technology company. The main reason for the low proportion of women is the significant number of technical jobs and digital occupations in which the Komax Group sees most growth.

	Unit	2023
Employees as at 31 December¹	Headcount	3 490
Employee well-being²		
Response rate for employee engagement survey	%	87
Motivation score	x/100 points	75/100
Feel like ambassadors of the Komax Group	%	61
Internal promotions	Headcount	118
Diversity and inclusion		
Employees below 30 years of age	Headcount	645
Employees between 30–50 years of age	Headcount	1 969
Employees above 50 years of age	Headcount	876
Proportion of women	%	20.7
Hires and departures of employees		
Hires		701
of which male		545
of which female		156
Departures		617
of which male		492
of which female		125
Retirements		43
of which male		37
of which female		6
Education and training		
Training professions	Number	24

¹ Headcount of all employees directly employed by the Komax Group, with the exception of external employees on their own account (contractors), as well as apprentices, trainees, and cleaning staff.

² The Komax Group applies a staggered approach over three years: Each year a selected number of Group companies participate in the survey. Therefore the results shown are a consolidation over a three-year period (2021–2023). Results of the former Schleuniger Group companies are not included since the survey in these companies was conducted prior to the combination with the Komax Group.

WORKPLACE SAFETY AND WELL-BEING

Ever since the coronavirus pandemic – and even before in some cases – the labor markets at the locations of the Komax Group have been confronted by the trends of rising wage costs and a shortage of specialist labor. Another important factor in this context is the current generation change in various developed countries, with the high birth years of the 1950s and 1960s (“baby boomer” generation) now reaching retirement age and the subsequent low-birth generations increasingly dominating the labor market. This has made it very challenging for companies to find the right employees, hence the competition between employers to attract qualified personnel is becoming ever fiercer.

The Komax Group is adapting to this changed situation, offering an attractive and motivating working environment for both existing and new staff. Otherwise it would run the risk of not having the number of employees necessary to deliver the planned growth and implement its innovation projects. The ability to attract and retain talented and motivated staff is absolutely critical for a strongly growing company like the Komax Group. Through active and sustainable personnel management, the Komax Group can increase its appeal as an employer and foster a diverse and committed workforce. This explains why motivated and satisfied employees are a core part of the ESG strategy.

The Komax Group has set itself two goals in this context – an above-average level of employee motivation, and safety at the workplace with the accompanying vision of zero occupational accidents. Spearheaded by the Vice President Global Human Resources and the local HR heads, the Komax Group is pursuing various approaches for creating an attractive, inclusive working environment that

can attract and retain the necessary specialist personnel all around the world. This includes fair employment conditions such as market-appropriate salaries, social benefits, and where possible also flexible working hours, which benefits the social environment of employees. It also comprises a comprehensive training and professional development program (➤ page 90). Moreover, the Komax Group has implemented a Code of Conduct globally that lays down rules for fair, appreciative, and respectful interactions between staff as part of the Komax culture. The success of the various measures is scrutinized through regular surveys of employees in the individual companies (➤ page 89).

As a second objective, the Komax Group is determined to realize its vision of zero occupational accidents, and in a first step has incorporated the halving of the accident rate by 2028 into its strategy as an ESG target. Workplace safety and health protection are currently treated in different ways locally, depending on the size and function of the company in question. Depending on the individual situation, responsibility may lie with the local CEO, the quality assurance or workplace safety expert, or the head of production. In particular, the Komax Group relies on numerous preventative measures to further improve safety at the workplace and contribute to the health of its employees.

An attractive employer

The Komax Group's excellent reputation as an attractive employer is based above all on its special corporate culture. It offers staff a healthy, safe working environment that promotes diversity and tolerance, while at the same time opening up opportunities to work in an international environment, shape the industry, and drive forward the success of company and individual alike. Here the Komax Group aligns itself with three principles: the opportunity to actively shape things, responsibility, and solidarity.

SCOPE TO CREATE CHANGE – WE FACILITATE DEVELOPMENT

We give our employees the room to pursue their tasks and develop as individuals. Everyone counts. The status quo should be challenged, the proven further developed and something new created.

RESPONSIBILITY – WE TAKE AND DELEGATE RESPONSIBILITY, WHICH FORMS COMMITMENT BETWEEN US

Room to maneuver requires commitment and shared responsibility on the part of every employee. We challenge our employees. Everyone has to answer for their performance.

