ZUMTOBEL Group

ANNUAL FINANCIAL REPORT 2024 /// 2025

With all my work, I start by asking myself the question "Cui bono?" or, to put it another way: "Who should benefit, who should be empowered?" Anna Heringer

Excerpt from the artistic annual report
"LIGHT – the Natural Force that Makes Things Visible"

Cover image: Detail on the wall of Nichodemus House at the Don Bosco Earth Campus in Ghana (photo: Anna Heringer).
Back cover and inside pages: Details from "Ghost", textile from Bangladesh (photo: Günter König)

Annual Financial Report 2024/25 Zumtobel Group AG

1 May 2024 to 30 April 2025

Five-Year Overview

in EUR million	2024/25	2023/24	2022/23	2021/22	2020/21
Revenues	1,097.2	1,127.0	1,209.2	1,148.3	1,044.5
Adjusted EBIT	46.9	57.3	84.3	60.8	45.5
as a % of revenues	*4.3*	*5.1*	*7.0*	*5.3*	4.4
EBIT	33.0	49.5	84.3	60.8	43.4
as a % of revenues	*3.0*	*4.4*	*7.0*	*5.3*	*4.2*
Net profit for the year	15.5	24.7	60.0	45.8	45.6
as a % of revenues	*1.4*	*2.2*	*5.0*	*4.0*	*4.4*
Total assets	989.6	987.2	1,002.4	1,005.4	943.3
Equity	424.9	425.2	421.7	382.8	308.4
Equity ratio in %	*42.9*	*43.1*	*42.1*	*38.1*	*32.7*
Net debt	118.5	77.1	86.9	95.1	88.5
Cash flow from operating results	86.4	105.8	140.2	122.7	115.7
CAPEX excl. IFRS 16	54.2	50.8	54.5	45.3	38.1
as a % of revenues	*4.9*	*4.5*	*4.5*	*3.9*	*3.7*
R&D total	74.1	72.7	67.8	67.5	64.8
as a % of revenues	*6.8*	*6.5*	*5.6*	*5.9*	*6.2*
Headcount incl. contract worker (full-time equivalent)	5,299	5,350	5,503	5,782	5,813

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Chief Executive's Review

Dear Shareholders,

The 2024/25 financial year was more than challenging for our company as a result of the numerous global crises and weak economic environment. These developments forced us to adjust our revenue guidance for the Zumtobel Group together with the publication of nine-month results and were reflected in a slight 2.6% year-on-year decline in revenues to EUR 1,097.2 million in 2024/25. The Components Segment nearly reached the prior year level with revenues of EUR 299.3 million, while revenues in the Lighting Segment fell by 2.8% to EUR 864.0 million. Adjusted EBIT amounted to EUR 46.9 million, and the resulting EBIT margin of 4.3% is exactly in the middle of our forecasted range of 3% to 6%.

We are addressing the challenges of the market and carefully following the many different developments – just the same as our competitors – and are convinced we will emerge stronger from the current phase. Due to the comparatively low share of revenues generated in the USA, US tariff policies have only an indirect influence on the Zumtobel Group but we are closely monitoring the effects on our customers and the economy as a whole. The demand for new construction in Europe is currently weak, and the market climate has become more challenging as a result of the extended decision processes caused by declining motivation to invest and an increase in project postponements. Our components business will remain very volatile and under constant pressure over the short term. Against this backdrop, we are continuing to act with the necessary caution: For the 2025/26 financial year, we are currently expecting a single-digit per cent decline in revenues and an adjusted EBIT margin again ranging from 1% to 4%.

Clear strategic focus on core expertise

FOCUSED[+] stands for the development and refinement of our previous FOCUSED strategy as the answer to current economic and geopolitical conditions. Our activities in the area of smart building infrastructure were also bundled more effectively. The goal is to strengthen the Zumtobel Group's orientation and make the company fit for the future – especially in connection with the progressive digitalisation of building infrastructure and the rising sustainability demands of lawmakers and customers, above all in Europe.

Another focal point of continuous evaluation is the cost situation in our production network. The related activities are designed to increase the company's resilience and safeguard the competitive position of the Zumtobel Group with its three strong brands over the long term. The past financial year has also clearly shown that we must make painful decisions where necessary, for example at our plant in Les Andelys (France).

The further development of our corporate strategy gives us the groundwork to optimally benefit from a possible economic upturn. The subsidy programmes announced at the European level and in Germany should have a positive impact on the development of the Zumtobel Group over the medium term.

Focus on smart lighting solutions

With our focus on "smart solutions", we are designing the future of light through targeted investments in research, technology and intelligent lighting systems. The Zumtobel Group's sensor-based lighting, data-based space usage and human centric lighting make an important contribution to greater energy efficiency and smart building technology. Our service offering in the Lighting Segment is growing steadily and together with "Smart Building Solutions", our new business area, expands our portfolio for intelligent, integrated lighting solutions. Strategic partnerships with SIEMENS and ABB underscore our claim to provide innovative, turnkey systems for building management.

Sustainability and digitalisation remain cornerstones of the strategy

Sustainability, as is well known, is one of the central pillars of our corporate strategy – in addition to Zumtobel's TECTON II and PANOS III, other Zumtobel Group's products make an active contribution to sustainability. Thorn's Chalice and Avenue luminaires are two examples: They follow the circular design rules defined by the Zumtobel Group and create transparency concerning recycling components, easy separation and second life options. They already reflect the central content of the planned Ecodesign for Sustainable Products Regulation (ESPR), and the inclusion of these aspects will be decisive for future circular business models.

We made substantial progress on our way to net zero during the past year. The climate goals set by the Zumtobel Group were confirmed by the renowned Science Based Targets initiative (SBTi) and firmly anchored in the organisation – an important milestone in our sustainability commitment.

A further key element of our strategy is, and will remain, the systematic digital transformation of the Zumtobel Group. We continued our work on existing initiatives – with measurable added value for our customers, employees and partners. Examples include the development of a new product information management system, the redesign of our web presence and the introduction of an e-commerce channel for the lighting brands. The keyword here is customer centricity – a comprehensive focus on the needs of our customers.

Further development of our bestseller TECTON

One highlight in recent months was the product launch of the new TECTON II continuous row system from our Zumtobel brand. TECTON II gives our customers a highly efficient, sustainable carrier system with up to 15 poles for particular flexibility in the design of individual lighting applications. Light, emergency lighting, sensors and controls – all these functions can be combined in a single system to substantially reduce energy consumption. The intuitive plug-and-play design allows for tool-free installation that is over 70% faster than comparable products.

Company anniversary: 75 years of Zumtobel

Dear Shareholders: 2025 is a special year for us. The Zumtobel brand is celebrating its 75th anniversary – an important milestone in our corporate history. Our company was founded by Dr. Walter Zumtobel in 1950 as "Elektrogeräte und Kunstharzpresswerk W. Zumtobel KG" and started with the production of ballasts for fluorescent tubes – at that time, an entirely new technology.

The key to our company's success has remained unchanged from the very beginning: Technology, a focus on customers and the market, and the unconditional claim to design innovative lighting solutions for tomorrow. This success would not have been possible without the untiring commitment of our around 5,300 employees across the world. With their dedication, expertise and passion, they make a vital contribution to successfully meeting challenges and helping us to stand where we are today.

I can therefore look to the future with optimism in spite of the challenging environment. We hope you will continue to support us in the future.

Alfred Felder
Chief Executive Officer (CEO)

The Zumtobel Group AG Share

The global stock markets in 2024/25

The global stock markets, on the whole, remained robust from May 2024 to April 2025 in spite of the geopolitical tensions and economic uncertainty. In Europe, stock prices were supported by moderate economic stabilisation and interest rate cuts by the European Central Bank which led to generally positive development of the underlying index. The S&P 500 reached a new record high during the 2024/25 financial year before profit-taking and economic concerns led to a slight correction. Japan was volatile and closed the period under review with slightly negative performance. Developments on the other Asian markets were also mixed, with a positive trend in China.

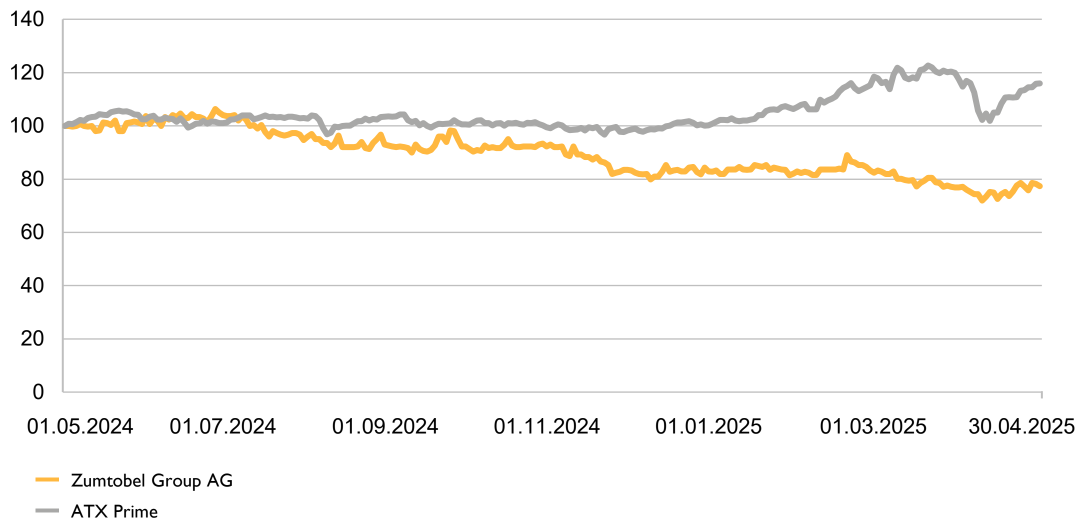
The leading Austrian ATX index rose by 15.1% in 2024/25, and the ATX Prime was also positive at 15.9%. The EURO STOXX 600 increased by 4.5% during this same period. Other indexes like the DAX (25.5%) in Germany, the EURO STOXX 50 (4.9%) in Europe, and the Dow Jones (6.5%) in the USA also closed on 30 April 2025 with a year-on-year improvement in performance.

Development of the Zumtobel Group AG share

Zumtobel Group AG share down 22.6% vs. the previous year

The Zumtobel Group AG started the reporting year with sidewards movements before rising steadily to a high of EUR 6.36 on 25 June 2024. This phase was followed by a steady decline in value which was caused primarily by the difficult economic environment. The restructuring measures introduced were unable to halt the downward trend during the second half year due to the deteriorating economic climate. The share's performance came under additional pressure at the end of the financial year from the tariff measures introduced by the US government and the resulting increase in uncertainty. The annual low of EUR 4.30 was reached on 7 April 2025. The share recovered slightly towards the end of the financial year but closed on 30 April 2025 at EUR 4.63. The Zumtobel Group AG share lost 22.6% during the 2024/25 financial year, while the Austrian ATX Prime rose by 15.9%.

Development of the Zumtobel Group AG Share (in %)



Market capitalisation of EUR 200 million as of 30 April 2025

The market capitalisation of Zumtobel Group AG reflected the development of the share price in 2024/25. Based on 43,146,657 common shares (2023/24: 43,146,657), the company was valued at EUR 200 million on 30 April 2025 (2023/24: EUR 258 million). The average daily turnover on the Vienna Stock Exchange equalled 33,800 in 2024/25, compared with 29,802 in the previous year (double-count, as published by the Vienna Stock Exchange).

Key Data on the Zumtobel Group AG Share 2024/25

Closing price at 30.04.2024	EUR 5.98	Currency	EUR
Closing price at 30.04.2025	EUR 4.63	ISIN	AT0000837307
Performance 2024/25	(22.6)%	Ticker symbol Vienna Stock Exchange (XETRA)	ZAG
Market capitalisation at 30.04.2025	EUR 200 million	Market segment	ATX Prime
Share price - high at 25.06.2024	EUR 6.36	Reuters symbol	ZUMV.VI
Share price - low at 07.04.2025	EUR 4.30	Bloomberg symbol	ZAG AV
Ø Turnover per day (shares)	33,800	Number of issued shares	43,146,657

Shareholder structure

Zumtobel family syndicate holds 36.16%

The shareholder structure of Zumtobel Group AG has not changed significantly since the previous year. The Zumtobel family syndicate, with approximately 36.16% of the voting rights, has remained the stable core shareholder of Zumtobel Group AG since the initial public offering. The remainder of the shares is held predominately by institutional investors, according to the information available to management. The company held 808,945 treasury shares at the end of the 2024/25 financial year.

Dividend policy

Dividend policy

Zumtobel Group AG works to provide its shareholders with continuous and reliable dividends. The company follows a policy which calls for a distribution of approximately 30% to 50% of consolidated net profit after the deduction of any special effects. To safeguard financial stability at all times, the specific amount of the dividend is dependent on the debt coverage ratio.

Dividend proposal for the 2024/25 financial year

Dividend recommendation for 2024/25: 15 euro cents per share

The Zumtobel Group generated net profit of EUR 15.5 million in the 2024/25 financial year. The Management Board plans to make a recommendation to the Supervisory Board and, subsequently, to the general meeting of Zumtobel Group AG, which is scheduled for 26 September 2025, to distribute a dividend of 15 euro cents per share for the 2024/25 financial year (2023/24: 25 euro cents per share). That would represent around 42% of net profit and, based on the closing price of the share in 2024/25, a dividend yield of 3.2%.

Investor relations activities focused on transparency and dialogue

Intensive contacts with investors and analysts

Transparent, continuous and open communications with all capital market participants have top priority for Zumtobel Group AG. The Management Board and investor relations department continued their in-depth dialogue with investors and analysts in Austria and other countries during the reporting year with participation in road shows and conferences as well as numerous one-on-one meetings.

Three well known Austrian and international analysts issued regular reports in 2024/25 on the Zumtobel Group AG share together with their evaluation of the corporate strategy and estimates for the valuation of the company (in alphabetical order): Erste Bank, Kepler Cheuvreux and ODDO BHF. In connection with quarterly reporting and the publication of the annual financial report, the Zumtobel Group's management holds regular conference calls to provide details on the latest results. The financial community is also supplied with a wide range of interesting information, e.g. corporate publications, contacts, the financial calendar and other interesting facts and figures on the investor relations website under https://z.lighting/en/group/investor-relations.

1. Group Management Report

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1. Group Management Report

1.1 The Zumtobel Group – An Overview[1]

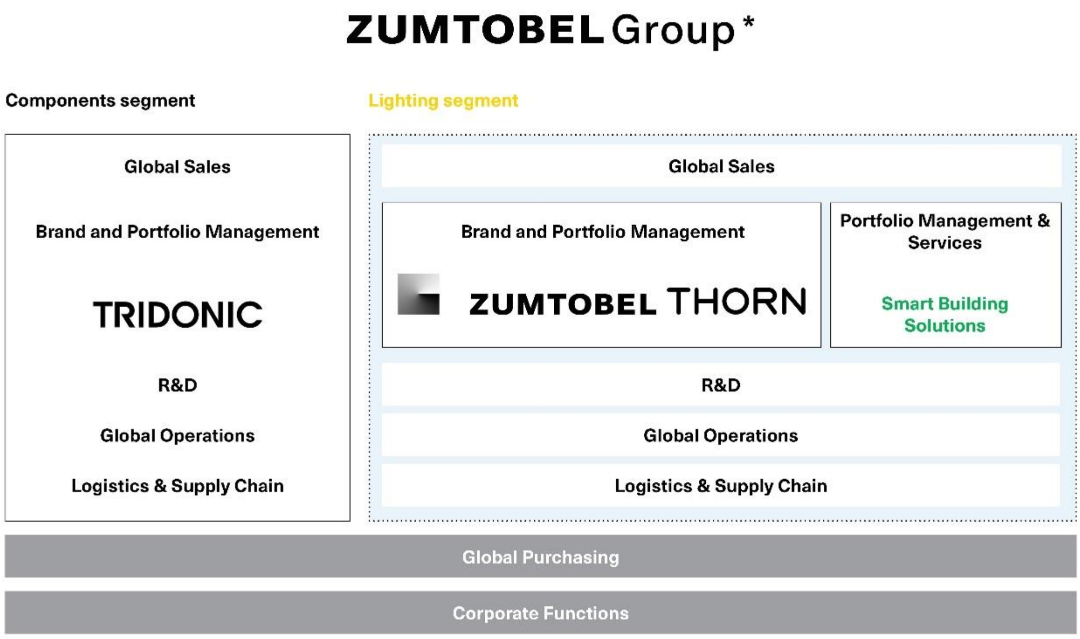
1.1.1 The Company

Leading company in the lighting industry

The Zumtobel Group is an international lighting corporation that was founded in Dornbirn, Vorarlberg (Austria) in 1950. This listed company operates nine production plants on three continents and has sales offices and partners in roughly 90 countries. The Group employed a workforce of around 5,300 as of 30 April 2025 and generated revenues of EUR 1,097.2 million in the 2024/25 financial year. The founding Zumtobel family has served as a stable core shareholder since the IPO in 2006 and holds as of 30 April 2025 roughly 36.16% of share capital.

Wide-ranging product and service portfolio

With its core brands – Thorn, Tridonic and Zumtobel – the Group offers its customers a wide-ranging portfolio of products and services. The Zumtobel Group consists of two operating segments which form the basis for corporate management: the Components Segment and the Lighting Segment. Each segment has its own sales, product portfolio, R&D, logistics & supply chain and production organisation.



*Simplified illustration (as of 30 April 2025)

Tridonic, the components brand, forms the basis for the Group's leading role in the production of hardware and software for lighting systems (LED light sources, LED drivers, sensors, emergency lighting and lighting systems management). In the Lighting Segment, the company is one of the European market leaders for luminaires and lighting solutions with its Thorn and Zumtobel brands. The Zumtobel Group's service offering is one of the most extensive in the entire lighting industry: It includes consulting on intelligent lighting management and emergency lighting, light contracting, design, project management for turnkey lighting solutions, and new services for smart building solutions. The product portfolio in this area has grown not only with the Group's own products but also through partnerships, among others with Siemens and ABB. The real time localisation of goods and people by way of the lighting infrastructure is only one example.

[1] This section fulfills the disclosure requirements of the European Sustainability Reporting Standards (ESRS), which are applied in the consolidated non-financial statement as part of Zumtobel Group AG's Group Management Report (ESRS 2-SBM-1, §38).

Focus on specific applications

Applications represent the focal point for both the Lighting Segment and the Components Segment. Indoor includes applications for industry (incl. logistics, halls and car parks), offices, education and health (incl. hospitals, schools and universities) as well as the retail trade (incl. supermarkets, home furnishing stores and high-end brand retail), art & culture (incl. museums and galleries) and exhibition areas (incl. gastronomy). Outdoor addresses applications for roads, tunnels, sport facilities and exterior lighting for public areas, including facade lighting. Services cover all project and software-oriented activities. These application-based areas define the product portfolio and are also reflected in the sales organisation.

Sales structure based on target groups and types of business

The sales organisation reflects the two segments and their different sales channels. In the Components Segment, this involves OEM sales (Original Equipment Manufacturer) to luminaire producers, sales via distributors as well as the sale of intelligent solutions to electrical and system planners. Sales in the Lighting Segment are project-based and cover construction projects and the related target groups (e.g. architects, lighting and electrical planners, contractors and developers), sales through retail channels, and direct sales to large customers and public contracting entities. Lighting solutions are also sold over special online sales channels. The Zumtobel Group is committed to sustainable business operations and, through its solutions, to help its customers more easily reach their sustainability goals.

Management and service functions for the entire Group

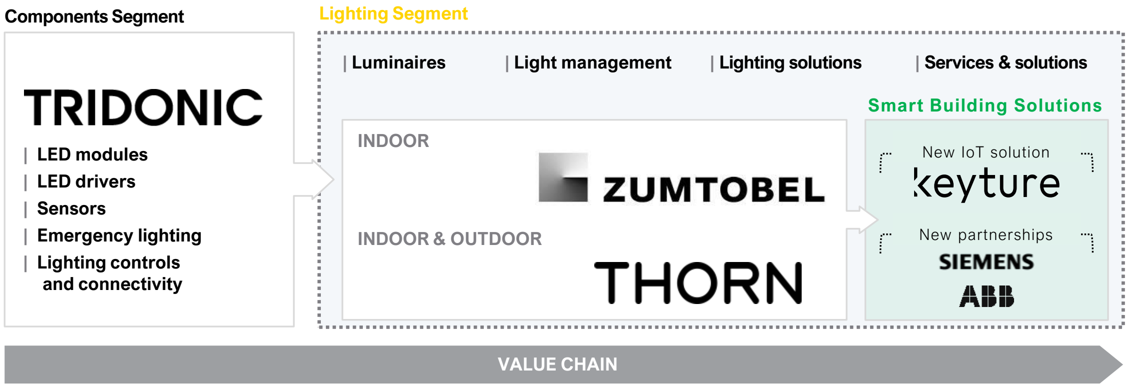
Zumtobel Group AG serves as the parent company of the Group and provides numerous corporate management and service functions for the brands. These central functions include finance, human resources, legal, audit & compliance, insurance, sustainability, IT and process management, information security and data protection, strategy and transformation projects, central procurement as well as corporate communications and investor relations.

1.1.2 Products and production locations[2]

Full coverage of the value chain

The Zumtobel Group's business model covers all key areas of the professional lighting value chain – from components, luminaires and light management systems to complete lighting solutions, services and smart building solutions.

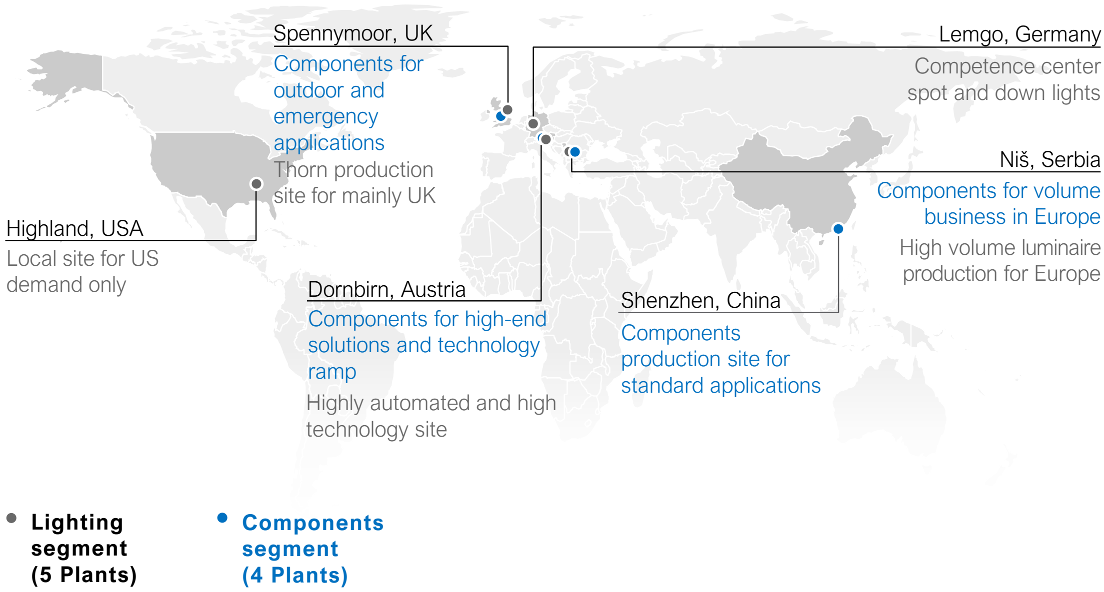
[2] This section fulfills the disclosure requirements of the European Sustainability Reporting Standards (ESRS), which are applied in the consolidated non-financial statement as part of Zumtobel Group AG's Group Management Report (ESRS 2-SBM-1 §40ai and §42a as well as ESRS E5-5 §35).



Global production network

The Zumtobel Group's lighting and components plants are organised in a global production network. Management relies on lean management, the automation of business processes, and the use of location-specific cost advantages to continuously optimise product costs. Products for both the Lighting Segment and the Components Segment are produced in individual areas at Dornbirn, Niš and Spennymoor in separate areas and under separate organisation and management. The Zumtobel Group operated nine plants on three continents as of 30 April 2025.

PRODUCTION NETWORK OF ZUMTOBEL GROUP AS OF 30 APRIL 2025



1.1.3 Market position and brand positioning[3]

Leading position in a highly fragmented lighting market

The Zumtobel Group is active worldwide, but Europe remains the most important market with around 85% of total revenues. The professional lighting industry in Europe is highly fragmented but the Zumtobel Group holds a strong position with its internationally established Zumtobel and Thorn lighting brands: The market share in Europe equals roughly 7%. The worldwide components industry, in contrast, is characterised by greater consolidation. With Tridonic, the Zumtobel Group also holds a leading position in lighting management and control gears.

Tridonic – the specialist for the development of new LED systems and technologies for connected light

Tridonic, the Group's technology brand, supports customers with intelligent hardware and software solutions. With over 2,400 patents, it is a global innovation driver for light-based network technology and the development of scalable solutions that support the development, among others, of new business models for lighting producers, building managers and system integrators. Tridonic is not only active in the production of components and system solutions for the Group's lighting brands, it also serves as an OEM supplier for luminaire producers throughout the world and generates around 80% of its revenues outside the Zumtobel Group. The brand's innovative strength is also demonstrated by a recent award from the Digital Illumination Interface Alliance: For the light management in Bibliotheca Alexandrina, Tridonic received a "highly commended" award.

Zumtobel – the premium brand for architectural lighting

Designing innovative, high-quality lighting solutions for every situation is the mission and passion of the Zumtobel brand. The right lighting in the right context creates atmosphere and can have a positive influence on the quality of life. The Zumtobel portfolio includes innovative and sustainable lighting solutions and high-quality luminaires for interiors that are optimised for the specific area of application to meet people's needs (Human Centric Lighting). Other product areas address applications in intelligent lighting management and emergency systems. The most important applications for these solutions are industry, education, retail, healthcare, office, gastronomy, and art and culture. Valuable impulses for the further development of the portfolio are created not only through Zumtobel's own internal research and development, but also by long-standing cooperation with leading international architects, lighting planners, designers and artists as well as external partners in the project business – true to the brand claim to continuously improve the aesthetics of light and, in doing so, strike out in new directions. This conviction is illustrated, among others, by the PANOS III luminaire family and SLOTLIGHT LynX® activated lighting line, which both received the Red Dot Design Award 2025 and the iF Design Award 2025.

Thorn – the performance brand for the international volume business

Thorn is a leading quality supplier of professional solutions for indoor and outdoor lighting and stands for high performance, cost efficiency and, above all, user-friendly lighting and integrated controls. Its luminaires and lighting solutions are marketed worldwide, among others to wholesalers, electricians, planners and municipalities as well as end-users. Energy-efficient Thorn luminaires support a wide variety of applications in and around buildings, urban areas, sport venues, tunnels and streets. One important goal is the protection of the nighttime sky with the help of so-called dark sky friendly solutions, and Thorn has extensive know-how in this area. Its functional products also cover all conventional applications from offices to supermarkets, industrial buildings, schools and healthcare facilities. Thorn's position as a leading provider of lighting solutions was underscored, among others, with the "Lighting Project of the Year" award from the Highway Electrical Association (HEA) in November 2024 for the innovative and environmentally friendly lighting of the des Aykley Heads walkway in Durham.

[3] This section fulfills the disclosure requirements of the European Sustainability Reporting Standards (ESRS), which are applied in the consolidated non-financial statement as part of Zumtobel Group AG's Group Management Report (ESRS 2-SBM-1 §40aii and §42b).

1.1.4 Key success factors for the Zumtobel Group

Strong sales structure

The Zumtobel Group's leading competitive position is based primarily on three strong brands with broadly diversified market access, extensive know-how in lighting applications and a clear technological advantage in individual areas. In order to optimally address the various markets, the group has created so-called sales regions – D/A/CH, Europe-West/South, and Europe-North/East – that are designed, among others to strengthen the market presence in Europe. The sales function had nearly 1,700 employees in 2024/25, whereby 1,400 employees work for the Lighting Segment and 265 employees for the Components Segment.

Extensive know-how in lighting applications

The design of a customer-specific lighting solution requires extensive knowledge of the product portfolio, the innovative technological developments and the specific lighting application. The Zumtobel Group sales staff must therefore understand – and be able to convey – not only the technical and functional aspects of light and the impact on energy consumption, but also the aesthetic and emotional implications and the positive influence of good lighting on the user's sense of well-being. This applies, in particular, to the sales employees in the Lighting Segment. Accordingly, detailed and wide-ranging education programmes and continuous training are decisive for the quality of sales. "Launch windows" are held by the product managers of the brands twice each year to familiarise their sales colleagues with the latest product developments in the associated lighting applications. In these programmes, launch managers work closely with the interdepartmental teams to present the benefits and availability of the new products.

Well positioned for new IoT applications

In order to further strengthen its leading technological position and distance itself from the competition, the Zumtobel Group regularly invests in research and development (R&D): A total of EUR 74.1 million was invested in R&D during 2024/25. The further development of lighting quality based on LED technology, rapid digitalisation and the increasing complexity of intelligent lighting systems create continuous challenges for R&D. Luminaires and lighting solutions together with their components have become central elements of the Internet of Things (IoT) and, consequently, part of the new applications and business models which go beyond lighting.

The Zumtobel Group is one of the largest suppliers in Europe – its optimal positioning forms the basis to master these challenges and creates clear advantages in competition with the many small and medium-sized luminaire producers. An extensive patent portfolio and close collaboration with international light design partners and architects underscores the company's innovative power. The Keyture product brand expanded the Zumtobel Group's value chain and is now integrated in the Thorn and Zumtobel product lines for smart building solutions. This modular, multifunctional software suite in combination with intelligent sensors covers solutions for maximum energy savings (control), precise information for the maintenance and monitoring of sustainability goals (report), space optimisation in real time (view), the location and tracking of objects (locate) and the monitoring of environmental factors and operational excellence (sense).

1.1.5 Structural revenue drivers for professional lighting

Construction activity – both new construction as well as the refurbishment of existing buildings – is one of the central revenue drivers for professional lighting. New construction is almost always focused on the installation of new lighting, while refurbishment creates a variety of opportunities for the modernisation of lighting systems. These new systems help to reduce energy consumption and form the basis for a business case with a positive return on investment (ROI). The Zumtobel Group's portfolio supports the following alternatives:

- >> The conversion of existing lighting through so-called retrofit kits, which involve the replacement of the lighting sources and, as a rule, also the appearance and control electronics.
- >> The installation of new LED luminaires.

Energy efficiency and energy cost savings as a future structural revenue driver

The market potential for lighting solutions in Europe is based on roughly two-third of refurbishment measures and only one-third of new construction. This potential can be quantified by comparing construction volumes and lighting volumes. Key factors for future structural revenue drivers are the efficiency gains between older and newer lighting equipment and the resulting energy cost savings. The extent of the energy cost savings is dependent not only on the energy efficiency of the luminaire but also on the use of intelligent lighting systems. LED-based lighting solutions with motion and daylight sensors can reduce electricity consumption by up to 80% compared with conventional systems.

Additional functions like real-time energy monitoring or remote maintenance increase transparency for users and reduce operating costs for facility management. State-of-the-art lighting management with cloud architecture and wireless communication also facilitate the integration of further sensors and actuators. New functions and business models are also supported – for example, the tracking of persons and assets over the lighting network, the preparation of heat maps or the measurement of environmental parameters like the air quality and temperature. In this way, energy consumption and comfort can be optimised throughout the entire building.

Construction activity, especially in the new building sector, has been very reserved in recent years. The volume of construction in Europe has still not completely recovered from the financial crisis in 2008 and the economic consequences of the COVID-19 pandemic. Industrial applications, in particular logistics and computing centres, have remained constant at a high level, but office projects have declined sharply as a result of the new work and home office trends. Retail space has been negatively affected by the growth in online and is steadily declining.

These economic developments and the above-mentioned technological opportunities underscore the need to develop and test new business models in pilot projects. The possibilities can include alternative financing models (e.g. pay-per-use) as well as digital add-on-services that are not sold but monetarised through annual usage fees.

Growing importance of sustainability

In addition to digitalisation, sustainability is becoming an increasingly important factor. It creates new challenges, but also creates opportunities for new services and business models. For example: New buildings must calculate and disclose the global warming potential (GWP) of their lighting solutions. The required calculation includes the energy consumption, the materials used and the transport costs for raw materials and finished products. Additional improvements are possible when recycled materials are used in new products and luminaires are returned to the materials cycle at the end of their service life. First projects in this area were realised during the past financial year – they show the potential of these solutions and possible factors to set Zumtobel Group apart from the competition.

1.1.6 The corporate strategy – FOCUSED[+]

FOCUSED becomes FOCUSED[+]

Against the backdrop of a persistently challenging market environment, increasing global uncertainties, and economic developments, the FOCUSED strategy has been refined. FOCUSED has evolved into FOCUSED[+], an advancement that addresses current economic and geopolitical conditions while further consolidating our activities around smart building infrastructure. The objective is to build on the existing foundation, further strengthen the strategic direction of the Zumtobel Group, and position the company for the future in light of the increasing digitalization of building infrastructure and the opportunities arising from more demanding sustainability requirements from legislators and customers, particularly in Europe.

As part of this process, all strategic elements have been further developed and adjusted in their orientation to address the increased requirements. This enables us to respond appropriately to current challenges, seize opportunities in a targeted manner, identify risks early, and sustainably reduce costs. At the same time, consistent strengthening of core competencies is a key focus, in order to increase the company's resilience and to secure the long-term competitiveness of the Zumtobel Group with its three strong brands.

By further developing its strategic orientation along the value chain toward smart building ecosystems, the Zumtobel Group is positioning itself to be resilient in the current volatile market environment. At the same time, important foundations are being laid to optimally benefit from a future expected economic upturn. The funding programs announced at the European level and in Germany are sending promising signals and are expected to have a positive impact on the Zumtobel Group's business development in the future.

FOCUSED[+]

FOCUS ON KEY MARKETS AND APPLICATIONS:
The Zumtobel Group will continue to focus on its target markets and on sustainable, profitable growth in core application areas as well as defined future fields. Building on its unique customer access and strong project implementation expertise, the Zumtobel Group is strengthening its position in the most attractive markets in Europe and is taking advantage of short-term opportunities in growing regions, such as the Middle East (e.g., Saudi Arabia). At the same time, the company is withdrawing from less attractive markets and applications.

The focus applications in the indoor sector are primarily industry, office and education, retail, healthcare, as well as art and culture. In the outdoor sector, the focus is on lighting for urban areas and streets, as well as architectural and sports lighting. In the Lighting Segment, the Zumtobel Group is concentrating on key markets and applications with an emphasis on Europe, while in the Components Segment it addresses the global market, gradually expands its geographic presence, and achieves economies of scale.

OPERATIONAL EXCELLENCE:
The Zumtobel Group continuously improves its product and process quality within its global production network. In addition, the company constantly analyses and optimizes cost structures along the entire value chain. Based on its own production facilities and a globally competitive supplier network, the Zumtobel Group stands for reliable deliveries, customer-oriented service, and production sites focused on sustainability.

COMPETENCE AND INNOVATION AS KEY DIFFERENTIATOR:
The Zumtobel Group is, and will remain, an innovation leader for components and sensors and is systematically expanding its high expertise in miniaturisation and product integration. The seamless interaction between components, sensors, hardware, firmware and software as drivers for the digitalisation of lighting have become increasingly important for the development of Internet of Things (IoT) solutions in the world of light – for both indoor and outdoor applications. The Components Segment is investing in sensor technology and its integration in the light ecosystem and digitalisation to strengthen its market position and improve customer service. In the Lighting Segment, the high-quality, energy-luminaires, lighting solutions and emergency lighting include these state-of-the-art sensors and controls.

UNIQUE BRANDS UNDER ONE ROOF:
The strong brands of the Zumtobel Group – Tridonic, Thorn, and Zumtobel – cover the majority of the entire value chain in the lighting sector, from components to connected lighting solutions and the design of innovative, sustainable, and user-centred buildings.

In the Components Segment, the Zumtobel Group relies entirely on its technology subsidiary Tridonic, which stands out for its close customer relationships. Building on expertise and quality, Tridonic strengthens its partnerships with existing customers through individual, customer-specific solutions as an alternative to standard offerings. Tridonic aims to further expand its position as a leading partner for sustainable lighting technology, particularly in sensor-based lighting and IoT.

In the Lighting Segment, a consistent two-brand strategy (Thorn & Zumtobel) is pursued, with a balanced product portfolio and a mix of project, key account, and trade business. The flagship brand Zumtobel aims to establish itself as Europe's leading provider of multi-application, circular economy, and cleantech solutions. With the leading international brand Thorn, the company addresses a very broad customer base in the professional lighting business, offering coordinated indoor and outdoor solutions. Thorn's focus is on connectivity, centralized control, and scalability for both indoor and outdoor areas – all with sustainability and efficiency goals in mind.

SMART SOLUTIONS AND SERVICES:
The Zumtobel Group focuses on innovation and turnkey solutions consisting of products, systems, and services, including digital offerings. These are part of its differentiating features and drivers for future growth.

The lighting company shapes the future through consistent investment in research and development as well as technology around sensor-based lighting – especially for intelligent building systems – to increase energy efficiency, create smart environments, optimize human-centric lighting, and enable intelligent space utilization. Connectivity and data analysis are promoted to enable new business models.

Services are being further expanded as an essential part of the offering, particularly in the Lighting Segment. Additionally, the new Smart Buildings Solutions division consolidates the product portfolio that develops innovative, intelligent, sustainable, and user-centred lighting solutions in buildings and advances connectivity to building management systems. Against this background, strategic partnerships with SIEMENS and ABB have also been established.

Through open, connected systems and advanced controls and smart space applications, energy efficiency, safety, and room quality can be increased, space utilization optimized through sensor-based data analysis, and end-to-end solutions offered with a strong customer focus. With its new software solution Keyture, the Zumtobel Group can create a holistic service experience for customers and strengthen collaboration and partnership.

ENVIRONMENT AND ENGAGED EMPLOYEES:
The Zumtobel Group's sustainability goals are to reduce emissions, establish itself as the partner of choice, and implement circular economy principles. The company contributes to a more sustainable world and creates added value for its customers by maximizing energy savings, minimizing material consumption, and offering circular business models – thus helping customers achieve their own sustainability goals.

In addition, the Zumtobel Group aims to continue providing an environment across the group in which employees can grow personally and professionally, thereby making a significant contribution to the company's success.

DIGITAL PROCESS TRANSFORMATION:
The Zumtobel Group is driving a comprehensive digital transformation across all business areas. In addition to integrating advanced digital technologies to optimize internal and end-to-end processes, this also includes customer interaction and product innovations. From secure intelligent lighting systems and IoT-enabled components to data-driven services and predictive maintenance, the digital transformation strengthens the development of smarter, better-connected lighting solutions. The Zumtobel Group adopts agile methods, cloud and IoT platforms, and AI-driven insights, thereby not only improving operational efficiency but also opening up opportunities for new business models as well as customer and employee experiences that shape the future of lighting.

1.2 Consolidated non-financial statement

1.2.1 ESRS 2

BP-1 | General basis for preparation of sustainability statements

Framework

This consolidated non-financial statement was prepared in accordance with the Austrian Sustainability and Diversity Improvement Act (Nachhaltigkeits- und Diversitätsverbesserungsgesetz, NaDiVeG), the implementing act for EU Directive 2014/95/EU. It covers the sustainability topics material to the Zumtobel Group. In line with Section §267a of the Austrian Commercial Code (Unternehmensgesetzbuch, UGB), certain issues must be addressed in the non-financial statement if they are relevant for understanding the impacts of a company's activities. This report covers the relevant topics in the following sections: E1 and E5 (environmental matters), S1 and S2 (employee matters), and S1, S2 and S4 (respect for human rights) and G1 (anti-corruption and bribery). The consolidated sustainability report was prepared in accordance with Article 29a of the Accounting Directive and complies with European Sustainability Reporting Standards (ESRS) and the EU Taxonomy Regulation.

Consolidation

This non-financial statement is valid for the 2024/25 financial year and has been prepared for the period from 1 May 2024 to 30 April 2025 in line with the financial reporting. The datapoints are reported on a consolidated basis following the same principles as the annual financial statements. All disclosures in the report therefore relate to the parent company Zumtobel Group AG and the subsidiaries under its control.

Value Chain

Identification of the material impacts, risks and opportunities for the Zumtobel Group (IROs) extends to the entire upstream and downstream value chain. Policies, actions and targets pursued by the Zumtobel Group relate to the company's internal organisation and do not cover the entire value chain. The Code of Conduct for Business Partners, which is binding for all business partners and therefore spans the entire value chain of the Zumtobel Group, is one exception to this rule. The metrics included in this report refer exclusively to the Zumtobel Group, with the exception of the Scope 3 emissions calculation.

The Zumtobel Group has not used the option to omit specific information corresponding to intellectual property, know-how or the results of innovation from this report.

BP-2 | Disclosures in relation to specific circumstances

The standard definitions of short-, medium- and long-term as set out in ESRS 1 Section 6.4 have been used. A short-term time horizon describes a period of up to one year. Medium-term refers to a time horizon between one and five years. A long-term time horizon is defined as a period of more than five years.

In cases where real data are not available for the Zumtobel Group, estimates are used. As a result, the actual amounts may vary. Estimates are used when preparing the climate risk analysis, which results in outcome uncertainty (for details, see E1 SMB-3). With regard to energy and fuel consumption at sales offices, the figures received are extrapolated based on the number of square metres, details of which are given in Section E1-4. In order to calculate its Scope 3 emission levels, the Zumtobel Group cites secondary data and estimates (emission factors, operating periods, product life, etc.). More information on this topic can be found in Section E1-6. These metrics are not recorded separately for the Group's individual sales offices. Information on how these estimation methods are applied can be found in the relevant sections. The Zumtobel Group does not expect any changes in the assumed inputs (activity data, emission factors, extrapolation factors) to result in any outcome uncertainty or a material change in the reported metrics.

Initial application of the CSRD and ESRSs resulted in changes to the non-financial statement published by the Zumtobel Group in the financial year under review. These changes were necessary to ensure compliance with the pertinent legal requirements. As this was the first year in which ESRSs were applied, figures from this financial year can only be compared with figures from previous years to a limited extent.

In accordance with ESRS 1 Section 9.1, the disclosure requirements have been incorporated by reference. The table below outlines the corresponding requirements. All disclosures are included in this report, and no reference has been made to sources not included in this document.