TOGETHERNESS – WE MAINTAIN AN INSPIRING TOGETHERNESS

We maintain a valued working atmosphere with an international character. A sense of togetherness is very important to us. Every employee is part of the whole. The strong sense for community models our team culture, which is characterized by mutual respect and togetherness.

The workplace environment is characterized by equality of opportunity and appreciative collaboration.

INTELLIGENT PLANT CONCEPT IN DIERIKON

At its newly renovated building in Dierikon, Switzerland, the Komax Group has embraced the intelligent plant concept of “Oxygene at Work.” This increases the quality of air in the building, which in turn promotes concentration and employee health. In addition, some 1.2 tons of CO₂ are compensated for annually, as “Oxygene at Work” plants two trees for every plant in the building. For the Komax Group project, this works out at 304 trees.



Fair employment conditions

The Komax Group pays salaries in line with market rates, and offers social benefits typical for the sector and the relevant country. Independently reviewed and certified pay comparison analysis at the Swiss locations has confirmed that the Komax Group pays women and men equal salaries for work of equal value. Fair pay is of crucial importance to the Komax Group. In addition, where feasible it offers flexible working time models such as part-time and home working.

All employees of the Komax Group receive an assessment of their performance at least once a year. This assessment takes place in a fair and transparent way in a face-to-face discussion, where possible. Employees likewise have the opportunity to evaluate their own line manager. Moreover, goals and further professional development are discussed with the majority of employees, and time is taken to listen to their wishes and concerns.

Above-average motivation of employees

The Komax Group conducts surveys at its global locations every three years to gain a picture of staff satisfaction, among other things. The surveys are evaluated and globally benchmarked on a staggered basis by the service provider ValueQuest in order to make the results of different countries comparable. This involves the local results of individual Komax Group companies being compared with a local peer group made up of various other industrial companies. The aim is for employee motivation to be assessed as being in the upper quartile of the value scale (i.e., above 75 points) in each case. Based on the results of these surveys, measures are developed and implemented in each company by the relevant senior managers working together with Human Resources and various other departments.

In the 2021–2023 survey period, 2 001 employees in 32 countries took part, which represents an impressive response rate of 87%. With an average of 75 out of a hundred points, they display a high degree of motivation, slightly above that of the industrial peer group (74 points). Motivation was higher than in the peer group in 23 of the 32 surveyed companies. 61% of employees stated that they viewed themselves as ambassadors for the Komax Group and felt a very strong tie to both the company and their work. This is a pleasingly high figure. The current survey does not yet include the companies of the former Schleuniger Group. It will be extended to incorporate these employees over the next few years.

The Komax Group’s target is to achieve above-average employee motivation at all its sites compared with other industrial companies.



Comprehensive training and professional development opportunities

As part of its active staff development policy, the Komax Group supports individual training and development for its employees, both on the job and financially. These opportunities range from management seminars, advanced training events on site, webinars, and free-to-use LinkedIn Learning accounts, through to financial support for external training and development. Around 1% of all personnel expenses are channeled into these activities each year, which in 2023 amounted to around CHF 3 million. Over the last four years, employees in the Komax Academy alone completed almost 6 000 online courses. Employees in Switzerland can also use their working hours to attend LinkedIn learning courses, for example. In 2023, 132 employees made use of this opportunity and spent a total of 381 hours on personal training via LinkedIn.

Major investment in tomorrow's professionals

The Komax Group is a firm believer in investing to help young people make their professional start. In 2023, 83 apprentices were undergoing training (2022: 82 apprentices) at the sites in Switzerland, while the equivalent figure in Germany was 70 apprentices (2022: 51 apprentices). During their training, young people get an insight into the various departments' activities and thus get to know and understand the numerous processes that take place in a company. The Komax Group has state-of-the-art workstations as well as well-equipped mechanical workshops and assembly areas for the specific apprenticeship subjects. Budding professionals are supervised by trainers who possess strong technical and teaching skills, as well as sensitivity to the social needs of young people. In the reporting year, Komax in Switzerland was rewarded for its high training quality with the ICT Education & Training Award 2023 for best training center in the area of information and communication technology (ICT).

The Komax Group provides additional support to its young employees even after their initial training. In order to gain a better understanding of the needs of younger colleagues (up to the age of 30) and thereby provide them with more targeted support, it founded the Young Community in Switzerland in 2018 – an informal, cross-divisional network comprising more than 70 employees of the under-30 generation. This offers a platform on which they can communicate their needs in respect of their employer and working environment, as well as draw up potential solutions for any issues. The Young Community's steering committee discusses the relevant themes with the CEO of the Komax Group once a year, and acts as a direct line of communication between younger employees and their employer throughout the year. A multifaceted program involving workshops, specialist talks, and events is spread across the year. The Komax Group is convinced that the valuable ideas and suggestions coming from the Young Community can help it to develop further as an employer and provide new stimuli. This is vital, not least if it is to remain attractive to young, talented employees in an increasingly digitalized world of work.

PARTICIPATING IN NATIONAL FUTURE DAY IN SWITZERLAND

Every year, the Swiss locations take part in National Future Day, on which companies give students from grades 5 to 7 an insight into various professions. In 2023, 50 boys and girls took part and learned about the role of polymechanics, automation technicians, logistics specialists, business administrators, and IT specialists. In addition, they acquired an idea about how their career might start with the Komax Group. In this way, young people are supported in their quest for a career while making a contribution toward countering the shortage of specialist labor in the medium term.



Preparation for the third phase of life

The Komax Group also cares about older employees who are entering the third phase of their lives, i.e. retirement. At seminars designed to prepare them for retirement, issues such as estate planning, health in old age, structuring daily life, and financial security in old age are discussed.



Health and safety have the highest priority

The health and safety of the Komax Group's workforce are key factors in its quest for operational excellence. It satisfies the legal requirements governing working conditions in every country in which it operates. The majority of production locations have integrated management systems that cover all company processes, the environment, health protection, and workplace safety. Among others, the management systems used in the Komax Group companies for workplace safety are governed by ISO 45001, OHRIS, WENFIS, and OSHA guidelines. More than half of all employees of the Komax Group are covered by workplace safety management systems.

Key figures on safety and health¹

	Unit	2023 ¹	2022 ¹
Occupational fatalities	number	0	0
Occupational accidents	number	24	30
Lost Time Incident Rate (LTIR) ²		3.66	4.79

¹ Due to incomplete data, the company Komax Testing México was not included.

² Number of occupational accidents with lost time (1 day or more) per 1 million working hours.

The Komax Group companies offer their employees a variety of programs locally to promote health. Internal processes are regularly scrutinized for health and safety risks, and employees at the individual production sites are made aware of potential workplace risks in a targeted way. For example, employees at the Swiss locations received training on the topic of workplace safety and health protection at least once a year. The low number of occupational accidents over a period of many years is testimony to the success of these measures.

Based on a combination of the management systems for safety and health protection and the risk management function of Komax Group, all risks are evaluated and the corresponding measures derived. As production for the most part consists of assembly and the completion of machinery, the most common threats are slight crush injuries and cuts. The Komax Group has set itself the goal of further reducing occupational accidents on a continuous basis, as it pursues the vision of accident-free operations.

The Komax Group has set itself the target of halving the number of occupational accidents¹ by 2028.

¹ Lost Time Injury Rate (LTIR): number of lost time accidents per million working hours. The baseline is the average for 2022 and 2023: 4.2.

Actively promoting health

In addition, the Komax Group actively promotes the health of its employees at its various locations. At Komax in Switzerland, for example, employees benefit from the health-promoting initiative "fit@work." The focal points are movement, nutrition, and relaxation. The Komax Group helps its employees to improve their physical and mental fitness with a multifaceted offering that encompasses free sports offers (such as "Bodypump" or participation in the Swiss City Marathon), fruit initiatives, workshops, and specialist talks. The content of the program is adjusted to employee needs in response to feedback from the health survey carried out every three years.

Furthermore, in 2023 the Komax Group collaborated with the “Friendly Workspace” project to conduct an analysis of occupational health management in order to deliver further process improvements. As an additional offering, a comprehensive case management service is available for employees suffering long-term illnesses. The Komax Group offers a number of free support options, and works closely with external consultants and coaches. In addition, a number of health check-up days for employees were held during the reporting year.

Support for local projects at the various locations

The Komax Group is interested in the wellbeing of more than just its employees. In keeping with its corporate purpose, it is keen to make a contribution to society, and to make life simpler, safer, and more convenient. It achieves this not only through its business strategy, but also by actively supporting a whole range of projects in the local communities where it is active. The following overview provides a selection of projects that were pursued by the Komax Group in 2023.