Datapoint, disclosure	Mandatory data point	Reference to section	Page number
GOV-1: The role of the administrative, management and supervisory bodies	ESRS 2, GOV-1 §21b ESRS 2, GOV-1 §21d ESRS 2, GOV-1 §21e	Corporate Governance Report 3.2 The Management Board 3.3 The Supervisory Board – Experienced, Diverse, Independent 3.3.4 Independence of the Supervisory Board members	from 215 217-220 220-228 225
GOV-3: Integration of sustainability-related performance in incentive schemes	E1, ESRS 2, GOV-3 §13	ESRS 2, GOV-3 Integration of sustainability-related performance in incentive schemes	26
GOV-5: Risk management and internal controls over sustainability reporting	ESRS 2, GOV-5 §36a	Group Management Report Corporate Governance Report	from 14 from 215
SBM-1: Strategy, business model and value chain	ESRS 2 SBM-1, §38 ESRS 2 SBM-1, §40a i. and ii. ESRS 2 SBM-1, §42a and b	1. Group Management Report: 1.1 The Zumtobel Group – An Overview	14-15 14
	ESRS 2 SBM-1, §40 g	E1-1 | Transition plan for climate change mitigation	60-62
SBM-2: Interests and views of stakeholders	ESRS 2, SBM-2 §43 S1-SBM-2 §12 S2-SBM-2 §9 S4-SBM-2 §8	ESRS 2, SBM-2 Interests and views of stakeholders	30-32

GOV-1 | The role of the administrative, management and supervisory bodies

Consisting of four managing members (100% male)), the Zumtobel Group's Management Board is the operational governing body with ultimate responsibility for sustainability. The Supervisory Board of Zumtobel Group AG comprises nine members – six shareholder representatives elected by the Annual General Meeting (67%) and three employee representatives delegated by the Works Council for an indefinite period (33%). Of the nine members, 33% are female and 67% are male. The Supervisory Board is responsible for overseeing the non-financial statement. All members of the Supervisory Board are independent. Each quarter, the Management Board routinely updates the Supervisory Board on current sustainability topics with the support of Group Sustainability. Please refer to Sections 3.2 The Management Board, 3.3 The Supervisory Board – Experienced, Diverse, Independent, and 3.5.3 Supervisory Board of the Corporate Governance Report for more information, particularly with regard to the tasks performed by the Supervisory Board and the Management Board. The following table provides an overview of the sector and product expertise of the members of the Executive Board and the head of Supervisory Board, including the deputy members of the management.

Name	Management Board / Supervisory Board	Expertise relevant to sectors and products	Geographical expertise
Alfred Felder	Chairman, Chief Executive Officer	Electrical engineering, business administration	Global
Thomas Erath	Chief Financial Officer	Finance, business administration	EMEA
Bernard Motzko	Chief Operating Officer	Mechanical engineering, business administration	Global
Marcus Frantz	Chief Digital Transformation Officer	IT & digitalisation, business administration	EMEA
Karin Zumtobel-Chammah	Chairwoman of the Supervisory Board	Business administration, finance	Global
Georg Pachta-Reyhofen	1st Vice-Chairman	Mechanical engineering, automotive industry	Global
Volkhard Hofmann	2nd Vice-Chairman	Consulting, industry	EMEA

Sustainability Committee

The Sustainability Committee, consisting of the Management Board as well as the Group Sustainability department, representatives of the brands and various department managers, makes decisions regarding the strategic direction of the Zumtobel Group's sustainable development. Quarterly meetings are held to determine the reporting requirements, key topics, non-financial indicators and the sustainability strategy, as well as to define mandatory targets, deadlines and actions. At the meetings, members of Group Sustainability present on recent developments with respect to material sustainability topics. This transfer of knowledge and innovations is based on ongoing training, relevant professional and industry experience, as well as interdisciplinary and ongoing coordination with the departments on strategic and operational topics. Metrics, targets and actions are also monitored on a continuous basis. Dedicated break-out sessions are held with the Management Board for specific topics. As a result, the entire Management Board possesses suitable expertise to oversee and manage sustainability topics.

Group Sustainability is responsible for coordinating sustainability management and is headed by the Group Sustainability Director, who reports to the Chairman of the Zumtobel Group's Management Board. The Group Sustainability department maintains an ongoing dialogue with the specialist departments. This organisational set-up ensures horizontal and vertical cross-divisional integration of sustainability management in the Zumtobel Group. It includes, in particular, relevant processes and controls for material impacts, risks and opportunities identified, which will be developed further in the coming years in the context of the non-financial statement.

Contacts from the specialist departments maintain an ongoing dialogue with the Group Sustainability team with a view to implementing the sustainability targets and planned actions in the business units. The former are responsible for the material IROs and report to the Management Board members. This means that the sustainability performance of material impacts, risks and opportunities of the Zumtobel Group is managed by the Management Board.

The results from the double materiality assessment were presented to both the Management Board and the Supervisory Board. The results of the double materiality assessment were approved by both governing bodies for the 2024/25 financial year. Responsibility for monitoring the process for the sustainability report lies with the Supervisory Board.

GOV-2 | Information provided to and sustainability matters addressed by the company's administrative, management and supervisory bodies

The Management Board is kept continuously updated on all material IROs and takes them into account when developing the FOCUSED[+] corporate strategy, in relevant transactions and in the risk management process. IROs are assigned to the specialist departments, where they are developed operationally.

The Management Board focuses on the overarching targets, including the performance of the associated actions and policies. Overarching targets are broken down to individual targets in the specialist departments. The respective specialist departments are responsible for achieving the detailed targets and take them into consideration for important transactions and decisions. Policies are continually adapted by the departments as required and approved by the Management Board. Corresponding actions that are implemented and prioritised on the basis of approval from the Management Board are derived from the Zumtobel Group's material sustainability matters.

Each year, the Supervisory Board discusses and approves all IROs as part of the presentation of material sustainability matters. Over the course of the year, the Supervisory Board (especially the Audit committee) is briefed on the relevant IROs in their specific context, such as the reduction in emissions as part of ESG incentive measures and diversity aspects through the implementation of the DE&I strategy. It receives updates on workforce health metrics from the executive board on corporate policy in connection with the prevention of corruption and bribery from the Compliance department. Risks to which the Group is exposed are communicated by Risk Management every six months.

GOV-3 | Integration of sustainability-related performance in incentive schemes

By taking sustainability-related performance into consideration (in the form of ESG targets), the Zumtobel Group ensures that relevant topics are given the necessary acknowledgement. Financial and non-financial performance criteria are taken into account in the variable remuneration policy. Four ESG targets with an overall weighting of 20% are included in the overall achievement of the short-term incentive (STI).[4] This variable remuneration is granted to all employees contractually granted an STI and therefore to every employee who plays a significant role in the development of the Group. The rules governing variable remuneration also apply to the entire Management Board. The Supervisory Board is excluded from this variable incentive scheme. Target attainment is measured on the basis of a range between 0% and 200%.

Criteria for environment, social and governance aspects are defined for the ESG targets and enforced through the setting of concrete targets. The specific target value as well as the minimum and maximum values are approved annually by the Supervisory Board before the start of the respective financial year as part of the annual budget approval.

The following ESG targets apply to the 2024/25 fiscal year and are based on a target achievement of 100%:

- Reduction of CO_2e-emissions (from production sites) to 9,500 tons
- Supply chain due diligence: digital onboarding of 100% of direct suppliers in DigiSus
- Global employee survey: increase employee satisfaction by 3 points in 3 areas
- Implementation of reporting standards

Accordingly, 25% of the Zumtobel Group's ESG targets are linked to climate-related topics. The actual share of climate-related targets amounts to 180% target achievement in fiscal year 2024/25. This remuneration is calculated on the basis of the GHG emissions targets stated in E1-6. Please consult Section 2.6.6.13 Defined benefit remuneration systems in the Consolidated Financial Statements for more information on the Zumtobel Group's incentive scheme.

[4] For further details, please refer to the remuneration report of the Zumtobel Group.

GOV-4 | Statement on due diligence

a) Embedding due diligence in governance, strategy and business model	The Zumtobel Group's commitment to sustainability and due diligence covers the entire value chain and forms an integral part of the corporate strategy. Please consult the sections listed below for more information: >> ESRS 2 GOV-2: Information provided to and sustainability matters addressed by the company's administrative, management and supervisory bodies >> ESRS 2 GOV-3: Integration of sustainability-related performance in incentive schemes >> ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model
b) Engaging with affected stakeholders in all key steps of the due diligence	Information on this can be found in the following sections: >> ESRS 2 GOV-2: Information provided to and sustainability matters addressed by the company's administrative, management and supervisory bodies >> ESRS 2 SBM-2: Interests and views of stakeholders >> ESRS 2 IRO-1: Description of the process to identify and assess material impacts, risks and opportunities
c) Identifying and assessing negative impacts on people and the environment	An annual risk assessment is conducted to identify and assess potential or actual negative impacts arising from or affecting the value chain. Any negative impacts reported in the whistleblower system are also examined and monitored. Please consult the sections listed below for more information: >> ESRS 2 IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities >> ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model
d) Taking action to address negative impacts on people and the environment	Actions to minimise and avoid potential negative impacts are identified and taken on a case-by-case basis. Global Purchasing can request dedicated action from suppliers on DigiSus. Please consult the sections listed below for more information: >> E1-1 Transition plan for climate change mitigation >> E1-3 Actions >> E5-2 Actions >> S1-4 Actions >> S2-3 Actions >> S4-3 Actions
e) Tracking the effectiveness of these efforts	Digital supplier management on the Zumtobel Group's digital sustainability platform DigiSus has enabled Global Purchasing to measure improvements in supplier scores. Please consult the sections listed below for more information: >> E1-1 | Transition plan for climate change mitigation | Climate Transition Plan >> E1-2 | Policies related to climate change mitigation and adaptation >> E5-2 | Actions and resources related to resource use and circular economy >> S1-2 | Processes for engaging with own workers and workers' representatives about impacts >> S1-3 | Processes to remediate negative impacts and channels for own workers to raise concerns >> S1-4 | Taking action >> S2-4 | Taking action >> S4-1 | Policies related to consumers and end-users >> S4-2 | Processes for engaging with consumers and end-users about impacts >> G1-1 | Business conduct policies and corporate culture

GOV-5 | Risk management and internal controls over sustainability reporting

The Zumtobel Group's risk management system is closely linked to the controlling processes and internal control system in place and has interfaces to many other business areas. Synergies are leveraged through the regular exchange of information. Among other things, findings from the risk assessments conducted on a biannual basis under the umbrella of the Group-wide risk management process provide the basis for the financial materiality assessments in the materiality assessment. Financial risks and opportunities are discussed in cooperation with the various specialist departments and actions are compiled in the risk management software used throughout the Group. External reports, such as the FM Global Risk Report on climate risks at the respective sites, are also consulted and used as reference. The Zumtobel Group's risk management system and the material risks and options for action are discussed under Risk Management.

Data checks though internal controls

Targeted internal controls have been rolled out by the Zumtobel Group to minimise the risk associated with the sustainability reporting process. These internal controls have been implemented across departments. Comprehensive data checks are conducted in select areas, in particular with regard to the completeness, accuracy and timeliness of the datapoints. The cooperation between the specialist departments and Group Sustainability ensures that datapoints to be reported are reviewed by a second party. The most important risks evaluated concern identifying material topics, carbon accounting and availability of data on health and safety in line with ESRS requirements. Review and approval of the materiality assessment by the Management Board and the Supervisory Board along with the associated material impacts, opportunities and risks minimises the risk of failing to cover an adequate range of material topics.

In terms of the Zumtobel Group's SBTi validation and the associated Net-Zero emission reduction target for 2050, a particular focus was placed on controls in relation to the environment in the financial year under review. To this end, checking the completeness, accuracy and timeliness of the individual datapoints was a priority. Spot checks on datapoints are also conducted on an annual basis to collect all environmental metrics. These checks help to ensure that transmission errors or transposed digits are prevented and minimised. In addition, Scope 3 emissions calculations are checked for completeness, accuracy and timeliness as part of a dual control conducted by employees from both the Lighting and the Components segments. The COO receives updates on the current status of environmental metrics at monthly review meetings. Annual process and system reviews are conducted as part of internal and external audits, in accordance with ISO 14001 and ISO 50001, for instance.

With regard to social aspects, metrics on employee health and safety are presented to the COO at monthly review meetings. Consistent reporting on metrics throughout the year ensures that the relevant metrics are both complete and available for analysis. Process and system reviews are conducted as part of annual internal and external audits, in accordance with ISO 45001, for instance.

SBM-1 | Strategy, business model and value chain

FOCUSED[+]

The Zumtobel Group's corporate strategy revolves around achieving sustainable growth by focussing on key markets, operational excellence, innovation leadership, strong brands, smart solutions and sustainability. Standing for 'Environment and Engaged Employees', the letter E covers environmental and employee issues.

The Zumtobel Group's sustainability strategy comprises the three pillars of Net-Zero, Circular Economy and Partner of Choice.

Net-Zero

Net-Zero focuses on decarbonisation along the value chain and therefore covers aspects associated with climate change mitigation. The biggest driver in terms of emissions is the energy consumption of products. Energy, or rather energy efficiency, therefore plays a central role in achieving this objective.

Circular Economy

Purchased materials are another factor that contributes to the company's GHG footprint. With regard to the goal of Circular Economy, the Zumtobel Group is prioritising the use of primary resources and waste prevention. The aim is to develop circular models that facilitate more efficient use of materials while simultaneously lowering emissions. Findings obtained are incorporated into product development to, at the possible stage, achieve the conditions for establishing and scaling up a circular economy as quickly as possible.

Partner of choice

The third pillar, Partner of Choice, concerns all of the company's stakeholders. The Zumtobel Group strives to provide its workforce with a corporate culture defined by attractive working conditions and equal opportunity. In addition, emphasis is placed on working conditions and the rights of workers in the value chain. As another key factor for this pillar, solutions offered by the Zumtobel Group are also designed to help customers achieve their sustainability targets arising from both regulatory requirements and their own ambitions. The definitions of terms relating to customers are provided in section "S4 | Consumers and end users".

These aspects are also reflected in the material sustainability matters identified in the double materiality assessment.

The Zumtobel Group aims to harness the power of lighting to make a significant contribution to the future of people and the planet. Three strong brands (Zumtobel, Thorn and Tridonic) create unique added value for customers. In addition, solutions offered by the Group are forward-looking, energy- and resource-efficient, and put the needs of people and the planet first. Each of these characteristics align with the Zumtobel Group's strategic sustainability targets, namely Net-Zero, Circular Economy and Partner of Choice.

The Zumtobel Group has two operating segments which form the basis for corporate management: the Lighting segment with lighting products and solutions and the Components segment with drivers, LEDs and sensors. The Lighting segment comprises project sales (construction projects with architects, lighting and electrical planners, and property developers), retail and key account management. Lighting solutions are also sold over online sales channels. The Components segment includes OEM sales to lighting manufacturers and the sale of intelligent solutions to electrical and system planners. Both segments focus on the European market, which represents the Group's most important sales region with a market share of around 85%. Please consult Section 1.1 of the Group Management Report, The Zumtobel Group – An Overview, for more information.

The Zumtobel Group is classified under business sector 'C – Manufacturing' and has been allocated the NACE code C27.40 'Manufacture of lighting equipment'. This business sector is categorised as a high climate impact sector. Revenues generated by the Zumtobel Group cannot be traced to any sectors related to fossil fuels, chemical production, tobacco production, or the area of controversial weapons and are derived exclusively from professional lighting, including its components, and lighting management systems.

The Zumtobel Group has not defined any sustainability goals for individual products and services, customer categories, geographical areas, or relationships with stakeholder groups. The Zumtobel Group is committed to reaching Net-Zero GHG emissions by 2050 in line with the Science Based Targets initiative (SBTi). Challenges associated with achieving this target are described under E1-1.

The Zumtobel Group's business model is described in detail in Section 1.1 of the Group Management Report, The Zumtobel Group – An Overview. The Zumtobel Group's value chain starts with the upstream value chain for raw materials procurement. The main raw materials purchased for use in products manufactured by the Zumtobel Group are metals and plastics (based on purchased weight). Packaging is primarily made of cardboard. In some cases, raw materials are prepared for further use (e.g. refinement of certain materials) and subsequently processed. Once these semi-finished products have been transported, luminaires and their components are produced at Zumtobel Group sites. Various quality controls ensure that products meet the required standards and specifications. Upon completion of all own operations, the products are transported to the customer or end consumer for use. In the downstream value chain, the Zumtobel Group's products are sold through various sales channels, such as project sales, sales through retail channels, online sales channels, or, for example, through OEM sales for the Components segment, and subsequently used. Consumers and end-users can make use of services such as maintenance during the use phase. At the present time, luminaires are professionally disposed of as electrical waste after their use phase. Various methods such as reuse, refurbishment and remanufacturing are employed to extend the service life of products and components in the interests of a circular economy. These topics are discussed in greater detail under E5-1.

The most important economic actors along the Zumtobel Group's value chain are strategic suppliers (for more information, see S2), own workforce (for more information, see S1) and consumers and end-users (for more information, see S4). As of the reporting date 30 April 2025, the Zumtobel Group has a headcount of 5,516 employees (2023/24: 5,531). Details on the geographical distribution of employees can be found under S1-6.

SBM-2 | Interests and views of stakeholders

The Zumtobel Group's commitment to sustainability and to due diligence extends across its own value chain as well as the upstream and downstream value chain. This commitment forms an integral part of both the corporate strategy and its sustainability strategy and is incorporated into the Group's integrated management system. The goal of this system is to ensure the Zumtobel Group's long-term stability in the market and to help it grow in consideration of political, economic, sociocultural, technological, environmental-geographic and legal factors. The management process in place within the Zumtobel Group ensures that stakeholder requirements and the material internal and external topics relevant to the Zumtobel Group are identified in the double materiality assessment. To this end, the Zumtobel Group maintains an open dialogue in order to exchange information and opinions, and to gain insight into their expectations and demands with regard to the company. Key requirements of the 'Customers' stakeholder group include energy-efficient products, smart lighting management systems and services. The business model is continuously evolving and being improved in this respect.

Information obtained from stakeholder groups is processed internally and incorporated into the Zumtobel Group's business activities. In addition, this dialogue helps to identify risks and opportunities early on, foster trust and build loyalty. The close, direct and individual interaction with a wide variety of stakeholders in the project business in particular contributes to the development of pioneering and sustainable lighting solutions at the Zumtobel Group. Stakeholder engagement is anchored in the corporate strategy under the pillar 'Partner of Choice'.

Please consult the disclosures for the relevant topics in E1, S1 and S2 for more information on engagement with the different stakeholder groups.

The following table lists a number of the Zumtobel Group's key stakeholder groups and how the company engages with them:

Key stakeholders	Organisation	Purpose	Impact on strategy/policy
Consumers and end-users	- Personal discussions/interviews - Online feedback channel - Customer survey (BEM) - Whistleblower system	- Customer satisfaction - Quality and innovation - The Zumtobel Group's ESG performance - Customer sustainability targets - Findings from the double materiality assessment	- Input for the double materiality assessment - Understanding the added value of sustainability from the customer perspective - Creating suitable innovative products to help customers achieve their sustainability targets
Investors	- Online feedback channel - Meeting with investors - Personal discussions - Whistleblower system	- Strategic focus - ESG ratings - Capital Markets Days and annual general meetings	- Input for EU taxonomy - Input for double materiality assessment
Employees (own workforce), Management Board and Supervisory Board	- Specialist departments through the preparation of the double materiality assessment - Employee survey - Employee performance and development reviews - Health and safety officer responsible for site - Works Council members - Whistleblower system	- Occupational health and safety - Well-being - DE&I - Employee satisfaction and working conditions such as work-life balance	- Results from the survey key to future HR focus topics, such as continuously improving employee satisfaction - Input for the double materiality assessment
Suppliers and employees in the supply chain	- Supplier onboarding - Online feedback channel - Personal discussions - Whistleblower system	- ESG performance - Respect for human rights - Conflict minerals	- Input for the double materiality assessment
NGOs, universities, experts e.g. WWF, Fraunhofer	- Personal discussions/interviews - Whistleblower system	- Double materiality assessment	- Input for the double materiality assessment

Members of the Management Board and the supervisory bodies are briefed annually on the positions and interests of the aforementioned stakeholder groups with respect to the Group's sustainability-related impacts in the presentations on the double materiality assessment, brand equity monitoring and the findings from the stakeholder engagement survey.

In its Code of Conduct for Business Partners, the Zumtobel Group sets forth its commitment to responsible corporate governance and upholding due diligence with regard to human rights, working standards and environmental protection along its value chain. All stakeholders that have an impact on the Group's business activities are integrated into the relevant activities through clear and open communication. This concerns material suppliers, contract suppliers for merchandise and indirect material suppliers who deliver or provide the products required to perform services. More information on the engagement of suppliers, value chain workers, and consumers and end-users can be found under S2-2 and S4-2.

IRO-1 & SBM-3 | Description of the processes to identify and assess material impacts, risks and opportunities

The double materiality assessment is the main tool used for identifying and prioritising material sustainability matters. When identifying and assessing material sustainability matters, potential physical events are planned with the worst-case scenario in mind in order to adequately safeguard resilience and protect assets. The Zumtobel Group has integrated the target of limiting global warming to 1.5 degrees as set forth in the Paris Agreement into its strategy. Identified topics are assessed with a structured approach in line with the guidelines published by the European Financial Reporting Advisory Group (EFRAG) and with the ESRSs. All necessary processes are fully integrated into the management processes in the interests of continuity. The process to identify and assess material impacts, risks and opportunities is described below.

Step 1: Procedure & methodology

The 2024/25 materiality assessment builds on assessments conducted in previous years. The Group's methodology and approach were revised and adapted accordingly for the period under review, taking into account the legal requirements of ESRSs and based on the EFRAG recommendations (Implementation Guidance Paper 1 on Materiality Assessment).

Step 2: Preparation of a longlist

The defined ESRS list of sustainability matters (AR 16) serves as the starting point for the materiality assessment. This list forms the basis for mapping the Zumtobel Group's entity-specific impacts, risks and opportunities (IROs). Existing processes and content are used as input channels for identifying IROs. Among other things, the context analysis, which is conducted annually as part of ISO certifications (9001, 14001, 45001 and 50001), and the environmental aspects matrix are particularly relevant in this regard. The context analysis also covers topics such as energy, emissions, waste and water. The two WWF Risk Filter Suites (Biodiversity Risk Filter & Water Risk Filter, accessed online on 6 November 2024) serve as an additional input channel for analysing potential and actual impacts. Due to the initial in-depth review of the value chain in the Zumtobel Group's dual materiality analysis, these additions were made to the aggregated shortlist. Financial aspects are identified in coordination with Risk Management and its processes. The above aspects are compiled to provide the basis for the preparation of an entity-specific longlist for the Zumtobel Group.

Step 3: Aggregation to shortlist & calculation methodology

The longlist entries are made into a shortlist by aggregating the IROs. The evaluation of impacts on people and the environment forms the starting point for the compilation of the shortlist. Interrelationships and dependencies between the impacts and the financial risks and opportunities are presented on the basis of this list. Financial risks and opportunities are then categorised in terms of their ability to influence revenue, expenses, cash flow, assets and/or cost of capital. The shortlist is evaluated in a corporate context at internal expert workshops.

Topics are evaluated based on feedback received from internal and external stakeholders (stakeholder engagement). Any feedback received was read and compared against available internal evaluations. No significant differences were identified. The assessment takes into account both the likelihood and the severity of IROs. Identified impacts, risks and opportunities are classified using a scale from 1 (low) to 5 (high).

Actual and potential negative impacts on people and the environment are calculated by multiplying the probability of occurrence by the sum of severity (scale), number of people affected (scope) and irremediability. The irremediability of actual and potential positive impacts on people and the environment is not taken into account. For potential risks and opportunities, the financial impact is multiplied by the probability of occurrence. A short-, medium- and/or long-term horizon is defined for all IROs with respect to the timing of their occurrence.

The Zumtobel Group also draws on the two WWF Risk Filter Suites mentioned above, namely the Biodiversity Risk Filter and Water Risk Filter, and the Industry Risk Filter, among others, when assessing the potential environmental impact of biodiversity as well as water and marine resources. The materiality assessment accounted for geographical conditions, specific business activities along the value chain and other factors that could increase the risk of potential negative impacts.

Step 4: Thresholds and verification

A topic is considered material if it scores at least 12.5 points, 50% of the maximum score of 25 points. Financial risks in excess of EUR 200 thousand are recorded and therefore also taken into account in the materiality assessment. The identification, assessment and management of risks and opportunities is fully integrated into the Zumtobel Group's overall risk management process. Consult the Risk Management System section of the management report for more information. ESG risks are not explicitly given priority over 'general' business risks.

The process for identifying and assessing the material topics for reporting and the final result were reviewed and approved by the boards with ultimate responsibility, the Management Board and the Supervisory Board. Both boards approved the procedure and the result. At the Zumtobel Group, sustainability matters are prioritised based on the following key issues, which are also addressed directly in the sustainability strategy: reducing emissions, Circular Economy, Partner of choice with a focus on the Group's own workforce and business conduct.

Identifying material sustainability matters

Impacts on climate change, especially the Group's GHG emissions, are taken into consideration when identifying material sustainability matters, documented in accordance with Disclosure Requirement ESRS E1-6 and disclosed. The Zumtobel Group continuously measures and monitors the direct (Scope 1) and indirect (Scope 2) GHG emissions resulting from its operating activities. In addition, emissions along the upstream and downstream value chain (Scope 3) are also taken into account. The Zumtobel Group is committed to the science-based reduction targets in line with the global climate targets set forth in the Paris Agreement (1.5 degrees). These findings are incorporated when identifying material sustainability matters.

In terms of the process for identifying material sustainability matters related to pollution (E2), water and marine resources (E3) and biodiversity (E4), the company's operational sites were evaluated in view of their business activities. Potential impacts on biodiversity were identified as part of the double materiality analysis; an explicit analysis of long-term transitory risks in accordance with ESRS was not carried out in this fiscal year.

Desk research was conducted as part of activities within the upstream and downstream value chain. Material topics are identified and assessed based on the results of the WWF Risk Filter (country & industry) and on the industry ratings published by ENCORE and SASB. In addition to the industry in which the Zumtobel Group operates, particular attention was paid to electronic equipment and machinery production as well as metals and mining. With respect to resource use and circular economy (E5), the process for identifying material aspects of the circular economy focuses primarily on the company's own value chain and the downstream value chain. As regards the waste produced, the entire value chain has been analysed and taken into account. No consultations with affected communities were held during this fiscal year.

Resilience analysis

With its integrated management system, which includes both the context analysis and the materiality assessment, the Zumtobel Group ensures that its strategic orientation and business model are subject to regular re-evaluation. The company's material internal and external topics are also identified in order to strengthen resilience and ensure that the right climate change adaptation actions are taken in a timely manner.

Transition risks affecting the business model have been assessed with a time horizon of ten years (starting from FY2024/25) but focus on the next five years (up to 2030). The transition risks are compiled by internal specialist departments during the context analysis and subsequently evaluated as part of the double materiality assessment process. Assumptions and estimates concerning transition risks in both the context analysis and the materiality assessment are based on the scenario of global warming reaching 1.5 degrees. No further specific climate scenarios are taken into account for transition risks because there will be no significant changes in climate-related impacts in the climate scenarios used over a ten-year period.

In addition, short-, medium- and long-term impacts of physical climate events (risks and opportunities) are analysed and taken into consideration when identifying material sustainability matters. Physical climate events are identified in the climate risk and vulnerability assessment and consider the resilience of the Zumtobel Group as a whole to climate change. The upstream and downstream value chains were not comprehensively analysed in the financial year under review. In the climate risk and vulnerability assessment, the selected climate scenarios 4.5 and 8.5 (Representative Concentration Pathways) show potential future changes in the climate. The Zumtobel Group has studied the long-term trend towards climate change and the associated climate-related physical risks over a period of more than 20 years (starting from FY2024/25) to analyse potential physical risks for its production sites. Climate scenario 8.5 represents a worst-case scenario with global warming of +4.8°C by 2100. By contrast, scenario 4.5 assumes global warming of +2.6°C by 2100. The Zumtobel Group has chosen these scenarios in order to present a realistic climate scenario (4.5) and to be prepared to cope with extreme climate changes (8.5). From an exclusively climate-related perspective, climate change does not have a negative impact on the assets or production sites of the Zumtobel Group.

The Zumtobel Group's production sites are not located in or near biodiversity-sensitive areas.

All identified IROs are covered by the ESRS disclosure requirements. In contrast to previous years, the identification process and the formulation of the material topics were brought into line with ESRS requirements for the first time. As a result, different terminology has been used, rendering a direct comparison of the most important IROs unfeasible. The double materiality assessment will be next updated in late autumn 2025. While the adaptation in accordance with the CSRD did not result in any changes in terms of actions, the data base was fundamentally improved.

The disclosure of expected financial impacts, material risks and opportunities as well as the planned financing sources for the implementation of the strategy is subject to phase-in options and is therefore not included for the 2024/25 financial year.

The table below lists all material IROs identified as part of the double materiality assessment. Information on the IROs can be found in the sections under the headings 'Environment', 'Social' and 'Governance'. The Zumtobel Group discloses the following entity-specific information for 2024/25: Number of women in management roles (headcount).

The following table defines whether the impact is negative or positive and whether it has an impact on humans (H) and/or the environment (E). In addition, the table also outlines in which part of the value chain these IROs occur, either in the Group's own operations (OO) or in the upstream and downstream value chain (VC).

The last column in the table below shows the current and anticipated influence of the identified material impacts, risks and opportunities on the Zumtobel Group's business model, value chain, strategy and decision-making.

The Zumtobel Group systematically integrates the material impacts, risks and opportunities (IROs) identified into its strategic and operational decision-making in order to address sustainability-related challenges at an early stage and make the most of business opportunities.

At the time of reporting, the Zumtobel Group was not at significant risk of needing to materially adjust the assets and liabilities reported in the financial statements as a result of rising energy prices (or other stated financial risks) in the future.

ESRS Standard	IRO	E/H	uVC ○	OO ○	dVC ○	Description	Time horizont: short- ○	middle- ○	longterm ○	Influence on corporate strategy
E1 | Climate Change										**Net-Zero**
Climate change mitigation	*Acutal positive impact*	E	○	○	●	Maximising energy efficiency among customers on site through the use of products; move towards energy-efficient products becoming a requirement	●	●	●	Impact arises from the business model due to the offering and use of energy-efficient products and lighting control solutions.
	Acutal negative impact	E	○	●	○	Scope 1 & 2 GHG emissions: emitted during production	●	●	●	Impacts arise from the business model due to the production and subsequent use of Zumtobel Group products.
		E	●	○	●	Scope 3 GHG emissions: upstream (materials) and downstream (use phase)	●	●	●	
Energy	*Actual negative impact*	E	●	○	○	Use of non-renewable energy along the supply chain	●	●	●	Impacts arise from the business model due to the production and subsequent use of Zumtobel Group products.
		E	○	○	●	Energy consumption through use of products (at customer locations)	●	●	●	
		E	○	●	○	Energy consumption for manufacturing	●	●	●	
	Risk	-	○	●	○	Global action (e.g. political) can lead to rising energy costs	●	●	●	Risk arises from the business model due to the potential dependence on materials for the manufacturing of Zumtobel Group products.
E5 | Resource use and circular economy										**Net-Zero & Circular Economy**
Resource inflows, incl. resource use	*Actual negative impact*	E	●	●	●	Use and exploitation of primary resources	●	●	●	Impacts result from the Group's business model due to the manufacturing, use of packaging materials and disposal of products.
Waste	*Acutal negative impact*	E	●	●	●	Waste generated in the upstream value chain and in own operations through packaging materials and the disposal of Zumtobel Group products	●	●	●	
S1 | Own workforce										**Partner of Choice**
Working conditions	*Actual positive impact*	H	○	●	○	Attractive working conditions in a safe work environment with a good work-life balance	●	●	●	Impact aligns with the Zumtobel Group's strategic aim of positioning itself as a Partner of Choice.
	Potential negative impact	H	○	●	○	Potential work-related accidents, physical and mental health problems due to long-term stress	●	●	●	Impact arises from the Zumtobel Group's business model due to the hiring of employees.
Equal treatment and opportunities for all	*Acutal positive impact*	H	○	●	○	Employee training and education increases job satisfaction	●	●	●	Impact aligns with the Zumtobel Group's strategic aim of positioning itself as a Partner of Choice.
	Actual positive impact	H	○	●	○	Family-friendly services promote inclusion and provide greater flexibility for working parents; diversity fosters creativity and innovation	●	●	●	Impact aligns with the Zumtobel Group's strategic DE&I aim of positioning itself as a Partner of Choice.
	Risk	-	○	●	○	Several knowledge carriers will be leaving the Group in the near future due to upcoming retirements. This may result in high transition and personnel costs.	●	●	●	Risk is related to the general retirement waves, which are not specific to ZG.
	Opportunity	-	○	●	○	Diversity drives innovation and can have a positive impact on access to capital	●	●	●	Opportunity aligns with the Zumtobel Group's strategic DE&I aim of positioning itself as a Partner of Choice.

ESRS Standard	IRO	E/H	uVC ○	OO ○	dVC ○	Description	Time horizont: short- ○	middle- ○	longterm ○	Influence on corporate strategy
S2 | Workers in the value chain										**Partner of Choice**
Other work-related rights	*Potential negative impact*	H	●	○	○	Potential non-compliance of suppliers with the ILO's core labour standards can lead to violations of bans of child or forced labour along the supply chain	●	●	●	Impact arises from the Group's business model and the associated work steps in the upstream value chain.
S4 | Consumers and end-users										**Partner of Choice**
Personal safety of consumers and/or end-users	*Actual positive Impact*	H	○	○	●	Innovative luminaires and lighting solutions enhance end-users' well-being and health	●	●	●	Impact arises from the Group's business model due to the range of innovative products.
Social inclusion of consumers and/or end-users	*Opportunity*	-	○	●	○	Trend leading to rising demand for sustainable products and solutions, fuelled in part by the revision of the EPBD. Sustainable product innovations can lead to new developments that in turn generate higher revenue.	●	●	●	Opportunity aligns with the strategic aim of the Zumtobel Group to offer sustainable energy-efficient products and solutions.
G1 | Business conduct										**Partner of Choice**
Corporate culture	*Potential positive impact*	H	○	●	○	Cultural transformation	●	●	●	Impact aligns with the Zumtobel Group's strategic aim of positioning itself as a Partner of Choice.
corruption and bribery	*Potential negative impact*	H	●	●	●	Independent governance and compliance practices promote a fair business environment	●	●	●	Impact aligns with the Zumtobel Group's strategic aim of positioning itself as a Partner of Choice.

IRO-2 | Disclosure requirements in ESRS covered by the undertaking's sustainability statement

Standard	Material IROs	ESRS Indicators	Page
ESRS 2			
Generell Requirements		BP-1 | General basis for preparation of sustainability statements	23
		BP-2 | Disclosures in relation to specific circumstances	23-24
Governance		GOV-1 | The role of the administrative, management and supervisory bodies	24-25
		GOV-2 | Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	25-26
		GOV-3 | Integration of sustainability-related performance in incentive schemes	26
		GOV-4 | Statement on due diligence	27
		GOV-5 | Risk management and internal controls over sustainability reporting	28
Strategy		SBM-1 | Strategy, business model and value chain	28-30
		SBM-2 | Interests and views of stakeholders	30-32
		SBM-3 | Material impacts, risks and opportunities their interaction with strategy and business model	32-37, 58-60, 71, 80-81, 95-96, 99-100, 103
Impacts, risks and opportunity management		ESRS 2 SBM-3 | Material impacts, risks and opportunities (IROs)	
		IRO-1 | Description of the processes to identify and assess material impacts, risks and opportunities	32-37
		IRO-2 | Disclosure requirements in ESRS covered by the undertaking's sustainability statement	37-42

Standard	Material IROs	ESRS Indicators	Page
Environment related information			
E1 | Climate Change	Climate change mitigation, Energy	ESRS 2 SBM-3 | Material impacts, risks and opportunities (IROs)	32-37, 58-60
		E1-1 | Transition plan for climate change mitigation	60-62
		E1-2 | Policies related to climate change mitigation and adaptation	62
		E1-3 | Actions and resources in relation to climate change policies	63-65
		E1-4 | Targets related to climate change mitigation and adaption	65-66
		E1-5 | Energy consumption and mix	66-67
		E1-6 | Gross Scopes 1, 2, 3 and Total GHG emissions	67-70
E5 | Circular economy	Resources inflows, including resource use Waste	ESRS 2 SBM-3 | Material impacts, risks and opportunities (IROs)	32-37, 71
		E5-1 | Policies related to resource use and circular economy	71-73
		E5-2 | Actions and resources related to resource use and circular economy	73-75
		E5-3 | Targets related to resource use and circular economy	75-76
		E5-4 | Resource inflows	77
		E5-5 | Resource outflows	77-79
Social related information			
S1 | Own workforce	Working conditions Equal treatment and opportunities for all	ESRS 2 SBM-3 | Material impacts, risks and opportunities (IROs)	32-37, 80-81
		S1-1 | Policies related to own workforce	80-81
		S1-2 | Processes for engaging with own workers and workers' representatives about impacts	81-82
		S1-3 | Processes to remediate negative impacts and channels for own workers to raise concerns	83
		S1-4 | Taking action	84
		S1-5 | Targets related to own workforce	84-89
		S1-6 | Characteristics of the Zumtobel Group employees	90-91
		S1-8 | Collective bargaining coverage and social dialogue	91
		S1-9 | Diversity metrics	92
		S1-10 | Adequate wages	92
		S1-13 | Training and skills development metrics	92-93
		S1-14 | Health and safety metrics	93-94
		S1-16 | Compensation metrics	94
		S1-17| Incidents, complaints and severe human rights impacts	94-95
S2 | Workers in the value chain	Other work-related rights	ESRS 2 SBM-3 | Material impacts, risks and opportunities (IROs)	32-37, 95-96
		S2-1 | Policies related to value chain wokers	96
		S2-2 | Processes for engaging with value chain workers about impacts	97
		S2-3 | Processes to remediate negative impacts and channels for value chain workers to raise concerns	97
		S2-4 | Taking action	97-99
		S2-5 | Targets related to workers in the value chain	99
S4 | Consumers and end-users	Personal safety of consumers and/or end-users Social inclusion of consumers and/or end-users	ESRS 2 SBM-3 | Material impacts, risks and opportunities (IROs)	32-37, 99-100
		S4-1 | Policies related to consumers and end-users	100-101
		S4-2 | Processes for engaging with consumers and end-users about impacts	101
		S4-3 | Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	101-102
		S4-4 | Taking action	102
		S4-5 | Targets related to consumers and end-users	102

Standard	Material IROs	ESRS Indicators	Page
Governance related information			
G1 | Business conduct	Corporate culture	ESRS 2 SBM-3 | Material impacts, risks and opportunities (IROs)	32-37, 103
		G1-1 | Corporate culture and business conduct policies	103-104
	Corruption and bribery	G1-3 | Prevention and detection of corruption and bribery	105-106
		G1-4 | Incidents of corruption or bribery	206

The following table provides an overview of the relevant ESRS disclosure requirements, including references to EU legislation that is material for the Zumtobel Group.