Social projects

PROJECTS (SELECTION)	DESCRIPTION
Solar Butterfly	The Solar Butterfly project (www.solarbutterfly.org), the brainchild of visionary Louis Palmer, combines the key themes of e-mobility and environmental protection, including the responsible use of natural resources. Not only is the Komax Group providing financial support to the CO ₂ -free journey of this mobile home around the world, which started back in 2022, it also played an important role in the construction of the Solar Butterfly. At the assembly stage, apprentices from the Automation and Mechanics areas took on tasks such as the wiring of solar panels, working in the area of pneumatics and drive technology, and the configuration and programming of control panels.
Supporting the next generation of talent with the initiatives “A fascination with technology” and “MINT on the move,” as well as the Swiss Youth in Science Foundation	Switzerland has long suffered from a shortage of young people entering the MINT professions (mathematics, IT, natural sciences, technology). The Komax Group is therefore supporting the initiatives “A fascination with technology” and “MINT on the move” in cantons Lucerne and Zug. In addition, it also takes part in the girls@science and boys@science study weeks organized by the Swiss Youth in Science Foundation, which are designed to encourage young people to enter the MINT professions (equivalent to STEM).
TRANSfair	At its site in Thun, Switzerland, the Komax Group supports TRANSfair Gastronomy, a social enterprise offering people facing acute challenges above all due to mental problems professional integration at a supervised workplace, which simultaneously provides them with a clear daily structure.
Catie’s Closet Drive	In the US, Drive Schleuniger collected clothing for the project Catie’s Closet (www.catiescloset.org), which donates these items to students in need.
Integration Day	In April 2023, Komax SLE collaborated with the local job center to host an Integration Day for refugees from Ukraine. The aim was to provide them with insights into company processes and discuss ways of joining the Komax Group.
Kiva	Schleuniger companies in the US and Mexico supported the Kiva project (www.kiva.org) in 2023 with loans directed at people in need in Mexico City, Ghana, and Rwanda.
Inclusion Factory	Komax in Shanghai employs people with disabilities and was one of the first partners of the Inclusion Factory, a Chinese inclusion enterprise that helps disabled people to find work and thereby secure a place in society.
Employee voluntary work	A number of companies of the Komax Group provide all employees with up to eight hours of their working time each year to devote to a charitable initiative of their choice.

CUSTOMER RELATIONS

The Komax Group sells industrial capital goods to its customer base, which is made up of big global companies, regional mid-sized companies, and many different small firms. Intensive, bespoke customer service is the foundation for a trust-based partnership, and hence business success. Any loss of this trust due to poor customer service or defective products could have significant economic consequences for the Komax Group, with a knock-on effect for its staff. This is why outstanding customer relationships are essential for the Komax Group.

For the Komax Group, several elements play an important part in nurturing and improving its relationships with customers. These include customer proximity through a global service and distribution network, high delivery dependability, high product quality across the entire life cycle of a product, as well as training through increases in productivity.

Customer proximity through a global distribution and service network

The Komax Group has 30 engineering and production sites worldwide and employs around 380 service staff. It provides sales and service support via subsidiaries and independent agents in over 60 countries. The customer base is broad-based and spans the entire globe. In its main market segment, Automotive, the Komax Group has primarily large international customers with production sites around the world. Here, physical proximity to customers is key, as it is the only way to ensure short response and supply times, as well as provide comprehensive service. The Komax Group expanded its presence in Europe, North America, and Asia through its combination with Schleuniger. In the year under review, the global distribution and service network was optimized under the leadership of the Executive Vice President Market & Digital Services and tailored even more intensively to local customer requirements (► page 32 onwards). The adjustments will be completed in 2024. The Komax Group will then offer the services of a dedicated contact person in each country for all customers' solutions. A key element for a high level of trust and satisfaction among customers is delivery dependability. Consequently, the Komax Group channels its efforts into increasing this to a high level on an ongoing basis.

The Komax Group has set itself the target of delivering over 90% of all orders on time from 2025, rising to over 95% from 2028.

No Group-wide single metric for on-time delivery was collated in the year under review yet, which is why no figures can be stated for 2023.