Disclosure requirement and related datapoint	Reference to other EU legislation	Material / Not material
ESRS 2 GOV-1 Board's gender diversity, paragraph 21 (d)	SFDR: Indicator number 13, Table #1 of Annex 1 Benchmark Regulation: Commission Delegated Regulation (EU) 2020/1816 (5), Annex II	Material
ESRS 2 GOV-1 Percentage of board members who are independent, paragraph 21 (e)	Benchmark Regulation: Commission Delegated Regulation (EU) 2020/1816, Annex II	Material
ESRS 2 GOV-4 Statement on due diligence, paragraph 30	SFDR: Indicator number 10, Table #3 of Annex 1	Material
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities, paragraph 40 (d) i	SFDR: Indicator number 4, Table #1 of Annex 1 Pillar 3 reference: Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 (6), Table 1: Qualitative information on environmental risk and Table 2: Qualitative information on social risk Benchmark Regulation: Commission Delegated Regulation (EU) 2020/1816, Annex II	Not material
ESRS 2 SBM-1 Involvement in activities related to chemical production, paragraph 40 (d) ii	SFDR: Indicator number 9, Table #2 of Annex 1 Benchmark Regulation: Commission Delegated Regulation (EU) 2020/1816, Annex II	Not material
ESRS 2 SBM-1 Involvement in activities related to controversial weapons, paragraph 40 (d) iii	SFDR: Indicator number 14, Table #1 of Annex 1 Benchmark Regulation: Delegated Regulation (EU) 2020/1818(7), Article 12(1) Benchmark Regulation: Delegated Regulation (EU) 2020/1816, Annex II	Not material
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco, paragraph 40 (d) iv	Benchmark Regulation: Delegated Regulation (EU) 2020/1818, Article 12(1) Benchmark Regulation: Delegated Regulation (EU) 2020/1816, Annex II	Not material
ESRS E1-1 Transition plan to achieve climate neutrality by 2050, paragraph 14	EU Climate Law: Regulation (EU) 2021/1119, Article 2(1)	Material
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks, paragraph 16 (g)	Pillar 3 reference: Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity Benchmark Regulation: Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2	Material
ESRS E1-4 GHG emission reduction targets, paragraph 34	SFDR: Indicator number 4, Table #2 of Annex 1 Pillar 3 reference: Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: Alignment metrics Benchmark Regulation: Delegated Regulation (EU) 2020/1818, Article 6	Material
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors), paragraph 38	SFDR: Indicator number 5, Table #1 of Annex 1 and SFDR: Indicator number 5, Table #2 of Annex 1	Material
ESRS E1-5 Energy consumption and mix, paragraph 37	SFDR: Indicator number 5, Table #1 of Annex 1	Material
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors, paragraphs 40 to 43	SFDR: Indicator number 6, Table #1 of Annex 1	Material
ESRS E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions, paragraph 44	SFDR: Indicator number 1 and 2, Table #1 of Annex 1 Pillar 3 reference: Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity Benchmark Regulation: Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)	Material

Disclosure requirement and related datapoint	Reference to other EU legislation	Material / Not material
ESRS E1-6 GHG Gross GHG emissions intensity, paragraphs 53-55	SFDR: Indicator number 3, Table #1 of Annex 1 Pillar 3 reference: Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: Alignment metrics Benchmark Regulation: Delegated Regulation (EU) 2020/1818, Article 8(1)	Material
ESRS E1-7 GHG removals and carbon credits, paragraph 56	EU Climate Law: Regulation (EU) 2021/1119, Article 2(1)	Not material
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks, paragraph 66	Benchmark Regulation: Delegated Regulation (EU) 2020/1818, Annex II Benchmark regulation: Delegated Regulation (EU) 2020/1816, Annex II	Material, (Phase In-Option)
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk, paragraph 66 (a)	Pillar 3 reference: Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, paragraphs 46 and 47; Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk.	Material, (Phase In-Option)
ESRS E1-9 Location of significant assets at material physical risk, paragraph 66 (c)	Pillar 3 reference: Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, paragraphs 46 and 47; Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk.	Material, (Phase In-Option)
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes, paragraph 67 (c)	Pillar 3 reference: Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book – Climate change transition risk: Loans collateralised by immovable property – Energy efficiency of the collateral	Material, (Phase In-Option)
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities, paragraph 69	Benchmark Regulation: Commission Delegated Regulation (EU) 2020/1818, Annex II	Material, (Phase In-Option)
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	SFDR: Indicator number 8, Table #1 of Annex 1 SFDR: Indicator number 2, Table #2 of Annex 1 SFDR: Indicator number 1, Table #2 of Annex 1 SFDR: Indicator number 3, Table #2 of Annex 1	Not material
ESRS E3-1 Water and marine resources, paragraph 9	SFDR: Indicator number 7, Table #2 of Annex 1	Not material
ESRS E3-1 Dedicated policy, paragraph 13	SFDR: Indicator number 8, Table #2 of Annex 1	Not material
ESRS E3-1 Sustainable oceans and seas, paragraph 14	SFDR: Indicator number 12, Table #2 of Annex 1	Not material
ESRS E3-4 Total water recycled and reused, paragraph 28 (c)	SFDR: Indicator number 6.2, Table #2 of Annex 1	Not material
ESRS E3-4 Total water consumption in m3 per net revenue on own operations, paragraph 29	SFDR: Indicator number 6.1, Table #2 of Annex 1	Not material
ESRS 2 IRO 1 – E4, paragraph 16 (a) i	SFDR: Indicator number 7, Table #1 of Annex 1	Not material
ESRS 2 IRO 1 – E4, paragraph 16 (b)	SFDR: Indicator number 10, Table #2 of Annex 1	Not material
ESRS 2 IRO 1 – E4, paragraph 16 (c)	SFDR: Indicator number 14, Table #2 of Annex 1	Not material
ESRS E4-2 Sustainable land/agriculture practices or policies, paragraph 24 (b)	SFDR: Indicator number 11, Table #2 of Annex 1	Not material
ESRS E4-2 Sustainable oceans/seas practices or policies, paragraph 24 (c)	SFDR: Indicator number 12, Table #2 of Annex 1	Not material
ESRS E4-2 Policies to address deforestation, paragraph 24 (d)	SFDR: Indicator number 15, Table #2 of Annex 1	Not material
ESRS E5-5 Non-recycled waste, paragraph 37 (d)	SFDR: Indicator number 13, Table #2 of Annex 1	Material
ESRS E5-5 Hazardous waste and radioactive waste, paragraph 39	SFDR: Indicator number 9, Table #1 of Annex 1	Material
ESRS 2 SBM3 – S1 Risk of incidents of forced labour, paragraph 14 (f)	SFDR: Indicator number 13, Table #3 of Annex I	Material
ESRS 2 SBM3 – S1 Risk of incidents of child labour, paragraph 14 (g)	SFDR: Indicator number 12, Table #3 of Annex I	Material
ESRS S1-1 Human rights policy commitments, paragraph 20	SFDR: Indicator number 9, Table #3 of Annex I and SFDR: Indicator number 11, Table #1 of Annex I	Material
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21	Benchmark Regulation: Commission Delegated Regulation (EU) 2020/1816, Annex II	Material
ESRS S1-1 Processes and measures for preventing trafficking in human beings, paragraph 22	SFDR: Indicator number 11, Table #3 of Annex I	Material
ESRS S1-1 Workplace accident prevention policy or management system, paragraph 23	SFDR: Indicator number 1, Table #3 of Annex I	Material
ESRS S1-3 Grievance/complaints handling mechanisms, paragraph 32 (c)	SFDR: Indicator number 5, Table #3 of Annex I	Material
ESRS S1-14 Number of fatalities and number and rate of work-related accidents, paragraph 88 (b) and (c)	SFDR: Indicator number 2, Table #3 of Annex I Benchmark Regulation: Commission Delegated Regulation (EU) 2020/1816, Annex II	Material
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness, paragraph 88 (e)	SFDR: Indicator number 3, Table #3 of Annex I	Material (Phase-In-Option)

Disclosure requirement and related datapoint	Reference to other EU legislation	Material / Not material
ESRS S1-16 Unadjusted gender pay gap, paragraph 97 (a)	SFDR: Indicator number 12, Table #1 of Annex I Benchmark Regulation: Commission Delegated Regulation (EU) 2020/1816, Annex II	Material
ESRS S1-16 Excessive CEO pay ratio, paragraph 97 (b)	SFDR: Indicator number 8, Table #3 of Annex I	Material
ESRS S1-17 Incidents of discrimination, paragraph 103 (a)	SFDR: Indicator number 7, Table #3 of Annex I	Material
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD guidelines, paragraph 104 (a)	SFDR: Indicator number 10, Table #1 of Annex I and SFDR: Indicator number 14, Table #3 of Annex I Benchmark Regulation: Delegated Regulation (EU) 2020/1816, Annex II Benchmark Regulation: Delegated Regulation (EU) 2020/1818, Art 12 (1)	Material
ESRS 2 SBM3 – S2 Significant risk of child labour or forced labour in the value chain, paragraph 11 (b)	Indicator numbers 12 and 13, Table #3 of Annex I	Material
ESRS S2-1 Human rights policy commitments, paragraph 17	SFDR: Indicator number 9, Table #3 of Annex 1 and SFDR: Indicator number 11, Table #1 of Annex 1	Material
ESRS S2-1 Policies related to value chain workers, paragraph 18	Indicator numbers 11 and 4, Table #3 of Annex 1	Material
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines, paragraph 19	SFDR: Indicator number 10, Table #1 of Annex 1 Benchmark Regulation: Delegated Regulation (EU) 2020/1816, Annex II Benchmark Regulation: Delegated Regulation (EU) 2020/1818, Art 12 (1)	Material
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19	Benchmark Regulation: Commission Delegated Regulation (EU) 2020/1816, Annex II	Material
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain, paragraph 36	SFDR: Indicator number 14, Table #3 of Annex 1	Material
ESRS S3-1 Human rights policy commitments, paragraph 16	SFDR: Indicator number 9, Table #3 of Annex 1 and SFDR: Indicator number 11, Table #1 of Annex 1	Not material
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines, paragraph 17	SFDR: Indicator number 10, Table #1 of Annex 1 Benchmark Regulation: Delegated Regulation (EU) 2020/1816, Annex II Benchmark Regulation: Delegated Regulation (EU) 2020/1818, Art 12 (1)	Not material
ESRS S3-4 Human rights issues and incidents, paragraph 36	SFDR: Indicator number 14, Table #3 of Annex 1	Not material
ESRS S4-1 Policies related to consumers and end-users, paragraph 16	SFDR: Indicator number 9, Table #3 of Annex 1 and SFDR: Indicator number 11, Table #1 of Annex 1	Material
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines, paragraph 17	SFDR: Indicator number 10, Table #1 of Annex 1 Benchmark Regulation: Delegated Regulation (EU) 2020/1816, Annex II Benchmark Regulation: Delegated Regulation (EU) 2020/1818, Art 12 (1)	Material
ESRS S4-4 Human rights issues and incidents, paragraph 35	SFDR: Indicator number 14, Table #3 of Annex 1	Material
ESRS G1-1 United Nations Convention against Corruption, paragraph 10 (b)	SFDR: Indicator number 15, Table #3 of Annex 1	Material
ESRS G1-1 Protection of whistleblowers, paragraph 10 (d)	SFDR: Indicator number 6, Table #3 of Annex 1	Material
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws, paragraph 24 (a)	SFDR: Indicator number 17, Table #3 of Annex 1 Benchmark Regulation: Commission Delegated Regulation (EU) 2020/1816, Annex II	Material
ESRS G1-4 Standards of anti-corruption and anti-bribery, paragraph 24 (b)	SFDR: Indicator number 16, Table #3 of Annex 1	Material

The first sustainability report of the Zumtobel Group, prepared in accordance with the CSRD and the ESRS, comprises the minimum disclosure requirements stipulated in ESRS 2 as well as the mandatory reporting requirements for the first year. The materiality of all disclosure requirements was analysed based on the findings from the materiality assessment. Section IRO-1 contains further information on this process. All disclosure requirements and datapoints on topics and sub-topics identified as immaterial during the materiality assessment, as well as all potential phase-in datapoints, were not included in this report.

MDR-P | Policies adopted to manage material sustainability matters

The table below provides an overview of the policies and strategies in relation to the Zumtobel Group's material sustainability matters. Further details on these policies can be found in the relevant sections of this sustainability report. The following table contains information concerning the ESRS minimum requirements for the disclosure of policies.

ESRS	Sustainability matter	Policies, strategies and guidelines[5]
E1 (§24)	Climate change mitigation & Energy	Environment policy (OO) Energy policy (OO) Code of conduct (OO) Code of conduct for business partners (up- & downstream VC)
E5 (§14)	Resources inflows, including resource use & Waste	Environment policy (OO) Code of conduct (OO) Code of conduct for business partners (up- & downstream VC) CDRs (OO)
S1 (§19)	Working conditions of own workforce	Code of conduct (OO) Declaration of principles on human rights (up- & downstream VC) Health & safety policy (OO)
	Equal treatment and opportunities for all	Declaration of principles on human rights (up- & downstream VC) Diversity strategy (OO)
S2 (§16)	Other work-related rights for workers in the value chain	Code of conduct for business partners (up- & downstream VC) Declaration of principles on human rights (up- & downstream VC)
S4 (§15)	Personal safety of consumers and/or end-users & Social inclusion of consumers and/or end-users	Quality Policy (OO) CE certifications (up- & downstream VC) Code of conduct for business partners (up- & downstream VC)
G1 (§8)	Corporate culture & Corruption und bribery	Code of conduct (OO) Code of conduct for business partners (up- & downstream VC)

[5] OO = own operations | VC = value chain

1.2.2 Environmental related information

1.2.2.1 Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)

The Taxonomy Regulation sets out three overarching conditions that an economic activity has to meet in order to qualify as sustainable:

a) An economic activity substantially contributes to one or more of the six environmental objectives set out in Article 9 (EU) 2020/852 and complies with the corresponding technical screening criteria:

- >> Climate change mitigation (CCM)
- >> Climate change adaptation (CCA)
- >> Sustainable use and protection of water and marine resources (WTR)
- >> Transition to a circular economy (CE)
- >> Pollution prevention and control (PPC)
- >> Protection and restoration of biodiversity and ecosystems (BIO)

b) In addition to making a substantial contribution to at least one environmental objective, an economic activity must not significantly harm any of the other objectives (principle of 'do no significant harm' (DNSH)).

c) The company's activities must meet minimum social standards, called minimum safeguards (MSS).

Two delegated acts that set out the technical screening criteria and the publication methodology have been adopted by the European Commission on the basis of the Taxonomy Regulation.

Both the Taxonomy eligibility and the Taxonomy alignment of revenue, capital expenditure (CapEx) and the proportion of operating expenditure (OpEx) need to be ascertained for the six aforementioned environmental objectives for the 2024/25 financial year.

As in previous years, a multidisciplinary team is responsible for formulating, evaluating and documenting the requirements set forth in Taxonomy legislation. The team primarily comprises representatives from Corporate Accounting & Tax, Group Sustainability, Controlling Lighting Segment, Controlling Components Segment and Global Quality. Further experts from departments such as Product Management or Research & Development were consulted on more in-depth topics.

Based on the information provided by the European Commission (EU Taxonomy Compass), the list of economic activities was reviewed as part of an impact analysis to determine whether it was relevant to the economic activities pursued by the Zumtobel Group and the criteria for the individual economic activities were analysed. Taxonomy eligibility was evaluated at the Group level on the basis of the findings from the analysis. Non-Taxonomy-eligible economic activities are economic activities undertaken by the entity but not described in the EU regulations.

Economic activities associated with the Zumtobel Group's value creation process are activities directly related to the Zumtobel Group's revenue or for which individual actions were taken in relation to CapEx or OpEx.

Overview of identified Taxonomy-eligible economic activities

The following table lists the relevant economic activities, their description according to the EU Regulation and their interpretation by the Zumtobel Group. The descriptions are interpreted on the basis of currently available information.

Economic activity according to Tax. Reg.	Description of economic activity according to Tax. Reg.	Interpretation and grounds for Taxonomy eligibility
CCM-3.5 Manufacture of energy efficiency equipment for buildings	(g) light sources rated in the highest two populated classes of energy efficiency in accordance with Regulation (EU) 2017/1369 of the European Parliament and of the Council and delegated acts adopted under that Regulation	Light sources in the sense of the Regulation include LED modules as well as luminaires manufactured by the Zumtobel Group and their accessories (tracks, fasteners, etc.). This also covers luminaires with Zumtobel Group branding manufactured by third parties for the Zumtobel Group..
	(j) presence and daylight controls for lighting systems	Sensors as well as hardware and software for lighting control systems are classified under presence and daylight controls for lighting systems..
	(m) energy-efficient building automation and control systems for residential and non-residential buildings	LED ballasts that regulate the current flow between the power supply and the LED light source are allocated to this economic activity. Emergency lighting is also classified as CCM-3.5 (m) because it is exempt from the requirements for energy labelling in accordance with Annex IV to Commission Delegated Regulation (EU) 2019/2015 on energy labelling.
CCM-6.4 Operation of personal mobility devices, cycle logistics	Selling, purchasing, financing, leasing, renting and operation of personal mobility or transport devices where the propulsion comes from the physical activity of the user, from a zero-emissions motor, or a mix of zero-emissions motor and physical activity	Electric bikes purchased as job bikes and/or general

CCM-6.5 Transport by motorbikes, passenger cars and light commercial vehicles	Purchase, financing, renting, leasing and operation of vehicles designated as category M1, N1, both falling under the scope of Regulation (EC)	CCM-6.5 Transport by motorbikes, passenger cars and light commercial vehicles
CCM-7-3 Installation, maintenance and repair of energy efficiency equipment	Individual renovation measures consisting of installation, maintenance or repair of energy efficiency equipment	Service agreements concluded with our customers are allocated to CCM-7.3 (d).
CCM-7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)		This economic activity also encompasses charging stations for electric vehicles.
CCM-7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	(a) motion and daylight controls	The corresponding digital services provided by the Zumtobel Group are allocated to this economic activity.
	(b) lighting control and energy management systems	The corresponding digital services provided by the Zumtobel Group are allocated to this economic activity.
CCM-7.7 Acquisition and ownership of buildings		This category primarily relates to the lease expenses for buildings leased by the Zumtobel Group.
CCM-8.1 Storage, manipulation, management, movement, control, display, switching, interchange, transmission or processing of data through data centres		In-house data centres are allocated to this category.
CE-1.2 Manufacture of electrical and electronic equipment		Investments from cross-cutting activities (CapEx category c) such as the acquisition of electronic equipment, are reported in this category.
CE-4.1 Provision of IT/OT data-driven solutions		Investments in innovative products and solutions are allocated to this economic activity in line with the definition set forth in the Regulation.

Repeat counting of the relevant KPIs across several environmental objectives is not possible because each economic activity is allocated to only one environmental objective since revenues and investments cannot be allocated to multiple economic activities.

Nuclear energy- and fossil gas-related activities

Nuclear energy related activities

The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO

Fossil gas related activities

The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Taxonomy alignment assessment

An internal online platform is used to build and communicate knowledge in the specialist departments involved. It contains all informational material, links to the relevant legislation as well as documents and training videos on the EU Taxonomy plus the individual economic activities and is updated on a continuous basis. Detailed process documentation was developed in the 2024/25 financial year and the EU Taxonomy was formally included in the Zumtobel Group Accounting Manual. In checking and verifying Taxonomy alignment, particular attention was paid to verifiability and the dual control principle when analysing data.

All economic activities with relevance for the Taxonomy alignment assessment were analysed, compliance with the technical screening criteria was reviewed and any significant adverse effects on other environmental objectives (DNSH) were assessed. For instance, a climate risk and vulnerability analysis is carried out on a regular basis at the production sites. External environmental conditions that may affect the company, including buildings, facilities, access to the site, water supply, electricity supply, and production facilities and processes are reviewed as part of this analysis. In addition to looking at the current situation, the climate risk and vulnerability analysis includes a medium-term assessment for the upcoming five years and a long-term outlook spanning 20 years or more. Two climate scenarios have been applied, namely representative concentration pathways 4.5 and 8.5. The risk assessment was performed by experts at the production sites in consideration of local climate-related data. A double materiality assessment was carried out at Group level. As part of this, all relevant impacts, risks, and opportunities from these two analyses were identified and evaluated. No physical risks material to the Zumtobel Group's economic activities were identified based on the climate scenarios. Actions to further mitigate risk were defined and documented in the standardised Risk Management Catalogue, and their implementation was monitored.

All production sites around the globe are certified to ISO 14001 and ISO 45001.

According to our overall assessment, the relevant economic activities do not have any significant adverse effects (DNSH) on any other environmental objectives.

The Zumtobel Group ensures minimum social safeguards are adhered to through the implementation of policies in the Code of Conduct and in the Code of Conduct for Business Partners. These policies set binding standards for conduct in business, legal and ethical matters. New employees complete mandatory online training on compliance issues and the Code of Conduct. The Code of Conduct for Business Partners ensures that due diligence principles are applied and shared throughout the value chain. It forms an integral part of all contracts and is acknowledged and complied with by business partners and their employees.

In order to monitor compliance with minimum social safeguards, the Zumtobel Group uses an active whistleblower system that acts as a secure reporting and communication system for all stakeholders to report suspected violations. The whistleblower system complies with the requirements of the EU Whistleblower Directive and the Whistleblower Protection Act (Hinweisgeberschutzgesetz, HinSchG). Critical concerns are reported directly to Corporate Audit and Compliance. Compliance with human rights and the ILO's core labour standards is verified through spot checks. A compliance management system (CMS) is in place to prevent corruption and antitrust violations, underpinned by systematic risk analyses and compliance programmes. Sustainability audits of suppliers are conducted on an ongoing basis in order to minimise environmental and social risks. Internal audits and regular external reviews are also conducted to ensure tax compliance.

Note on the current status of the EU Taxonomy legislation: The Zumtobel Group understands that the definitions used in the EU Taxonomy Regulation and associated delegated acts are open to interpretation and no prevailing doctrine could be ascertained for the interpretation of certain economic activities at the time of reporting. In terms of ensuring consistent reporting across the board, a line of contact has been established and maintained with other stakeholders in the lighting industry to improve the scope and comparability of reporting; however, significant differences remain with regard to the interpretation of economic activities in terms of Taxonomy eligibility and alignment within the lighting industry. In our opinion, therefore, comparability remains limited with respect to the EU Taxonomy key performance indicators employed by various manufacturers of luminaires and lighting solutions.

Year-on-year changes

Compared with the prior-year reporting, additional clarifications and information were provided in the explanations given above concerning DNSH, the climate and vulnerability analysis, and minimum social standards. Further formalisation of the processes through measures such as extensive process documentation has already been described above.

Economic activity CE 4.1 added in the previous year was assessed for Taxonomy alignment for the first time in the financial year under review; this was not achieved due to the lack of necessary evidence to fulfil the criteria of it making a substantial contribution.

Economic activity CE 1.2, which comprises investments in electronic equipment as a cross-cutting activity (CapEx category c), was applied for the first time in accordance with the Commission Notice published on 29 November 2024, point 79. Taxonomy alignment could not be achieved for this economic activity due to the lack of necessary evidence to fulfil the criteria of it making a substantial contribution.

The method for calculating revenue, capital expenditure (CapEx) and operating expenditure (OpEx) has not changed in any material respect.

Key performance indicators (KPIs)

A dedicated approach was formulated for each KPI in order to analyse the Taxonomy-aligned proportion of the revenue, capital expenditure (CapEx) and operating expenditure (OpEx) KPIs derived from the respective economic activities.

Revenue

Revenues in the denominator include revenue of TEUR 1,097,236 (2023/24 1,126,97) generated from the sale, installation and repair of luminaires, as well as from the sale, installation and repair of LED modules, ballasts and the hardware and software for lighting control systems. These revenues are allocated to the economic activities CCM-3.5 (g) (j) (m) and CCM-7.3 (d). The templates show the quantitative breakdown of revenue between the various economic activities. The consolidated Group amounts are used as the basis for measuring revenue, the disaggregation of which can be found in Annex 2.6.4.1 Revenues.

Taxonomy-aligned revenue of TEUR 263,464 (2023/24 260,473) in the numerator corresponds to the proportion of revenue that meets the technical screening criteria.

The technical screening criteria for economic activity CCM-3.5 (g) define light sources rated in the highest two populated classes of energy efficiency in accordance with Regulation (EU) 2017/1369 of the European Parliament and of the Council on energy use labelling and delegated acts adopted under that Regulation as Taxonomy-aligned. The European Product Registry for Energy Labelling (EPREL) lists classes of energy efficiency A and B as the highest populated classes of energy efficiency for light sources. Accordingly, only revenue from sales of luminaires categorised as energy efficiency class A or B is recognised as Taxonomy-aligned. As emergency lighting is not assigned an energy efficiency class under the relevant EU regulation, the technical screening criterion is not applicable.

Product updates responsible for improving energy efficiency in the lighting segment led to a slight year-on-year increase in the proportion of Taxonomy-aligned revenue. The proportion in the component segment remained stable at a high level.

CapEx

Capital expenditure in the denominator of TEUR 89,713 (2023/24 64,164) corresponds to additions to property, plant and equipment, assets under construction and intangible assets, including IFRS 16 right-of-use assets reported in the IFRS consolidated financial statements (see Annex 2.6.6.2 Other intangible assets and 2.6.6.3 Property, plant and equipment). Capital expenditure is allocated to the economic activities CCM 3.5, CCM-6.4, CCM-6.5, CCM-7.3 to 7.5, CCM-7.7, CCM-8.1, CE-1.2 and CE-4.1. The consolidated Group amounts are used as the basis for measuring CapEx.

Taxonomy-eligible CapEx contains investments in category (a), (b) or (c) of the Delegated Act supplementing Article 8 1.1.2.2. Examples include

- >> Investments in machinery and tools for manufacturing energy-efficient lighting or LED components
- >> Investments in the product development of energy-efficient lighting or LED components, and hardware and software for lighting control systems

Taxonomy-aligned CapEx of TEUR 23,389 (2023/24 17,634) in the numerator is calculated in the same way as for revenue, i.e. Taxonomy alignment is determined on the basis of compliance with the technical screening criteria. In the 2022/23 financial year, a CapEx budget with total capital expenditure of TEUR 80.147 was drawn up and approved for the development of a product line that is particularly energy-efficient (energy efficiency class A or B), contributes to climate change mitigation, and has a development period lasting several years. The resulting Taxonomy-eligible capital expenditure incurred for economic activity CCM-3.5 and the environmental objective of climate change mitigation are shown as 100% Taxonomy-aligned. Taxonomy-aligned CapEx is allocated to the following economic activities:

in TEUR	Additions to tangible assets	Internally produced and purchased intangible assets	Rights of use to assets	Total	Thereof part of a business combination	Thereof part of a CapEx plan
CCM-3.5	12,881	9,686	0	22,567	0	10,019
CCM-6.4	269	0	0	269	0	0
CCM-6.5	0	0	498	498	0	0
CCM-7.4	18	0	0	18	0	0
CCM-7.5	37	0	0	37	0	0

OpEx

OpEx encompasses all direct, non-capitalised costs for research and development expenses, building renovation measures, maintenance and repair expenses and short-term leases. The consolidated Group amounts are used as the basis for measuring OpEx, the disaggregation of which can be found in Section 2.6.4 in the Annex. Taxonomy-eligible OpEx only covers some of the actions required to maintain the functionality of property, plant and equipment.

Taxonomy-eligible OpEx refers to operating expenditure in either category (a) or (c) of the Delegated Act supplementing Article 8 1.1.3.2. Examples include:

- >> Direct operating expenses attributable to Taxonomy-eligible economic activities (production of energy-efficient lighting, etc.)
- >> Pro rata OpEx for Taxonomy-eligible research projects
- >> Other operating expenditure required to maintain the functionality of property, plant and equipment

The total operating expenditure (OpEx) in the denominator of TEUR 33,091 (2023/24 29,079) is attributable to the economic activities CCM 3.5, CCM 7.3, CCM 7.4, CCM 7.5, and CCM 8.1. Taxonomy-aligned OpEx in the numerator of 4,573 TEUR (2023/24 4,963 TEUR) is calculated using the same method and is allocated to the following economic activities:

in TEUR	Maintenance and repair costs for tools and machinery for internally produced products	R&D activities for internally produced products	Total
CCM-3.5	2,515	2,052	4,567
CCM-7.4	6	0	6

Overview

Revenues	2024/25 in TEUR	2024/25 in %	2023/24 in TEUR	2023/24 in %
Absolute revenues	1,097,236	100.0	1,126,975	100.0
thereof taxonomy eligible	1,095,348	99.8	1,124,703	99.8
thereof taxonomy aligned	263,464	24.0	260,473	23.0

CapEx	2024/25 in TEUR	2024/25 in %	2023/24 in TEUR	2023/24 in %
Absolute capital expenditures	89,713	100.0	64,164	100.0
thereof taxonomy eligible	77,986	86.9	53,394	83.2
thereof taxonomy aligned	23,389	26.1	17,634	27.5

OpEx	2024/25 in TEUR	2024/25 in %	2023/24 in TEUR	2023/24 in %
Absolute operating expenditures	33,091	100.0	29,079	100.0
thereof taxonomy eligible	32,822	99.2	28,924	99.5
thereof taxonomy aligned	4,573	13.8	4,963	17.1

	Proportion of turnover/Total turnover		Proportion of CapEx/Total CapEx		Proportion of OpEx/Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective	Taxonomy-aligned per objective	Taxonomy-eligible per objective	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	24%	100%	26%	85%	14%	99%
CCA	0%	0%	0%	0%	0%	0%
WTR	0%	0%	0%	0%	0%	0%
CE	0%	0%	0%	2%	0%	0%
PPC	0%	0%	0%	0%	0%	0%
BIO	0%	0%	0%	0%	0%	0%

Turnover

Fiscal year	2024/25			Substantial Contribution criteria					
Economic Activities (1)	Code (2)	Turnover (3)	Proportion of Turnover, year 2024/25 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)
Text		TEUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1 Environmentally sustainable activities (Taxonomy-aligned)									
Manufacture of energy efficiency equipment for buildings	CCM-3.5	262,827	24%	Y	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of energy efficiency equipment	CCM-7.3	637	0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**263,464**	**24%**	**24%**	**0%**	**0%**	**0%**	**0%**	**0%**
Of which Enabling		263,464	24%	24%	0%	0%	0%	0%	0%
Of which Transitional		0	0%	0%					
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL
Manufacture of energy efficiency equipment for buildings	CCM-3.5	799,254	73%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of energy efficiency equipment	CCM-7.3	32,631	3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**831,885**	**76%**	**76%**	**0%**	**0%**	**0%**	**0%**	**0%**
A. Turnover of Taxonomy-eligible activities (A.1 + A.2)		**1,095,348**	**100%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
Turnover of Taxonomy-non-eligible activities		**1,888**	**0%**						
TOTAL		**1,097,236**	**100%**						

DNSH criteria ('Does Not Significantly Harm')									
Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1) or eligible (A.2) Turnover, year 2023/24 (18)	Category enabling activity (19)	Category transitional activity (20)
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
Y	Y	Y	Y	Y	Y	Y	23%	E	
Y	Y	Y	Y	Y	Y	Y	0%	E	
Y	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**23%**		
Y	Y	Y	Y	Y	Y	Y	23%	E	
Y	Y	Y	Y	Y	Y	Y	0%		T
							74%		
							3%		
							77%		
							100%		

CapEx (Capital Expenditure)

Fiscal year	2024/25			Substantial Contribution criteria					
Economic Activities (1)	Code (2)	CapEx (3)	Proportion of CapEx, year 2024/25 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)
Text		TEUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1 Environmentally sustainable activities (Taxonomy-aligned)									
Manufacture of energy efficiency equipment for buildings	CCM-3.5	22,567	25%	Y	N/EL	N/EL	N/EL	N/EL	N/EL
Operation of personal mobility devices, cycle logistics	CCM-6.4	269	0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL
Transport by motorbikes, passenger cars and light commercial vehicles	CCM-6.5	498	1%	Y	N	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM-7.4	18	0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM-7.5	37	0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**23,389**	**26%**	**26%**	**0%**	**0%**	**0%**	**0%**	**0%**
Of which Enabling		22,622	97%	97%	0%	0%	0%	0%	0%
Of which Transitional		498	2%	2%					
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL
Manufacture of energy efficiency equipment for buildings	CCM-3.5	13,277	15%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Transport by motorbikes, passenger cars and light commercial vehicles	CCM-6.5	4,938	6%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of energy efficiency equipment	CCM-7.3	936	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM-7.4	6	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM-7.5	23	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Acquisition and ownership of buildings	CCM-7.7	33,453	37%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Data processing, hosting and related activities	CCM-8.1	64	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Provision of IT/OT data-driven solutions	CE-4.1	1,900	2%	N/EL	N/EL	N/EL	N/EL	EL	N/EL
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**54,598**	**61%**	**61%**	**0%**	**0%**	**0%**	**0%**	**0%**
A. CapEx of Taxonomy-eligible activities (A.1 + A.2)		**77,986**	**87%**	**87%**	**0%**	**0%**	**0%**	**0%**	**0%**
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
CapEx of Taxonomy-non-eligible activities		**11,727**	**13%**						
TOTAL		**89,713**	**100%**						

DNSH criteria ('Does Not Significantly Harm')									
Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1) or eligible (A.2) CapEx, year 2023/24 (18)	Category enabling activity (19)	Category transitional activity (20)
Y/N		Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
Y	Y	Y	Y	Y	Y	Y	25%	E	
Y	Y	Y	Y	Y	Y	Y	1%		
Y	Y	Y	Y	Y	Y	Y	1%		T
Y	Y	Y	Y	Y	Y	Y	0%	E	
Y	Y	Y	Y	Y	Y	Y	0%	E	
Y	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**27%**		
Y	Y	Y	Y	Y	Y	Y	94%	E	
Y	Y	Y	Y	Y	Y	Y	4%		T
							21%		
							7%		
							2%		
							0%		
							0%		
							15%		
							0%		
							11%		
							56%		
							83%		

OpEx (Operating Expenditure)

Fiscal year	2024/25			Substantial Contribution criteria					
Economic Activities (1)	Code (2)	OpEx (3)	Proportion of OpEx, year 2024/25 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)
Text		TEUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1 Environmentally sustainable activities (Taxonomy-aligned)									
Manufacture of energy efficiency equipment for buildings	CCM-3.5	4,566	14%	Y	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM-7.4	6	0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**4,573**	**14%**	**14%**	**0%**	**0%**	**0%**	**0%**	**0%**
Of which Enabling		4,573	100%	100%	0%	0%	0%	0%	0%
Of which Transitional		0	0%	0%					
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL
Manufacture of energy efficiency equipment for buildings	CCM-3.5	26,388	80%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of energy efficiency equipment	CCM-7.3	129	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM-7.5	1,725	5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Data processing, hosting and related activities	CCM-8.1	6	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**28,249**	**85%**	**85%**	**0%**	**0%**	**0%**	**0%**	**0%**
A. OpEx of Taxonomy-eligible activities (A.1 + A.2)		**32,822**	**99%**	**99%**	**0%**	**0%**	**0%**	**0%**	**0%**
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
OpEx of Taxonomy-non-eligible activities		269	1%						
TOTAL		**33,091**	**100%**						

DNSH criteria ('Does Not Significantly Harm')									
Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1) or eligible (A.2) OpEx, year 2023/24 (18)	Category enabling activity (19)	Category transitional activity (20)
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
Y	Y	Y	Y	Y	Y	Y	17%	E	
Y	Y	Y	Y	Y	Y	Y	0%	E	
Y	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**17%**		
Y	Y	Y	Y	Y	Y	Y	100%	E	
Y	Y	Y	Y	Y	Y	Y	0%		T
							77%		
							1%		
							4%		
							0%		
							82%		
							99%		

1.2.2.2 E1 | Climate Change

This section outlines the Zumtobel Group's material IROs with respect to climate change, in particular GHG emissions. Information is also provided on the management of climate change and GHG emissions. The main sustainability matters are as follows:

E1 | Climate change

Climate change	*Acutal positive impact*	Maximise energy efficiency at customers site while using Zumtobel Group products, trend towards energy-efficient products as a requirement
	Acutal negative impact	Scope 1 & 2 GHG emissions: emitted during the production phase
		Scope 3 GHG emissions: upstream (materials) and downstream (use phase)
Energy	*Acutal negative impact*	Use of non-renewable energies along the supply chain
		Energy consumption through using products of the Zumtobel Group (customers' site)
		Energy consumption for manufacturing
	Risk	Political global actions may lead to rising energy costs

Sustainability strategy

By strategically anchoring the three pillars of Net-Zero, Circular Economy and Partner of Choice in its sustainability strategy, the Zumtobel Group has highlighted the role of these key sustainability matters. The aforementioned impacts, risks and opportunities cover a short-, medium- and long-term period. Information on the identified climate-related physical risks as well as the climate-related transition risks can be found below in SBM-3.

ESRS 2 SBM-3 | Resilience analysis

The Zumtobel Group operates on the basis of a robust business strategy that places a focus on long-term business success and sustainability. The Group-wide resilience analysis forms an integral part of the strategic management process and consequently of the integrated management system. Findings from this analysis may lead to adjustments to the strategy, business model and physical risks stemming from the assumed climate change scenario, as well as transition risks arising from the transition to a low-carbon economy.

As part of its context analysis and materiality assessment, the Zumtobel Group identifies and assesses material internal and external topics related to political, economic, sociocultural, technological, environmental and legal impact drivers as well as the requirements of its stakeholders. The assessment also involves identifying corresponding financial opportunities and risks, reviewing the business model and strategic direction, and defining and planning corresponding actions and activities.

Climate-related impacts on all lighting and components plants are directly identified in a climate risk and vulnerability assessment and reviewed on an annual basis. All current potential environmental circumstances that may affect the Zumtobel Group are evaluated at each location as part of the assessment. Actions that have already been implemented are also reviewed and new measures defined.

In terms of the strategic management process, the short-term time horizon for transition risks is defined as one financial year, the medium-term as 2-5 years and the long-term as 5-10 years. Two climate scenarios (4.5 and 8.5) are used to determine potential physical risks in the climate risk and vulnerability assessment. In terms of current climate impacts, the short-term time horizon is defined as one year and the medium-term as five years. The long-term time horizon is defined as 20 years and beyond. The long-term time horizon for physical risk therefore differs from the long-term time horizon for transition risks. This distinction is made in order to be able to identify and respond to potential impacts of climate change. The Zumtobel Group focuses on the five-year medium-term time horizon. The climate scenarios used are methodologically consistent with the financial report.

Climate-related physical risks

At the time this report was being created, the assessment of the Zumtobel Group's production facilities did not indicate exposure to any material climate-related physical risks. Increased precipitation intensity, flooding and hail currently represent potential physical risks and are covered by an insurance policy. Appropriate action is being taken to address these risks. Potential impacts such as damage to assets, disruptions in procurement, or production stoppages have also been taken into account. All ISO 14001-certified locations have prepared a hazard prevention plan which includes procedures to manage climate and other risks.

An analysis of the long-term climate scenarios showed an increase in the number of hot days, dry periods and an increase in the number and intensity of extreme weather events but did not identify any major risks or need for short-term action. The analysis of the physical risks at all locations showed that the Zumtobel Group is not materially affected by climate change. With regard to the value chain, there is a potential risk of disruptions in the upstream value chain due to extreme weather events.

Climate-related transition risks and assessment of the Group's strategy and business model

Political and legal developments have led to an increase in reporting and disclosure requirements that has been accompanied by stricter legislation, e.g. on the reduction of emissions. These developments were proactively included and assessed in the context and materiality analysis of the management system and followed by the timely implementation of appropriate action. Targets were formulated to reduce emissions, and reduction measures to reach Net-Zero have already been defined and implemented. The Zumtobel Group is exposed to the risk of volatile energy prices. However, this risk does not negatively impact the company's strategy and business model. Due to political and legal changes, carbon pricing for materials such as steel and aluminium could present another future transition risk. Other potential risks result not only from market trends but also from customer demands for environmentally friendly products and services and the inclusion of a company's sustainability performance in purchase decisions. In addition to expanding the offering of energy-efficient products and sustainable services, the Zumtobel Group pursues a strategy that is designed to continuously develop and improve its sustainability performance along the entire value chain. The Group's reputation could potentially be harmed if products and services are not sustainable or are perceived as not sufficiently sustainable. Communication that is neither credible nor fact-based can lead to a loss of confidence. In light of this, the Zumtobel Group attaches great importance to exclusively fact-based communication on sustainability and environmental issues.

Two trends can be observed in relation to sustainability data: For one, efforts made by legislators and associations to standardise data and, for another, transparency requirements imposed by national or regional initiatives that are difficult to fulfil. Examples of standardisation efforts include the Ecodesign for Sustainable Products Regulation (ESPR) at the product level or the Energy Performance of Buildings Directive (EPBD) at a building level. In order to meet customers' requirements, the environmental impact of products is systematically documented by independently validated environmental product declarations. The progress made by the Zumtobel Group in improving its sustainability performance can be seen, for example, in the external EcoVadis rating. In the transition to a decarbonized economy, potential risks are met with significant opportunities.

The material internal and external issues identified did not give rise to any material risks from transition events with a significant impact on the Zumtobel Group's assets and business activities. The risks arising from the transition events have been assessed. Corresponding actions are defined and planned and are implemented on an ongoing basis according to the priorities set.

Transition events have been considered up to a time horizon of ten years. No noteworthy changes in climate-related impacts have been ascertained in the climate scenarios applied for this period. No assets and business activities have been identified that are incompatible with a transition to a climate-neutral economy or that require significant effort to be compatible with a transition to a climate-neutral economy. The climate risk and vulnerability assessment of the lighting and components plants is taken into account accordingly by the insurance policy in the impairment test in the financial reports.

E1-1 | Transition plan for climate change mitigation

The Zumtobel Group supports the goals set in the 2015 Paris Agreement and has consequently committed to the Science Based Targets initiative (SBTi) in 2023. In autumn 2024, SBTi validated the Zumtobel Group's emission reduction targets. This encompasses the target of reaching Net-Zero in all three Scopes by 2050. See E1-4 for more details.

The following description lists the key decarbonisation levers that will be rolled out in the coming years in order to reduce emissions.

Scope 1 and 2: Direct and indirect emissions from own operations

>> Decarbonisation lever 1: Gradual transition of the company fleet to electric vehicles
Replacing conventional vehicles with electric or other low-emission propulsion systems will reduce direct (Scope 1) emissions generated by the vehicle fleet. The Zumtobel Group aims to double its number of electric vehicles compared with the 2024/25 financial year. The Zumtobel Group does not expect to incur any significant additional costs as a result of this transition

>> Decarbonisation lever 2: Further expansion of renewable energy at non-European plants
Transition to electrical energy from renewable sources at international production sites is a key lever for reducing Scope 2 emissions. Fossil fuels will be replaced by wind, solar, or hydropower.

Scope 3: Indirect emissions from the value chain

- **Decarbonisation lever 3:** Sustainable procurement strategy
  The Zumtobel Group is increasingly focussing on the procurement of sustainable raw materials and recycled secondary materials. The selection of sustainable suppliers reduces upstream emissions. However, the effectiveness of this action depends on technological advances and their commercial availability. At this time, it is not yet possible to reliably estimate the potential future additional costs for the Zumtobel Group arising from a change in the main suppliers of recycled secondary materials. Given the long-term time horizon and the currently unclear implementation pipeline, cost estimates have intentionally been omitted in this regard.

- **Decarbonisation lever 4:** Increasing the energy efficiency of the product portfolio
  More energy-efficient products reduce emissions during the use phase by customers. This is a key lever as the vast majority of emissions is generated by the use of sold products. In light of this, the Zumtobel Group is focussing on further increasing energy efficiency. However, the potential of this lever is subject to physical limitations. The Zumtobel Group's ability to exert influence lies in continually increasing the sales volume of more energy-efficient products.

- **Decarbonisation lever 5:** Increase in the share of dimmable products in the product portfolio
  Dimmable lighting allows end customers to control their energy consumption as required and thereby reduce consumption and the associated emissions. One of the Zumtobel Group's goals is to continually increase the share of these products sold.

- **Decarbonisation lever 6:** Decarbonisation of the energy mix (passive action)
  Greening the grid is an external yet significant factor. The Zumtobel Group benefits from the increasing availability of renewable energy in the grid, which further reduces indirect emissions generated from the use of products by customers. This action lies outside the sphere of influence of the Zumtobel Group but is nevertheless a decisive factor when it comes to target attainment. Based on the latest forecasts from the European Environment Agency (EEA), the Zumtobel Group is expected to achieve its set climate targets – provided that the EU implements the planned decarbonisation of the power grid to the extent envisaged.

Locked-in emissions

Locked-in emissions generated by the Zumtobel Group arise primarily from the sale of products. Gradual adjustments to product design under the Circular Design Rules (CDRs) will be reflected in the GHG footprint over the long term through lower Scope 3.1 emissions (purchased goods and services). The establishment of a circular economy harbours the potential to significantly reduce locked-in emissions. Products designed for prolonged use, repairability and reuse reduce the need for raw materials and related emissions.

Financial resources allocated to the Climate Transition Plan are described in more detail under E1-3 Financial resources for action plans. At the time of reporting, both operating and capital expenditure are considered insignificant from a financial perspective. As a result, a link to the corresponding EU Taxonomy KPIs cannot be established. In the 2024/25 reporting period, there were no significant investments in activities related to coal, oil or natural gas. The Zumtobel Group is not exempt from the EU Paris-aligned benchmarks.

The Climate Transition Plan is embedded in both the general corporate strategy FOCUSED[+] – the 'E' standing for Environment & Engaged Employees – and in the sustainability strategy. Moving forward, the timing of the Climate Transition Plan and the financial planning will be synchronised.

Both the transition plan and the actions derived from it were defined in close coordination with the specialist departments in the fourth quarter of the 2024/25 financial year. The Management Board has approved the Climate Transition Plan. Continuous progress can be expected from the 2025/26 financial year onwards. The Zumtobel Group analyses the entire value chain with respect to material decarbonisation actions.

E1-2 | Policies related to climate change mitigation and adaptation

The FOCUSED[+] strategy sets the strategic direction of the Zumtobel Group. Environmental issues are incorporated in the Zumtobel Group's sustainability strategy through the letter E – Environment and Engaged Employees – and in the Group's integrated management system. As a result, the material impacts, risks and opportunities related to climate change mitigation and adaptation are considered to be of significant importance within the Group.

Environmental- and energy policy

An active environmental and energy management system forms an integral part of the Zumtobel Group's integrated management system. The environmental and energy policy lays down principles and objectives related to environmental protection and energy efficiency. These principles serve as a guide for the Group's own workforce in their day-to-day activities, thereby also raising awareness of the need to use resources sustainably. The Group's environmental and energy policy have been approved by the Management Board and can be found on the Group's website for all internal and external stakeholders. Operational implementation is driven by global and local management teams. However, all employees contribute to achieving the environmental and energy targets.