High level of productivity as the cornerstone of customer trust

Some of the Komax Group's products are in use over decades (► page 80). They have to function safely over a long lifespan. As a result, the safety and smooth functioning of each individual machine is thoroughly tested before being handed over to customers, and then installed on customers' premises either by the Komax Group or with intensive assistance from it. Comprehensive training programs with the Komax Academy, online help, and other assistance enable customers to use products and services safely and efficiently (► page 34). The Komax Group ensures service beyond the end of agreed contractual guarantee periods, as well as the availability of upgrades and replacement parts. It does this so as to safeguard the safety and smooth functioning of its products over the long term. Thanks to their modular construction, the machines can generally be adapted to changing needs.

By applying internationally harmonized standards, the Komax Group achieves CE conformity for its products. The CE marking indicates that the manufacturer affirms their product's conformity with the legal requirements in Europe and thereby with stringent health and safety protection standards. The Komax Group deploys a team of CE experts from a number of areas, who see projects through from the development stage to validation and thus CE approval. Incorporated into machines are various protective measures, such as guards and emergency stop functions, designed to keep operators safe.

PLEXIGLAS HOODS AS A SAFETY FEATURE

Modular machines such as those in the Alpha, Lambda, and Omega series have Plexiglas hoods that can be raised and lowered automatically and protect operators during operation.



These measures are proving extremely effective, as no cases of products or services having a health or safety impact were reported to the Komax Group for the period under review.

Measuring the development of customer satisfaction in the future

The Komax Group aims to regularly measure the levels of customer satisfaction, something which does not yet take place on a Group-wide basis. Among the aspects it aims to measure are customer loyalty, for instance, and how well the Komax Group is satisfying expectations.

Such measurements are necessary to assess attainment of a further target:

The Komax Group aims to achieve above-average levels of customer satisfaction in an industry comparison.

The basis for this was laid in 2023. Feedback will be obtained wherever the Komax Group has a touchpoint with customers – such as in advisory or sales activities, or during trade fairs. Customer feedback on potential areas of improvement is particularly valuable to the Komax Group and is incorporated into new developments.

FAIRNESS – ACTING FAIRLY AND ETHICALLY

Ensuring good corporate governance is a top priority for the Komax Group. The Komax Group maintains its good name through a corporate and communication culture characterized by integrity and impeccable business ethics, safeguarding sustainable value creation in the interests of all stakeholders over the long term.

BUSINESS ETHICS AND COMPLIANCE

The Komax Group is a globally active group with strong growth. Interacting ethically and responsibly with its stakeholder groups at all times is vital to the Komax Group. Customers, employees, shareholders, creditors, suppliers, and the public in general have high expectations when it comes to transparency, trustworthiness, timely communication, and integrity. The bigger a company, the greater the demands on it – and the more complex it is to satisfy these demands on an ongoing basis. Combinations such as with the Schleuniger Group, where a number of companies are to be integrated, give rise to new challenges in respect of corporate culture and governance. Missteps can damage the reputation and thus the business success of the Komax Group, which would also impact on the share price. At the same time, a healthy corporate and business culture opens up new opportunities to attract customers, investors, and employees. This is why the Komax Group places an emphasis on good business ethics and compliance.

The Komax Group pursues an approach that permits no concessions or exceptions when it comes to ethical and fair business conduct and compliance. It complies with global as well as local regulatory requirements in the countries in which it operates. The individual units regularly examine current developments, as does Group Legal, and factor these into guidelines and policies as well as into training on the Code of Conduct, for example. All units have various processes aimed at ensuring compliance with the rules. Responsibility lies with the respective process owner, who is advised by and receives support from Group Legal and Compliance. The Komax Group is currently working on expanding its compliance structure so as to ensure that it continues to act fairly and ethically in all areas in the future too.

Responsible risk management

Comprehensive risk management is a key element of good corporate governance. The potential and actual risks associated with the Komax Group's commercial activities are systematically identified, analyzed, monitored, and managed on an annual basis through an institutionalized risk management function. These risks are amalgamated into groups according to their nature. They include general external risks, business risks, financial risks, risks arising in connection with corporate governance and trade compliance, as well as IT risks. The risks captured number over 150 in total, and these are mapped in a risk matrix based on the likelihood of them occurring and the extent of their potential impact. ESG risks are also addressed. These will be analyzed on an even more comprehensive basis in future, so as to assess in detail the potential impact for the Komax Group as well as the environment, society, and the economy (▶ page 72).

The Executive Committee is responsible for the operational side of risk management, whereby specially appointed process owners are assigned responsibility for the management of key individual risks. These process owners take specific measures and monitor their implementation. Every year, the Executive Committee informs the Board of Directors' Audit Committee of the risks identified and the measures taken as part of risk management activities. ESG risks are also discussed with the Sustainability and Innovation Committee. The Board of Directors uses this as a basis for a risk assessment (carried out once a year). The Executive Committee develops this risk assessment further and introduces measures designed to eliminate or mitigate the risks.

The Komax Group has not yet incorporated long-term global climate risks into its risk management. This will be done in the coming years, taking the ESG strategy as a basis.

Code of Conduct

The Komax Group's business ethics are based on its five core values (► page 66) as well as the Code of Conduct that has been in place for many years. The sustainable development of the Komax Group's business is one of the targets defined in the Code of Conduct, as is the rejection of seeking profit at the expense of the environment. It was approved by the Board of Directors and is binding for all Komax Group employees. It is built on the ethical principles that the Komax Group has been applying for decades. The code defines key rules of conduct for dealing with confidential information and living up to essential core values such as reliability, credibility, integrity, equality of opportunity, health and safety, and sustainability. It is published in 16 languages and reviewed at regular intervals (www.komaxgroup.com/organization). New employees receive special training in this area in order to make them aware of these rules of conduct, and all employees have to repeat this training on a regular basis.

The Komax Group aims to ensure that in future all employees will attend Code of Conduct training at least once every two years, and that 100% of the participants will complete it successfully.

Participation in and the results from the Code of Conduct training are evaluated by the Komax Group, and measures are derived therefrom as necessary.

Violations of this code are not tolerated, and will have corresponding consequences for the employees concerned. This applies both to those who have broken the rules and all those who knew about the breaches but failed to report them. Anyone who becomes aware of a violation may report this to their direct line manager, to the next-highest line manager, to the HR department, or to the independent external whistleblowing service (codeofconduct@ssrlaw.ch). Two violations were ascertained during the period under review. These resulted in internal disciplinary measures within the Komax Group, but no court cases ensued. Audit and reporting procedures regularly survey the existence of court cases and violations on a Group-wide basis.

Combating corruption

The business activity of the Komax Group is based on the quality of its services and on integrity. It therefore robustly rejects any form of bribery and other forms of corruption. Employees do not accept or offer any monetary gifts, regardless of the amount involved. Gifts in kind and invitations are allowed only if they do not exceed negligible advantages that are common business practice and do not generate any undue advantage. These basic rules are laid down in the Code of Conduct of the Komax Group, the Code of Conduct for suppliers and the Code of Conduct for business partners, agents, and distributors. This is particularly important as – due to its customer structure – the Komax Group also does business in countries with a comparatively high corruption risk ranking as

defined in Transparency International's Corruption Perceptions Index (CPI). Corruption risks are reviewed at regular intervals within the framework of risk management. In the period under review, as in the previous year, no corruption risks of significance were ascertained and there were no known cases of corruption within the Komax Group. In order to reinforce and communicate more clearly the Komax Group's rigorous stance in respect of corruption, bribery, and human rights, it will implement Group-wide guidelines by the end of 2024.

In order to provide detailed instructions concerning individual topics covered by the Code of Conduct, the Komax Group has set itself the target of implementing guidelines on the themes of human rights, corruption, and bribery throughout the Group by the end of 2024.

SUPPLY CHAIN RISK MANAGEMENT

For the Komax Group, sustainability in the supply chain encompasses the socially and ecologically responsible procurement of raw materials, components, packaging, and services, as well as appropriate risk management. A significant proportion of the value creation delivered by the Komax Group lies in engineering services and the assembly of components in the production of machines. The majority of these components are manufactured and supplied by third parties. This exposes the Komax Group to various risks in procurement. There is the risk that conflict materials are used, that human rights are violated, and that energy and scarce raw materials are used wastefully in supply chains. There are also legal risks – ranging from compliance with local and international statutory requirements and standards to bribery and corruption. These open up further potential risks in terms of the reputation and business success of the Komax Group. Strict trade compliance management and the responsible management of its supply chains make it possible for the Komax Group to reduce these risks and foster stable relationships with suppliers over the long term. This way it can make a positive contribution to sustainable supply chains and their impact on the environment and society.

The Komax Group has a Global Procurement Team that is responsible for global procurement issues. This team liaises with the specialists at the production sites who take care of sourcing the necessary materials and components locally. The Komax Group aims to meet the challenges in supply chains with trust, transparency, and checks. To this end, it has issued various guidelines, measures, and targets, which are reviewed and revised on an ongoing basis.