ISO 14001 and 50001 certifications

By receiving ISO 14001 and ISO 50001 certificates, accredited certification partners have verified the effectiveness and continuous improvement of the integrated management system in place within the Zumtobel Group.

With its environmental policy, the Zumtobel Group is committed to actively contribute to mitigating climate change. Environmental impacts on the Group form an integral part of the ISO 14001 standard, which is why climate change and climate change adaptation are relevant aspects of the Zumtobel Group's environmental policy. Climate change is taken into account and documented in the climate risk analysis.

The Zumtobel Group considers that ongoing improvement of energy-related performance and increasing the share of renewable energy will make a major contribution to careful, efficient use of resources.

The Zumtobel Group not only demonstrates its efforts to improving sustainability performance in its own business activities but is continually expanding its commitment to due diligence in relation to environmental and energy impacts throughout the value chain.

Science Based Targets initiative (SBTi)

By committing to the Science Based Targets initiative, the Zumtobel Group has also underscored its commitment to achieving the target of keeping global warming below 1.5 degrees. Implementation and compliance are consistently adhered to with the help of a transition plan and are continuously promoted by the Group and all of its business partners. The obligation to reduce emissions and achieve targets in accordance with SBTi is laid down in the Code of Conduct for the Group's own workforce. By requiring all business partners throughout the value chain to sign the Code of Conduct for Business Partners, the Zumtobel Group has also incorporated its business partners into its environmental responsibility. The codes of conduct fall under the responsibility of the Management Board.

E1-3 | Actions and resources in relation to climate change policies

Projects and continuous improvement in the 2024/25 financial year

The actions outlined below were initiated in the 2024/25 financial year.

Dornbirn (DO): Two soldering machines in the components plant have been replaced by a new, modern, energy-efficient soldering unit and are in the process of being installed and implemented. An energy management software package for analysing and reducing energy consumption has been rolled out at both the components plant and the lighting plant. Compared with the previous financial year, the components plant succeeded in reducing its total energy consumption by 3% (previous year 3,415 MWh; reporting year: only 3,299 MWh).

In the lighting plant, heating, cooling and ventilation management have been adapted to production and shift planning. Machinery and systems are shut down on non-working days to optimise energy consumption. A smart control system has also been installed for the air compressors. Low-temperature powder coatings are now used in the coating process over four production days to reduce the firing temperature. This saved 1% of total energy at the Dornbirn lighting plant. The Zumtobel Group expects that it could save up to 10% compared with the same months in the previous year. In April, for example, energy consumption per burner runtime was reduced from 604 kWh to 518 kWh. Optimisation of the air compressors lowered energy consumption in kWh/m^3 by up to 10% in the last four months of the financial year. These actions facilitated total CO_2e-emissions reductions of 24% at the lighting and components plant. (previous year: 755 t; reporting year: 571 t)

Lemgo (DE): In Lemgo, the air supply for the wet paint aggregate has been converted to district heating. Two new energy-efficient injection moulding machines requiring 25% less energy were installed. The offices have been equipped with the latest energy-efficient lighting. These changes and optimisations led to a CO_2e-emission reduction of 29% to 157 t (previous year: 219 t).

Niš (RS): In Niš, heating, cooling and ventilation management have been adapted to production and shift planning. Machinery and systems are shut down on non-working days to optimise energy consumption. The gas boilers were also cleaned to improve their energy efficiency. These improvements have contributed to a more conscious use of energy in day-to-day operations. In the lighting plant, low-temperature powder coatings are now used in the coating process to reduce the firing temperature. The measures at the Niš site achieved savings of 111 t, which corresponds to a reduction of 11%.

Shenzhen (SHZ): The share of green energy at the Shenzhen plant has been improved from 29% to 46% in the 2024/25 financial year. The compressed air system has also been optimised, leading to significant energy savings. A wave soldering machine, a cooling unit and a reflow system were replaced by new, energy-efficiency equipment. These improvements reduced CO_2e-emissions at the site by 14% (reporting year: 1,736 t; previous year: 2,019 t).

Spennymoor (UK): A photovoltaic system is being installed on the roof and is expected to be commissioned in June 2025. This installation allows the production plant itself to generate up to 2 GWh per year. In the components plant, four soldering machines have been replaced by two new, more energy-efficient models, resulting in energy savings of 50%. The nitrogen generator was also replaced and the number of wave soldering machines reduced. Optimisation of the powder coating aggregate has reduced gas consumption at the lighting plant by 17%. Numerous measures have been implemented to reduce the consumption of heating energy in production. The above optimisations at the Spennymoor site have reduced CO_2e by 209 t (total emissions in the reporting year: 941 t, previous year: 1,150 t).

Roadmap for reducing emissions by 2030

Climate Transition Plan (CTP)

The roadmap for reducing GHG emissions is based on the Climate Transition Plan (CTP). The objectives have been defined in close cooperation with the relevant specialist departments and are being systematically pursued. The focus in this regard is on significant sources of emissions, particularly emissions related to the use of the Zumtobel Group products as well as the upstream emissions from the purchase of raw materials. Reduction targets are agreed on an annual basis for Scope 1 and Scope 2 emissions in order to achieve specific savings potential. All reduction measures for Scope 3 emissions are applicable to the entire Group and have been developed in collaboration with the relevant specialist departments. The roadmap is a strategic guide that systematically maps both operational measures and long-term structural changes.

The list below outlines the main emission decarbonisation levers that will be rolled out incrementally over the upcoming financial years until 2030. A description of these key levers is provided under E1-1.

Scope 1 and 2: Direct and indirect emissions from own operations

>> The Zumtobel Group is focussing on doubling the number of electric vehicles in its vehicle fleet by 2030. This action was launched in the 2024/25 financial year and will be implemented on an ongoing basis over the coming years. Greenhouse gas emission reductions resulting from this action are expected to amount to approximately 300 tCO_2e per year.

>> Transition of the Shenzhen component production plant to 100% electrical energy from renewable sources by 2030. This action was initiated in 2024 and will be achieved by increasing the share of electrical energy in the energy mix each year. The expected greenhouse gas emission reduction compared with the base year (2020/21) for Scope 1 & 2 emissions amounts to roughly 3,900 tCO_2e.

Scope 3: Indirect emissions from the value chain

>> Sustainable procurement strategy for the entire Zumtobel Group. The anticipated reduction in greenhouse gas emissions under this action amounts to around 42% of the product related purchased materials compared with the base year for Scope 3 (2022/23).

>> Increased efficiency of the Zumtobel Group's entire product portfolio.

>> Increase in the dimmable share among the Zumtobel Group's entire product portfolio.

>> Passive action: decarbonisation of the energy mix. As a result of this action, the Zumtobel Group expects to reduce Scope 3 GHG emissions by around 44% compared with the base year (2022/23).

The Zumtobel Group's implementation of actions in relation to the Climate Transition Plan depends in part on the availability and allocation of external financing as well as on the technological development of the Group's business partners.

Financial resources for the Climate Transition Plan

The Climate Transition Plan represents a long-term action plan for the Zumtobel Group. Reduction targets for Scope 1, 2, and 3 GHG emissions were set as milestones for the period up to 2030. The financial resources allocated to the Climate Transition Plan cover the operating expenditure (OpEx) and capital expenditure (CapEx) required for the current reporting period as well as for the short-, medium- and long-term future up to the projected achievement of the reduction targets in 2030. From a financial perspective, the operating expenditure and capital expenditure required to implement the Climate Transition Plan are not considered significant at the time of reporting. However, future expenditure is contingent on the development of external market factors and is therefore subject to a degree of uncertainty.

E1-4 | Targets related to climate change mitigation and adaption

SBTi validated targets

As a global manufacturing company, the Zumtobel Group is committed to reducing its impacts on climate change. In light of this, the Group is committed to reducing emissions throughout the value chain to Net-Zero by 2050. Science-based targets require an annual emission reduction of 4.2%. This reduction is directly linked to the goal of limiting global warming to 1.5 degrees set forth in the Paris Agreement. With regard to the SBTi targets, the Zumtobel Group bases its progress on two base years: 2020/21 for Scopes 1 & 2 and 2022/2023 for Scope 3. Base years are selected based on the availability of the data required to calculate emissions.

The emission reduction targets of the Zumtobel Group validated by the SBTi initiative are as follows:

- E1-4 T1: To reduce absolute Scope 1 and 2 emissions by 66% by 2030 compared with the 2020/21 base year (baseline: 21,496 tCO_2e).
- E1-T2: To reduce absolute Scope 3 emissions by 42% by 2030 compared with the 2022/23 base year (baseline: 16,903,947 tCO_2e).
- E1-T3: Net-Zero | To reduce absolute Scope 1 and 2 emissions by 90% by 2050 compared with the 2020/21 base year (baseline: 21,496 tCO_2e).
- E1-T4: Net-Zero | To reduce absolute Scope 3 emissions by 90% by 2050 compared with the 2022/23 base year (baseline: 16,903,947 tCO_2e).

The share of the stated emission reduction targets in Scope 1 and 2, both for the target year 2030 and for the net-zero target in 2050, relates to 20% of Scope 1 and 80% of Scope 2. The Scope 2 target includes market-based emissions.

In addition, the Zumtobel Group has set an emission reduction target of 9,000 tonnes of CO2e for Scope 1 and 2 emissions for the 2025/26 financial year (from 8,701 tonnes of CO_2e in 2024/25) as well as a 3% energy savings target for 2025/26. These targets take into account a production volume increase of 10% for the lighting plants and 4.9% for the components plants. As far as increasing the share of renewable energy in the energy mix is concerned, the Zumtobel Group has set itself the goal of raising the share to 63.7% by 2025/26. At present, the share amounts to 63.0%. No stakeholders outside the Zumtobel Group were included in these defined targets.

Targets achieved in 2024/25

Target attainment in the previous years solely relates to the production sites (not including the sales offices).

- Emissions: The emission reduction target of 9,500 tonnes of CO_2e for Scope 1 and 2 emissions was exceeded with a 9% year-on-year reduction in CO_2e-emissions achieved. This target relates to production sites and is based on the calculation methodology from the previous year without the shift of emissions from Scope 3.8 to Scope 1 and 2 and Scope 3.3 in accordance with ESRS requirements pursuant to E1-6, AR 46(h)ii.
- Renewable energy: The target of increasing the share of renewable energy in the energy mix at production sites to 65% was not fully achieved. At 63.0%, the share of renewable energy still improved substantially from 60.5% in the previous year (2023/24).
- Energy consumption: At 84,058 MWh (figure not including sales offices), the target of reducing energy consumption to below 82,000 MWh was not fully achieved. However, the lighting brands and Tridonic achieved their target and also improved energy intensity in production. The vehicle fleet consumed 2,000 MWh more energy than in the previous year.

E1-5 | Energy consumption and mix

The metrics listed below concerning energy consumption and energy mix include the five Zumtobel Group production sites, including the three management sites for the lighting brands in Dornbirn. The entire fleet was documented and included in the figures. In accordance with the CSRD, global sales offices were also included for the first time in the 2024/25 reporting year. The figures have not been cross-checked by any external parties.

Volume-based consumption at the production plants is documented by the site managers in the central environmental report and monitored by Global Quality. Consumption figures are taken from invoices or from the reporting system. The classification of consumption into renewable and non-renewable energy is based on the energy source: for instance diesel, which is fossil and non-renewable. For electricity, the composition provided by the supplier is used.

Country-specific residual mix data is used to categorise the energy used by the sales offices in accordance with the Greenhouse Gas Protocol (GHGP). The European Residual Mix data published by the Association of Issuing Bodies (AIB) for European countries was used as the source for the percentage allocation of volume-based data. The allocation for non-European countries is based on data published by the International Energy Agency (IEA). These sources distinguish between electricity consumption from fossil fuels (coal, petroleum, natural gas, or other) and nuclear energy, as well as purchased or acquired electricity from renewable sources. The coverage rate for electricity consumption is 97% of the square meters in use. These consumption figures are extrapolated to the total usable area (in square meters). In terms of fuel consumption, consumption is directly allocated to the respective fuel types (oil, gas and district heating). For sales offices where operating costs are included in the rent, the allocation is based on a worst-case scenario for consumption involving gas.

Consumption of self-generated non-fuel renewable energy includes energy generated by the Group's own photovoltaic installations. The Zumtobel Group generated 1,409 MWh of renewable energy in the 2024/25 financial year.

Energy consumption and mix in MWh	2024/25
Fuel consumption from coal and coal products	0
Fuel consumption from crude oil and petroleum products	11,366
Fuel consumption from natural gas	17,579
Fuel consumption from other fossil sources	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	4,413
Total fossil energy consumption	**33,358**
Share of fossil sources in total energy consumption [%]	*37%*
Consumption from nuclear sources	**920**
Share of consumption from nuclear sources in total energy consumption [%]	*1%*
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	2,054
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	52,060
Consumption of self-generated non-fuel renewable energy	1,409
Total renewable energy consumption	55,522
Share of renewable sources in total energy consumption [%]	*62%*
Total energy consumption	**89,801**

Energy intensity per net revenue	2024/25
Total energy consumption from activities in high climate impact sectors per net revenue [MWh/million EUR]	81.85
Net revenue [million EUR]	1,097.20

As a manufacturer of lighting equipment (NACE code C27.40), the Zumtobel Group operates in a sector with a high climate impact as defined by Commission Delegated Regulation (EU) 2022/1288. Accordingly, all activities are included in the calculation of total energy consumption and net revenue. Please consult the 'Revenue' item in the consolidated income statement (page 109, section "1.3.2 The development of business") for more information on net revenue.

E1-6 | Gross Scopes 1, 2, 3 and Total GHG emissions

The Zumtobel Group calculates Scope 1, 2 and 3 GHG emissions using the following formula from the GHGP Standard: *GHG = activity data x emission factor.*

Scope 1 & 2
The emission factors and the CO_2e-emissions required to calculate Scopes 1 & 2 are identified and made available on a global scale. The database used for this can be seen in the table below. The corresponding calculation methodology as well as the associated sources used for emission factors can be found in the table below. The aim when calculating emission factors and CO_2e-emissions is to obtain a verifiable figure and to record the supporting documentation behind this figure. If changes occur during the year, they are recorded and evidenced.

Leased assets previously reported under Scope 3.8 are now classified under Scopes 1 & 2 if the Zumtobel Group exercises operational control over the sites in question. To ensure data comparability, the data is calculated back to the base year. The calculation methodology is specified in the global Environmental Report, according to which the energy consumption in MWh is multiplied by the emission factor in t/MWh.

The market-based emissions of the Zumtobel Group at the production sites comprise the following contractual instruments: The EECS (European Energy Certificate System) accounts for 18%, REGO (Renewable Energy Guarantees of Origin) for 13%, GEC (Green Electricity Certificate) for 2% and Guarantees of Origin (GO) for 2%; guarantees of origin for hydropower from Austria are also available for 48% of market-based emissions.

In the 2024/25 financial year, Zumtobel Group's biogenic emissions (for district heating in scope 2) amounted to 1,783 tCO_2e.

Scope 3
The Zumtobel Group reports on a total of eleven categories from Scope 3. Relevant activity data is collected for this purpose. The factors required to calculate emissions are obtained from recognised sources. The corresponding calculation methodology as well as the associated sources used for emission factors can be found in the table below.

There are two categories of Scope 3 emissions which account for 99% of total Scope 3 emissions: Scope 3.1 'Purchased goods and services' and 3.11 'Use of sold products'. The Zumtobel Group does not use any calculation tools to determine Scope emissions.

The exact calculation methodology and any assumptions made when calculating Scope 1, 2 and 3 emissions are outlined in the table below.

Scope category	Calculation methodology of the emissions	Data source
Scope 1	The calculation methodology is described in the global Environmental Report: energy consumption in MWh recorded by the respective sites is multiplied by the emission factor tCO_2e/MWh, which is defined globally. As far as the vehicle fleet is concerned, the litres of fuel used to fill the tanks of company vehicles are recorded and converted into MWh using the respective calorific value of the fuel.	Ecoinvent. UBA
Scope 2 Market-based	The calculation methodology is described in the global Environmental Report: energy consumption in MWh (volume-based) recorded by the respective sites is multiplied by the emission factor tCO_2e/MWh, which is defined globally. Excluded from this are the emission factors for calculating district heating and electricity, which are market-based and determined and defined locally by the locations. Energy for electric vehicles is available directly in kWh. This figure is subsequently multiplied in the same way by the respective emission factor of the energy source, which is defined globally.	Ecoinvent. UBA
Scope 2 Location-based	The calculation methodology is described in the global Environmental Report: energy consumption in MWh (volume-based) recorded by the respective sites is multiplied by the emission factor tCO_2e/MWh, which is defined globally. Energy for electric vehicles is available directly in kWh. This figure is subsequently multiplied in the same way by the respective emission factor of the energy source, which is defined globally.	Ecoinvent.

Scope category	Calculation methodology of the emissions	Data source
Scope 3.1	The emissions calculation for Scope 3.1 is broken down into product-related (PR) and non-product-related (NPR) goods and services. Product-related emissions are calculated based on the weights of the purchased product groups. To ensure consistency, the emission factors from the same system used to calculate environmental product declarations are used. At present, calculations are based on secondary data. Emissions produced by non-product-related goods and services are calculated using the spend-based method. Each product group is given an emission factor based on the assigned SIC (Standard Industrial Classification). For Scope 3.1 NPR, the accuracy of the emissions calculation has been significantly increased by calculating emissions according to individual product groups. This has made it possible to record the respective emissions with greater accuracy and identify hotspots. In addition, double-counting is avoided by excluding data that has already been included in other Scopes.	Sphera, CaDI
Scope 3.2	Emissions from purchased capital goods are also calculated using the spend-based method. Emission factors are determined in accordance with the SIC.	CaDI
Scope 3.3	The calculation methodology is described in the global Environmental Report: energy consumption in MWh recorded by the respective sites is multiplied by the emission factor t/MWh, which is defined globally. Scope 3.3 Fuel and energy-related activities is now included in the calculation. The inclusion of this additional category captures further indirect emissions that were not previously taken into account.	Ecoinvent.
Scope 3.4	Emissions are calculated based on the actual distances travelled, the weights transported and the mode of transport used (e.g. lorry, rail, ship, air). This is achieved by multiplying the mass, distance and specific emissions factor, so that transport-related emissions can be calculated separately for each mode of transport.	Exiobase 3
Scope 3.5	Emissions from production waste are calculated for the three fractions of recyclable waste, residual waste and hazardous waste.	Ecoinvent.
Scope 3.6	Scope 3.6 emissions are calculated using the travel booking system, which collects the data according to mode of transport (flight, car, train). Since not all business segments are integrated into the booking system, the calculated emissions are then extrapolated from the actual travel costs paid depending on the mode of transport. Overnight stays are not taken into account.	Ecoinvent.
Scope 3.7	Scope 3.7 emissions are calculated on the basis of an employee survey to record the modes of transport used as well as the distances between home and work. Data obtained in this manner is then extrapolated to the entire workforce in order to determine the total emissions from employee commuting.	Ecoinvent.
Scope 3.8	Leased assets previously reported under Scope 3.8 are now classified under Scopes 1 & 2 if the Zumtobel Group exercises operational control over the sites in question. Emissions from leased warehouses will be categorised under Scope 3.4 in the future. As a result, category 3.8 will cease to be included from this reporting period onwards. To ensure data comparability, the data is calculated back to the base year.	-
Scope 3.9	Scope 3.9 emissions are calculated through extrapolation based on the logistics costs incurred or the load volume. The calculation is based on the costs and/or the volume transported, and the emissions from Scope 3.4 are extrapolated accordingly.	-
Scope 3.10	Scope 3.10 emissions (Processing of sold products) are negligible for the Zumtobel Group's products.	-
Scope 3.11	The calculation of Scope 3.11 emissions was adjusted as part of this year's sustainability reporting. Reporting now takes place on the basis of country-specific energy mixes in order to more accurately reflect actual emissions. In addition, energy consumption is calculated over the entire service life of the luminaires sold in the respective application. This makes estimation of environmental impacts more accurate.	Ecoinvent.
Scope 3.12	The emissions calculation for Scope 3.12 emissions follows the same principle as for Scope 3.1 PR.	Sphera
Scope 3.13 & Scope 3.14	In light of the Zumtobel Group's business activities, categories 3.13 (Downstream leased assets) and 3.14 (Franchises) are not applicable to the Zumtobel Group.	
Scope 3.15	Emissions are calculated on the basis of the spend-based method. The proportionate revenue of the Zumtobel Group is calculated. As the Group operates in the same industry, the emission factor is calculated from the corporate carbon footprint and the Zumtobel Group's revenue.	intern

Total GHG emissions in tCO_2e	Base year[6]	Retrospective 2023/24	2024/25	Milestones & target years Target 2030	Target 2050
Scope 1 GHG emissions					
Gross Scope 1 GHG emissions	5,144	n/a	6,786	(66%)	(90%)
Percentage of Scope 1GHG emissions from regulated emission trading schemes [%]	-		*0%*		
Scope 2 GHG emissions					
Gross market-based Scope 2 GHG emissions	16,352	n/a	2,915		
Gross location-based Scope 2 GHG emissions	21,304		18,242		

Significant scope 3 GHG emissions					
Total Gross indirect (Scope 3) GHG emissions	16,903,947	n/a	13,457,851		
Scope 3.1 Purchased goods and services	295,527	n/a	397,037	(42%)	(90%)
Scope 3.2 Capital goods	3,083		3,824		
Scope 3.3 Fuel and energy-related activities (not included in Scope 1 or Scope 2)	6,951		5,911		
Scope 3.4 Upstream transportation and distribution	12,080		11,207		
Scope 3.5 Waste generated in operations	2,542		2,542		
Scope 3.6 Business travel	1,255		1,519		
Scope 3.7 Employee commuting	3,969		4,629		
Scope 3.9 Downstream transportation	643		308		
Scope 3.11 Use of sold products	16,547,368		12,997,789		
Scope 3.12 End-of-life treatment of sold products	30,510		33,060		
Scope 3.15 Investments	19		25		

Total GHG emissions					
Total GHG emissions (market- based)	16,930,394	n/a	13,467,552		
Total GHG emissions (location- based)	16,925,443	n/a	13,482,878		

GHG intensity per net revenue	2024/25
Total GHG emissions (market-based) per net revenue [tCO_2e/million EUR]	12,274
Total GHG emissions (location-based) per net revenue [tCO_2e/million EUR]	12,288
Total net revenue [million EUR]	1,097.20

[6] Base year for Scopes 1 & 2: FY 2020/21 & base year for Scope 3: FY 2022/23

1.2.2.3 E5 | Resource use and circular economy

This section outlines the Zumtobel Group's material IROs in relation to resource use and circular economy, including the way in which they are managed.The main sustainability matters are as follows:

E5 | Resource use and Circular Economy

Resources inflows, including resource use	*Actual negative impact*	Usage and exploitation of primary resources
Waste	*Actual negative impact*	Waste generated during upstream supply chain and own operations, packaging and disposal

The aforementioned impacts, risks and opportunities cover a short-, medium- and long-term period. The disclosures that describe the process for identifying the impacts, risks and opportunities associated with E5 can be found under ESRS 2.

E5-1 | Policies related to resource use and circular economy

The second pillar of the Zumtobel Group's sustainability strategy is dedicated to the topic of circular economy. The Zumtobel Group strives to ensure that material resources are handled in a responsible manner and that the product development process becomes increasingly sustainable. This explains why circular economy aspects are given top priority right from the earliest stages of product development.

With the Environmental Policy previously referenced under E1-2, the Zumtobel Group is committed not only to actively contributing to climate change mitigation, but also to continuously reducing waste and implementing fundamental circular economy practices. These sustainability matters are incorporated in the ISO 14001 certifications for the production sites in the integrated management system.

Circular Design Rules (short: CDRs)

In order to fully integrate circular economy into the product development process, the Group also developed an internal tool named Circular Design Rules (CDRs) to design products for the different cycles. This also goes hand in hand with systematically reducing reliance on primary raw materials, cutting down on waste and optimising circular processes.

Policies related to resource use

With its increasing focus on circularity, material procurement represents a fundamental strategic component of sustainable procurement. One way the Zumtobel Group is working to improve circularity is by actively collaborating with suppliers to record and increase the share of recycled materials. An initiative to increase the use of renewable materials has been launched and intensive research conducted into materials made of renewable resources. The aim behind requiring suppliers to sign the Code of Conduct for Business Partners is to help them promote resource-friendly practices in the upstream value chain. The most senior level in the Zumtobel Group's organisation, the Management Board, is accountable for the Code of Conduct for Business Partners, which applies throughout the entire Group.

The Zumtobel Group's internal Environmental Policy addresses issues such as waste prevention and reduction, and the alignment of the Group and products with circular economy rules. This applies to the entire value chain in the product's development process as well as to the product life cycle.

Policies related to circular economy

With its Circular Design Rules (CDRs), the Zumtobel Group has an effective and operational tool at its disposal which helps to make the development of luminaires incrementally more circular, transitioning to a circular economy.

The Circular Design Rules are applied throughout the product development process for the Zumtobel and Thorn lighting brands. They consist of three main pillars:

- Circular Sourcing
- Circular Design
- Circular Systems

By applying the CDRs, in particular Circular Sourcing and Circular Systems, both the upstream and downstream value chain are taken into account. Related actions are described in more detail under E5-3.

Material use, design, and preparation and reuse options make it possible to move away from the consumption of primary resources and to instead plan in and increasingly use secondary resources. The Circular Design Rules are a tool that systematically align product development with a circular economy. Negative environmental impacts from primary material consumption and generated waste are mitigated through the implementation of the Zumtobel Group's circular economy strategy (application of CDRs, implementation of circular business models). The Group Sustainability department is working together with the specialist departments to advance the strategy. Related activities are monitored by the Management Board. Preventive actions to avoid waste generation are pursued through the use of recycled materials and recyclable materials and by aligning product concepts with circular economy scenarios at the end of the first use phase.

In the context of circular systems under the CDRs, the circular economy scenarios follow a cascading use principle that preserves as much value as possible and include options for: Maintenance, upgrade, repair and refurbishment, Reuse and remanufacturing, and Recycling

The reusability of both the materials and the product is calculated and evaluated at the start of product development phase. By prioritising the use of recyclable as well as separable materials and components in the product, the Zumtobel Group aims to reduce the generation of residual waste at the end of the life cycle where possible.

The focus here is on preventing and reducing waste along the entire value chain used to create products and services as well as in relation to the entire product life cycle. At the production plants, priority is given to preventing and reducing all materials related to production, separating waste and recycling the waste generated. Various solutions within the circular economy cascades are prioritised for the products and their application:

- Maintenance, Upgrade, Repair & Refurbishment: Lighting brands Zumtobel and Thorn offer various spare parts to extend the life of the luminaires at customer sites. The luminaires are designed to make it as simple as possible to dismantle them and easily insert spare parts. Examples of products include TECTON, PANOS, VIVO 2 from Zumtobel Lighting and Avenue, College by Thorn Lighting

- Reuse & Remanufacturing: Pilot projects lay the foundation for future services such as remanufacturing options. The goal here is to reprocess as many used components and materials as possible and subsequently use them in new production. Designing and engineering the luminaires in a way that permits this is a prerequisite and is considered in the context of the CDRs during the design phase for the products. The new TECTON II generation featuring a remanufacturing option is available in the retail segment for the first time. Over the coming years, remanufacturing options will be available for other products as well.

- Recycling: The Zumtobel Group is subject to the EU WEEE Directive and is therefore financially responsible for the disposal of its electrical equipment. Its contribution helps support the infrastructure for collecting and recycling electronic equipment. Waste is registered and reported in accordance with national regulations in order to promote environmental protection and the recovery of valuable resources.

E5-2 | Actions and resources related to resource use and circular economy

All actions are monitored and assessed in line with the defined target settings. Both human and financial resources are available for implementing actions. The human resources associated with resource use at the Zumtobel Group are provided by the Global Purchasing department. Employees from Group Sustainability, Global Quality and Product Management cover the personnel requirements associated with circular economy.

Actions related to resource use and waste

The Zumtobel Group strives to use raw materials sparingly and to recycle materials. Efficiently use of materials and minimisation of waste as well as unnecessary scrap are important factors in this regard.

Waste management governed by local waste management policies at the production sites forms a key component of the environmental management systems, meets the necessary legal obligations and is continually refined. Each production site has appointed a waste officer, follows documented processes and makes detailed records required by law for all waste generated and its transportation. The metrics for waste contain the waste generated in tonnes and are split into the categories of recycled waste, residual waste and hazardous waste.

Projects and continuous improvement in 2024/25

Dornbirn (AT): A partner was found to recycle powder waste produced by powder coating at the lighting plant. Reusing waste from plastic injection moulding and reducing aluminium cuttings helped to lower the production waste volume for non-renewable materials.

Lemgo (DE): In Lemgo, the use of efficient new injection moulding machines and the reuse of plastic waste have improved the plastic waste rate. Recyclable materials are also now used for blister packaging and housing for LED modules.

Spennymoor (UK): A vacuum evaporator was purchased for the lighting plant to treat and reuse the waste water produced by the powder coating aggregate. Plastic waste from the injection moulding process was consistently reused, further lowering the plastic waste rate.

Niš (RS): Projects aimed at reducing the volume of production waste for aluminium, steel and plastic were completed at the lighting plant. Pallets are also systematically repaired and reused at both the lighting and the components plants.

An ongoing project to change packaging materials at the components plants around the world was launched in the 2023/24 financial year in order to increase the share of recyclable packaging and reduce packaging waste. This trend continued in the 2024/25 financial year, resulting in 99.7% of packaging materials now being made from fully recyclable cardboard. At all component sites, incoming goods are continuously inspected to determine whether the packaging materials provided by suppliers meet the internal sustainability criteria. When deviations are identified, the relevant suppliers are contacted in order to work together to find an improved, more sustainable alternative. This helps conserve resources and save materials beyond the confines of the Group.

Actions related to circular economy

As one of the CDRs, circular sourcing is one of three pillars helping to ensure that products manufactured by the lighting brands are circular in nature in the product design and material selection phases, and that the upstream value chain is circular.

Circular Design is another one of the three CDRs and refers to the continuous alignment and improvement of the circularity of products manufactured by the lighting brands as early as the product conceptualisation and design phases.

Circular Systems: The third and final pillar of the CDRs – Circular Systems – focuses on the implementation of circular economy scenarios for the lighting brands. The Zumtobel Group aims to offer high value creation and attractive services with the lowest possible use of materials sourced from primary resources. This makes it possible to counteract the identified material sustainability matter related to resource inflows. New opportunities and partner networks are continually developed in order to extend the product lifespan and adopt a circular approach for products and materials. Priority is consistently given to the following cycles:

- Maintenance, upgrade, repair and refurbishment
- Reuse and remanufacturing

In addition to implementing the CDRs, the Zumtobel Group is working on various projects that promote the incorporation and implementation of a circular economy into the Group. These projects can be broken down into the three CDRs.

Circular Sourcing:
- Initiative to increase the percentage of recycled material in the steel, aluminium and plastic material groups. Continuous monitoring of the status quo and ongoing identification of potential for improvement in partnership with the Zumtobel Group's suppliers
- Research and exploration of bio-based or biodegradable substitutes for fossil based plastics; field testing in selected Zumtobel Lighting products (e.g. IZURA) in the 2024/25 financial year

Circular Design:
- Reduction of packaging materials in the Components segment starting in 2023/24, reduction in the use of plastic packaging by the Zumtobel Group

Circular Systems:
- Implementation of further remanufacturing pilot projects in partnership with Zumtobel Lighting customers
- Launch of numerous refurbishment projects around the globe

Pilotproducts with bio-based materials

Pilot products for new materials that were launched in the 2024/25 financial year were selected to test bio-based and biodegradable materials. These materials can be found in the IZURA luminaire from Zumtobel Lighting, for example. CO_2-reduced, bio-based polycarbonates are also used in products from Zumtobel Lighting (PANOS) and Tridonic (driver housing). With these ongoing initiatives, the Zumtobel Group aims to explore the technical and commercial feasibility of replacing established conventional materials with bio-based ones.

E5-3 | Targets related to resource use and circular economy

All targets are voluntary and are not prescribed by law.

Circular economy targets for 2025/26:

In applying its comprehensive CDRs, which have been integrated into all product development activities and encompass the aforementioned focus areas of Circular Sourcing, Circular Design and Circular Systems, the Zumtobel Group is working towards the following targets:

- Circular Sourcing: Waste management, including preparation for proper treatment
- Circular Design: Increasing circular product design (including, for instance, design for durability, dismantling, reparability, recyclability, etc.)
- Circular Systems: Increasing the circular material use rate

E5-3, T1: The Zumtobel Group aims to gradually increase the share of recycled secondary components, products and materials (including packaging). For the 2024/25 financial year, the figure stands at 28%. The Zumtobel Group seeks to raise this share by 5 percentage points by 2030 compared with the base year FY 2024/25. Meeting the target would help to minimise the use of primary raw materials and promote the sustainable sourcing and use of renewable resources in line with the cascading principle. Targets are based on disclosures provided by the Zumtobel Group's suppliers about their expected progress in terms of the share of recycled secondary materials, in particular steel and aluminium. Achievement of the above target depends on technological advances and commercial availability.

Waste targets for 2025/26:

The following targets apply to all of the Zumtobel Group's production sites. They also account for a 10% increase in production volume for the lighting plants and 4.9% for the components plants.

- E5-3, T2: Reduce total waste from 5,072 tonnes in 2024/25 to 5,303 tonnes in 2025/26
- E5-3, T3: Reduce non-recyclable waste from 570 tonnes in 2024/25 to 535 tonnes in 2025/26
- E5-3, T4: Reduce the volume of production waste from non-renewable materials relative to material consumption by 9.2% in 2025/26, down from 9.7% in 2024/25

The goal behind reducing total waste and non-recyclable waste in the production plants is to avoid waste. Use of the ratio of production waste volume of non-renewable materials to material consumption is designed to prevent and encourage sparing use of valuable resources.

The main goal the Zumtobel Group hopes to achieve in its efforts to reduce waste is avoiding the generation of waste in the first place. This goes hand in hand with the processes for increasing the utilisation rate of materials and substances. The next stage involves reusing and recycling recyclable materials both internally and externally. Substances and materials are only sent for thermal processing as a last resort. Due to successful waste avoidance, reduction and recycling, the share of substances and materials sent for thermal processing is very low at the Zumtobel Group.

Targets achieved in 2024/25

Target attainment in the previous years solely relates to the production sites.

- The target of producing less than 5,170 tonnes of waste was exceeded by 1.3% despite the closure of the production site at Les Andelys. The Zumtobel Group's total waste volume in 2024/25 came to 5,072 tonnes.
- The reduction in the volume of production waste from non-renewable materials relative to material consumption to 9.1% was not fully achieved. In 2024/25, the waste volume generated by production came to 9.7%.
- Last year's target of reaching less than 426 tonnes of non-recyclable waste was not met due to waste generated for the closure of the Les Andelys production site and the renovation of the Lemgo site. In the 2024/25 financial year, 570 tonnes of non-recyclable waste were generated.

Focus on customer-specific packaging in the Components segment

The successful transition to cardboard packaging has already created a solid basis for the Components segment to meet the future requirements of PPWR. Special attention is now being paid to adapting the remaining packaging, in particular customer-specific solutions. The Components segment is also committed to fully converting these packaging solutions to recyclable materials.

E5-4 | Resource inflows

Significant resource inflows deemed material to the Zumtobel Group's resource use and circular economy include raw materials (such as metals and plastics), electronic components, wires as well as cables, packaging materials, finished products, merchandise, goods for logistics (pallets) and technical equipment such as production machinery. Resource inflows for sales offices are not taken into consideration due to their low weight share compared to figures for production. The total weight of products and materials can be found in the Resource Inflow Metrics table. The share of biological material is also disclosed as a percentage in the Resource inflow metrics table. The Zumtobel Group defines biological materials as follows: paperboard cardboard, packaging made from ecological raw materials such as industrial starch, and wood & pallets.

The weight of secondary reused and recycled components in products and materials is presented in the Resource inflow metrics table. The weights of purchased products and materials are based on the figures disclosed by suppliers, which also applies to information on secondary recycled components, products and materials.

Resource inflows in tonnes	2024/25
Overall total weight of technical and biological materials	35,398
Thereof technical materials	*31,506*
Thereof biological materials	*3,892*
Percentage of technical materials [%]	*89%*
Percentage of biological materials [%]	*11%*
Overall weight of secondary reused or recycled components, secondary intermediary products and secondary materials (including packaging)	9,873
Percentage of secondary reused or recycled components, secondary intermediary products and secondary materials (including packaging) [%]	28%

E5-5 | Resource outflows

An overview of the Zumtobel Group's products can be found in section "1.1.2 Products and production locations" of the Group management report.

Durability, reparability and recyclable content

At the EU level, reparability is regulated by the Single Lighting Regulation. The regulation mandates the interchangeability of light sources and control gear in luminaires, which must be fulfilled by all luminaires.

There is currently no established rating system at EU level that goes beyond the requirements set forth in this regulation, which is why the Zumtobel Group developed the Circular Design Rules. With the Circular Design Rules, attention is paid to the reparability of the Zumtobel Group's products early on during the product development phase. The CDRs are applied for all new product developments by the lighting brands.

Product reparability is defined in the CDRs ("Design for Maintenance, Repair") as the ratio of available spare parts to the identified potential consumable components. This definition is based on the Single Lighting Regulation and standards such as DIN EN 45554 for assessing the reparability of energy-related products and also takes into account the information available to date from the planned ESPR (Ecodesign for Sustainable Products Regulation). The calculation of product reparability is presented as a percentage between 0 and 100.

The existing CDR evaluations for the lighting segment show a range of 66-100% in the category Design for Maintenance, Repair. These results indicate good repairability. At present, there is no comprehensive evaluation covering the entire product portfolio. There are currently no comparable metrics for the products in the Components segment.

Refurbishment kits

Reparability is assessed by the development teams, supported as necessary by the Group Sustainability department. Refurbishment kits are available for select, formerly manufactured luminaires that are still based on conventional technology such as fluorescent lamps, in order to enable conversions to modern LED lighting technology. Available spare parts and refurbishment kits can be viewed on the Zumtobel and Thorn websites. Details on durability and recyclable content can be found in the tables below.

	2024/25	
Expected durability of products placed on the market in hours	**Industry average[7]**	**Zumtobel Group**
LIGHTING SEGMENT		
Indoor Lighting	50,000	59,513
Outdoor Lighting	100,000	64,700
COMPONENTS SEGMENT		
Light source	Not available	69,973
Drivers	Not available	83,118

Environmental Product Declaration (short: EPDs)

The recycling content of products is assessed on the basis of the same end-of-life scenario used for preparing the EPDs. The assumptions and recycling pathways are based on the models and databases stored in the LCA software. The underlying methodology is based on the requirements of ISO 14044 and EN 15804.

The recycling content of packaging is based on current market data available at the European level. Cardboard accounts for the largest share of packaging material.

Recyclable content in products and their packaging in %	2024/25
Recyclable content in products	65%
Recyclable content in packaging	64%

The metrics (durability, repairability, recycling content) are not externally validated.

Waste

At the production sites, waste is collected by registered disposal companies. For each collection, the relevant employee receives a collection certificate and/or a credit which meets the local legal requirements. The volumes documented in these papers are recorded in local waste footprints and the totals of the waste classes and streams per month are forwarded to global environmental reporting. Local data for the Zumtobel Group is collected for this process and aggregated it into a metric.

[7] The industry figures provided are based on data from Lighting Europe: Most of the indoor lighting products have a service life of up to 50,000 hours. The durability of outdoor lighting is up to 100,000 hours. No comparable industry averages are available for the Components segment.

Waste composition

Metal processing, plastics processing, coating, automated production lines and manual product assembly are the key manufacturing processes that generate the majority of the Zumtobel Group's waste and recyclable materials.

The resulting waste streams generated by the Zumtobel Group are calculated and recorded for each production site. The relevant waste streams from the sites consist of metal waste, paper/cardboard/packaging, wood packaging/wood waste, plastics and electronic scrap/LED boards.

The bulk of non-hazardous waste and recyclable material therefore consists of materials such as metals, cardboard/paper, wood and plastics, which are processed externally for recycling. Residual waste accounts for a small proportion of this waste and is primarily thermally processed. The very low proportion of hazardous waste consisting of solutions, waste oils, coolants and lubricants, adhesive residues from joining processes, and paint residues from coating processes and mixtures is predominantly recycled. Only a small proportion thereof is thermally processed.The Zumtobel Group does not produce any radioactive waste.

Due to the importance of the production sites, the following table lists the waste generated by the production sites. Sales offices are not included in the figures due to their immateriality.

Total amount of waste generated of production sites in tonnes	2024/25
Total amount of waste generated	**5,072**
Hazardous waste diverted from disposal	**321**
Hazardous waste diverted from disposal due to preparation for reuse	20
Hazardous waste diverted from disposal due to recycling	29
Hazardous waste diverted from disposal due to other recovery options	272
Non-hazardous waste diverted from disposal	**4,181**
Non-hazardous waste diverted from disposal due to preparation for reuse	230
Non-hazardous waste diverted from disposal due to recycling	3,716
Non-hazardous waste diverted from disposal due to other recovery options	235
Hazardous waste directed to disposal	**196**
Hazardous waste directed to disposal by incineration	184
Hazardous waste directed to disposal by landfilling	12
Hazardous waste directed to disposal by other disposal options	0
Non-hazardous waste directed to disposal	**374**
Non-hazardous waste directed to disposal by incineration	366
Non-hazardous waste directed to disposal by landfilling	8
Non-hazardous waste directed to disposal by other disposal options	0
Total amount of hazardous waste	**517**
Total amount of non-hazardous waste	**4,555**
Total amount of waste diverted from disposal	**4,502**
Non-recycled waste (directed to disposal)	**570**
Percentatge of non-recycled waste [%]	*11%*

1.2.3 Social related information

1.2.3.1 S1 | Own workforce

ESRS 2 SBM-3 | Material impacts, risks and opportunities (IROs)

This section outlines the Zumtobel Group's material IROs in relation to its own workforce, including the way in which they are managed. The main sustainability matters are as follows:

S1 | Own workforce

Working conditions	Work-life balance	*Acutual positive impact*	Attractive working conditions in a safe/secure working environment with a good work-life balance
	Health and safety	*Potential negative impact*	Potential work-related accidents, physical and mental health problems due to long-term stress.
		Risk	Risk of long-term illness, high sick leave rate and high employee turnover
Equal treatment and opportunities for all	Training and skills development	*Actual positive Impact*	Training and Education of the workforce increases their job satisfaction
	Diversity		Family-friendly services promote inclusion and provide greater flexibility for working parents; diversity fosters creativity and innovation
		Risk	Several knowledge carriers will be leaving the Group in the near future due to upcoming retirements
		Opportunity	Diversity is a driver for innovation

With its strategically anchored sustainability goal of being a partner of choice, the Zumtobel Group emphasises the crucial role its own workforce plays in the Group's success. These impacts are directly linked to the Zumtobel Group's vision and mission and cover the short, medium and long term.

Employee strategy: LIGHT UP

The Zumtobel Group's promise to make a positive contribution to attractive working conditions, including providing work-life balance and a wide range of training and education opportunities, is directly linked to the strategic "LIGHT UP" HR strategy. The letter G stands for growth opportunities, which entails development potential and opportunities for growth for the Group's own workforce. The letter P stands for practical flexible working models, which involves the promotion of working models that help to achieve a work-life balance. The benefits offered by the Zumtobel Group are available to all employees and support the promotion and development of the material sustainability matters identified.

The Zumtobel Group guarantees a safe working environment for all employees by preventively identifying and avoiding potential causes of accidents and physical injuries as well as potential psychological stress, and by continually improving the well-being of its workforce. Due to the nature and business model of a manufacturing company, the Group's own workforce is exposed to potential impacts and risks related to health and safety. Workplace evaluations, near-misses and work-related accidents have been found to involve a risk of tripping or falling, resulting bruises and fractures as well as a risk of cuts and burns. Furthermore, the Group's own workforce may be exposed to health impacts due to long-term stress stemming from the business model.

In particular, the workforce in production is most exposed to potential risks. However, these impacts are not specific to the Zumtobel Group but represent a challenge for the entire sector and industry. The risk presented by a potential lack of skilled workers due to a large number of upcoming retirements presents a significant industrial and economic risk. Actions taken and planned by the Zumtobel Group to counteract the impacts of these circumstances on the Group are described in more detail under S1-4 | Taking action.

All employees of the Zumtobel Group's own workforce (including apprentices) are included in the scope of the disclosures listed here. The Group's own workforce does not include self-employed people or temporary workers, and therefore no persons employed by a third party to perform work that would otherwise be carried out by an employee. With regard to information on non-employees, the phase-in options will be applied in the first year of preparation of the sustainability statement. Due to the nature of the Group's business activities, the Zumtobel Group's own workforce is not exposed to the risk of forced labour or child labour.

S1-1 | Policies related to own workforce

The Zumtobel Group's commitments towards its employees as well as the duties of its employees themselves are clearly defined by global policies, strategies and rules of conduct.

The Zumtobel Group's integrated management system (IMS) encompasses the implementation of the FOCUSED[+] strategy. Both the Code of Conduct and Health & Safety policy are available to all stakeholder groups on the Zumtobel Group's website. The "Declaration of principles on human rights" is freely available on the intranet and can therefore be accessed by Zumtobel Group's own workforce. Any policy revisions concerning the Group's own workforce take place as part of a cross-departmental exchange. These policies cover the entire workforce and have been approved by the Management Board. The objective and main elements of the different policies are described below.

Policy on due diligence compliance (in particular human rights and labour rights)

The Zumtobel Group's commitment to due diligence applies to its own workforce as well as to the entire value chain and forms an integral part of the corporate strategy. The commitment includes responsible corporate governance, human rights and labour standards. Respect for and upholding of human rights and compliance with the principles of labour law, occupational safety and the protection of health all over the world are crucial elements and form the basis for cooperative partnerships.

Declaration of principles on human rights

The Zumtobel Group's Code of Conduct and Policy on Human Rights underscore its commitment to respecting and promoting human rights in all business activities. The Zumtobel Group's Code of Conduct designates this group policy as an important reference point for employees and business partners. To allow for even more comprehensive reporting, the Zumtobel Group's whistleblower system was also expanded to include the category of human rights. Both the Zumtobel Group's Code of Conduct and Policy on Human Rights comply with international standards, such as the Universal Declaration of Human Rights, OECD Guidelines, UN Guiding Principles, UN Global Compact and the ILO's core Labour Standards. These policies were developed to ensure compliance with all due diligence obligations.

The Zumtobel Group's Policy on Human Rights covers the following main topics:

- Ban on child labor
- Ban on forced labor
- Freedom of association and the right to collective bargaining
- Equal opportunities and protection against discrimination
- Fair and adequate remuneration
- Working conditions (incl. working hours)
- Health protection & occupational safety

Suspected violations or non-compliance can be reported to the HR department, the Compliance department, or using the Zumtobel Group's anonymous whistleblower system. The Zumtobel Group's Code of Conduct and Policy on Human Rights have been approved by the Management Board.

Health and safety policies

ISO 45001 certification

The Zumtobel Group is committed to an active occupational health and safety policy, and therefore to complying with all applicable legal and statutory requirements as well as other requirements concerning employees' health and safety at work. These topics are covered in the Zumtobel Group's integrated management system (IMS). Compliance with labour law, occupational safety and the protection of health is regularly reviewed by a third party at all sites as part of ISO 45001 certification. The aim of the occupational health and safety management system is to continuously improve occupational safety, prevent and reduce the number of work-related accidents and avoid potential physical and psychological stress in the Zumtobel Group.

Occupational safety and the mental and physical health of employees are steadily being improved through actions tailored to their specific needs, which are described in more detail under S1-4. Management at the sites is responsible for these measures in collaboration with local occupational health and safety experts. The Zumtobel Group's Occupational Health and Safety Policy has been approved by the Management Board, which also tracks the progress of the associated defined metrics. Around 74% of the Group's workforce is covered by the occupational health and safety management system.

Policies related to diversity

DE&I strategy

With its Group-wide Diversity, Equity & Inclusion (DE&I) strategy, the Zumtobel Group recognises diversity, equality and inclusion as fundamental principles. The DE&I strategy is a cornerstone of equality and fairness and sets the Group's expectations in terms of conduct and interactions. The Zumtobel Group rejects any form of discrimination based on race and ethnic origin, skin colour, gender, sexual orientation, gender identity, disability, age, religion, political opinion, national origin, social origin, or other personal characteristics. The Group fosters a culture of diversity that strengthens both the company and society alike. The DE&I strategy complements the Code of Conduct and other relevant policies to create a positive and inclusive workplace. It has been approved by the Management Board and falls under the responsibility of the Global Head of HR.

To promote diversity and inclusion in general and prevent discrimination, three newly introduced e-learning courses are available to the Group's own workforce with a view to improving transparency and imparting knowledge. At the time of reporting, the Zumtobel Group had no specific political policies in place concerning support initiatives for groups at particular risk of discrimination.

S1-2 | Processes for engaging with own workers and workers' representatives about impacts

The Zumtobel Group has developed structured and continuous processes to actively involve its own workforce in shaping corporate development and culture. These processes are designed to promote a transparent, inclusive and responsible work environment in which employees are engaged with on a regular basis and in which their perspectives are meaningfully integrated into organisational decision-making.

Active involvement of own workforce

A key element of this is the Global Employee Survey, which is conducted every two years at all sites and at all organisational levels. The most recent survey conducted in April 2025 was a follow-up survey to the comprehensive survey conducted in 2023. The main objective of the survey was to assess the progress and effectiveness of the priority topics previously identified. In addition, the survey also assessed and reviewed whether the initiatives implemented since then have led to measurable improvements in employee awareness and commitment. The 2025 survey achieved a very high participation rate of 83%, slightly higher than in 2023 (82%). This positive development underscores both the ongoing trust in the process among employees and their continued commitment to actively shaping the corporate culture and working environment. The findings provide valuable insights into strengths, challenges and areas where further targeted improvements are required. Following the 2023 survey, the Zumtobel Group held extensive employee workshops to reflect on the results and produce concrete improvement measures. These workshops were documented in detail and systematically tracked to ensure a transparent and effective feedback process. Defined actions are tracked in the action tracker along with their corresponding implementation status. In the 2024/25 financial year, the progress of these activities and actions was communicated to both the Management Board and the Supervisory Board in order to ensure strategic oversight and accountability. The positive results from the 2025 survey confirm the value of this approach, as the Zumtobel Group was able to achieve improvements in all the areas covered by the survey. This success demonstrates the effectiveness of actively engaging the workforce in the design and continual development of the workplace. To ensure transparency, the results of the Global Employee Survey 2025 were communicated to all employees on the Group's intranet LightLink. The next complete Global Employee Survey is planned for 2027, which will continue the established two-year cycle and reinforce the Zumtobel Group's commitment to a workplace culture based on trust, transparency and collective responsibility.

In addition, the Zumtobel Group has added a user-friendly section to the Group intranet that provides comprehensive information on the various options for workers' representation, both at the local and at the global level. This involves a variety of channels through which employees can express their views and actively interact with colleagues and management. These channels include HR business partners, health and safety representatives, local employee committees, cooperation forums, employment relationship officers and regular personal development discussions. Formal workers' representation structures, such as works councils or health and safety officers, are established in accordance with local laws or agreements with relevant workers' representation bodies. These structures achieve engagement through both regular, scheduled meetings and ad hoc meetings convened to address specific or urgent issues related to the workforce.

S1-3 | Processes to remediate negative impacts and channels for own workers to raise concerns

In cases where the activities of the Zumtobel Group have significant negative impacts on individuals or groups of individuals within its own workforce with regard to health and occupational safety or other aspects, the Group ensures fair treatment of those affected and a neutral, confidential, responsible and impartial investigation of the facts. This is intended to both clarify the situation and to provide appropriate remedy.

In order to promote open, confidential, and secure communication, the Zumtobel Group provides an anonymous whistleblower system for reporting misconduct, breaches of the rules, or concerns related to ethics, occupational safety and human rights. All reports are processed in line with the internal investigation guidelines, which provide clear, standardised procedures for the submission, investigation, follow-up and closing of cases. The Senior Director Audit & Compliance is responsible for supervising the whistleblower system, while the Internal Audit/Compliance team receives and processes reports received. Employees can report serious incidents either on the whistleblower platform or using established management channels. Information on the whistleblower system, training and information on protection against retaliation at the Zumtobel Group can be found under G1-1 and G1-3.

Six cases were submitted using the whistleblower system in the 2024/25 financial year. All reports were investigated, resolved and found to be immaterial, without any critical impact on business operations or financial reporting. Nevertheless, the Zumtobel Group takes every case extremely seriously and continues to promote ethical behaviour through ongoing training and awareness-raising initiatives. The Zumtobel Group has assessed this channel as effective due to the receipt of reports; however, no dedicated surveys or polls have been conducted in this regard.

In addition to the formal reporting channels, employees can also report their concerns directly to the works councils (where applicable). The works council provides an additional, independent, and trustworthy option for expressing concerns or receive assistance with topics related to work.

S1-4 | Taking action

An ongoing dialogue with employees, as well as imparting knowledge on the Zumtobel Group's business model and well-established processes, help the Group to consistently minimise its potential negative impacts on its own workforce. Actions taken are continuously monitored on the basis of metrics such as the employee turnover rate, employee performance and development reviews, and accident rates.

Each action is tracked and assessed based on the set targets. Human and financial resources are allocated to ensure each action is successfully implemented. The Zumtobel Group's human resources are provided by health and safety management (ZG Health, site managers and management, and Global Quality & HSE Mgmt), Global HR (HR Business Partners, HR Project Managers, DE&I project management, etc.) as well as the Works Council and workers' representatives affected by the actions.

Actions related to health and safety

ISO 45001 certification

The Zumtobel Group promotes the health and well-being of its workforce as part of its commitment to reducing material impacts. The establishment of an occupational health and safety management system in accordance with the international standard ISO 45001 and the successful external certification laid the foundation for continuously improving occupational health and safety at the Zumtobel Group. This involves a number of initiatives to support the physical and mental well-being of employees at all sites.

Cross-plant discussions are held to discuss and analyse current topics. Targets are also set and monitored, and experience is gathered and actions already implemented to protect, maintain, promote or restore the health and work ability of the Group's own workforce are shared.

Safety actions and protection of employees

All work stations are safely and professionally designed on the basis of a workplace evaluation. Any potential hazards, stress and negative impacts in the workflow are eliminated where possible or minimised through technical and organisational measures. Personal protective equipment provided on an ongoing basis and regular training ensure that employees can safely carry out their work despite the remaining potential risks and stress.

Workplace evaluations are reviewed annually to take account of changes in the working environment. Workplaces are reassessed in the case of work-related accidents, work-related illnesses, new machinery or other new work equipment, changes in legal requirements, employee requirements, or findings regarding occupational health and safety risks.

Local, internal and external officers review the binding commitments to environmental, health and occupational safety issues made at all production sites. Internal compliance audits are also conducted at all ISO-certified sites.

The primary goal is to prevent accidents and to identify work-related hazards as well as dangerous situations. Actions such as employee training, improvements to protective clothing and machine maintenance are being implemented to continuously increase workplace safety. Accident prevention and the protection of employee health are discussed in formal employee protection committees, which meet on a regular basis. In addition, workers' representatives, such as works councils, are involved in occupational safety issues at many production sites. Employees can submit suggestions for improvements at any time, which are then reviewed and implemented as necessary.

Monthly safety review meetings

All employees receive regular training on occupational safety aspects relating to machinery, work stations and activities, and also receive work-specific safety training for their job and work performed on systems and machinery. The internal communication network provides guidelines, processes and procedures as well as all important documents on occupational safety and health protection. Monthly safety review meetings are also held with the production plants. These safety review meetings are attended by one member of the Management Board, all plant managers and all plant safety officers for the respective plants. Metrics for the sites, work-related accidents and near misses are explained at the meetings, information on the resulting improvement actions is shared and ideas for further improvements are communicated.

Health actions

Corporate health promotion

A key component of this initiative is a Corporate Health Promotio-survey (German: Betriebliche Gesundheitsförderung, short: BGF), which helps the Group to identify specific health challenges and needs within its own workforce. In addition, regular health promotion meetings are held to help employees improve their individual health practices and address any concerns. Tips on improving ergonomics and on taking breaks to move around can be found in short instructional videos on LightLink. These videos aim to encourage the Group's own workforce to be active during the day. This action was first launched in the 2023/24 financial year and is still being implemented. The videos will continue to be available in the coming years.

The Zumtobel Group offers a Wellbeing Calendar with a specific focus each month to promote physical and mental health. Examples include stress management seminars for management on effectively managing teams in challenging times and creating a supportive, resilient work environment. This service was launched for the first time in the 2024/25 financial year and will be continued on an annual basis.

The Zumtobel Group provides employees with a structured reintegration approach after extended periods of sick leave. This process ensures that employees return to work with due consideration given to health-related aspects, such as limiting daily working hours or reducing their workload. This action, which has been in place since 2016, is a continuous process with no defined end date.

At the site level, the Zumtobel Group offers a variety of specific measures tailored to the needs of the workforce, such as local sports activities to promote physical activity and reduce stress. On-site preventive inspections are conducted during which occupational safety experts and safety officers identify risks and promote a healthy work environment.These inspections are repeated each year at the Zumtobel Group.

Effectiveness of health and safety actions

The effectiveness of the Zumtobel Group's health and safety actions is monitored using various metrics, with priority given to the rates of absences and accidents at work. These metrics are tracked on a global scale to allow the Zumtobel Group to assess the impacts of its health initiatives at all certified production sites. By continuously monitoring and assessing these metrics, it is ensured that the Zumtobel Group's actions not only help to improve the general health of its own workforce but also create a safe and productive work environment.

Compliance with statutory and voluntary obligations to which the Zumtobel Group is subject forms an integral part of the IMS and is ensured through regular internal and external audits.

Actions related to working conditions, training and skills development

Actions to promote a work-life balance

As a responsible employer, the Zumtobel Group wants to provide an effective work-life balance for its employees in the various stages of their lives. It also takes into account the constantly changing needs of young generations in the labour market. In addition, various actions are being taken to help working parents balance work and family life.

Employees can choose from models such as part-time employment, educational leave, sabbaticals, parental leave for fathers and working from home. Mothers and fathers who return to work after parental leave are actively assisted by the Group when returning to work. These work models are continuously available to employees and are flexibly tailored to their individual needs. This applies both to the 2024/25 financial year retrospectively and going forward.

Employee survey

Improvement of employee satisfaction

Conducted in April 2025, the survey is based on the findings from the global employee survey, which was carried out in 2023. To ensure long-term impacts, accountability and measurable progress, all improvement measures derived from the findings from 2023 have been systematically tracked using an action tracker tool. This tool enabled structured tracking of employee feedback and provided full transparency on the implementation status of the agreed actions. A six-point improvement was achieved in the 2025 survey for Personal & Professional Development. This indicates that the workforce values the opportunities provided for personal and professional development. It also shows that training and education activities are well received and help employees develop their skills. It is important that the status and progress of the action tracker is regularly reported to the Management Board and also the Supervisory Board so that any open questions are continuously monitored and addressed at the highest level of the Group. This coordination ensures that employees' concerns are actively pursued and that improvement actions remain a clear strategic priority. In addition, the actions were continuously communicated on the Zumtobel Group's intranet platform LightLink, which has promoted transparency and engagement throughout the organisation.

Actions related to training and skills development

The annual employee development reviews represent an important element in the cooperation between employees and their supervisors. In these discussions, managers agree specific business and development goals with their employees. Annual employee performance reviews also give employees the opportunity to openly reflect on their employment relationship.

The performance reviews are an essential part of the overarching personnel development process. This global process along with the annual calibration and development conferences defines potential and performance at all levels of the Group and ensures that employees are assessed in an objective, consistent and fair manner. The aim of this process is to identify untapped potential among employees and to harness this potential through appropriate development actions. It gives the employees in question the opportunity to develop to their full potential. This process forms the basis for succession planning, especially with regard to future retirement plans. Another focus in the employee development process is on identifying and reducing the risk of key individuals and high performers leaving the Group through targeted retention measures. These discussions cover both actions already implemented and initiatives planned for the coming financial years.

Effectiveness of the progress tracking process

The effectiveness of these actions is underscored by the high participation rate in the 2025 global employee survey and the improvements in all aspects surveyed. This positive development confirms the impact of this structured tracking process as well as the growing trust among employees that they are being listened to and involved. The Zumtobel Group remains committed to this continuous improvement cycle and makes sure that feedback from its own workforce continues to shape and improve the working environment.

The effectiveness of training and skills development can be interpreted based on the number of average hours spent on it. This metric can be found under S1-13 | Training and skills development metrics.

Actions related to DE&I

The Zumtobel Group launched a targeted DE&I strategy in the 2024/25 financial year. The following three strategic priorities have been identified:

- Gender equality: The Zumtobel Group is committed to ensuring that all genders have equal opportunities when it comes to promotions and management positions. This includes actions to increase the percentage of women in management positions and the promotion of a sustainable female talent pipeline.
- Collaboration: The Zumtobel Group promotes collaboration and knowledge sharing within the organisation to foster a positive and innovative work environment. This includes improving cooperation between departments, divisions and regions.
- Age diversity: The Zumtobel Group recognises the value of an intergenerational workforce and promotes knowledge sharing between experienced professionals and younger talent. This helps ensure that all employees can develop to their full potential.

The resulting initiatives are intended to ensure that employees feel valued, respected and empowered. The Zumtobel Group's DE&I mission emphasises the importance of a fair, inclusive and collaborative work environment in which diversity of thought is seen as a key driver of excellence and performance. In the 2024/25 financial year, the DE&I strategy resulted in the introduction of following model actions:

- A comprehensive online training programme on DE&I was launched to raise awareness and strengthen the skills of employees in this area.
- Internal publication of a DE&I policy to promote diversity, equity and inclusion.
- Expansion of internal and external communication with DE&I content, including a separate DE&I intranet page, regular articles on DE&I published on the intranet and a campaign for International Women's Day.
- A communication concept for employees on leave has been developed to better inform and involve employees on leave.
- Establishment of a Meeting Policy to improve collaboration and knowledge sharing in meetings.
- A globally applicable Group Policy on Human Rights underscores the Zumtobel Group's strong commitment to respecting and promoting human rights in all business activities.

The Zumtobel Group plans to take the following additional actions for the 2025/26 financial year:

- Continual development and implementation of actions that support the DE&I strategy.
- Creating greater visibility for women in management roles in the Group through female role models.
- Establishment of structures and policies to embed diversity in the Group (e.g. initiating employee networks).
- Launch of information sessions on the topic of DE&I.
- Further expansion of the training programme, including the management programme.

Effectiveness of DE&I actions

By promoting these initiatives, the Zumtobel Group aims to create a working culture in which employees feel respected and have the opportunity to advance their careers in a fair and supportive environment. This approach not only aims to reduce employee turnover but also ensures that all employees are given equal opportunities to advance in their careers and receive fair compensation for their work. The Zumtobel Group strives to create a workplace where diversity drives innovation, fairness promotes growth and inclusion creates a sense of belonging, leading to long-term commitment and a positive organisational culture.

S1-5 | Targets related to own workforce

The Zumtobel Group has set itself the following targets in relation to the sustainability topics identified. These targets apply in each case to the Zumtobel Group's entire own workforce.

- S1-5, T1 | Increasing employee satisfaction: This target will be achieved if the score in the employee survey increases by +3 points (to 75/100 points) by 2026/27. The score achieved for the 2024/25 financial year was 72/100.
- S1-5, T2 | LTI rate (lost time injury rate): With a focus on minimising work-related accidents, the Zumtobel Group has set itself the target of achieving an LTI rate of 4.1 for the 2025/26 financial year. In the 2024/25 financial year, the Zumtobel Group had an LTI rate of 5.3.
- S1-5, T3 | Management training: The goal is for 120 managers to complete the Zumtobel Group's Leadership Excellence Programme in the 2024/25 financial year. Since this initiative was launched in the 2022/23 financial year, 306 managers have completed this training programme.
- S1-5, T4 | Women in management roles: The goal is to increase the percentage of women in management positions by 3% by the 2026/27 financial year. Management positions cover all levels of management, e.g. senior management, team leaders and supervisors. In the 2024/25 reporting year, the women held 22.9% of the management positions at the Zumtobel Group.

Targets achieved in 2024/25

The Zumtobel Group's position with regard to the targets set out in the previous annual report (2023/24) is as follows:

- Development of the Diversity, Equity & Inclusion strategy: this strategy was successfully rolled out in the 2024/25 financial year and associated initial actions have been introduced.
- Launch of a cultural transformation project in 2024: The cultural transformation was successfully kicked off in the 2024/25 financial year and associated initial actions have been taken. See G1-1 | Business conduct policies and corporate culture for more information on the cultural transformation.
- Continuous reduction of the LTI rate to 3.9: this ambitious goal was not achieved. For more detailed information, please consult S1-14 Health and safety metrics.

S1-6 | Characteristics of the Zumtobel Group employees

The table "Own workforce by gender" shows the number of employees, including apprentices, who have a direct and ongoing (active) employment with the Zumtobel Group as of 30 April 2025. It does not include employees on long-term leave (who have an inactive employment relationship) and contract workers (workers who are not employees). Metrics on the Group's own workforce are shown in headcounts.

All personnel data for the Zumtobel Group listed under S1-6 is reported as of 30 April 2025 (end of period).

Own workforce by gender in HC (headcount)	2024/25	2023/24
Male	3,536	3,543
Female	1,980	1,988
Other	-	-
Not reported	-	-
Total number of employees	**5,516**	**5,531**

Countries with significant[8] employment in HC (headcount)	2024/25
Austria	1,706
Serbia	983
United Kingdom	766
China	477
Germany	415
France	233
Swizerland	194
Italy	86
USA	71
Portugal	68

Employees by type of employment contracts and by gender in HC (headcount)	2024/25				
	Female	Male	Other	Not reported	Total
Total	**1,980**	**3,536**	**-**	**-**	**5,516**
Permanent employees	1,958	3,510	-	-	5,468
Temporary employees	22	26	-	-	48
Non-guaranteed hours employees	0	0	-	-	0
Full-time employees	1,636	3,370	-	-	5,006
Part-time employees	344	166	-	-	510

[8] Significant employment refers to countries that employ either at least 50 employees or 10% of the company's total workforce

Departures listed in the table include the total number of terminations of employment among the entire workforce with regard to fixed-term and permanent contracts, whether voluntary, due to termination of employment, or due to retirement. The employee turnover rate metric comprises the total number of departures relative to the average total number of employees.

Employee turnover in HC (headcount)	2024/25
Total number of employees who left the company during the reporting period	**780**
Male	316
Female	464
Other	-
Not reported	-
Rate of employee turnover [%]	*14.05%*

S1-8 | Collective bargaining coverage and social dialogue

Collective bargaining coverage refers to statutory agreements concluded with trade unions that govern key working conditions such as wages, working hours, holiday arrangements, or notice periods. These contracts exist at different levels within the European Economic Area (EEA). The table below shows collective bargaining coverage by headcount as of 30 April 2025. Coverage in non-EEA countries under collective bargaining agreements has not been included in the first year of reporting in line with the phase-in options. Social dialogue comprises negotiations between management and workers' representatives – e.g. through works councils or trade unions – with the aim of representing the interests of employees and ensuring their participation. The Zumtobel Group is also a member of the European Works Council.

<table>
<tr><th rowspan="2">Coverage rate in %</th><th colspan="2">Collective bargaining coverage</th><th>Social dialogue</th></tr>
<tr><th>Employees –
EEA countries
(for countries with >50 employees, or >10% of the total number)</th><th>Employees –
Non-EEA countries
(for countries with >50 employees, or >10% of the total number)</th><th>Workplace representation –
EEA countries
(for countries with >50 employees, or >10% of the total number)</th></tr>
<tr><td>0-19%</td><td>-</td><td rowspan="5">Phase-in option in the first reporting year</td><td>-</td></tr>
<tr><td>20-39%</td><td>-</td><td>-</td></tr>
<tr><td>40-59%</td><td>-</td><td>-</td></tr>
<tr><td>60-79%</td><td>Germany</td><td>-</td></tr>
<tr><td>80-100%</td><td>Austria,
France,
Italy,
Portugal</td><td>Austria,
France,
Germany,
Italy,
Portugal</td></tr>
</table>

S1-9 | Diversity metrics

Age distribution of employees	2024/25 in HC	2024/25 in %
<30 years	668	12%
30-50 years	3,166	57%
>50 years	1,682	31%
Total number of employees	**5,516**	**100%**

Number of employees at top management level[9]	2024/25 in HC	2024/25 in %
Female	4	7%
Male	55	93%
Other	-	-
Not reported	-	-
Total number of employees top management level	**59**	**100%**

Number of women in management roles Entity-specific disclosures	2024/25 in HC	2024/25 in %
Total management position (all management levels)	**796**	**100%**
Female management positions (all management levels)	182	22.9%
Management Board members	0	0%
Senior management position	4	0.5%
Middle management position	44	5.5%
Lower management position	134	16.8%

S1-10 | Adequate wages

The Zumtobel Group ensures that the wages and salaries it pays meet or exceed the legally required minimum in all countries. To further improve fairness and appropriateness, the Group has established local salary policies based on external benchmarks that reflect market-based salaries at all locations. In addition, certain countries have collective bargaining agreements in place that support fair remuneration practices. In all other countries (outside the EEA), the Group conducts assessments with the help of the WageIndicator Foundation in order to verify that remuneration is fair and sufficient to cover living expenses. The Zumtobel Group pays all of its own workforce fairly.

S1-13 | Training and skills development metrics

The total number and the percentage of employees who participated in regular performance and career reviews and the average training hours per employee refer to the Zumtobel Group's own workforce.

[9] Top management level refers to the members of the Management Board and the management level directly below (senior management). In addition, the Zumtobel Group reports on the breakdown of all female managers according to the different management positions in the entity-specific table below.

The metric on the number and percentage of performance reviews conducted for the 2024/25 reporting is based on the figures as of 5 August 2024. This reporting date was selected because the annual performance review meetings for the entire own workforce are held at the start of each financial year and the final completion rate is determined at that time.

	2024/25				
Training and skills development metrics	**Female**	**Male**	**Other**	**Not reported**	**Total**
Total number of performance and career development reviews	1,823	3,127	-	-	4,950
Percentage of employees that participated in regular performance and career development reviews	33%	57%	-	-	90%
Average number of training hours per employee	11 Hours	16 Hours	-	-	14 Hours

S1-14 | Health and safety metrics

The percentage of own workforce covered by a health and safety management system is calculated by dividing the number of workers at ISO-certified sites by the total number of own employees. This ratio matches the total number stated under S1-6. The metrics on the number and rate of recordable work-related accidents only take the workforce at the production sites into consideration. Work-related accidents at the sales locations are not material compared with operational production sites and would change the rate accordingly. Compared to the previous year (2023/24), the days of absence according to ESRS refer to calendar days, i.e. days on which the person concerned is not scheduled to work (e.g. weekends, public holidays).

Figures on work-related ill health and days lost due to work-related injuries have not been disclosed in the first reporting year on account of the phase-in option under CSRD/ESRS. The days lost due to work-related accidents are reported by the Zumtobel Group in the table below under the 'accident severity' metric in accordance with the ILO standard. The accident severity metric is calculated based on the number of days lost × 1,000,000 / number of hours worked. Compared with the previous year (2023/24), this metric has improved. The number of work-related accidents at the production sites rose to 29 in the 2024/25 financial year. Each incident was investigated by the locally responsible teams. No systematic reasons were found to be behind the accidents. Actions are being taken on an ongoing basis to minimise or eliminate the causes of accidents. Globally, the decision was made to group incidents into four categories: employee misconduct, evaluation incomplete/insufficient, evaluation missing/not recognised, unforeseeable. The majority of incidents have been assigned to the 'unforeseeable' category by the teams, making it challenging to avoid such incidents. Just as in the previous financial year, there were no fatalities as a result of work-related injuries in the 2024/25 financial year. The Zumtobel Group's LTI (Lost Time Injury) rate is calculated as the number of work-related accidents resulting in lost time of more than eight hours × 1,000,000 divided by the number of hours worked and therefore represents the rate of recordable work-related accidents in accordance with ESRS.

Health and safety metrics of own workforce, based on HC (headcounts)	2024/25
Percentage of people in its own workforce who are covered by the undertaking's health and safety management system based on legal requirements and/or recognised standards or guidelines [%]	74%
Number of fatalities as a result of work-related injuries	0
Number of recordable work-related accidents	29
Lost time injury rate (LTI rate)	5.32
Total working hours	5,452,653 Hours
Severity rate oft he Zumtobel Group	151

S1-16 | Remuneration metrics

The unadjusted gender pay gap is defined as the difference of average pay levels between female and male employees, expressed as a percentage of the average pay level of male employees. The calculation includes all own employees (with the exception of apprentices, interns, external employees, employees on leave and members of the Management Board). The analysis is performed at the employee level and is based on the contractually agreed annual total remuneration, which includes base salary, the target variable remuneration, and performance-related and non-performance-related allowances (e.g. for transportation or living expenses). All amounts are translated into full-time equivalents (1 FTE) and converted into euros using the exchange rate as of 30 April 2025 to ensure consistent comparability within the Zumtobel Group. The unadjusted gender pay gap of the Zumtobel Group was 35% for the 2024/25 financial year. This result reflects a number of structural factors, including the composition of the total workforce and the distribution of roles across regions and functions. In particular, differing job profiles and regional remuneration levels contributed to disparity in average income. The adjusted gender pay gap, which takes into account the organizational structure of the Zumtobel Group, calculates the gender pay gap per level in accordance with the company's own grading system. The earnings gap at all levels is weighted according to the number of employees per level and included in the calculation. This adjusted calculation method reduces the gender pay gap at the Zumtobel Group to 10.2%.

The Zumtobel Group recognises the importance of equal pay between the genders and is actively committed to closing this gap. Steps are continually being taken to promote a more balanced representation of women across all roles, levels and regions and to ensure transparent, fair and inclusive remuneration practices throughout the Group.

The ratio of annual total remuneration for the highest paid individual to the median annual total remuneration for all employees of the Zumtobel Group (excluding the CEO but including the remaining Management Board members) was calculated using the same methodology. This ratio was 29.58 for the 2024/25 reporting period.

S1-17 | Incidents, complaints and severe human rights impacts

In the reporting period, the local management of the Zumtobel Group companies conducted audits in accordance with applicable internal guidelines. The Zumtobel Group has confirmed that no serious negative impacts on the human rights of its own workforce were identified in the 2024/25 financial year. Two reports of discrimination/harassment/bullying were received via the whistleblower system in the 2024/25 reporting period. Both concerns were resolved or refuted following internal investigations.

Accordingly, the Zumtobel Group was not required to pay any fines, sanctions, or compensation for incidents or complaints regarding human rights or discrimination. No redress measures or compensation were required.

1.2.3.2 S2 | Workers in the value chain

The Zumtobel Group prioritises long-term engagement and communication with its stakeholders in the supply chain as well as in the rest of the organisation's sphere of influence. Worldwide, the Group works with 669 suppliers from around 37 countries in the raw materials (direct materials) and merchandise sectors (previous year: 686 suppliers from 38 countries). This international positioning helps employees consistently work to optimise sustainable procurement and improve resource efficiency. As a result, the Zumtobel Group makes a significant contribution to environmental protection and climate change mitigation, as well as to upholding social standards and fair terms under labour law in its supply chain.

ESRS 2 SBM-3 | Material impacts, risks and opportunities (IROs)

This section outlines the Zumtobel Group's material IROs in relation to workers in the value chain, including the way in which they are managed.The main sustainability matters are as follows:

S2 | Workers in the value chain

Other work-related rights	Child labour, Forced labour	*Potential negative impact*	The business activities of the Zumtobel Group may result in potential non-compliance with the ILO's core labour standards by suppliers, resulting in violations of child labour or forced labour along the supply chain.

The upstream value chain of the Zumtobel Group as a multinational company may be subject to varying occupational health and safety regulations. In countries where legislation on this matter is inadequate, workers are at higher risk of potential forced labour or child labour. These clearly negative conditions can affect not only the victims, but also their families. The potential negative impact of child or forced labour along the supply chain extends over the short, medium, and long term. This sustainability matter constitutes an integral part of the Zumtobel Group sustainability strategy and is taken into account through the Group's target of being a Partner of Choice.

All employees in the value chain who could be materially impacted by the Zumtobel Group are included in the scope of the disclosure pursuant to ESRS 2.

Within its value chain, the Zumtobel Group works with various types of workers. In the upstream value chain, this involves workers responsible for extracting, processing and subsequently transporting raw materials and materials. In addition to its own workforce, the Zumtobel Group also cooperates with external employees at its own locations and with employees in the downstream value chain. The latter include employees responsible for transporting products and any intermediaries involved before the products are delivered to the consumer or end-user.

In some cases, the Zumtobel Group works with suppliers in countries that have an increased risk of child or forced labour. Countries considered to be at higher risk by the Group include China and Serbia first and foremost. Through the use of tools such as (abstract) supplier risk assessments, the Zumtobel Group is able to develop an initial assessment of the industries and countries in which employees are exposed to greater risks of human rights violations. The specific findings and detailed information from this risk assessment are not available to the Zumtobel Group at this point in time, but the final result provides an initial estimate for subsequent prioritisation. For example, inadequate occupational safety regulations and a lack of workers' representatives result in certain countries being more at risk. This includes countries such as Turkey, and to a certain extent Serbia and China. See 'Taking action' for more information.

S2-1 | Policies related to value chain wokers

All suppliers, manufacturers and dealers (as well as customers) are required to comply with the Zumtobel Group's globally applicable Code of Conduct for Business Partners and commit to respecting human rights (including labour rights) and protecting value chain workers in order to work with the Group. In addition, Zumtobel's Group Policy on Human Rights underlines the Group's commitment to respecting and promoting human rights in all of its business activities. Both policies were developed to ensure compliance with all due diligence obligations.

Code of Conduct for Business partner

Business relationships with the Zumtobel Group are based on a systematic supplier evaluation and approval process (supplier onboarding). Before any business relationship is entered into with the Zumtobel Group, each potential supplier is required to sign the Code of Conduct for Business Partners. Once the code has been signed, economic factors are screened based on the supplier's self-disclosure and a detailed assessment of the sustainability performance of potential new suppliers by EcoVadis (supplier rating, preferably for suppliers with strategic relevance) or IntegrityNext (supplier self-disclosure, preferably for suppliers with less strategic relevance). In addition, the onboarding process also requires suppliers to agree to commercial and quality-related contracts at a later date and ends with an audit of various focal topics relating to various areas such as quality and sustainability. A supplier's agreement to uphold all Zumtobel Group guidelines set forth in the Code of Conduct for Business Partners, the aim of which is to take human rights and clearly defined social and environmental standards into account, is an essential prerequisite for entering into a supply relationship and forms the basis of a lasting partnership.

The Zumtobel Group's Code of Conduct for Business Partners addresses due diligence topics. The requirements and minimum standards regarding human rights risks set out therein are based on national legislation as well as on the principles and parameters for upholding due diligence throughout the value chain. These are based on the International Labour Organisation's (ILO) core labour standards and relevant UN standards. Occupational health and safety are key pillars of the Code of Conduct for Business Partners. The policies have been approved by the Management Board, and their consistent application among all suppliers is ensured by Global Purchasing management as part of the supplier re-approval process.

The Zumtobel Group has not been notified of any violations of the UN Guiding Principles on Business and Human Rights, the ILO's Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises concerning workers in the value chain, either through the whistleblower system or any other channels.

S2-2 | Processes for engaging with value chain workers about impacts

Cooperation with suppliers and customers is based on their agreement to uphold all Zumtobel Group guidelines set forth in the Code of Conduct for Business Partners, the aim of which is to take human rights and clearly defined social and environmental standards into account. Their consent to these terms is an essential prerequisite for entering into a supply relationship and forms the basis of a lasting partnership. The Zumtobel Group has prepared an ongoing survey for direct engagement of external stakeholder groups, including value chain workers and workers' representatives. This gives all stakeholder groups the opportunity to provide feedback online on actual and potential sustainability matters identified by the Zumtobel Group.

Findings from the external survey are incorporated into the analysis of the key sustainability matters by the Group Sustainability team. Operational responsibility for ensuring that workers in the value chain are engaged with lies with the Global Purchasing department. There is currently no general process in place for directly getting in touch with value chain workers beyond the above measures.

S2-3 | Processes to remediate negative impacts and channels for value chain workers to raise concerns

In cases where the activities of the Zumtobel Group have significant negative impacts on individuals or groups of individuals in the upstream value chain with regard to human rights violations or other offences, the Group ensures fair treatment of those affected and a neutral, confidential, responsible and impartial investigation of the facts. This is intended to both clarify the situation and to provide appropriate remedy. Information on the whistleblower system and protection against retaliation at the Zumtobel Group can be found under G1-1 and G1-3.

S2-4 | Taking action

As an international group, the Zumtobel Group has a complex supply chain, especially with regard to the procurement policy of relying on various raw materials suppliers. Nevertheless, efforts are being made to make the supply chain as regional as possible and to increasingly push the 'local 4 local' procurement concept at the production sites. The Zumtobel Group has taken multiple actions to prevent potential negative impacts on the workers in the upstream value chain. These actions include risk assessments of the sectors in which value chain workers work, performance monitoring of suppliers and tracking adherence to the Zumtobel Group's sustainable procurement policies.

DigiSus (Digital Sustainability) – the digital solution for supplier management

In the 2024/25 financial year, the Zumtobel Group focused on digitalising and transforming its supplier management. In the reporting period, the Zumtobel Group succeeded in increasing the percentage of suppliers of direct materials and merchandise onboarded onto DigiSus to 100%. Over 80% of suppliers in indirect material procurement are now registered on one of the two sustainability platforms. New digital tools enable the Zumtobel Group to manage suppliers and track their performance and compliance online more efficiently. The EcoVadis platform assesses supply partners based on a customer-specific questionnaire and requires supporting documentation and certificates. It monitors sustainability performance in relation to the environment, labour, human rights, ethics and sustainable procurement, and issues certificates based on supplier information and supporting documentation. Company news is also included in the evaluation.

The IntegrityNext platform is based on voluntary disclosures from suppliers and helps the Zumtobel Group meet the requirements of the Supply Chain Act and the EU Due Diligence Directive. The platform makes it possible to query additional information on sustainability performance. At the beginning, the supplier undergoes an abstract risk assessment that is largely combined with a self-assessment in order to receive an ESG rating. In the 2025/26 financial year, the focus topics of due diligence and human rights involved prioritising improvements to the supplier assessment process.

The effectiveness of this digital supplier monitoring system is evident in the daily real-time results for all suppliers. Improved performance in terms of human rights will only be reflected in the future through better ratings. By securing the licensing of DigiSus, the Zumtobel Group's Global Purchasing department will be able to continue on this positive trajectory going forward.

Sustainability assessment and supplier audits

Over 500 of the Zumtobel's Group suppliers (equivalent to more than 75%) are already EcoVadis-certified. Compliance with various standards in relation to the environment, labour and human rights, ethics and sustainable procurement has therefore been verified by EcoVadis for these suppliers. Sustainability audits have been carried out for specifically selected suppliers. In the 2024/25 financial year, 46 sustainability audits were conducted in addition to the 137 quality audits. Besides the quality system/process focus, particular attention was paid to ethics, health and safety, job/employee protection and environmental management. In the sustainability audits of the Zumtobel Group, questions such as freely chosen employment under ILO Convention 105, the prevention of child labour under ILO Convention 182, freedom of association under ILO Conventions 87 and 98, equal remuneration under ILO Convention 100 and prevention of discrimination under ILO Convention 111 are explicitly addressed.

A positive sustainability audit is a prerequisite for collaborating with the Zumtobel Group. If the requirements are not met, immediate actions are mutually agreed with the supply partners. In addition to the risks already mentioned above (corruption, human rights violations, forced labour and child labour), this approach leads to other environmental and social risks being queried, audited and excluded from the supply chain.

Conflict minerals

Since early 2021, companies headquartered in the EU have been required by law to conduct due diligence when procuring conflict minerals. The European Commission calls on all companies covered by the Regulation to comply with due diligence obligations for tin, tantalum, tungsten and gold in their supply chains. As part of the conflict minerals programme, the Zumtobel Group has also implemented measures in its supply chain to ensure that these products do not directly or indirectly finance transactions with the Democratic Republic of the Congo (DRC). The Zumtobel Group documents its due diligence based on the report template issued by the Responsible Minerals Initiative (RMI) and discloses its due diligence in the supply chain for smelting works und refineries as required by the Responsible Minerals Assurance Process (RMAP).

The OECD guideline 'Due Diligence Guidance for Responsible Supply Chains from Conflicted-Affected and High-Risk Areas' is the most important reference benchmark for the current RMAP standards. It requires upstream companies to publish annual reports. Smelters and refineries are considered upstream companies within the meaning of the OECD guidelines and must meet the OECD Level 5 reporting requirements for upstream companies in order to conform to RMAP standards.

The reports are prepared and updated externally by ValueStream Europe GmbH, which contributes its expertise in material compliance. The current version of the conflict minerals reporting template (CMRT) for the Lighting Segment and the Components Segment is available for download on the Zumtobel Group's website under the 'Sustainability' menu item. This action will be continued moving forward.

S2-5 | Targets related to workers in the value chain

The Zumtobel Group has not set any measurable targets in relation to this topic area for the coming year. Nevertheless, the Group plans to continue prioritising the development of its due diligence process with a focus on human rights.