Code of Conduct for suppliers

In its commercial relationships, the Komax Group sets great store by respect, decency, social responsibility, and consistent adherence to international guidelines and laws. For this reason, it has drawn up special codes of conduct for both suppliers and business partners, and where possible makes compliance with these codes a contractual obligation. Key elements here include compliance with the law, a ban on corruption and bribery, fair competition, and the respecting of human rights. Violations of the Code of Conduct are consistently admonished and may result in immediate termination of a contract.

At the end of the year under review, 55% of the suppliers of the Komax Group (measured in terms of procurement volume) had signed the Code of Conduct for suppliers. This figure is low since a complete overhaul of the Code of Conduct was launched in the reporting year, meaning that the "old" code could no longer be rolled out to the companies joining the Komax Group from the Schleuniger Group. It is planned that the new Code of Conduct will be issued to all suppliers of the Komax Group over the course of 2024. With this move, the Komax Group aims to secure a high level of reliability and has defined a corresponding ESG target.

The Komax Group aims to ensure that 80% of its suppliers (measured by purchasing volume) will have signed the Code of Conduct by 2025. At least 95% of suppliers (by purchasing volume) should have signed the Code of Conduct by 2028.

Due diligence obligations in relation to minerals and metals from conflict areas as well as to child and forced labor

The Komax Group categorically rejects any form of forced or child labor. All of its production sites are located in countries that are signatories to the ILO conventions on forced labor or the Abolition of Forced Labour Convention (USA). The Code of Conduct for suppliers and the Code of Conduct for business partners, agents, and distributors prohibit suppliers from breaching the ILO conventions governing child labor and forced labor in the hiring of their workforce.

In 2023, the Komax Group initiated a new policy for the upstream supply chain and implemented further checks in relation to child labor and conflict minerals/metals in accordance with Art. 964j of the Swiss Code of Obligations and the Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO). These checks came to the conclusion that the import and processing quantities for minerals and metals had not been reached, and either identified a low risk in relation to child labor or could not find reasonable grounds to suspect child labor, meaning that the Komax Group is exempted from the due diligence and reporting obligations. The Komax Group will continue to monitor the topic closely as part of its supply chain risk management.

Long-term partnerships and regular audits

The Komax Group's aim is to achieve long-term partnerships with suppliers that are characterized by sustainable business activity and corresponding products. This is reviewed through audits. New and existing partners are evaluated and/or audited according to the same criteria. These include the integration status of sustainable business processes (ESG), quality, price, procurement chain, and deadline reliability, as well as production processes.

In order to evaluate the sustainability of its supply chain even more efficiently and take appropriate measures, the Komax Group has been working with EcoVadis since 2021 and is striving to expand its auditing activities.

The aim of the Komax Group is to select existing and/or potential new suppliers each year for auditing based on a risk matrix approach.

Supply chain risk management and trade compliance

The Komax Group's risk management addresses a number of procurement and compliance risks (➤ page 95; ➤ page 163 onwards, Financial Report). It has a trade compliance team whose duties include carrying out regular training courses on issues such as export controls, embargoes, current Incoterms, and customs and tax legislation.

Transparency in the supply chains

The Komax Group currently does not have comprehensive transparency in its supply chains. Consequently, one of the next steps is to build up a detailed record of additional relevant data. This comprises resource management, emissions (Scope 3), and governance issues. There are plans to also incorporate Scope 3 information into ESG targets in the future.

EFFICIENT PROCUREMENT THROUGH CONSOLIDATED SUPPLY MANAGEMENT

In collaboration with Bossard, a leading logistics company for industrial assembly and connection solutions, the Komax Group is reducing its annual CO₂ emissions at its headquarters in Switzerland through “C-parts procurement.” These are materials with a low item value and high procurement volume, such as screws. As the Komax Group is part of the broad network of Bossard customers who share a common supplier base, shipments and transport routes can be consolidated. This also reduces fuel consumption. Overall, the Group’s CO₂ emissions are around a quarter lower than without the consolidation of deliveries through Bossard.



OUTLOOK

By anchoring ESG in its new strategy and defining and publishing the first-ever non-financial targets, in September 2023 the Komax Group clearly expressed the importance it attaches to ensuring a sustainable, social, and responsible approach. It has been doing business in this way for decades. The Komax Group is aware that more will need to be done over the coming years if it is to satisfy the various demands placed on it by both its stakeholders and by itself, as well as meet its ESG targets.