1.2.3.3 S4 | Consumers and end-users

ESRS 2 SBM-3 | Material impacts, risks and opportunities (IROs)

The lighting industry currently finds itself in the midst of a transition. The LED business and the importance of smart, connected lighting, as well as services, continues to grow. As a result, demand for innovative, LED-based lighting solutions with comprehensive connectivity solutions and IoT solutions including integrated services has significantly risen. The development, production and sale of innovative and sustainable products and services form cornerstones of the Zumtobel Group's success in the medium and long term.

This section outlines the Zumtobel Group's material IROs in relation to consumers and end-users of the Zumtobel Group, including the way in which they are managed.

The sustainability matters covered below constitute key components of the Zumtobel Group sustainability strategy and are taken into account through the Group's target of being a partner of choice. All consumers and end-users that could be materially affected in the downstream value chain are included in the scope of the ESRS 2 disclosure. The main sustainability matters are as follows:

S4 | Consumers and end-users

Personal safety of consumers and/or end-users	Health and safety & security of a person	*Actual positive impact*	Innovative luminaires and solutions supports the wellbeing & health of our customers
Social inclusion of consumers and/or end-users	Responsible marketing practices	*Chance*	The trend is towards expectations of sustainable products and solutions (e.g. driven by revision of EPBD)

The Zumtobel Group considers consumers and end-users, as defined by the CSRD, to be natural persons or groups of individuals who purchase, use or are otherwise affected by products or services provided by the Group. No consumer or end-user is assigned a different risk.

In the Lighting segment, the Zumtobel Group's network includes project participants involved in planning such as architects, lighting and electrical planners, or project developers, as well as purchasing customers such as property developers, retail customers, or electricians. In the Components segment, this includes OEM sales to lighting manufacturers and sales of smart solutions to electrical and system planners. The end result is lighting solutions that have an impact on health and well-being.

Ongoing evaluations are conducted to assess the impacts of products and services on health and safety, and to identify areas for improvement in products, product documentation and processes. The Zumtobel Group's LED modules generally fall into risk groups 0 or 1 (in special applications, also risk group 2) and therefore do not pose a risk for the human eye. The Zumtobel Group was therefore unable to identify any material negative impacts that could adversely affect or harm consumers or end-users.

The Zumtobel Group focuses on the positive impact of light on the safety, well-being and health of consumers and end-users while conserving resources, both in terms of design and technology.

The Zumtobel Group's ability to manufacture intelligent lighting systems boasts huge potential due to new regulations that aim to increase the energy efficiency of buildings while ensuring the quality of interior spaces. Partnerships with Siemens and ABB underscore the holistic approach to future-proof customer solutions in the smart building sector.

S4-1 | Policies related to consumers and end-users

First and foremost, products must be reliable and safe. In addition, resources must be conserved while a positive contribution is made to the health and well-being of users.

Reliability & safety

ISO 9001 certification

The standardised and centrally defined sales processes are certified and regulated in the management system. The Zumtobel Group's integrated management system encompasses quality issues in accordance with ISO 9001. This certification covers requirements for a quality management system that focuses on continuous improvement, customer focus, and systematic control of processes to ensure consistent quality. The Quality Policy applies to the internal business activities of the Zumtobel Group and is available on the Group's website for both the Group's own workforce and external stakeholders. The primary goal is always to continuously improve the quality of the production and sales process as well as of the product information documents, thereby also further increasing the satisfaction of end-users and customers as well as their trust in products and product safety. Effectiveness of the Quality Policy and progress made in achieving targets are ensured by comprehensive monitoring and follow-up by the management of the Global Quality departments of both segments and are overseen by the COO.

Conserving resources and making a positive contribution to customers

Tests carried out as part of CE conformity ensure that products meet fundamental safety, electromagnetic compatibility, energy efficiency and pollution control requirements. Global R&D is responsible for CE conformity.

The aim is to conserve resources, avoid disruptions and risks, and minimise harmful environmental influences. This is intended to protect and promote the health and well-being of end-users in the long term. At the building level, new regulations also address high energy standards, minimum energy efficiency requirements, as well as user health, comfort and well-being. With its holistic lighting solutions including controls and sensors, the Zumtobel Group is creating the conditions for its customers to meet these requirements.

Due Diligence

The Zumtobel Group has not been notified of any violations of the UN Guiding Principles on Business and Human Rights, the ILO's Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises concerning consumers and end-users in the downstream value chain, either through the whistleblower system or any other channels.

S4-2 | Processes for engaging with consumers and end-users about impacts

Cooperation with consumers and end-users is based on their agreement to uphold all Zumtobel Group guidelines set forth in the Code of Conduct for Business Partners, the aim of which is to take human rights and clearly defined social and environmental standards into account. The Zumtobel Group has prepared a survey for direct engagement of external stakeholder groups. This gives both external and internal stakeholders the opportunity to provide feedback on actual and potential sustainability matters identified by the Zumtobel Group. Findings from the external survey are incorporated into the analysis of the key sustainability matters by the Group Sustainability team.

Yearly customer survey

An annual Brand Equity Monitoring (BEM) survey is conducted among customers to obtain a better understanding of customer needs and expectations. These surveys provide valuable feedback and enable us to adapt and improve the Zumtobel Group's products and services accordingly. In the 2024/25 financial year, over 1,900 customers – including over 300 end-users – of the lighting brands were asked about topics such as loyalty, strengths and potential for improvement. The next customer survey for the Components segment is planned for autumn 2025. Feedback on innovative and sustainable services highlights the importance of the positive impacts and opportunities related to consumers and end-users identified by the Zumtobel Group and therefore also reflects the results of the double materiality assessment.

Statements from respondents can be used in a targeted manner to develop measures for improvement, for example to identify and fill gaps in the portfolio and enhance communication channels as necessary. The effectiveness of the actions taken and therefore engagement with consumers and end-users can be measured in comparison to previous years using the net promoter score included in the survey.

Individual sales employees are responsible for engaging with consumers and end-users. The Management Board is responsible for instigating a comprehensive customer survey.

S4-3 | Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

In cases where the activities of the Zumtobel Group have significant negative impacts on individuals or groups of individuals in the downstream value chain with regard to human rights violations or other offences, the Group ensures fair treatment of those affected and a neutral, confidential, responsible and impartial investigation of the facts. This is intended to both clarify the situation and to provide appropriate remedy. Information on the whistleblower system and protection against retaliation at the Zumtobel Group can be found under G1-1 and G1-3.

S4-4 | Taking action

The secured human resources in the Global R&D department and the patent licensing costs incurred will ensure that these actions are implemented, no further significant financial expenditure will be required. The following actions document efforts to remediate negative impacts within the Zumtobel Group.

Reliability and safety

High quality and testing standards

The Zumtobel Group strives to maintain and further improve its high quality and testing standards. The CE audits conducted on Zumtobel Group products in the financial year under review and in the years prior ensure that all EU-wide requirements are met. Continuous tests carried out as part of CE conformity ensure that products meet fundamental electrical safety, electromagnetic compatibility, energy efficiency and pollution control requirements. This minimises risks and harmful environmental influences and protects and promotes the health and well-being of users in the long term. Comparative measurements and test method validations are expanded for Group-wide standards that exceed statutory and normative requirements.

Conserving resources and making a positive contribution to customers

The following implemented technologies are continuously refined.

- Thorn NightTune is a technology that adjusts the intensity and colour temperature of outdoor lighting during the night to maintain people's sense of safety while minimising the impact of light on nocturnal wildlife and their habitats.

- The Tridonic Sensor X uses artificial intelligence to distinguish between pedestrians, bicycles and vehicles, and adjusts outdoor lighting accordingly, achieving a balance between energy savings and maximum security for users.

- The term Human Centric Lighting (HCL) refers to lighting concepts that focus on all non-visual and emotional effects of light. The aim of HCL is to increase the end-user's ability to concentrate and to support their health and well-being. Low energy consumption and maximum customer benefits are guaranteed.

- Zumtobel SPECTRUM provides light quality that reflects the cooler effect of daylight and takes individual sensitivities into account. This technology promotes circadian rhythms and improves sleep, particularly among older people who tend to spend time indoors and therefore do not get adequate exposure to daylight.

S4-5 | Targets related to consumers and end-users

The current process incorporates the actions listed under S4-4. However, no specific targets have been set for consumers and end-users for the coming years.

1.2.4 Governance related information

1.2.4.1 G1 | Business conduct

As part of the double materiality assessment for ESRS G1 Business conduct, the Zumtobel Group has identified and assessed various impacts and financial risks in connection with business practices. This gives rise to two relevant topics:

G1 | Business conduct

Business conduct	Corporate Culture	*Potential positive impact*	Cultural transformation
	Protection of whistleblowers		Promoting the whistleblower system and protecting all whistleblowers
Corruption und Bribery	Corruption und Bribery	*Acutal positive impact*	Independent practices of governance & compliance promotes a fair business environment

G1-1 | Corporate culture and business conduct policies

In the past financial year, the Zumtobel Group launched a global cultural transformation aimed at further developing the corporate culture. A diverse, open-minded, positive culture is considered essential to the Group's success in a competitive environment and its position in the long term. The most senior level in the Group (the Management Board) is responsible for the ongoing cultural transformation of the Zumtobel Group.

Key behaviours as a basis for the cultural transformation

In the 2024/25 financial year, workshops held throughout the Group provided all employees with the opportunity to actively address the topic of corporate culture. 'Key behaviours' were also formulated as the foundations of the cultural transformation. They provide guidance for day-to-day working life, encourage productive collaboration and support the target culture at all levels. In addition, targeted projects have been initiated that aim to leverage cultural assets with a high impact and continue to drive forward the transformation. The Zumtobel Group views this cultural change as an ongoing process and will continue to systematically pursue and refine actions in the 2025/26 financial year.

Code of Conduct

The Zumtobel Group has defined a number of fundamental policies and procedures in its Code of Conduct. The requirements set out in the code define the general standards for conduct in business, legal and ethical matters, including the prohibition of corruption. The Zumtobel Group is committed to complying with the legal requirements for combating corruption, bribery and money laundering. The requirements and rules of conduct serve as binding guidelines and a framework for dealings within the Group and with external parties for members of the Management Board, management as well as employees of the entire Group. These rules of conduct are communicated and refreshed in an online training course repeated each year for both new and existing employees. The Management Board and the Supervisory Board also receive regular updates on this matter. Beyond the confines of the Group's own organisation, the Code of Conduct for Business Partners governs the principles and guidelines for due diligence with the Zumtobel Group's overall value chain.

The Code of Conduct for Business Partners forms an integral part of all contracts concluded between the Zumtobel Group (with all its business units) and its business partners and covers the following aspects:

- Whistleblower system and documentation of reports
- Due diligence
- General principles of conduct and expectations of business partners
- Due diligence principles and policies
    - (i) Respect for human rights
    - (ii) Environment and sustainability
    - (iii) Corruption and anti-money laundering
    - (iv) Criminal acts in dealings with public officials and in business dealings in general
    - (v) Conduct vis-à-vis competitors (antitrust law)
    - (vi) IT security
    - (vii) Intellectual property and confidential information
    - (viii) Social media
    - (ix) Data protection
    - (x) Monitoring and partnership

Inclusion of the above topics ensures that the Zumtobel Group's material sustainability matters in relation to climate change mitigation, energy, circular economy, and compliance with the International Labour Organisation's (ILO) core labour standards and relevant UN standards, as well as corruption, are addressed.

Whistleblower-Hotline of the Zumtobel Group

Several channels are available for raising concerns, including a confidential whistleblower hotline. Technical support for the Zumtobel Group's whistleblower system is provided by the BKMS (Business Keeper Management System), which is used worldwide. The whistleblower system complies with all legal requirements of the EU Whistleblower Directive and the Whistleblower Protection Act as per Directive (EU) 2019/1937. The Zumtobel Group's whistleblower system gives employees and external third parties around the globe the opportunity to report anonymous tips about suspected violations using a link on the Zumtobel Group's homepage.

The whistleblower system is overseen by Corporate Compliance and ensures that reports received are promptly classified and processed. The identity of the whistleblower is always treated confidentially, independently and objectively. No form of retaliation is tolerated.

As one of the basic requirements of the EU Whistleblower Directive that came into force on 16 December 2019 and its transposition into national law, confidentiality of the whistleblower's identity is always guaranteed.

No dedicated surveys or polls of different Zumtobel Group stakeholder groups regarding the effectiveness of this channel were conducted in the 2024/25 financial year. However, due to its active use and the continuous submission of reports in the whistleblower system, the Zumtobel Group considers it to be an effective tool.

G1-3 | Prevention and detection of corruption and bribery

The Corporate Audit department regularly reviews procurement processes. In terms of corruption, the following aspects in particular are reviewed: selection of suppliers, number of suppliers approached and the associated process, decisions regarding suppliers, contractual arrangements, payment terms, price trends, supplier quality monitoring and the resulting actions. When a contract is being concluded with external partners, reference is made to the whistleblower policy in the Code of Conduct, which all potential partners are required to sign.

The Zumtobel Group's whistleblower system provides all stakeholders (employees, suppliers, value chain workers, consumers and end-users, shareholders, investors, etc.) with a secure system to report and communicate potential violations of the Code of Conduct and compliance issues, such as suspected corruption or bribery. Critical concerns and issues are therefore reported directly to Corporate Audit and Compliance. Reports can also be submitted by email, as an additional communication channel. The independence of the Zumtobel Group's Compliance department ensures that cases are processed independently of the management chain. Reported incidents are processed in line with the internal investigation guidelines, which provide clear, standardised procedures for the submission, investigation, follow-up and closing of cases. Corresponding actions are then derived as required. All applicable reports received are communicated to the Management Board. The Management Board is informed of any reports involving risk without undue delay. Reports that do not present a material risk are submitted as part of the quarterly reporting. Where there is no need to immediately inform the Audit Committee of any violations, they will be communicated in the quarterly reports submitted to the Audit Committee.

Individuals can contact Corporate Compliance regarding any issues related to responsible business conduct in the organisation's operations and business relationships through a number of channels. The relevant information is accessible on the Group's intranet for all employees. This option is regularly used in practice. The Zumtobel Group whistleblower system covers the following reporting focal points:

- Health, safety and environmental legislation
- Fraud, breaches of trust, embezzlement
- Corruption
- Capital market compliance, insider trading
- Data breaches
- Anti-competitive practices
- Discrimination, harassment, bullying
- Human rights
- Other violations

Trainings regarding risks of corruption and bribery

All new employees are required to complete online training on compliance during their onboarding. The Code of Conduct (Modul 1, duration: 40 min) and Code of Conduct Refresher (Modul 2, duration: 30 min) modules are provided on a Group-wide learning platform. Invitations to the online training are sent by email and the courses constitute an integral part of the onboarding process. In Module 1 and Module 2 of the mandatory compliance training, training is provided and knowledge imparted on topics covered in the Code of Conduct, including the whistleblower system. Module 1 must be completed within 30 days. Once this deadline has been met, new employees are required to register for the CoC refresher in June or December of each year.

All existing employees receive annual CoC refresher training. Training on the Code of Conduct and the refresher course covers the following topics: dealings with business partners and third parties, ban on corruption, how to handle gifts, donations and sponsorships, combating money laundering, export controls, business relationships with suppliers and fair competition.

The Compliance and Audit units of the Zumtobel Group act separately and independently of each other. Where feasible, the Compliance department asks the employees of the Audit department to conduct investigations. In view of potential conflicts of interest and a lack of independence, the work of Corporate Compliance is not reviewed by employees of the Corporate Audit team.

At-risk functions

The Chief Compliance Officer reports to the Audit Committee twice a year. In terms of administration, the Chief Compliance Officer reports directly to the CFO. The Zumtobel Group keeps its own workforce up to date on current and ongoing compliance issues on the LightLink corporate platform. Links to training can also be found on this platform. Within the Zumtobel Group, certain departments are exposed to a higher risk of corruption and bribery than others. A total of 2,245 employees work in areas that could be exposed to an increased risk of corruption and bribery, these include, but are not limited to: Communications, Finance, Human Resources, Investor Relations, Legal, Logistics, Brands, Marketing, Procurement, Quality, R&D, Risk Management, Strategy, Sustainability, Treasury, Sales. These departments work closely with various stakeholder groups, including customers, suppliers, public authorities, public officials, and/or other business partners. They are also involved in material financial transactions. The geographic location of these departments can lead to different risk profiles, especially in countries exposed to higher risks of corruption and lower transparency. 97.6% of the Zumtobel Group's at-risk functions have received training on corruption and bribery. In general, all departments receive the same level of training on the risks of corruption and bribery.

In order to overcome these challenges, internal compliance monitoring processes and training ensure that the highest standards of integrity and compliance are upheld. In the 2024/25 reporting period, the members of the Management Board and members of the Supervisory Board were trained and briefed on corruption and bribery in connection with reporting on these issues. As of the reporting date (30 April 2025), 87.4% of the Group's own workforce had receiving training on corruption and bribery.

G1-4 | Incidents of corruption or bribery

Incidents of corruption or bribery	2024/25
Number of convictions for violation of anti-corruption and anti-bribery laws	0
Amount of fines for violation of anti-corruption and anti-bribery laws [EUR]	0

No confirmed incidents of corruption or bribery were reported at the Zumtobel Group in the 2024/25 reporting period. Accordingly, no workers were disciplined or dismissed as a result. Please consult "G1-3 | Prevention and detection of corruption and bribery" for information on anti-corruption measures

1.3 Review of Business Performance

1.3.1 The economic environment

A wide range of current events has created an environment of great uncertainty for the global economy. Political conflicts are still unsolved, and growth has been negatively affected by the erratic US tariff policy.

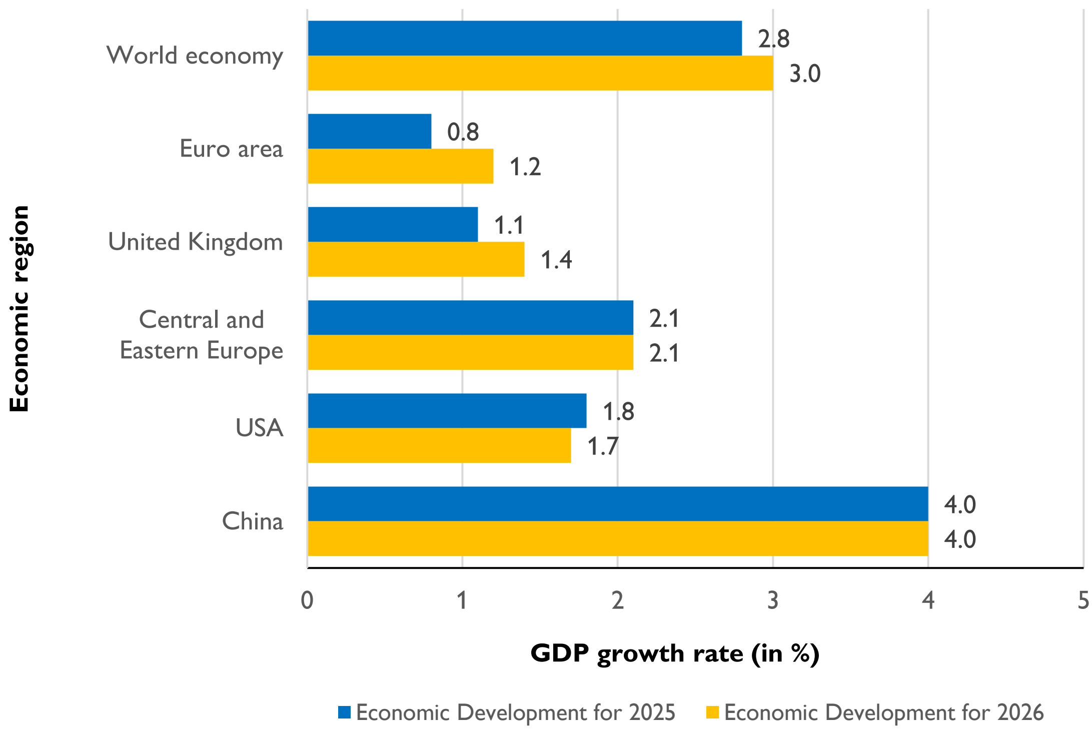
The World Economic Outlook issued by the International Monetary Fund (IMF) in April 2025 reduced the forecast for the global economy from the previous January estimate. Growth is now expected to reach only 2.8% in 2025 and 3% in 2026. The forecast for the USA was revised downward to 1.8%, nearly one percentage point below the January report. Reduced projections were also issued for Europe and other markets like China which are also heavily affected by the US tariffs.

IMF estimates for the eurozone point to growth of 0.8% in 2025 and 1.2% in 2026, whereby both values were reduced by 0.2 percentage points since the last announcement. Growing uncertainty and tariffs are the main reasons for the 2025 adjustment. Estimates for 2026 reflect hopes of an offsetting effect from rising real wages and anticipated fiscal easing in Germany as well as increasing defence and infrastructure spending. Positive trends are expected, for example, in Spain based on a strong year in 2024 and reconstruction after the flooding in 2025.

Forecasts for the D/A/CH region (Germany, Austria, Switzerland), a key market for the Zumtobel Group, point to stagnation in Germany, a further recession year in Austria, and only positive growth in Switzerland (+0.9%) in 2025. For 2026, the loosening of the debt cap in Germany and recovery in Austria and Switzerland should support stronger economic performance. Growth of 1.1% and 1.4% is projected for United Kingdom in 2025 and 2026, respectively. The economic situation, as a whole, has a direct impact on commercial construction.

The overall economic situation is also affecting commercial construction. After two years of decline, EUROCONSTRUCT figures from June 2025 show slight overall growth. In some of our key markets, such as Germany, another decline is expected, while in others, like the United Kingdom or Switzerland, stronger growth is anticipated again. According to EUROCONSTRUCT, this growth should intensify in 2026 and 2027. The renovation market is developing more favourably than new construction.

Economic Development Outlook for 2025 and 2026



1.3.2 The development of business

Seasonality of the business

The development of business in the Zumtobel Group follows a seasonal pattern which is typical for the construction industry. During the first half of the financial year (1 May to 31 October), the volume of business is normally higher because a relatively large number of construction projects are concluded during the summer and autumn months and the installation of the lighting represents one of the last steps prior to completion. Revenues in the third quarter (1 November to 31 January) are substantially lower as a result of the Christmas and winter break in the construction industry and, in the fourth quarter (1 February to 30 April), the pace of business begins to accelerate again.

Revenues

- >> Group revenues decline by (2.6)% (FX-adjusted: (3.0)%)
- >> Lighting Segment slightly below previous year ((2.8)%)
- >> Components Segment at prior year level
- >> Adjusted Group EBIT falls to EUR 46.9 million

Income statement in EUR million	2024/25	2023/24	Change in %
Revenues Lighting Segment	864.0	889.3	(2.8)
Revenues Components Segment	299.3	299.4	0.0
Reconciliation	(66.1)	(61.8)	7.0
Revenues	1,097.2	1,127.0	(2.6)
Adjusted Cost of goods sold	(697.0)	(723.7)	(3.7)
Adjusted Gross profit	400.3	403.3	(0.7)
as a % of revenues	*36.5*	*35.8*	
Adjusted SG&A expenses	(353.3)	(346.0)	2.1
Adjusted EBIT Lighting Segment	51.3	69.2	(25.9)
as a % of segment revenues	*5.9*	*7.8*	
Adjusted EBIT Components Segment	13.5	6.9	95.1
as a % of segment revenues	*4.5*	*2.3*	
Reconciliation	(17.9)	(18.8)	(5.3)
Adjusted EBIT	46.9	57.3	(18.0)
as a % of revenues	*4.3*	*5.1*	
Special effects	(14.0)	(7.8)	
EBIT Lighting Segment	37.2	67.0	(44.5)
as a % of segment revenues	*4.3*	*7.5*	
EBIT Components Segment	13.6	1.3	>100
as a % of segment revenues	*4.6*	*0.4*	
Reconciliation	(17.9)	(18.8)	(5.3)
EBIT	33.0	49.5	(33.4)
as a % of revenues	*3.0*	*4.4*	
Financial results	(16.9)	(14.6)	(15.6)
Profit before tax	16.1	34.9	(53.9)
Income taxes	(0.6)	(10.2)	(94.1)
Net profit for the year	15.5	24.7	(37.3)
Earnings per share (in EUR)	0.36	0.57	(36.4)

For information: EBITDA (EBIT plus depreciation and amortisation) totalled EUR 86.9 million in FY 2024/25.

(2.6)% decline in revenues

Group revenues fell by (2.6)% to EUR 1,097.2 million in 2024/25 (2023/24: EUR 1,127.0 million), primarily due to declines in Southern and Eastern Europe. After an adjustment for foreign exchange effects, revenues were (3.0)% lower year-on-year.

Lighting Segment revenues (2.8)% lower year-on-year

The Lighting Segment recorded a (2.8)% decline in revenues to EUR 864.0 million in 2024/25 (2023/24: EUR 889.3 million). Positive developments in the UK, Ireland and Switzerland were unable to offset the negative trend in two regions – Southern and Eastern Europe and Asia & Pacific.

Components Segment revenues reflect prior year

Revenues in the Components Segment reflected the previous year at EUR 299.3 million (2023/24: EUR 299.4 million). The increase in revenues in the UK and D/A/CH region was offset by declines in other countries and negative priced developments.

Regional development of business

Revenues in EUR million	2024/25	2023/24	Change in %	in % of Group
D/A/CH	408.0	403.4	1.1	37.2
Northern and Western Europe	265.9	264.9	0.4	24.2
Southern and Eastern Europe	279.2	298.6	(6.5)	25.4
Asia & Pacific	87.1	95.1	(8.4)	7.9
Americas & MEA	57.0	64.9	(12.2)	5.2
Total	1,097.2	1,127.0	(2.6)	100.0

In the D/A/CH region, all three companies reported higher revenues. The Northern and Western Europe region reported a slight improvement, especially due to revenue growth in the UK and Ireland. The decline in revenues from Southern and Eastern Europe was based mainly in France. Lower revenues were recorded by the Asia & Pacific region, above all in Macau and Australia. Revenues in the America & MEA region were lower, primarily due to disappointing sales in the USA.

Earnings

The adjusted cost of goods sold reflects a reduction in materials costs as well as positive inventory revaluations. Development costs rose by EUR 1.8 million to EUR 69.8 million (2023/24: EUR 68.0 million). The adjusted gross profit margin rose to auf 36.5% (2023/24: 35.8%) despite the decline in revenues due to a reduction in the materials ratio.

Adjusted selling and administrative expenses (incl. research) rose by EUR 7.3 million to EUR (353.3) million (2023/24: EUR (346.0) million) due an increase in personnel costs.

Adjusted Group EBIT falls to EUR 46.9 million

Adjusted Group EBIT fell from EUR 57.3 million to EUR 46.9 million in 2024/25, and the adjusted EBIT margin equalled 4.3% (2023/24: 5.1%). The improvement in the materials ratio was unable to fully offset the decline in revenues and higher personnel costs.

Adjusted EBIT in the Lighting Segments fell from EUR 69.2 million in the previous year to EUR 51.3 million in 2024/25. This negative development resulted primarily from the decline in revenues combined with an increase in fixed costs. Based on revenues that reflected the 2023/24 level, the margin and adjusted EBIT in the Components Segment improved from EUR 6.9 million to EUR 13.5 million in 2024/25.

Special effects of EUR (14.0) million

Special effects of EUR (14.0) million were recorded in 2024/25 and were related primarily to the termination of production at the plant in Les Andelys (France). The special effects also include provisions for the restructuring of the plant in Lemgo (Germany) and the shutdown of the assembly plant in Sydney (Australia). Group EBIT fell to EUR 33.0 million (2023/24: EUR 49.5 million), and the EBIT margin equalled 3.0% (2023/24: 4.4%).

Financial results

Financial result in EUR million	2024/25	2023/24	Change in %
Interest expense	(10.2)	(11.8)	(12.9)
Interest income	0.9	0.7	31.1
Net financing costs	**(9.3)**	**(11.1)**	**15.7**
Other financial income and expenses	**(7.5)**	**(3.5)**	**<-100**
Financial results	**(16.9)**	**(14.6)**	**(15.6)**

Financial results below previous year

Financial results amounted to EUR (16.9) million in 2024/25 (2023/24: EUR (14.6) million). Interest expense, which consisted chiefly of the interest expense for current credit agreements and finance leases, totalled EUR (9.3) million (2023/24: EUR (11.1) million). The other financial income and expenses of EUR (7.5) million consisted primarily of the interest expense on pension obligations, the earnings effects from exchange rate changes, and the measurement of hedges.

Net profit of EUR 15.5 million

Profit before tax totalled EUR 16.1 million (2023/24: EUR 34.9 million), and income taxes equalled EUR (0.6) million (2023/24: EUR (10.2) million). Net profit fell to EUR 15.5 million (2023/24: EUR 24.7 million). Earnings per share for the shareholders of Zumtobel Group AG (basic EPS based on 42.6 million shares) equalled EUR 0.36 (2023/24: EUR 0.57).

Cash flow, financial and asset position

Cash flow statement in EUR million	2024/25	2023/24	Change in %
Cash flow from operating results	86.4	105.8	(18.3)
Change in working capital	(0.3)	6.4	<-100
Change in other operating items	(6.6)	(2.3)	<-100
Income taxes paid	(7.2)	(7.7)	6.5
Cash flow from operating activities	**72.3**	**102.3**	**(29.3)**
Cash flow from investing activities	**(52.7)**	**(48.5)**	**(8.7)**
FREE CASH FLOW	**19.6**	**53.8**	**(63.6)**
Cash flow from financing activities	**(37.9)**	**(40.7)**	**7.0**
CHANGE IN CASH AND CASH EQUIVALENTS	**(18.3)**	**13.1**	**<-100**

Cash flow from operating results fell by EUR 19.4 million from von EUR 105.8 million in the previous year to EUR 86.4 million, chiefly due to the decline in revenues and profitability.

Cash outflows from the changes in other operating positions amounted to EUR (6.6) million (2023/24: EUR (2.3) million), and resulted mainly from the reduction of provisions for pensions, termination benefits and guarantees. Contrasting factors included an increase in the provisions for restructuring. Cash flow from operating activities declined from EUR 102.3 million to EUR 72.3 million.

Cash flow from investing activities amounted to EUR (52.7) million in 2024/25 (2023/24: EUR (48.5) million). Investments consisted chiefly of tools for new products, expansion and maintenance, and capitalised development costs for a total of EUR 14.4 million (2023/24: EUR 8.8 million). This amount includes investments of EUR 36.8 million (2023/24: EUR 35.4 million) (including capitalised development costs) in Dornbirn.

Free cash flow at EUR 19.6 million

Free cash flow equalled EUR 19.6 million in 2024/25 (2023/24: EUR 53.8 million).

Cash flow from financing activities totalled EUR (37.9) million in 2024/25 (2023/24: EUR (40.7) million) and was adjusted to exclude the non-cash additions from lease liabilities. Included here are cash outflows of EUR 13.6 million (2023/24: EUR 13.6 million) for the payment of lease liabilities and EUR 10.5 million (2023/24: EUR 11.6 million) for interest payments. Dividends of EUR 10.7 million were distributed to the shareholders of Zumtobel Group AG in 2024/25 (2023/24: EUR 17.3 million).

As of 30 April 2025, the Zumtobel Group had drawn EUR 75 million (2023/24: EUR 5 million) under the consortium credit agreement. The two credit agreements concluded with the European Investment Bank (EIB) for EUR 30 million and EUR 40 million with bullet repayment which were reported as of 30 April 2024 were repaid on schedule at the end of their respective terms (September 2024 and February 2025). A new financing agreement over EUR 50 million was concluded with the EIB on 9 December 2024 and had not been used as of 30 April 2025. The Zumtobel Group also has unsecured credit lines of EUR 43.3 million (2023/24: EUR 43.3 million) at its disposal to meet short-term liquidity fluctuations.

Balance sheet data in EUR million	30 April 2025	30 April 2024
Total assets	989.6	987.2
Net debt	118.5	77.1
Debt coverage ratio	*1.36*	*0.73*
Equity	424.9	425.2
Equity ratio in %	*42.9*	*43.1*
Gearing in %	*27.9*	*18.1*
CAPEX	89.7	64.2
thereof CAPEX excl. IFRS 16	*54.2*	*50.8*
Working capital	227.8	225.6
As a % of rolling 12 month revenues	*20.8*	*20.0*

Solid balance sheet structure

Working capital totalled EUR 227.8 million as of 30 April 2025 and was EUR 2.2 million above the level on 30 April 2024. Inventories principally reflected the previous year at EUR 176.9 million (2023/24: EUR 180.4 million). Trade receivables were EUR 9.4 million lower year-on-year. Trade payables and prepayments received declined by EUR 12.5 million and EUR 2.6 million, respectively, as of as of 30 April 2025. As a per cent of rolling 12-month revenues, working capital increased from 20.0% in the previous year to 20.8%. The receivables sold through factoring totalled EUR 47.5 million at the end of the reporting year (2023/24: EUR 50.0 million).

The balance sheet total of the Zumtobel Group was nearly unchanged year-on-year at EUR 989.6 million as of 30 April 2025 (2023/24: EUR 987.2 million), and the equity ratio reflected the previous year at 42.9%. Net debt increased by EUR 41.4 million to EUR 118.5 million as of 30 April 2025, primarily due to the extension of the lease for the plant in Spennymoor. Gearing – which represents the ratio of net liabilities to equity – subsequently rose from 18.1% to 27.9%. The balance sheet structure of the Zumtobel Group remains stable and solid.

1.3.3 Significant events since 30 April 2024

Dividend of 25 euro cents per share

The 48th General Meeting of Zumtobel Group AG on 2 August 2024 approved the payment of a 25 euro cents dividend per share for the 2023/24 financial year. The dividends were distributed to shareholders on 9 August 2024.

Two members re-elected to the Supervisory Board

In addition, the 48th General Meeting of Zumtobel Group AG re-elected Georg Pachta-Reyhofen and Thorsten Staake to the Supervisory Board for terms extending to the General Meeting in 2027. In the following constituent meeting, Karin Zumtobel-Chammah was re-elected chairwoman of the Supervisory Board.

Extension of contract with Alfred Felder

On 11 October 2024, the Zumtobel Group announced the extension of the contract with Management Board Chairman and CEO Alfred Felder up to 30 September 2027.

Approval for end of production at ZG Europhane

An ad-hoc press release by the Zumtobel Group on 16 October 2024 announced the evaluation of the termination of production at the French subsidiary ZG Europhane in Les Andelys. The approval for the end of production at ZG Europhane was communicated in an ad-hoc announcement on 24 January 2025.

End of share buyback programme

On 31 January 2025, the Zumtobel Group announced the termination of the programme to repurchase shares of Zumtobel Group AG. A total of 808,945 Zumtobel Group AG shares were repurchased up to and including 31 January 2025 which represent 1.87% of share capital.

Extension of contract with Marcus Frantz

In connection with the presentation of earnings for the third quarter of 2024/25, the Zumtobel Group announced the extension of the Management Board contract with CDTO Marcus Frantz up to 30 September 2028.

No other significant events occurred during the reporting year.

1.4 Internal Control System and Risk Management

1.4.1 Internal control system[10]

ICS structure and focus

The internal control system in the Zumtobel Group (abbreviated in the following as "ICS") supports the attainment of corporate goals. The ICS is defined as the total of all process-based monitoring and management measures to safeguard Group assets, to ensure the completeness and reliability of information and systems, to support the efficiency and effectiveness of processes and to guarantee compliance with legal, contractual and internal rules and regulations.

The structure and design of the Zumtobel Group's ICS are based on recognised international governance guidelines such as the framework issued by the Committee of the Sponsoring Organizations of the Treadway Commission (COSO Internal Control – Integrated Framework 2013) and the IT framework (COBIT) published by the Information Systems Audit and Control Association (ISACA), which are adapted where necessary to reflect the Group's business model. The scope of the design and formalisation of the ICS complies with mandatory legal rules and regulations and follows a strict risk orientation (benefits), which is critically compared with the expected added expense (costs).

ICS responsibility

Designated process managers are responsible for implementing and updating the ICS in the individual functional areas, regions and/or business divisions but the final responsibility lies with the Management Board. The ICS is closely linked with the organisationally separate enterprise risk management process, which systematically records and aggregates risks for the process managers on a regular basis and, together with the related measures, prepares reports for various levels up to the Supervisory Board.

ICS monitoring

Monitoring activities are carried out by the quality assurance units in the specialist departments together with the organisationally separate corporate audit and compliance department. This latter department has a dual reporting line to the Management Board and Audit Committee, which are responsible for monitoring the ICS. The monitoring process covers the design of controls as well as their operational effectiveness. A strictly organised follow-up process ensures that any identified weak points are eliminated as quickly as possible. The designated monitoring functions are based on strict professional standards and subject to regular external review.

ICS elements

The central elements of the ICS in the Zumtobel Group are:

- The code of conduct, which is supplemented by specific rules (e.g. for invitations)
- The anonymous whistle-blower system
- Corporate policies and procedures
- Clearly defined organisational structures, job specifications and the formal delegation of duties and responsibilities according to the individual functional requirements
- Regular comparison of the actual situation (e.g. cost centre reports) with expected results (e.g. budget)
- Approval and release rules that are integrated in processes as well as process-related and follow-up controls
- Training programmes for employees

[10] This section fulfills the disclosure requirements of the European Sustainability Reporting Standards (ESRS), which are applied in the consolidated non-financial statement as part of Zumtobel Group AG's Group Management Report (ESRS 2-GOV-5 §36a).

ICS for financial reporting

The ICS for financial reporting is based on these general ICS elements and contains specific, very detailed rules which are available to employees in the Zumtobel Group's Intranet. Examples of the ICS for financial reporting include the following:

- Written definition of processes and documentation
- Approval and release rules which are integrated in the respective processes
- Accounting and valuation principles (Zumtobel Group Accounting Manual)
- Uniform, Group-wide closing checklists to document all closing activities

The ICS elements are updated and expanded as required based on a risk-oriented approach.

1.4.2 Risk management[11]

Risk policy approaches

Systematic approach for the early identification of opportunities and risks

The Zumtobel Group realises that an effective opportunity and risk management system – as well as an internal control system – plays an important role in maintaining and expanding its competitive position. Risk management in the Zumtobel Group covers the direct interaction and handling of risks to protect the asset, financial and earnings positions and to support the identification of opportunities and the evaluation of entrepreneurial decisions. The goal of risk management is to identify risks and opportunities at an early point in time through a systematic approach and thereby permit the implementation of suitable measures to deal with changes in the operating environment. Risk management in the Zumtobel Group is an independent strategic process as well as an integral part of operational management. The basic instruments for the monitoring and management of risks are the risk management software which is installed in all Group companies as well as standardised planning and controlling processes, Group guidelines, regular reporting and the internal control system.

Risk management based on recognised standards and best practice

The corporate risk management department, a section of the controlling department at corporate headquarters, is responsible for the continuous development of risk management processes as well as the coordination of Group-wide risk management and risk monitoring. The risk management system used by the Zumtobel Group is closely linked with corporate controlling processes and the internal control system. The underlying framework for these two systems is formed by the principles of the COSO ERM Framework 2017. Guidelines and process descriptions for risk management are available to all companies in the Zumtobel Group.

Central role of reporting

Reporting plays a central role in the monitoring and management of economic risks. The operating units provide the Management Board with regular information on the current and expected development of business as well as the existing risks and available opportunities. In addition, the Audit Committee of the Supervisory Board receives semi-annual reports on the Group's major risks and opportunities. The tools and processes used by the Group to identify and evaluate risks are continuously developed and improved with the support of internal audit (Corporate Audit & Compliance). The auditor evaluates the effectiveness of risk management in the Zumtobel Group each year and reports to the Audit Committee on the results of this review.

[11] This section fulfills the disclosure requirements of the European Sustainability Reporting Standards (ESRS), which are applied in the consolidated non-financial statement as part of Zumtobel Group AG's Group Management Report (ESRS 2-GOV-5 §36a).

The opportunities for the Zumtobel Group are described in detail under "The Zumtobel Group - An Overview". The major risks and countermeasures are discussed in the following sections:

Market and competitive risks in the lighting industry

Macroeconomic risks

Recent developments require a reassessment of the political and economic situation. In its latest World Economic Outlook, the International Monetary Fund sees a significant impact from trade conflicts and the extreme political uncertainty and has reduced its forecasts for global growth in 2025 and 2026. The economic outlook for Europe, our most important market, is still subdued – also for key markets like Germany, Austria and Great Britain.

The commercial construction industry, which has a significant influence on the professional lighting market, is only recovering slowly from several negative years. The priorities in many European countries can be expected to change as a result of strained budgets and the political environment. Other risks remain, for example changes in the application and product mix or the lack of qualified employees.

Restructuring risks

Necessary measures to bring structural costs and capacity in line with the difficult market environment or the strategic reorientation of the Zumtobel Group can lead to additional restructuring costs and thereby have a negative effect on earnings.

Technology risks

The COVID-19 pandemic triggered a massive increase in the pace of digitalisation, and the focus has now shifted to AI (Artificial Intelligence). New tools can help to reduce administrative costs and influence the competitive position, but require clear structures and processes as well as a precise database. However, important issues involving data security and intellectual property are still unresolved.

Demand in the lighting sector for system solutions which reduce energy costs through the replacement of lighting and also offer additional digital functions is principally high but cyclical. That creates opportunities for more extensive offerings with clear added value for customers, but requires a fundamental willingness to invest and carries the risk of increased system complexity and possible customer dissatisfaction and complaints.

The wide range of technologies in use also increases the risk of infringement of third-party property rights. Today's operating and control equipment contains an increasing number of semiconductors, which means the lighting sector is also heavily affected by the supply situation for these input products. The digitalisation of customer to customer processes (end2end), on the one hand, and the growing use of software in integrated products, on the other hand, increases the risk of cyberattacks on the company and its customers, with the related negative effects on revenue and earnings.

Business risks

Access to global decision-making networks

Access to a global network of opinion leaders and decision makers is important for both the project business and the OEM business in the Zumtobel Group. However, the readiness to invest has declined due to the numerous sources of uncertainty over the further development of business.

Market acceptance of new products

The technology and cost potential of the light source LED has been generally exhausted, a situation that makes differentiation from the competition more difficult. In the conventional lighting and components business, the Zumtobel Group is challenged to defend its strong technology position in the industry and adapt new developments to meet the changing requirements of various applications. The pressure on margins – especially for new products – is certain to increase. In the system business with its new digital functions that are often accompanied by new business models, market acceptance is difficult to predict.

Political risks

The Zumtobel Group operates in a global business environment, whereby Europe is the most important market by far with around 85% of revenues. The wars in Ukraine and the Near East have also massively increased the political risk in Europe, primarily due to the uncertainty connected with supplies of certain materials and energy (oil and natural gas). The sharp rise in energy costs across the continent is weakening the competitive ability of Europe's industry. This has had a direct impact on the Zumtobel Group and its customers in the industrial sector through the postponement of new construction or outsourcing from Europe. The high level of inflation – in spite of the recent easing – has led to greater reservation on the part of professional as well as private consumers, and this general reluctance to spend is creating economic problems for many companies.

The direct effects of US tariffs on the Zumtobel Group are minimal because the share of revenues generated in the USA is very low. Europe could, however, see an increase in competition from Chinese companies that are looking for alternative markets and have narrowed the technological gap.

Risks in human resources management

A lack of specialised personnel, for example in R&D and IT, can endanger the successful pursuit of a company's strategy over the long-term and prevent the full realisation of growth opportunities. Demographic change has created a challenge for the Zumtobel Group to find qualified employees as older staff approach retirement. The Zumtobel Group ensures the availability of the necessary expertise through training and continuing education for employees in internal as well as external programmes. Other important elements of human resources work are performance-based remuneration, a positive working climate, international career opportunities and measures to support the work-life balance.

The persistently high inflation in recent years has led, among others, to a disproportionate increase in personnel costs and remains a development that is monitored closely by the Zumtobel Group due to its international competition. This challenge presents the Zumtobel Group as well as many other globally operating companies with similar difficulties. One possibility to address this development lies in the company's internationality and the resulting scope for action.

Procurement risks

Global supply chains are currently exposed to significant risks that have been intensified by the widespread geopolitical unrest, the increasing use of cyberattacks in international conflicts, current tariff policies, continuing inflation and the trend towards protectionism.

On the procurement market, no clear supply or cost trends applicable to all product groups can be detected at the present time. The price-index curves for the materials most frequently used by the Zumtobel Group (steel, aluminium and copper) have become remarkably short-term and volatile after the continuing ups and downs triggered by the COVID-19 pandemic and geopolitical developments in recent years. Announcements of temporary capacity reductions or tariff increases trigger immediate market reactions with accompanying price adjustments. Greater supply shortages of the above materials are not expected for the moment.

The prices for electronic components and LEDs continue to decline, but the first signs of a possible supply/demand imbalance have appeared and, in the worst case, could lead to a new allocation. The Zumtobel Group manages potential supply risks with regular market monitoring and multiple sourcing (multiple suppliers for the same product). Moreover, a dynamic security system regularly screens the availability of key components and issues a recommended security level for these stocks.

The sustainability and long-term nature of supplier relationships as well as mutual trust and the early identification of potential problems places the Zumtobel Group in a good position to master procurement challenges.

IT security risks

Information security is an entrepreneurial aspect that covers all areas of the business. A wide range of processes, guidelines and measures have been implemented and are regularly reviewed and updated to ensure that the Group's information security meets the demands of the business. Included here are staff training and technological measures in various areas like IT (Information Technology) and OT (Operational Technology). IT risks are reduced by state-of-the-art hardware and software with appropriate service and maintenance contracts. The IT security concept is based on the following functions: identify, protect, detect, respond and recover. Multistage firewalls and virus protection concepts have been installed to prevent hacker attacks as best as possible. The Zumtobel Group's IT systems are protected by a modern high security computing centre and a back-up facility with a scenario that is tested regularly. The routine replacement of hardware and software minimises the risk of breakdown and data loss.

Asset risks

A policy that calls for regular maintenance and replacement investments reduces the risk of production losses. Investments in key equipment are linked to maintenance contracts. A resident fire brigade at the main production locations in Austria as well as the regular review of technical safety standards by external experts and inspections by technical specialists minimise the risk of damage and business interruption. The Zumtobel Group has also concluded comprehensive all-risk insurance that will generally provide compensation for substantial damage to assets. Risk management works closely with the insurance department to identify other risks that can be insured and arranges for appropriate coverage.

Inventory valuation risks

The balance sheet risks arising from inventories are reduced with a prudent valuation approach that also includes turnover rates. Shorter innovation cycles and the rising complexity of digital lighting systems require stricter inventory management. This approach also reduces the risk of inventory write-offs.

The Zumtobel Group's inventories are dependent on warehousing strategies, material prices and exchange rates as well as delivery times and availability. Delivery delays at the component level can postpone the completion of entire projects and create a greater risk of contract cancellations by customers. This, in turn, can lead to increased inventories and a higher risk of write-downs. The Zumtobel Group's sales department maintains close contact with customers to reduce this risk. Information systems were also significantly optimised and expanded to improve internal and external

Product liability risks

Product liability risks, meaning the risks of regress claims and subsequent damage to the Group's image as a result of quality defects, can be caused by errors in the internal and/or external supply chain. Quality assurance systems monitor compliance with the Group's internally defined, high standards for product quality. The Zumtobel Group also carries product liability insurance. The lighting industry has seen a trend towards longer guarantee periods in recent years – especially for road lighting projects – which leads to higher guarantee costs, warranty provisions and revenue accruals.

Legal risks

Legal risks can arise, among others, from changes in laws or administrative practice, from political risks, legal disputes or changes in environmental regulations. The Zumtobel Group's legal department regularly reviews the legal environment in the core regions and evaluates all pending proceedings to ensure that suitable actions are taken at the appropriate time. The Group's intellectual property is seen as a major competitive factor and is therefore regularly monitored and protected. Third party property rights are systematically respected. The Zumtobel Group is party to numerous proceedings with administrative authorities, courts and arbitration bodies in connection with its business activities, whereby the extent and complexity are typical for a company of this size. Appropriate provisions are recognised for specific cases as required.

Financial risks

Global operations expose the Zumtobel Group to a variety of risks from changes in market prices, exchange rates and interest rates. A detailed description of credit, liquidity and market risks is provided under "Information on risk management" in the notes to the consolidated financial statements. Other risks are related to financing and the balance sheet. The Group's financing is managed by the central Corporate Treasury department.

Financing risk

In order to protect its ability to meet its payment obligations at any time, the Zumtobel Group maintains liquidity in the form of cash and cash equivalents that are available on a daily basis to meet expected operating expenses and financial liabilities. The Zumtobel Group also has extensive financing agreements at its disposal to safeguard long-term financing requirements and to settle the short-term liquidity fluctuations that result from business activities. Possible risks based on interest rate increases by the central banks are addressed in the notes to the consolidated financial statements.

The consortium credit agreement concluded on 15 December 2021 represents a major financing agreement for the Zumtobel Group. It has a term ending in December 2028 and a maximum line which currently equals EUR 125 million. This agreement was converted to an "ESG linked loan" in June 2023 which is connected with the sustainability strategy and performance and also couples financing costs with target attainment as evidenced by the EcoVadis sustainability rating and the reduction of Scope 3 CO_2 emissions. There is also a financing agreement with the European Investment Bank (for more information, see section "1.3.2 The development of business"). These significant financing agreements include a change of control clause that would take effect if the Zumtobel family syndicate were no longer the largest shareholder group or if their holding fell below a specified threshold. They also require compliance with specific financial covenants (a debt coverage ratio of less than 3.55 and an equity ratio of more than 23.5%). The financial covenants were met in full as of 30 April 2025 with a debt coverage ratio of 1.36 (2023/24: 0.73) and an equity ratio of 42.9% (2023/24: 43.1%). The consortium credit agreement also includes a clause for an increase of up to EUR 225 million which can be drawn under certain circumstances.

Furthermore, there are unsecured credit lines (for more information, see section "1.3.2 The development of business").

A cash pooling system for the major European countries is used to improve the efficiency and effectiveness of liquidity management. It allows for the optimisation of interest income and expense on short-term cash surpluses and borrowings and reduces the need for short-term unsecured overdrafts.

Balance sheet risks

Balance sheet risks arise, above all, from the valuation of individual assets. The Group's asset and earnings positions are directly influenced by foreign exchange effects as well as the necessary use of estimates and judgment in valuing non-financial assets, deferred tax assets, the provisions for pensions, termination benefits and service anniversary bonuses, and the provisions for guarantees and warranties. The major balance sheet risks for the Zumtobel Group are related to goodwill from acquisitions, the valuation of capitalised development costs and inventories, and the valuation of the pension fund in Great Britain. Detailed information on goodwill is provided in the notes to the consolidated financial statements. Assets with an indefinite useful life are tested each year for signs of impairment, while assets with a finite useful life are tested when there are indications of impairment.

Pension obligation risks

The Zumtobel Group companies in Germany, Great Britain, Sweden, Norway, Australia and Switzerland have implemented defined benefit pension plans. The obligations remaining after the deduction of plan assets are recognised as provisions. The amount of the pension provision is dependent primarily on the market value of the invested assets, but also on the development of wages and salaries, life expectancy according to the applicable mortality tables, and the discount rate. Additional details on this subject are provided in the notes to the consolidated financial statements.

Climate and environmental risks

The Zumtobel Group systematically analyses climate-related risks. A differentiation is made between two categories of risks: the physical risks resulting from the expected climate change and the transition risks resulting from the transformation to a low CO_2 economy. The business model and strategic orientation area also monitored in connection with climate-related risks.

Physical risks

An evaluation of the locations did not identify any notable risks at the time this report was prepared. Increased precipitation, flooding and hailstorms currently represent average potential physical risks and suitable steps were, and will be, taken to manage these risks. The related activities address possible effects like damage to assets, the interruption of procurement processes or production stops. All ISO 14001 certified locations have prepared an emergency response plan which contains procedures to manage climate and other risks.

An analysis of climate scenarios showed an increase in the number of heat waves, potential dry periods and an increase in the number and intensity of extreme weather events, but did not identify any major risks or need for short-term actions. In general, the assessment of the physical risks at all locations indicates that the Zumtobel Group is less affected by climate change.

Transition risks, valuation of strategy and business model

Political and legal developments have led to an increase in reporting and disclosure requirements that has been accompanied by stricter legislation, e.g. on the reduction of emissions. These developments are proactively included and assessed in the context and impact analysis of the management system and followed by the timely implementation of appropriate measures. Goals were formulated to reduce emissions, and significant measures were initiated and implemented to reach net zero.

Potential technological risks include the competitive ability of our products from a sustainability viewpoint. The product development process therefore includes tools like the lifecycle assessment and circular design rules to provide our customers with sustainable and highly energy efficient products and services as well as product-related information like environmental product declarations.

Other potential risks result not only from market trends but also from customer demands for environmentally friendly products and services and the inclusion of a company's sustainability performance in purchase decisions. In addition to expanding the offering of energy-efficient products and sustainable services, the Zumtobel Group follows a strategy that is designed to continuously develop and improve its sustainability performance along the entire value chain.

A company's reputation can be potentially damaged when products and services are not sustainable or are perceived as not sufficiently sustainable. Communication that is not credible and fact-based can lead to a loss of confidence. Consequently, the Zumtobel Group places high priority on fact-based communications over sustainability and environmental issues.

Sustainability data is influenced by two trends. On the one hand, the efforts by lawmakers and associations to increase standardisation and, on the other hand, transparency requirements by national or regional initiatives that are difficult to meet. Examples of standardisation efforts are the Ecodesign for Sustainable Products Regulation (ESPR) at the product level and the Energy Performance of Buildings Directive (EPBD) at the building level.

To meet these demands, the environmental impact of products is systematically documented by independent, validated environmental product declarations. The progress made by the Zumtobel Group in improving its sustainability performance is visible, for example, in the external EcoVadis rating.

In the transition to a decarbonised economy, the potential risks are contrasted by substantial opportunities on the selling side – and the Zumtobel Group is optimally positioned to utilise these opportunities.

Overall risk evaluation of the Zumtobel Group

No recognisable risks that could endanger the continued existence of the Group

The overall assessment of the above risks and opportunities is principally based on market risks which are dependent on economic developments for both sales and procurement. The technological transformation process is connected with risks in the form of rising product and system complexity, but also creates opportunities through the development of new market segments and applications. The substantial energy savings potential of new innovative lighting solutions, in particular, supports customers' sustainability efforts and makes an important contribution to reducing CO_2 emissions. In this way, the Zumtobel Group with its portfolio of products and services, operates in future-proof and promising business areas.

The efficiency improvements created by LED technology and system integration are shortening product innovation cycles and, in this way, increasing the risk of write-offs to inventories and capitalised development costs. In contrast, internal production processes are associated with substantially lower risk.

Group controlling and the internal control system are able to quickly identify all major risks. Based on the information available at the present time, there are no major individual risks that could endanger the continued existence of the Zumtobel Group.

1.5 Outlook and Goals for 2025/26

- >> Revenues in single-digit percentage range below previous year
- >> Adjusted EBIT margin of 1% to 4%

Tense market climate with positive trend

The market environment remains challenging – for the Zumtobel Group and for other market participants – because economic developments in the Group's key markets are currently impossible to predict. The geopolitical situation is still precarious and the impact of US tariff policies – although the direct effects on the Zumtobel Group are minimal because only a very low share of revenue is generated in that market – could further increase competition and slow worldwide growth. This directly affects the Zumtobel Group as well as customers who have decided to postpone new construction projects or outsource outside Europe. Demand for the Zumtobel Group's products and services, especially in the new construction sector, is still weak and has been reflected longer customer decision cycles and project delays that additionally impair business activity. In contrast, positive factors include the initiatives at the EU level and in Germany which will strengthen the sector in the future and could contribute to an upturn.

Outlook on 2025/26: Revenues in single-digit percentage range below previous year and adjusted EBIT margin of 1–4%

The management of the Zumtobel Group continues to see the current geopolitical and economic situation as stressed and difficult to forecast. That makes it difficult to predict economic developments in the 2025/26 financial year. Against this backdrop and with reference to the above-mentioned uncertainties, the Management Board of Zumtobel Group expects revenues in a single-digit percentage range below the previous year and an adjusted EBIT margin of 1% to 4%.

1.6 Additional Information

1.6.1 Information pursuant to § 243a of the Austrian Commercial Code

1. The share capital of Zumtobel Group AG totals EUR 107,866,642.50 and is divided into 43,146,657 zero par value bearer shares, which are fully paid-in and have a proportional value of EUR 2.50 each in share capital. All 43,146,657 shares are securitised in a collective certificate, which is deposited with Österreichische Kontrollbank (OeKB). The company's shares are listed under ISIN AT0000837307 and were eligible for trading on the Vienna Stock Exchange as of 30 April 2025. As of 30 April 2025, the company held 808,945 shares as treasury stock.

2. Each share entitles the holder to one vote and carries the right to participate in the company's annual general meetings.

AUGMENTOR private foundation (4,620,752 shares), ASTERIX private foundation (200,752 shares), GENVALOR private foundation (2,586,598 shares), Hektor private foundation (610,155 shares), ORION private foundation (1,633,567 shares), Ingrid Reder (64,088 shares), Caroline Reder (100,000 shares), Christine Reder (100,000 shares), Fritz Zumtobel (166,210 shares), Nicholas Zumtobel (6,960 shares), Caroline Zumtobel (5,450 shares), Isabel Zumtobel (6,048 shares), Karin Zumtobel-Chammah (24,998 shares), Jürg Zumtobel (144,248 shares) and Obelix private foundation (5,332,185 shares) (together: the "syndicate") are parties to a syndicate contract.

The syndicate contract requires the parties to agree on a course of action for each point on the agenda prior to an annual general meeting and to designate one party as a representative to vote on behalf of all parties in accordance with the decisions made by the syndicate. The Management Board is not familiar with any additional information on the syndicate contract.

The articles of association do not include any restrictions on the transfer of shares. With the exception of the syndicate contract, the Management Board is not aware of any other agreements that restrict the transfer of shares.

3.The Zumtobel family syndicate held 36.16% of the company's share capital as of 30 April 2025.

4.There are no shares with special control rights.

5. Employees who hold shares in the company exercise their voting rights directly at the annual general meeting.

6. If a member of the Supervisory Board resigns before the end of his/her term of office, a replacement will be elected at the next general meeting. However, vacant seats must be filled without delay by an extraordinary general meeting if the number of members on the Supervisory Board falls below three. New members are elected for the remaining term of office of the member who has resigned. The maximum age for members of the Management Board on the date of initial appointment or reappointment is 65 years. There is no age limit for the initial appointment or reappointment of members to the Supervisory Board. The premature dismissal of Supervisory Board members is possible with a simple majority of the votes cast.

7. The general meeting passes its resolutions with a majority of votes cast, unless legal or other requirements call for a greater majority. There are no other extra-legal regulations governing the appointment or dismissal of members of the Management Board and Supervisory Board or amendments to the company's articles of association.

8. The consortium credit agreement concluded on 15 December 2021 represents a major financing agreement for the Zumtobel Group. It has a term ending in December 2028 and a maximum line which currently equals EUR 125 million. A new financing agreement over EUR 50 million was concluded with the European Investment Bank on 9 December 2024 and had not been used as of 30 April 2025. These significant financing agreements include a change of control clause that would take effect if the Zumtobel family syndicate were no longer the largest shareholder group or if their holding fell below a specified threshold.

9. The most important elements of the risk management system and the internal control system are described in detail in the management report under "The internal control system and risk management".

1.6.2 Significant events after the balance sheet date

No significant events occurred after the balance sheet date on 30 April 2025 which would have led to a change in the company's asset, financial or earnings position.

Dornbirn 18 July 2025

The Management Board

Alfred Felder
Chief Executive Officer (CEO)

Thomas Erath
Chief Financial Officer (CFO)

Bernard Motzko
Chief Operating Officer (COO)

Marcus Frantz
Chief Digital Transformation Officer (CDTO)

2. Consolidated Financial Statements

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2. Consolidated Financial Statements

2.1 Consolidated Income Statement

in TEUR	Notes	2024/25	2023/24
Revenues	2.6.4.1	1,097,236	1,126,975
Cost of goods sold	2.6.4.2	(707,103)	(730,930)
Gross profit		**390,133**	**396,045**
Selling expenses	2.6.4.2	(316,680)	(304,640)
Administrative expenses	2.6.4.2	(48,146)	(47,958)
Other operating income	2.6.4.3	8,161	6,228
Other operating expenses	2.6.4.3	(502)	(207)
Operating profit		**32,966**	**49,468**
Interest expense	2.6.4.4	(10,242)	(11,765)
Interest income	2.6.4.4	913	697
Other financial income and expenses	2.6.4.5	(7,543)	(3,525)
Financial results		**(16,872)**	**(14,593)**
Profit before tax		**16,094**	**34,875**
Income taxes	2.6.4.6	(604)	(10,186)
Net profit for the year		**15,490**	**24,689**
thereof due to non-controlling interests	*2.6.6.4*	*(31)*	*113*
thereof due to shareholders of the parent company		*15,521*	*24,576*
Average number of shares outstanding – basic (in 1,000 pcs.)		42,587	43,105
Average number of shares outstanding – diluted (in 1,000 pcs.)		42,587	43,105
Earnings per share (in EUR)	**2.6.4.7**		
Earnings per share (diluted and basic)		0.36	0.57

2.2 Consolidated Statement of Comprehensive Income

in TEUR	Notes	2024/25	2023/24
Net profit for the year		**15,490**	**24,689**
Actuarial gain/loss	2.6.5.3	1,526	(4,203)
Deferred taxes due to actuarial gain/loss	2.6.5.5	(474)	185
Total of items that will not be reclassified ("recycled") subsequently to the income statement		**1,052**	**(4,018)**
Currency differences	2.6.5.1	(2,373)	849
Currency differences associates	2.6.5.1	(610)	0
Currency differences arising from loans	2.6.5.2	127	1,334
Deferred taxes due to loans	2.6.5.5	(29)	(299)
Cash flow hedges	2.6.5.4	54	42
Deferred taxes due to cash flow hedges	2.6.5.5	(13)	(10)
Total of items that will be reclassified ("recycled") subsequently to the income statement		**(2,844)**	**1,916**
Subtotal other comprehensive income		**(1,792)**	**(2,102)**
thereof due to non-controlling interests	2.6.6.5	*(47)*	*36*
thereof due to shareholders of the parent company		*(1,745)*	*(2,138)*
Total comprehensive income		**13,698**	**22,587**
thereof due to non-controlling interests		*(78)*	*149*
thereof due to shareholders of the parent company		*13,776*	*22,438*

2.3 Consolidated Balance Sheet

in TEUR	Notes	30 April 2025	30 April 2024
Goodwill	2.6.6.1	196,124	193,783
Other intangible assets	2.6.6.2	53,552	49,510
Property, plant and equipment	2.6.6.3	284,965	255,288
Financial assets	2.6.6.5	4,042	5,323
Other assets	2.6.6.6	3,009	3,309
Deferred taxes	2.6.6.7	33,826	32,629
Non-current assets		**575,518**	**539,842**
Inventories	2.6.6.8	176,898	180,362
Trade receivables	2.6.6.9	162,435	171,862
Financial assets	2.6.6.5	2,757	4,373
Other assets	2.6.6.6	33,039	30,419
Liquid funds	2.6.6.10	38,935	60,375
Current assets		**414,064**	**447,391**
ASSETS		**989,582**	**987,233**
Share capital	2.6.8.1	107,867	107,867
Additional paid-in capital	2.6.8.2	331,620	334,638
Reserves	2.6.8.3	(15,441)	(18,536)
Capital attributed to shareholders of the parent company		424,046	423,969
Capital attributed to non-controlling interests	2.6.6.4	859	1,273
Equity	**2.6.8**	**424,905**	**425,242**
Provisions for pensions	2.6.6.11	44,406	47,109
Provisions for termination benefits	2.6.6.11	34,273	37,217
Provisions for other employee benefits	2.6.6.11	7,629	8,233
Other provisions	2.6.6.14	16,870	19,744
Borrowings	2.6.6.15	133,844	43,212
Other liabilities	2.6.6.18	19,910	18,808
Deferred taxes	2.6.6.8	3,160	3,903
Non-current liabilities		**260,092**	**178,226**
Provisions for taxes		11,905	13,108
Other provisions	2.6.6.14	31,489	27,275
Borrowings	2.6.6.15	25,019	95,738
Trade payables		93,300	105,774
Other liabilities	2.6.6.18	142,872	141,870
Current liabilities		**304,585**	**383,765**
EQUITY AND LIABILITIES		**989,582**	**987,233**

2.4 Consolidated Cash Flow Statement

in TEUR	Notes	2024/25	2023/24
Profit before tax	2.1	16,094	34,875
Depreciation and amortisation	2.6.4.2	53,673	56,345
Impairment of property, plant and equipment and intangible assets	2.6.4.2	218	276
Gain/loss on the disposal of property, plant and equipment and intangible assets		756	(629)
Other non-cash financial results	2.6.4.5	7,543	3,525
Interest income/ Interest expense	2.6.4.4	9,329	11,068
Changes in the scope of consolidation		(1,188)	385
Cash flow from operating results		**86,425**	**105,845**
Inventories		2,622	14,165
Trade receivables		11,524	(1,861)
Trade payables		(11,998)	8,856
Prepayments received		(2,450)	(14,719)
Change in working capital		**(302)**	**6,441**
Non-current provisions		(12,177)	(12,723)
Current provisions		4,393	4,296
Other assets		(564)	6,743
Other liabilities		1,708	(626)
Change in other operating items		**(6,640)**	**(2,310)**
Income taxes paid		**(7,194)**	**(7,692)**
Cash flow from operating activities		**72,289**	**102,284**
Cash inflows from the disposal of property, plant and equipment and other intangible assets		521	2,021
Cash outflows for the purchase of property, plant and equipment and other intangible assets		(54,168)	(50,847)
Change in non-current and current financial assets		1,136	(329)
Change in liquid funds from changes in the consolidation range		(1,089)	0
Interest received		921	684
Cash flow from investing activities		**(52,679)**	**(48,471)**
FREE CASH FLOW		**19,610**	**53,813**
Cash proceeds from non-current and current borrowings	2.6.7.2	72,637	6,360
Cash repayments of non-current and current borrowings	2.6.7.2	(86,022)	(16,386)
Dividend paid to shareholders of the parent	2.6.8.4	(10,681)	(17,259)
Dividend paid to non-controlling interests	2.6.6.5	(333)	(255)
Share buyback		(3,018)	(1,561)
Interest paid		(10,459)	(11,627)
Cash flow from financing activities		**(37,876)**	**(40,728)**
CHANGE IN CASH AND CASH EQUIVALENTS		**(18,266)**	**13,085**
Cash and cash equivalents at the beginning of the period	2.6.7.1	47,625	36,483
Cash and cash equivalents at the end of the period	2.6.7.1	27,494	47,625
Effects of exchange rate changes on cash and cash equivalents		(1,865)	(1,943)
Change absolute		**(18,266)**	**13,085**

2.5 Consolidated Statement of Changes in Equity

2024/2025 Financial Year

in TEUR	Notes	Attributed to shareholders of the parent company: Share capital	Additional paid-in capital	Other reserves	Currency reserve	Reserves for cash flow hedges	Reserve IAS 19	Total	Non-controlling interests	Total equity
30 April 2024		**107,867**	**334,638**	**117,569**	**(33,116)**	**32**	**(103,021)**	**423,969**	**1,273**	**425,242**
+/- Net profit for the year	2.1	0	0	15,521	0	0	0	15,521	(31)	15,490
+/- Other comprehensive income	2.2	0	0	0	(2,838)	41	1,052	(1,745)	(47)	(1,792)
+/- Total comprehensive income		**0**	**0**	**15,521**	**(2,838)**	**41**	**1,052**	**13,776**	**(78)**	**13,698**
+/- Share buyback		0	(3,018)	0	0	0	0	(3,018)	0	(3,018)
+/- Dividends	2.6.8.4	0	0	(10,681)	0	0	0	(10,681)	(336)	(11,017)
30 April 2025		**107,867**	**331,620**	**122,409**	**(35,954)**	**73**	**(101,969)**	**424,046**	**859**	**424,905**

2023/24 Financial Year

in TEUR	Notes	Attributed to shareholders of the parent company: Share capital	Additional paid-in capital	Other Reserves	Currency reserve	Reserves for cash flow hedges	Reserve IAS 19	Total	Non-controlling interests	Total equity
30 April 2023		**108,750**	**335,316**	**110,722**	**(34,964)**	**0**	**(99,473)**	**420,351**	**1,374**	**421,725**
+/- Net profit for the year	2.1	0	0	24,576	0	0	0	24,576	113	24,689
+/- Other comprehensive income	2.2	0	0	0	1,848	32	(4,018)	(2,138)	36	(2,102)
+/- Total comprehensive income		**0**	**0**	**24,576**	**1,848**	**32**	**(4,018)**	**22,438**	**149**	**22,587**
+/- Capital increases		(883)	883	0	0	0	0	0	0	0
+/- Share buyback	2.6.4.8	0	(1,561)	0	0	0	0	(1,561)	0	(1,561)
+/- Changes in the scope of consolidation		0	0	(470)	0	0	470	0	0	0
+/- Dividends	2.6.8.4	0	0	(17,259)	0	0	0	(17,259)	(250)	(17,509)
30 April 2024		**107,867**	**334,638**	**117,569**	**(33,116)**	**32**	**(103,021)**	**423,969**	**1,273**	**425,242**

2.6 Notes

2.6.1 General Information

The consolidated financial statements were prepared in accordance with § 245a of the Austrian Commercial Code and the provisions of IFRS/IAS that were issued by the International Accounting Standards Board (IASB) as well as all interpretations (IFRIC/SIC) of the International Financial Reporting Interpretations Committee and Standing Interpretations Committee that were valid as of the balance sheet date, to the extent that these regulations have also been adopted by the European Union through its endorsement proceedings. Therefore, the consolidated financial statements of Zumtobel Group AG comply with all International Financial Reporting Standards (IFRS) that are applicable in the European Union for the 2024/25 financial year. The accounting and measurement policies applied to the assets and liabilities were based on the assumption that the company is a going concern. No risks were identified that could endanger the standing of the Zumtobel Group as a going concern.

The Management Board of Zumtobel Group AG released the consolidated financial statements for distribution to the Supervisory Board on 18 July 2025. The Supervisory Board is responsible for examining the consolidated financial statements and issuing a statement that indicates whether it approves the consolidated financial statements. The relevant Supervisory Board meeting is scheduled for 22 July 2025 in Dornbirn.

The Zumtobel Group is an international lighting corporation. The headquarters of the parent company, Zumtobel Group AG, are located at Höchster Strasse 8, A-6850 Dornbirn, Austria, and the company is registered with the Provincial and Commercial Court in Feldkirch, Austria, under FN 62309g. The balance sheet date is 30 April, and the reporting year covers the period from 1 May 2024 to 30 April 2025. The reporting currency is the euro. Business activities are carried out through the Lighting Segment (lighting solutions, interior and exterior lighting, electronic-digital lighting and room management systems) and the Components Segment (electronic lighting components and LED lighting components).

The annual financial statements of the companies included in the consolidated financial statements were prepared on the basis of uniform accounting and valuation principles. The income statement was prepared in accordance with the cost of sales method. In order to improve the transparency and explanatory power of these consolidated financial statements, certain items were combined on the balance sheet and income statement and are presented separately in the notes. The amounts in the tables are presented in thousand euros (TEUR), unless stated otherwise. The use of automatic data processing equipment can lead to rounding differences.

The consolidated financial statements were prepared on the basis of historical acquisition cost, with the exception of the following positions:

- Derivative financial instruments carried at fair value through other comprehensive income (FVTOCI)
- Financial instruments carried at fair value through profit or loss (FVTPL)

2.6.2 Scope of Consolidation and Consolidation Methods

2.6.2.1 Scope of consolidation

The consolidated financial statements for 2024/25 include 86 (2023/24: TEUR 85) fully consolidated companies which are controlled by Zumtobel Group AG. In accordance with IFRS 10, control exists when Zumtobel has the power of disposition over the subsidiary and, consequently, can determine the subsidiary's financial and business policies and is exposed to variable returns. Control is generally defined as the majority of voting rights. Contractual obligations in individual cases also establish control when the investment falls below the majority of voting rights.

No companies were consolidated at equity in 2024/25 (2023/24: TEUR one company). Eleven companies (2023/24: TEUR nine companies) were not included in the consolidation because their influence, individually and in total, on the asset, financial and earnings position of the Group is immaterial. An overview of the Group companies is provided in a list at the end of the notes.

IFRS interim financial statements were prepared as of 30 April for companies that have a different balance sheet date.

Any additional obligations to prepare subgroup financial statements based on local requirements are met with the publication of these consolidated financial statements.

The scope of consolidation changed as follows during the reporting year:

	Consolidation Method		
	full	at equity	Total
30 April 2024	**85**	**1**	**86**
Change in consolidation method	(1)	(1)	(2)
Included during reporting year for first time	2	0	2
thereof newly founded	*1*	*0*	*1*
30 April 2025	**86**	**0**	**86**

Acquisition

The Zumtobel Group acquired the remaining shares in the Swiss Inventron AG on 27 March 2025 and increased its investment from the previously held 48%. Inventron AG was accounted for at equity prior to the transaction.

The fair value, which was accounted for at equity as an investment in an associated company, equalled TEUR 1,022 on the acquisition date. The reassessment of this investment following the successive share purchase led to a gain of TEUR 1,022 which is reported under other operating income.

Inventron is a leading company for the development and production of modern lighting solutions. With its advanced infrastructure, the company offers solutions for series production, small series and specially designed projects. Its services range from design and product development to mechanical aluminium prototyping, light measurement and electronics production. This step will expand and strengthen the Zumtobel Group's expertise as a lighting partner who offers its customers fully integrated lighting solutions. The complete takeover will support the optimisation of processes, the bundling of resources and the faster development and delivery of customer-specific product solutions. The recognised goodwill is presumably not deductible for tax purposes.

The following table summarises the acquired assets and assumed liabilities as well as the purchase price for the agreed acquisition.

in TEUR	Inventron
Property, plant and equipment	139
Financial assets	107
Inventories	972
Trade receivables	588
Other assets	305
Cash and cash equivalents	19
Borrowings	(151)
Provisions for pensions	(471)
Trade payables	(305)
Other liabilities	(506)
Net assets acquired	**697**

in TEUR	Inventron
Purchase price	1,502
thereof cash	*1,108*
thereof earn-out agreement	*394*
Revaluation of previously held equity interests	1,022
Net assets acquired	(697)
Goodwill	**1,827**

The conditional consideration is dependent on the development of EBIT in the acquired company over the next five years. The present value of the future expected payments equals TEUR 394 and was designated as the fair value for this agreement. The amount included in the acquisition costs for the obligation from the earn-out agreement was recognised as a non-current liability.

The fair value of trade receivables totals TEUR 588, whereby none are classified as uncollectible.

The company was initially consolidated as of 30 April 2025. Consequently, the income statement does not include any proportional share of revenues or net profit. Inventron generated annual revenues of TEUR 6,143 and net profit of TEUR 6 in the 2024 financial year.

The accounting treatment of the acquisition will be adjusted if new information concerning facts and circumstances that existed as of the acquisition date becomes known within a year of that date and would have led to the correction of the recognised amounts or to the recognition of additional provisions.

2.6.2.2 Consolidation methods

Basis of consolidation
The principles set forth in IFRS 3 "Business Combinations" are used to eliminate the investment and equity for subsidiaries included through full consolidation. This method requires the recognition at fair value of the subsidiary's identifiable assets, liabilities and contingent liabilities as of the acquisition date. If the acquisition price exceeds the fair value of the acquired identifiable assets and liabilities, the difference is recognised as goodwill. Any negative differences are recognised immediately to profit or loss in accordance with IFRS 3 "Business Combinations".

Non-controlling interests are carried at the respective proportion of the fair value of recognised assets and liabilities.

The profit or loss recorded by a subsidiary that is acquired or sold during the year is included in the Group income statement as of the effective date of acquisition or up to the effective date of disposal.

Other consolidation principles
Intercompany receivables are offset against the corresponding liabilities during the consolidation of liabilities. Revenue and expenses arising from transactions between Group companies are eliminated during the consolidation. Interim profits from inventories as well as the production and transfer of fixed assets between Group companies are eliminated unless they are immaterial.

Foreign currency translation
The functional currency method is used to translate the financial statements of foreign companies included in the consolidation. The local currency represents the functional currency for all these companies because the entities operate independently from a financial, economic and organisational standpoint. The functional currency of the Zumtobel Group is the euro. The translation of the companies' functional currencies into the reporting currency involves the following: Assets and liabilities are translated at the average exchange rate on the balance sheet date; revenues and expenses are translated for the income statement based on monthly average exchange rates. The same applies to the income and expenses recognised directly in equity. The resulting net difference is shown on the statement of comprehensive income.

The most important currencies for the Zumtobel Group are listed in the following table:

	Average exchange rate: Income Statement		Closing rate: Balance Sheet	
1 EUR equals	30 April 2025	30 April 2024	30 April 2025	30 April 2024
AUD	1.6574	1.6501	1.7798	1.6423
CHF	0.9486	0.9605	0.9389	0.9787
USD	1.0784	1.0827	1.1373	1.0718
SEK	11.3711	11.5187	10.9715	11.7530
NOK	11.7002	11.5470	11.8090	11.8150
GBP	0.8414	0.8612	0.8518	0.8548

2.6.3 Accounting and Valuation Methods

2.6.3.1 Effects of new and revised standards and interpretations

The following new, revised and/or expanded standards and interpretations were relevant for the Zumtobel Group for the first time in 2024/25:

Standard/Interpretation		Mandatory application in financial years beginning on or after
IFRS 16	Change: Subsequent measurement in connection with a sale-and leaseback	1 January 2024
IAS 1	Change: Classification of liabilities as current or non-current	1 January 2024
IAS 1	Change: Non-current liabilities with covenants	1 January 2024
IAS 7 and IFRS 7	Change: Supplier finance arrangements	1 January 2024

The change to IFRS 16 includes requirements for the subsequent measurement of leases within the framework of a sale-and-leaseback transaction which apply to the seller-lessee. It simplified the subsequent measurement of lease liabilities to prevent the inappropriate realisation of gains.

The change to IAS 1 involves the adjustment of the assessment criteria for the classification of liabilities as current or non-current. In the future, only rights that exist at the end of the reporting period are decisive for the classification of a liability. Supplementary guidelines were also included for the interpretation of the criterion "right to defer the settlement of a liability for at least 12 months" and the explanation of the characteristic "settlement".

The second change to IAS 1 clarifies that only covenants which a company must fulfil on or before the reporting date can influence the classification of liabilities as current or non-current. However, a company must disclose information in the notes which permits an understanding of the risk that non-current liabilities with covenants could become repayable within 12 months.

The changes to IAS 7 and IFRS 7 are intended to increase the transparency of supplier finance arrangements and their effects on liabilities, cash flows and liquidity risk. The changes supplement the previously required disclosures in the notes that require companies to provide qualitative and quantitative information on financing arrangements with suppliers.

These changed standards have no effect, or no material effect, on the Zumtobel Group.

The following new or revised IAS/IFRS/IFRIC interpretations were published, but do not yet require mandatory application and/or were not yet adopted by the European Union through its endorsement process. Consequently, they were not applied prematurely by the Zumtobel Group in the 2024/25 financial year:

Standard/Interpretation		Mandatory application in financial years beginning on or after
IAS 21	Change: Lack of Exchangeability	1 January 2025
IFRS 9 / IFRS 7	Change to Contracts based on Renewable Electricity	1 January 2025
IFRS 7 / IFRS 9	Change: Classification and Measurement of Financial Instruments	1 January 2026
IFRS 1, IFRS 7, IFRS 9, IFRS 10, IAS 7	Annual Improvements to IFRS (Cycle 2021-2023)	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability	1 January 2027

The Group is currently evaluating the possible effects of the above changes on its consolidated financial statements. To date, no material effects are expected.

2.6.3.2 Major accounting and valuation methods

Goodwill

Goodwill is recognised as an asset and tested for impairment at the level of the relevant cash-generating unit or group of cash generating units. Any impairment is recognised immediately to profit or loss. Additional information is provided under note 2.6.3.3 "Discretionary decisions and estimation uncertainty".

Other intangible assets

Patents, licenses and similar rights are recognised at acquisition or production cost in the year of acquisition and amortised on a straight-line basis over their presumed useful life (four to ten years).

Internally generated intangible assets that result from product development or the implementation of software by the Group are only capitalised when the requirements defined in IAS 38.57 – above all the following conditions – are met:

- The internally generated asset is identifiable.
- >> It is probable that the asset will generate a future economic benefit.
- The cost of the asset can be reliably determined.

Internally generated intangible assets are amortised on a straight-line basis (three to ten years). Capitalised development projects are tested for impairment at least once each year, or when there are indications of impairment, based on business plans for the individual products. Indications of impairment are reflected in a reduction through profit or loss of the carrying amount of the intangible asset and any related equipment. If the recognition of an internally generated intangible asset is not permitted, the related development costs are expensed in the period incurred. Research costs are expensed as incurred.

Property, plant and equipment

Acquired and internally generated property, plant and equipment are recognised at acquisition or production cost and, if depreciable, are depreciated over their presumed useful life on a straight-line basis. Performance-based depreciation is applied in justified individual cases if this method better describes the reduction of value. Production costs include direct costs as well as an appropriate part of material and production overheads.

Straight-line depreciation for the property, plant and equipment owned by the Zumtobel Group is based on the following rates:

Straight-line depreciation	Depreciation rate per year
Buildings	2 – 3.3%
Technical equipment and machinery	5 - 25%
Other equipment, furniture, fixtures and office equipment	6.7 – 33.3%

Straight-line amortisation for rights of use is based on the following rates:

Straight-line amortisation	Amortisation rate per year
Buildings	4.7 - 50%
Other tangible assets	20.0 – 33.3%

The CO_2 transaction plan has not had any effects to date on the estimates for the useful lives of property, plant and equipment or rights of use. The necessary adjustments to energy efficiency are made at the end of the planned useful life in connection with the routine replacement of equipment.

Leases

The accounting method applied to leases is explained in note 2.6.6.16.

Trade receivables

Trade receivables are initially recognised at the amount of the unconditional consideration. Receivables with a significant financing component are initially recognised at fair value and measured at amortised cost, including the deduction of any required impairment losses, in subsequent periods based on the effective interest method.

The Zumtobel Group continues to account for sold trade receivables at an amount equal to its ongoing commitment, i.e. at the maximum amount of the remaining inherent credit risk and delayed payment risk for the sold receivables, and recognises a corresponding liability to credit institutions. The receivables are subsequently derecognised in line with the reduction in the Zumtobel Group's continuing commitment.

The Group defines the goals of the business model in which the financial asset is held at the portfolio level. Trade receivables can be clearly assigned to portfolios for classification and measurement based on defined criteria: The business model "hold" for the collection of cash flows is generally used for trade receivables. Portfolios assigned to the business model "sell" are covered in full by factoring.

Additional information on the accounting treatment of trade receivables is provided in note 2.6.6.9 and in connection with the description of impairment principles.

Inventories

Inventories are measured at the lower of purchase or production cost (based on the average price method) and the net realisable value. The purchase or production cost of finished goods and work in process also includes an appropriate part of fixed and variable manufacturing and material overheads based on the assumption of normal capacity utilisation. Production cost does not include interest expense or administrative and selling overheads. Appropriate discounts are recorded to reflect the risks arising from the length of storage or reduced opportunities for use or sale; these discounts are standardised throughout the Group and are based on inventory turnover.

Financial instruments

Financial investments and other financial assets

Classification

The Zumtobel Group classifies its financial assets under the following valuation categories:

- at fair value through other comprehensive income (FVTOCI) or through profit or loss (FVTPL), or
- at amortised cost.

The classification is dependent on the business model used by the company to manage the financial instruments and on the respective contractual cash flows.

For assets carried at fair value, the gains and losses are recognised to profit or loss (FVTPL) or to other comprehensive income (FVTOCI). The classification of investments in equity instruments that are not held for trading depends on whether the Group took an irrevocable decision on initial recognition to measure the equity instrument at fair value (FVTOCI).

Recognition and derecognition

A standard market purchase or sale of financial assets is recognised as of the trading date, i.e. the date on which the Group commits to buying or selling the asset. Financial assets are derecognised when the entitlement to receive cash flows from the financial asset expires or is transferred and the Group has principally transferred all risks and rewards associated with ownership.

Measurement

Financial assets in the Zumtobel Group are initially recognised at fair value.

Debt instruments

The subsequent measurement of debt instruments is dependent on the business model used by the company to manage the asset and on the characteristics of the related cash flows. The Zumtobel Group classifies its debt instruments in two relevant valuation categories:

- At amortised cost: Assets are carried at amortised cost if they are held to collect contractual cash flows and if these cash flows consist entirely of interest and principal payments. The interest income from these financial assets is calculated according to the effective interest method and reported under financial income. The gains or losses on derecognition are recognised directly to profit or loss and – together with any foreign exchange gains and losses – reported under other financial income/expenses.
- FVTOCI: The Group holds no financial assets for the purpose of collecting contractual cash flows and subsequent sale.

Equity instruments

The Group subsequently measures all equity instruments at fair value. In principle, all changes in fair value, including dividends received, are recognised to profit or loss (FVTPL). Impairment losses and revaluations are not reported separately from the other changes in fair value. The Zumtobel Group holds no equity instruments to generate gains from short-term fluctuations in market prices or from trading margins.