By formulating an ESG strategy and integrating it into its overall Strategy 2028, the Komax Group has taken the first important step on this path. Over the coming years, many different ESG initiatives will be implemented, and the focus will be on the even more intensive involvement of employees and further stakeholder groups in ESG topics.

As a consequence of the rigorous anchoring of ESG at strategy level, starting 2024 the members of the Executive Committee are assigned individual ESG targets, the achievement of which will play a role in the amount of variable compensation awarded. The Komax Group will also continue to broaden and optimize reporting on its ESG activities on an ongoing basis. The focus here will be on data collection. In addition, the next ESG Report will incorporate the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

ADDITIONAL INFORMATION

GRI index

The GRI index associated with this ESG report is available on the website of the Komax Group (www.komaxgroup.com/en/annualreport2023/gri-index).

Organizational structure

The management structure and composition of the Komax Group is set out in the Corporate Governance Report. The Komax Group integrated ESG into its Strategy 2028 as a strategic initiative in 2023. The tasks, obligations, and powers of the Board of Directors, its Chair, and the Committees are set out in detail in the Articles of Association, the Organizational Regulations of Komax Holding AG, and in the Regulations for the Remuneration Committee, the Audit Committee, and the Sustainability and Innovation Committee. These also define the rights, obligations, and competencies of the CEO and Executive Committee. The relevant regulations are reviewed on a regular basis and amended where necessary. Further information on the organizational structure is available on the Komax Group's website (www.komaxgroup.com/en/about-komax/organization).

Governance

Information on corporate governance can be found in the Corporate Governance Report (▶ pages 102–120).

Compensation

All information on the compensation paid to the Board of Directors and the Executive Committee is available in the Compensation Report (▶ pages 121–140).

Approach to stakeholder engagement

The stakeholders of the Komax Group are its employees and their families, customers in the B2B area, suppliers, partners, the financial community, the media, the local communities at the Komax Group's sites, legislators and the regulatory authorities, as well as the public in general.

The Komax Group includes these stakeholder groups both digitally and physically. To this end, it maintains a global website and a number of country-specific websites in several languages, which provide contact forms and details of points of contact in addition to a whole range of other information.

Customers have their own online portals, where they can share information directly with the Komax Group. In addition, the Komax Group takes part in a number of trade fairs and specialist events (▶ page 35) and is part of various partnerships such as ARENA2036 and the Smart Cabinet Building Initiative (▶ page 48 onwards).

The financial community and all other stakeholders are included by means of comprehensive reporting via media releases, annual and semi-annual reports, as well as physical and virtual events. This also encompasses a mailing service for those who are interested in receiving information (▶ page 120). The Komax Group proposes many different information and communication channels for employees. These include internal notices on topics of relevance, an intranet, live and online events such as webinars, and the video-based Komax Talk, where the CEO and the Executive Committee talk about current developments. Komax Stories are also available to all those who are interested – this is the Komax Group's news portal (www.komaxgroup.com/en/stories).

Collective bargaining agreements

The Komax Group does not have any employees under collective agreements.

Political contributions

In principle, the Komax Group does not make donations to political parties, political organizations, or individuals who hold political office or are standing as candidates for political office.

STATEMENT FROM THE BOARD OF DIRECTORS AND SCO REFERENCE TABLE

The Board of Directors of Komax Holding AG is responsible for the production of the non-financial 2023 report (ESG Report) in accordance with the applicable legislation. The ESG Report 2023 contains the information on non-financial issues required by the Swiss Code of Obligations (SCO). The table below shows where the non-financial issues in accordance with Art. 964b SCO can be found. The Board of Directors has approved them.

Requirement Art. 964b	Section of the non-financial report	Page
Description of the business model	The Komax Group at a glance	64
	ESG strategy	69
	Sustainable, profitable growth	71
Environmental matters	ESG targets 2024–2028	70
	Greenhouse gas emissions and energy efficiency	76
	Product life cycle management	80
	Supporting local communities	73
Social issues	Taking responsibility for people	85
	Workplace safety and well-being	87
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	Workplace safety and well-being	87
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	Business ethics and compliance	95
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	Supply chain risk management	97
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	Supply chain risk management	97
Policies, measures, risks	Interactions between the Komax Group and its environment	72