Impairment

The Zumtobel Group applies a future-oriented approach to evaluate the expected credit losses on debt instruments carried at amortised cost or at fair value through other comprehensive income. The impairment method depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach provided by IFRS 9 which permits the recognition of the expected credit loss over the term of the receivable beginning with initial recognition.

The measurement of trade receivables without a material financing component is always based on the concept of lifetime expected credit losses. In addition to the deduction of individual valuation allowances, the estimated expected credit losses are evaluated in a six step risk class model based on customer-specific default risks and actual payment behaviour towards the Group (internal factor), current external credit reports and any changes in macroeconomic country ratings (external factor). Each risk class is assigned to an empirically determined credit loss probability in an impairment matrix and multiplied by the change in the country-specific factor (0.67 – 1.47). The expenses arising from valuation allowances to trade receivables are included under selling expenses (see note 2.6.10.2).

Probability of default per risk class in %	
Debtor risk class 1	0.05%
Debtor risk class 2	0.17%
Debtor risk class 3	0.47%
Debtor risk class 4	1.53%
Debtor risk class 5	9.14%
Debtor risk class 6	15.00%

Cash and cash equivalents are principally deposited with system-relevant banks or financial institutions. The Group monitors changes in default risk continuously through the observation of published external credit ratings. The Zumtobel Group assumes that its cash and cash equivalents have an immaterial risk of default based on these external ratings.

Specific presentation requirements must be observed when impairment losses are recognised. A differentiation is made depending on the type of financial instrument and the level in the impairment model to which a financial instrument is assigned:

- Impairment losses to financial assets measured at amortised cost are deducted from the gross carrying amount of the asset.
- If, for example, there are objective indications of impairment at the time of initial recognition, the expected credit loss is reflected in the interest rate and the impairment loss is reported separately. A separate risk allowance is not required for changes that take place after initial recognition.

Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The measurement of financial instruments at fair value follows a three-level hierarchy which is based on the proximity of the input factors to an active market.

- Level 1: This level covers financial instruments which are listed on an active market for identical assets or liabilities to which the company has access. The prices quoted on these markets represent fair value.
- Level 2: When Level 1 measurement is not possible, fair value is determined under Level 2 based on directly or indirectly observable input factors.
- Level 3: If the input factors required for measurement cannot be observed, the financial instrument is measured under Level 3 based on these non-observable input factors.

In the Zumtobel Group, fair value is determined primarily on the basis of input factors that can be observed on the market (Level 2). The fair value of one non-current receivable and other non-derivative financial instruments represents the present value discounted at a market interest rate. The fair value of the current financial instruments reflects the carrying amount due to their short term. The consolidated financial statements do not include any financial instruments whose valuation is based on quoted prices on active markets (Level 1).

The fair value of derivative financial instruments can be reliably determined as of each balance sheet date because measurement is based on observable market input factors – i.e. all measurements are classified under Level 2 (also see note 2.6.10).

The consolidated financial statements also include financial instruments whose measurement is not based on quoted prices or observable market input factors (Level 3). These financial instruments represent securities and similar rights as well as a non-current liability in the form of an earn-out agreement connected with an acquisition.

Hedge accounting

Derivatives are initially recognised at fair value on the origination date and subsequently re-measured at fair value at the end of each reporting period. The accounting treatment of subsequent changes in fair value depends on whether the derivative is designated as a hedge and, when this is the case, on the type of the underlying hedge relationship. Derivatives designated as hedges are recognised and measured in accordance with the hedge accounting rules defined in IFRS 9. The Zumtobel Group currently designates certain derivatives exclusively as hedges of a net investment in a foreign operation (net investment hedges) or hedges of specific risks connected with the cash flows of recognised assets and liabilities or highly probable transactions (cash flow hedges).

The Zumtobel Group holds no fair value hedges of recognised assets or liabilities or fixed obligations (fair value hedges).

The fair values of derivative financial instruments which are designated in hedging relationships are listed in note 2.6.10. The full fair value of a hedging derivative is classified as a non-current asset or non-current liability when the remaining term of the underlying transaction exceeds 12 months, and as a current asset or current liability when the remaining term of the underlying transaction equals 12 months or less.

Hedge of net investments

The accounting treatment of hedges of net investments in foreign operations is similar to the accounting treatment of cash flow hedges. Gains and losses on the hedging instrument which are attributable to the effective portion of the hedge are recorded on the statement of comprehensive income and accumulated in equity under the reserves for currency differences from loans. Gains or losses accumulated in equity are reclassified to profit or loss when the foreign operation is sold in part or in full.

Derivatives that are not accounted for as hedges

The Zumtobel Group holds foreign currency derivatives (primarily currency futures) which do not meet the requirements for hedge accounting. Changes in the fair value of a derivative instrument which is not accounted for as a hedge are recognised immediately to profit or loss.

These derivatives are accounted for as other financial assets or other liabilities depending on the fair value.

Hedges of cash flow risks

The effective portion of the changes in the fair value of derivatives designated as hedges within the framework of cash flow hedge accounting is recorded under the cash flow reserve as part of equity. The gain or loss on the ineffective portion is recognised immediately to profit or loss and recorded under other gains/losses. No ineffectiveness was identified in the hedges in 2024/25 and, consequently, no gain or loss on the ineffective portion was recorded.

The Zumtobel Group uses cash flow hedges as part of EUR-interest rate swaps to hedge long-term, variable interest loans. The gain or loss on the interest rate swaps is reported under financial results for the period in which the interest expense for the hedged loan is due.

Current and non-current assets and liabilities

Assets and liabilities whose realisation or payment is expected or due within a 12-month period are classified as current. All other assets and liabilities are classified as non-current.

Categories and subsequent measurement of financial liabilities

The measurement of financial liabilities is based on the assignment to certain categories, which are differentiated and described below:

- At fair value through profit or loss
- At fair value through comprehensive income
- At amortised cost

Borrowings and other financial liabilities

Borrowings are carried at amortised cost. Any transaction costs or differences between the amounts received and the repayment amount are recognised to profit or loss on a straight-line basis over the expected term of the loan in accordance with the effective interest method.

Loans are derecognised when the contractual obligation is fulfilled or cancelled or has expired.

Other financial liabilities are initially recognised at fair value less transaction costs. These liabilities are subsequently carried at amortised cost in accordance with the effective interest method, whereby the related interest expense is recognised to profit or loss based on the effective interest rate.

Borrowing costs

General and specific borrowing costs which are directly related to the acquisition, construction or production of a qualified assets are capitalised during the period required for the completion and preparation of the asset for its intended use or sale. Qualified assets are assets which require a substantial period of time to complete for their intended use or sale.

Other borrowing costs are expensed as incurred.

Provisions

Other provisions are created to reflect current legal or constructive obligations to third parties as a result of past events. The outflow of resources to meet the obligation must be probable, and a reliable estimate of the total obligation must be possible. In cases where the present value of the provision (based on a market interest rate) differs substantially from the nominal value, the present value is used as the carrying amount. If an outflow of resources is not probable and the amount of the obligation cannot be estimated, the item is reported as a contingent liability.

Provisions are only created for restructuring costs if the general criteria for recognition are met and there is a legal or constructive obligation to carry out the restructuring (IAS 37.70 ff.).

Provisions for guarantees and warranties are created on an individual basis as required by specific circumstances. In addition, provisions are created for unreported guarantee claims in accordance with Group guidelines. The calculation of the provisions is based on percentage rates that reflect product group revenues as a share of the respective product revenues for the period.

A provision for onerous contracts is recognised when the unavoidable costs of meeting an obligation exceed the revenues expected from a concluded contract. The provision is recognised at the lower of the costs that would arise on exiting from the contract and the net costs for fulfilling the obligation. Before a separate provision is created for an onerous contract, an impairment loss is recognised to the related assets.

Employee benefits

Post-employment benefits include long-term provisions for pensions and termination benefits.

>> Other long-term employee benefits consist primarily of the provisions for service anniversary bonuses and partial retirement in Germany and long-service leave in Australia as well as a legally required profit-sharing model and bonus payments for long standing service in France.

>> Defined benefit plans
The present value of a defined benefit obligation (DBO) is calculated as of each balance sheet date in accordance with actuarial principles based on the projected unit credit method. This method separates the interest cost – i.e. the amount by which the obligation has increased during a particular year because benefits have moved closer to settlement – from the service cost – i.e. the new entitlements that have arisen during a particular year. The interest rate used to discount the future obligations is a current market rate: For example, the interest rates for Germany and Austria are based on the interest curve developed by Mercer. The assumptions used to measure the obligations include expected future increases and trends in salaries and wages as well as benefit commitments. Changes in claims may arise from new commitments or the adjustment of existing benefits and are reported as past service cost.

Plan assets are offset against the present value of the pension obligation. The pension obligations are valued each year by certified actuaries.

Defined benefit plans are measured as of each valuation date based on the latest best assumptions, which may change from one valuation date to the next. The actuarial gains and losses arising from changes in actuarial assumptions or differences between earlier actuarial assumptions and actual developments are recognised in the period incurred under other comprehensive income for the period after the deduction of deferred taxes. The actuarial gains and losses for the respective reporting period are reported separately on the statement of comprehensive income together with the related deferred taxes.

Interest costs and the income on plan assets are reported under financial results, while the other components are included under operating results.

>> Defined contribution plans
Under a defined contribution plan, a company has no obligations above or beyond the payment of contributions to a pension benefit fund. These contributions are recognised under personnel expenses in the period incurred.

Income taxes
The calculation of current tax expense is based on taxable income for the financial year. Taxable income differs from net profit on the income statement because it excludes income and expenses that will become taxable in later years, or never become taxable or deductible for tax purposes. The Group's obligations for current tax expense are calculated on the basis of currently applicable tax rates.

The calculation of deferred taxes is based on the balance sheet-oriented method. Deferred tax liabilities are recognised for all taxable temporary differences, while deferred tax assets are recognised only to the extent that taxable profit will be available against which the deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced accordingly if it is not probable that sufficient taxable profit will be available to utilise the deferred tax assets in full or in part within the foreseeable future. The calculation of deferred taxes is based on the tax rates that are expected to apply in the period when the asset is realised or the liability is settled. Income taxes are generally recognised to profit or loss, unless they relate to transactions that were recorded under other comprehensive income during the reporting year or another financial year.

Revenue recognition
Revenues cover all income resulting from the typical business activities of the Zumtobel Group and, in accordance with IFRS 15, are generated from contracts with customers. Accordingly, the Zumtobel Group recognises revenue when control over the promised products or services is transferred to the customer. The rules defined by IFRS 15 are implemented within the framework of a five step model:

The first step involves the identification of the contract with the customer, followed by the identification of the separate performance obligations. Distinct services and any bundle of goods and services must be separated. In the third step, the transaction price is determined: It represents the amount of consideration to which the delivering company expects to be entitled in exchange for the delivered goods or services. The transaction price is then allocated to the identified performance obligations. The final step covers the recognition of revenue over a period of time or at a specific point in time.

An analysis identified the delivery of luminaires, guarantee extensions, transport and services as separate contract components. Transport and service are immaterial as a share of the total purchase price because the contract calls for the delivery of luminaires at a specific point in time and not the transport or provision of services over a period of time.

Guarantee services are generally not purchased separately and, therefore, cannot be seen as separate performance obligations. This is due to the fact that assurance-type guarantees in the lighting branch represent typical, technically based product characteristics and the promised guarantees generally do not exceed standard branch practices. Accordingly, guarantee services are recognised in agreement with IAS 37 "Provisions, Contingent Liabilities and Contingent Receivables".

Customers can purchase extended guarantees separately in individual cases. They extend the period during which the company guarantees that the sold products will meet the agreed specifications. These guarantees can take the form of markups on the price of individual products as well as separate pricing. It is regularly assumed that Zumtobel will be required to provide services in the form of repairs, exchange or replacement deliveries in order to meet the agreed performance indicators. The commitments represent a separate performance obligation in the sense of IFRS 15. A revenue component is accrued for these service type guarantees on the basis of a transaction price allocation and recognised as a contract liability. The accrual is released to revenue over the expected performance period.

Customer bonuses and discounts represent variable payments under IFRS 15 which reduce the transaction price. In accordance with IFRS 15, they must be accounted for as variable consideration. Advance payments received from customers on orders which are realised at a point in time as well as customer bonuses and discounts are reported on the balance sheet under "other liabilities" (see note 2.6.6.18).

The Zumtobel Group also provides a limited range of services which are invoiced on a monthly basis. In these cases, the customer receives and uses the benefits simultaneously with the performance by the Zumtobel Group – and revenue is recognised over time. Revenue is also recognised over time in individual cases involving the production of customer-specific products when the contracts create a legal entitlement to payment for previously provided services. Due to the short terms of these orders, the Zumtobel Group considers these effects to be immaterial. Any surplus of advance payments or partial payments by customers over the progress of contract performance within the framework of revenue recognition over time results in the recognition of contract liabilities from revenue recognition over time; the opposite situation results in the recognition of contract assets. Partial performance within the framework of projects is recorded under trade receivables because the entitlement to consideration is only dependent on time and not on any conditions.

Contract assets and contract liabilities are part of the Zumtobel Group's normal business cycle and are reported as current assets or current liabilities. Contract liabilities arising from long-term guarantee extensions are reported as non-current liabilities.

Foreign currency transactions

Foreign currency transactions are recorded using the exchange rate in effect on the transaction date, while monetary assets and liabilities are translated at the exchange rate in effect on the balance sheet date. Realised and unrealised gains and losses arising from foreign currency transactions are generally reported under financial results. The measurement effects from non-current loans, which qualify as part of the net investment in a foreign operation as defined in IAS 21 "The Effects of Changes in Foreign Exchange Rates", are recorded under other comprehensive income.

Government grants

Government grants related to income which represent compensation for expenses are recognised as income of the period in which they are granted; they are recorded at the gross amount and reported under other operating income on the income statement. Government grants provided for investments are recognised as liabilities and distributed over the useful life of the related items of property, plant or equipment.

2.6.3.3 Discretionary decisions and estimation uncertainty

The preparation of the consolidated financial statements in agreement with IFRS requires the use of estimates and assumptions by management which have an influence on the amount and reporting of recognised assets and liabilities, income and expenses, and contingent liabilities for the financial period. The principle of providing a "true and fair view" is followed without limitation in the use of estimates.

Actual values may differ from the relevant assumptions and estimates when the operating environment does not develop as expected by the balance sheet date. The assumptions and estimates used by the Group are reviewed regularly. Significant changes are reflected in an adjustment of the premises and subsequent recognition through profit or loss.

Estimates and assumptions are related, above all, to the following areas:

- Impairment of goodwill, other intangible assets and property, plant and equipment
  Property, plant and equipment as well as intangible assets are tested for indications of impairment as of each balance sheet date. The intrinsic value of the individual assets is validated by determining the applicable recoverable amount. If the recoverable amount of an individual asset cannot be determined, an estimate of the recoverable amount of the related cash generating unit (CGU) is used.

  Intangible assets with an indefinite useful life, i.e. intangible assets that are not yet available or development projects in progress and goodwill, are tested for impairment at the end of each financial year and whenever there are indications of a loss in value. Goodwill is tested for impairment at the level of the identified cash-generating units "CGU Lighting" and "CGU Components". "CGU Lighting" and "CGU Components" represent the lowest level at which independent cash flows can be generated. Product development, production and sales are responsible for the subordinate business areas of all brands. These two CGU's are identical to the "Lighting Segment" and "Components Segment" as determined in accordance with IFRS 8.5.

  The recoverable amount of the development projects in progress and completed development projects with indications of impairment was determined according to the value in use. The expected future cash flows from these projects were discounted for the calculation at country-specific, weighted average after-tax cost of capital rates (Austria: 8.08%, Germany: 7.38%, Great Britain: 9.80%).

The recoverable amounts of the "CGU Lighting" and "CGU Components" were also determined according to the value in use based on a discounted cash flow method.

The most important determinants for impairment testing are a function of the forecasted cash flows, long-term growth rate and weighted average cost of capital used for discounting. The valuation period is based on a detailed, four-year forecast period plus a transition year and a perpetual annuity. The forecasts are based on external projections, past experience and estimates by the Management Board for the development of the market environment and earnings.

The largest cost increases were more than offset by price adjustments as of the valuation date. Neither supply chains nor sales activities were affected by the Russia/Ukraine conflict. Due to the high forecast uncertainty, scenarios with varying assumptions were prepared to evaluate future economic developments.

Three scenarios were prepared for the "CGU Lighting":

>> Under the baseline scenario (weighting: 60%), a compound annual growth rate (CAGR) of 4.0% was applied to revenue. The construction industry is expected to see moderate growth beginning in the coming financial year despite the current weakness.

>> For the worst case scenario (20%), a CAGR of 3.2% was applied to revenue. It reflects a decline in sales volumes for the budget year 2025/26 due to the ongoing recession as well as the start of recovery one year later than in the baseline scenarios.

>> The best case scenario (20%) included a CAGR of 4.8% for revenue and is based on stronger market growth than under the baseline scenarios. Positive factors include, among others, improvements in supply chains and possible le reductions in interest rates.

Three scenarios (baseline/positive/negative) were also prepared for the "CGU Components" with a weighting of 60%/20%/20%.

>> Under the baseline scenario (weighting: 60%), a compound annual growth rate (CAGR) of 5.3% was applied to revenue. The stabilisation of revenues in the current financial year is expected to be followed by continuous growth in the following years.

>> The worst case scenario (20%) reflects more conservative revenue growth with a CAGR of 3.4%. The underlying assumption is based on a substantially lower increase in revenues.

>> The best case scenario (20%) is based on above-average revenue growth with a CAGR of 7.0%. In addition to a generally more favourable macroeconomic climate, an increase in market shares is expected.

The baseline scenarios for the segments include the following assumptions:

Non-observable input factors	2024/25	2023/24
CGU - total		
Long-term growth rate	1.50%	1.50%
Cash flow forecast period	4 years	4 years
CGU Lighting		
Pre-tax discount rate	10.47%	10.46%
CGU Components		
Pre-tax discount rate	10.58%	11.05%

>> Long-term growth rate: The growth rate used to extrapolate cash flows beyond the forecast period. This growth rate was lower than the projections for the sector in which the cash-generating unit operates.

- Cash flow forecast period: The four-year forecasts prepared and approved by management.
- Pre-tax discount rate: Represents the specific risks for the respective CGU and the countries in which it operates.
- Climate risks: The results from the climate risk and vulnerability analysis as well as the assessment of transitory risks resulting from the transition to a CO2-reduced economy were included and did not have any material effects on the valuation of intangible assets or property, plant and equipment.

Additional information on the impairment testing of goodwill is provided in note 2.6.6.1.

- Provisions for employee benefits

  The actuarial measurement of employee benefits requires the use of assumptions for interest rates, the expected income from plan assets, wage/salary and pension increases, the retirement age and life expectancy.

- Other provisions

  The provisions for guarantees and warranties include the estimated future costs for repairs and replacements as well as confirmed insurance coverage and are calculated according to past experience. The determination of provisions for restructuring involves estimates for workforce reductions and the resulting costs as well as the expenses connected with contract cancellations. The provisions for legal proceedings are based on management's estimates of the possible outcome of these proceedings. These assumptions are connected with uncertainty, and actual payments may vary from the estimates.

- Deferred tax assets

  The capitalisation of deferred taxes is based on expected future tax rates as well as estimates of future taxable income. Possible changes in tax rates or taxable income that differs from the assumed level could lead to the write-down of deferred tax assets.

- Lease terms

  The Zumtobel Group establishes the terms of leases based on the non-cancellable base period together with periods arising from extension options which can be classified as sufficiently certain. Discretionary decisions are involved in assessing whether an option to extend or terminate a lease will be exercised. All relevant factors which represent an economic incentive are included in this decision. These factors are questioned and reassessed as required, which can lead to a change in the lease term and, in turn, to the adjustment of the lease liability and right of use. The relevant assumptions for determining the lease term, above all for the major leased office buildings, sales offices and warehouses with unlimited contracts, are based on the strategic focus, location and costs.

- Effects of climate changes on financial reporting

  The Zumtobel Group systematically monitors climate-related risks, whereby a differentiation is made between two categories: the physical risks arising from the expected climate change and transitory risks resulting from the transition to a CO_2-reduced economy.

  The climate risk and vulnerability analysis covers all current potential environmental conditions that could influence the Zumtobel Group. These conditions were evaluated for every location, and previously implemented measures were reviewed and new measures were defined where necessary. Based on two climate scenarios (Representative Concentration Pathways 4.5 and 8.5; scenarios that describe long-term climate changes), the environmental conditions that could influence the Zumtobel Group in the future were evaluated. The assessment of the locations did not identify any notable risks at the time this report was prepared.

In the context analysis, the Zumtobel Group identified the competitive position of its products with regard to sustainability as a potential technological risk. This risk is countered by the integration of instruments like lifecycle assessments and circular design rules in the product development process. The Zumtobel Group can, therefore, provide its customers with sustainable and highly energy efficient products and services as well as product-related information like environmental product declarations.

The Zumtobel Group supports the goals of the Paris Climate Agreement, which was adopted in 2015 and, accordingly, committed to the Science Based Targets (SBTi) in 2023. The resulting transition plan serves as a long-term action programme for the Zumtobel Group. The funding allocated to the transition plan covers the operating and investment costs for the current reporting period and for the short-term, medium-term and long-term future up to the planned achievement of the reduction goals in 2030. The financials reflect the currently foreseeable effects of the transition plan and are described in the sections on the impairment of goodwill and on market risk, liquidity risk and the useful live of property, plant and equipment.

Future expenditures are, however, dependent on the development of external market factors and are therefore connected with uncertainty.

As of the balance sheet date on 30 April 2025, no significant cases were known that could lead to a material deviation of the carrying amount of an asset or a liability during the next financial year.

2.6.4 Notes to the Consolidated Income Statement

2.6.4.1 Revenues

Revenues include an adjustment of TEUR 39,969 (2023/24: TEUR 41,434) for sales deductions (primarily customer discounts). Gross revenues totalled TEUR 1,137,205 (2023/24: TEUR 1,168,409).

in TEUR	2024/25		2023/24	
Luminaires	830,791	76%	857,631	76%
Components	233,201	21%	237,636	21%
Services	33,244	3%	31,708	3%
Revenues	**1,097,236**	**100%**	**1,126,975**	**100%**

Sales of lighting and components are recognised at a point in time. In contrast, the sale of services is recognised over time – i.e. on a monthly basis.

in TEUR	2024/25		2023/24	
Indoor luminaires & components	916,366	84%	928,023	82%
Outdoor luminaires & components	180,870	16%	198,952	18%
Revenues	**1,097,236**	**100%**	**1,126,975**	**100%**

Information on the distribution of revenues by segment and region is provided in note 2.6.12. Information on the contract liabilities arising from contracts with customers is included in the disclosures on other liabilities (see note 2.6.6.18). The discounts, bonuses and rebates included in the net total of contract liabilities for the previous financial year were recorded under revenues in 2024/25. Revenues for 2024/25 include TEUR 931 (2023/24: TEUR 747) from the release of contract liabilities in connection with the granting of extended guarantees.

2.6.4.2 Expenses

The income statement was prepared in accordance with the cost of sales method. The cost of goods sold includes development costs, while research costs are included as part of selling expenses. The following categories of income and expenses are included in the cost of goods sold (COGS), selling and administrative expenses (SG&A), and other operating results:

2024/25 Financial Year

in TEUR	Cost of goods sold	Selling expenses	Administrative expenses	Other operating results	Total
Cost of materials	(431,059)	(7,202)	0	0	(438,261)
Personnel expenses	(188,761)	(181,585)	(53,679)	0	(424,025)
Depreciation	(35,771)	(9,829)	(8,291)	0	(53,891)
Other expenses	(53,625)	(93,793)	(36,170)	(502)	(184,090)
Own work capitalised	15,498	6,307	8	0	21,813
Internal charges	(17,039)	(32,167)	49,206	0	0
Total expenses	**(710,757)**	**(318,269)**	**(48,926)**	**(502)**	**(1,078,454)**
Other income	**3,654**	**1,589**	**780**	**8,161**	**14,184**
Total	**(707,103)**	**(316,680)**	**(48,146)**	**7,659**	**(1,064,270)**

2023/24 Financial Year

in TEUR	Cost of goods sold	Selling expenses	Administrative expenses	Other operating results	Total
Cost of materials	(462,336)	(7,591)	(44)	0	(469,971)
Personnel expenses	(183,572)	(173,571)	(49,283)	(72)	(406,498)
Depreciation	(39,017)	(8,979)	(8,625)	0	(56,621)
Other expenses	(46,648)	(89,712)	(34,876)	(135)	(171,371)
Own work capitalised	9,932	2,895	601	0	13,428
Internal charges	(13,749)	(29,522)	43,271	0	0
Total expenses	**(735,390)**	**(306,480)**	**(48,956)**	**(207)**	**(1,091,033)**
Other income	**4,460**	**1,840**	**998**	**6,228**	**13,526**
Total	**(730,930)**	**(304,640)**	**(47,958)**	**6,021**	**(1,077,507)**

The cost of materials includes TEUR 30,819 (2023/24: TEUR 34,606) of third party services.

Other income includes government grants of TEUR 8,282 (2023/24: TEUR 6,859) which were provided primarily for research and investments. Of this total, TEUR 6,321 (2023/24: TEUR 5,352) re reported under other operating results.

The cost of goods sold includes development costs of TEUR 69,816 (2023/24: TEUR 68,042). Development costs capitalised during the reporting year equalled TEUR 14,389 (2023/24: TEUR 8,832), and the related scheduled amortisation and impairment losses recognised to these capitalised development costs amounted to TEUR 8,172 (2023/24: TEUR 9,156).

Selling expenses include research costs of TEUR 4,269 (2023/24: TEUR 4,706).

The 2024/25 financial year includes special effects of TEUR 13,981 (2023/24: TEUR 7,787) from restructuring measures. Of this total, TEUR 9,167 were related to the termination of production at the plant in Les Andelys (France). This position also includes TEUR 1,524 for the restructuring of the plant in Lemgo (Germany) and TEUR 2,305 for the shutdown of the assembly plant in Sydney (Australia). In total, the special effects include employee-related expenses of TEUR 10,694 (2023/24: TEUR 7,407), impairment losses of TEUR 0 (2023/24: TEUR 233) and miscellaneous expenses of TEUR 3,287 (2023/24: TEUR 147).

PwC Wirtschaftsprüfung GmbH performed or arranged to perform the following services for Zumtobel Group AG in 2024/25:

In TEUR	2024/25	2023/24
Total fees	**586**	**495**
thereof audit and related activities	*494*	*435*
therefore fees for other services	*36*	*35*
thereof consulting services	*56*	*25*

The fees for other services are related to miscellaneous assurance services. The fees agreed with the member companies of the PwC network for auditing services in the Zumtobel Group totalled TEUR 1,254 (2023/24: TEUR 1,206).

Production, selling and administrative expenses include the following personnel costs:

in TEUR	2024/25	2023/24
Wages	(50,661)	(50,836)
Salaries	(276,652)	(264,743)
Expenses for termination benefits	(2,607)	(3,341)
Expenses for pensions	(4,551)	(4,031)
Expenses for legally required social security and payroll-related duties and mandatory contributions	(64,173)	(62,787)
Other employee benefits	(9,497)	(9,489)
Contract workers	(5,190)	(3,864)
Expenses from restructuring	(10,694)	(7,407)
Personnel expenses	**(424,025)**	**(406,498)**

2.6.4.3 Other operating income

in TEUR	2024/25	2023/24
Government grants	6,321	5,352
Other income	*1,840*	*876*
Other operating income	**8,161**	**6,228**
Restructuring	*0*	*(49)*
Other expenses	*(502)*	*(158)*
Other operating expenses	**(502)**	**(207)**

As in the prior year, the government grants received in 2024/25 represent subsidies that were recognised to profit or loss.

The line items "other income" and "other expenses" represent income and expenses arising from ordinary business operations which cannot be clearly allocated to other functional areas.

2.6.4.4 Interest income and expenses

Interest expense includes interest and fees for the current consortium credit agreement as well as the interest component of lease liabilities capitalised in accordance with IFRS 16 for a total of TEUR 3,148 (2023/24: TEUR 2,728).

2.6.4.5 Other financial income and expenses

in TEUR	2024/25	2023/24
Interest component as per IAS 19 less income on plan assets	(4,041)	(4,649)
Foreign exchange gains and losses	522	(2,196)
Market valuation of financial instruments	(4,024)	3,320
Total	**(7,543)**	**(3,525)**

Foreign exchange gains and losses include realised and unrealised gains and losses on receivables and liabilities as well as realised foreign exchange gains and losses on forward exchange contracts

The market valuation of financial instruments shows the results from the measurement of forward exchange contracts at their respective market values as of the balance sheet date.

2.6.4.6 Income taxes

The classification of income taxes between current and deferred taxes is as follows:

in TEUR	2024/25	2023/24
Current taxes	(3,167)	(2,543)
thereof current year	(2,448)	(1,885)
thereof prior years	(719)	(658)
Deferred taxes	2,563	(7,643)
Income taxes	**(604)**	**(10,186)**

The actual tax rate represents a weighted average of all companies included in the consolidation range and equalled 3.75% in 2024/25 (2023/24: 29.21%).

The difference between the theoretical tax rate and actual tax rate for the Group is explained in the following table:

Difference between calculated and actual income tax expense

in TEUR	2024/25	2023/24
Profit before tax	**16,094**	**34,875**
Theoretical tax income/expense resulting from application of 23.00% (PY 23.67%) domestic tax rate	**(3,702)**	**(8,255)**
Difference between calculated/actual tax expense	**3,098**	**(1,931)**
Non-deductible expenses	(2,457)	(2,831)
Foreign tax rates	677	1,036
Adjustments to valuation discounts for deferred taxes	1,073	(547)
Tax-free income	1,293	1,105
Effects from changes in loss carryforwards	2,947	1,586
Other items	(435)	(2,280)
Total tax expense	**(604)**	**(10,186)**

Deferred taxes of TEUR 4,579 (2023/24: TEUR 5,219) were recognised on tax deductible impairment losses to investments at the level of the head company and member companies of the Austrian tax group. This represents deferred taxes on 100% of the outstanding partial write-downs in Austria, which must be distributed over seven years in accordance with Austrian corporate tax law. The other items consist primarily of tax effects from permanent accounting differences. Based on the reduction resulting from the socio-economic tax reform in Austria ("Ökosoziales Steuerreformgesetz 2022"), the corporate tax rate equalled 23% in the reporting year (2023/24: 23.67%).

The option to form a tax group in accordance with § 9 of the Austrian Corporate Tax Act of 1988 has been used in Austria since the 2004/05 financial year. For this purpose, Zumtobel Group AG, as the head of the group, concluded a tax transfer contract with the following group members: Zumtobel Lighting GmbH (participating corporation), ZG Lighting Austria GmbH, Zumtobel Holding GmbH, Zumtobel Insurance Management GmbH, Zumtobel Pool GmbH, Tridonic GmbH (participating corporation), Tridonic Holding GmbH, Tridonic Holding GmbH, LEDON Lighting GmbH, RFZ Holding GmbH (formerly Zumtobel LED Holding GmbH; participating corporation) and Zumtobel LED GmbH (participating corporation).

This contract provides for the transfer of taxable profit or loss as calculated in accordance with the Austrian Corporate Tax Act and the Austrian Income Tax Act to the participating corporation or the head of the group in the sense of the step-by-step allocation of earnings. Tax expense is calculated on the group member's taxable profit and subsequently paid as a tax charge to the participating corporation or the head of the group, independent of the amount owed by the head of the group and the corporate income tax owed by the entire group for the respective financial year. If the group member records a tax loss, the participating corporation or the head of the group holds this loss on record as an internal loss carryforward for the offset of future profit generated by the respective group member. The obligation of the group member to pay a tax charge is waived to the extent previous tax losses can be offset against taxable profit. A group member with a tax loss is obliged to pay the minimum corporate income tax to the participating corporation or the head of the group. Pre-group losses and external group losses as defined in § 9 of the Austrian Corporate Tax Act are offset against the taxable profit of the respective group member or the head of the group in accordance with any carryforward and/or transfer limits.

Income from investments in domestic subsidiaries is generally tax-exempt in Austria. The dividends from investments in EU and EEA countries have also been generally exempt from Austrian corporate tax since 2009 if certain conditions are met. Dividends from other foreign investments in which the Zumtobel Group holds a stake of 10% or more are also tax-free for the Austrian parent company.

Directive (EU) 2022/2523 of the Council from 14 December 2022 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the Union was implemented in Austria with the Minimum Taxation Act ("Mindestbesteuerungsgesetz") which took effect on 1 January 2024. The minimum tax is intended to ensure that corporations with revenues of at least EUR 750 mn in all countries where they are active are taxed at an effective tax rate of at least 15%.

For Hong Kong, the United Arab Emirates and New Zealand, the scope of application of the Minimum Taxation Act leads to an additional (national) top-up tax of approximately TEUR 24. The tax expense resulting from Pillar II is reported under current income tax expense. Based on the safe harbour rules for administrative simplification and the rules for national top-up taxes, only an immaterial effect for Zumtobel Group AG is expected in the future.

2.6.4.7 Earnings per share

The calculation of earnings per share was based on profit recorded for the reporting year.

The distribution to shareholders from reserves and annual results may not exceed the total profit – reduced by the deferred taxes which are excluded from distribution – reported in the separate financial statements of Zumtobel Group AG, which are prepared in accordance with Austrian corporate law.

2.6.5 Notes to the Consolidated Statement of Comprehensive Income

2.6.5.1 Foreign exchange differences

Foreign exchange differences of TEUR –2,983 (2023/24: TEUR 849) resulted from the difference between the historical exchange rate applied on the initial consolidation date and the rate in effect on the balance sheet date for companies which do not report in the euro. In addition, foreign exchange differences of TEUR –2,447 (2023/24: TEUR –28) resulted from the translation of income statement items at the average monthly exchange rate and the rate on the balance sheet date. This position also includes TEUR 514 (2023/24: TEUR 757) of currency-related adjustments to goodwill. The currency reserve under equity contains a foreign exchange-related effect of TEUR –47 (2023/24: TEUR 36) from non-controlling interests and foreign exchange effects of TEUR –406 (2023/24: TEUR 469) from an interest hedge (net investment hedge). The deconsolidation of a Group company whose functional currency is not the euro involves the reclassification of the related amounts from the currency reserve to the income statement and the inclusion of these amounts in deconsolidation results. The effect for the 2024/25 financial year equalled TEUR –597 (2023/24: TEUR –385), whereby TEUR –610 (2023/24: TEUR 0) resulted from the deconsolidation of associated companies.

2.6.5.2 Foreign exchange differences arising from loans

The foreign exchange differences from loans are the result of long-term loans granted in GBP, AUD and USD, which are classified as net investments in foreign operations in accordance with IAS 21 "The Effects of Changes in Foreign Exchange Rates" and must therefore be reported under other comprehensive income.

2.6.5.3 Actuarial gain/loss

The actuarial gains recognised in 2024/25 totalled EUR 1,526 (2023/24: losses of TEUR –4,203) and include gains of TEUR 1,327 (2023/24: gains of TEUR 3,450) for pension plans which consist primarily of the following: gains of TEUR 3,336 (2023/24: gains of TEUR 4,060) in Great Britain and TEUR 263 (2023/24: losses of TEUR -60) in Germany as well as losses of TEUR –2,188 (2023/24: losses of TEUR -450) in Switzerland.

2.6.5.4 Cash flow hedges

The amount of TEUR 54 (2023/24: TEUR 42) reported under cashflow-hedge resulted from the change in the market values of derivatives which qualify for hedge accounting and were concluded to hedge the risk of interest fluctuations.

2.6.5.5 Deferred taxes

The deferred taxes of TEUR –516 (2023/24: TEUR –124) reported on the statement of comprehensive income in 2024/25 include TEUR –474 (2023/24: TEUR 185) from the provisions for pension and termination benefits which resulted from actuarial gains/losses as defined in IAS 19 "Employee Benefits" as well as TEUR –29 (2023/24: TEUR –299) from the reserve for foreign exchange differences from loans (IAS 21 reserve) and TEUR –13 (2023/24: TEUR –10) from the reserve for cash flow hedges.

2.6.6 Notes to the Consolidated Balance Sheet

2.6.6.1 Goodwill

in TEUR	Lighting Segment	Components Segment	Total
30 April 2023	**191,036**	**1,990**	**193,026**
FX effects	757	0	757
30 April 2024	**191,793**	**1,990**	**193,783**
Addition to goodwill	1,827	0	1,827
FX effects	526	(12)	514
30 April 2025	**194,146**	**1,978**	**196,124**

Recoverable amount
The recoverable amount of the "CGU Lighting" exceeded the carrying amount by EUR 75.3 mn (2023/24: EUR 208.6 mn). The comparable amount for the "CGU Components" was EUR 40.2 mn (2023/24: EUR 42.7 mn).

Effect of possible changes in material assumptions
An increase in the pre-tax WACC from 10.5% to 11.6% (FY 2024/25), from 10.5% to 13.6% (FY 2023/24) or a reduction in cash flow of 10.8% (FY 2024/25)/26.4% (FY 2023/24) assuming the other parameter remained constant, would reduce the excess coverage of the "CGU Lighting" to zero. In the "CGU Components", an increase in the pre-tax WACC from 10.6% to 13.1% (FY 2024/25), from 11.1% to 14.1% (FY 2023/24) or a reduction in cash flow of 22.0% (FY 2024/25)/23.3% (FY 2023/24) would reduce the excess coverage to zero.

Effect of changes in foreign exchange rates
The application of IAS 21 "The Effects of Changes in Foreign Exchange Rates" led to a foreign exchange-based adjustment of TEUR 514 to goodwill in 2024/25 (2023/24: TEUR 757) which was not recognised through profit or loss. These foreign exchange effects are allocated primarily to the assets in the Lighting Segment for segment reporting.

The addition of TEUR 1,827 to goodwill in 2024/25 resulted from the acquisition of Inventron (see note 2.6.2.1).

2.6.6.2 Other intangible assets

2024/25 Financial Year

in TEUR	Patents, licenses and similar items	Development and similar costs	Total
Acquisition costs			
30 April 2024	**55,308**	**162,573**	**217,881**
Foreign currency translation	(24)	(37)	(61)
Changes in the scope of consolidation	0	(134)	(134)
Additions	1,192	14,449	15,641
Disposals	(198)	(3,028)	(3,226)
Transfers	31	(31)	0
30 April 2025	**56,309**	**173,792**	**230,101**
Accumulated amortisation			
30 April 2024	**(48,659)**	**(119,712)**	**(168,371)**
Foreign currency translation	25	37	62
Changes in the scope of consolidation	0	134	134
Scheduled depreciation	(1,348)	(10,025)	(11,373)
Impairment	0	(218)	(218)
Disposals	190	3,028	3,218
30 April 2025	**(49,792)**	**(126,756)**	**(176,549)**
Net carrying amount 30 April 2024	**6,649**	**42,861**	**49,510**
Net carrying amount 30 April 2025	**6,517**	**47,036**	**53,552**

2023/24 Financial Year

in TEUR	Patents, licenses and similar items	Development and similar costs	Total
Acquisition costs			
30 April 2023	**66,159**	**230,301**	**296,460**
Foreign currency translation	85	170	255
Changes in the scope of consolidation	0	(23)	(23)
Additions	998	10,541	11,539
Disposals	(3,325)	(87,037)	(90,362)
Transfers	(8,609)	8,621	12
30 April 2024	**55,308**	**162,573**	**217,881**
Accumulated amortisation			
30 April 2023	**(52,184)**	**(193,926)**	**(246,110)**
Foreign currency translation	(82)	(159)	(241)
Changes in the scope of consolidation	0	23	23
Scheduled depreciation	(2,673)	(9,690)	(12,363)
Impairment	0	(42)	(42)
Disposals	3,325	87,037	90,362
Transfers	2,955	(2,955)	0
30 April 2024	**(48,659)**	**(119,712)**	**(168,371)**
Net carrying amount 30 April 2023	**13,975**	**36,375**	**50,350**
Net carrying amount 30 April 2024	**6,649**	**42,861**	**49,510**

Development costs and similar expenses

This position includes internally generated intangible assets as defined by IAS 38 "Intangible Assets". The additions to acquisition costs, including transfers, contain capitalised development expenses of TEUR 14,389 (2023/24: TEUR 8,832). Most of these additions involve product developments in the lighting and lighting components areas, whereby TEUR 11,193 were not yet available for use as of 30 April 2025 (2023/24: TEUR 6,236).

2.6.6.3 Property, plant and equipment

2024/25 Financial Year

in TEUR	Land & buildings	Plant & machinery	Other equipment	Construction in progress	Total
Acquisition costs					
30 April 2024	**320,848**	**333,103**	**126,707**	**44,782**	**825,440**
Foreign currency translation	(654)	(837)	(403)	51	(1,844)
Changes in the scope of consolidation	(43)	994	897	0	1,848
Additions	31,817	7,265	10,749	24,242	74,072
Disposals	(9,108)	(26,444)	(11,750)	0	(47,302)
Transfers	5,433	6,688	1,636	(13,756)	0
30 April 2025	**348,291**	**320,769**	**127,835**	**55,319**	**852,214**
Accumulated amortisation					
30 April 2024	**(192,874)**	**(274,942)**	**(102,336)**	**0**	**(570,152)**
Foreign currency translation	411	720	446	0	1,577
Changes in the scope of consolidation	31	(954)	(805)	0	(1,728)
Scheduled depreciation	(15,921)	(15,416)	(10,964)	0	(42,300)
Disposals	8,428	25,736	11,190	0	45,354
30 April 2025	**(199,925)**	**(264,856)**	**(102,468)**	**0**	**(567,249)**
Net carrying amount 30 April 2024	**127,974**	**58,161**	**24,371**	**44,782**	**255,288**
Net carrying amount 30 April 2025	**148,366**	**55,913**	**25,367**	**55,319**	**284,965**

No items of property, plant or equipment were pledged as security for loans under the current credit agreements. Note 2.6.6.16 provides information on the rights of use included in property, plant and equipment which resulted from the application of IFRS 16.

The Group has incurred obligations of TEUR 6,378 (2023/24: TEUR 4,490) for the purchase of property, plant and equipment. These obligations are classified as follows: land and buildings at TEUR 453 (2023/24: TEUR 93), plant and machinery at TEUR 5,276 (2023/24: TEUR 4,047) and other non-current assets at TEUR 649 (2023/24: TEUR 350).

Land and buildings include undeveloped land with a net carrying amount of TEUR 7,933 (2023/24: TEUR 7,933).

Construction in progress and prepayments made are classified as follows: land and buildings at TEUR 4,760 (2023/24: TEUR 4,278), plant and machinery at TEUR 50,303 (2023/24: TEUR 38,235) and other non-current assets at TEUR 256 (2023/24: TEUR 2,393).

2023/24 Financial Year

in TEUR	Land & buildings	Plant & machinery	Other equipment	Construction in progress	Total
Acquisition costs					
30 April 2023	**321,364**	**331,981**	**125,864**	**27,380**	**806,589**
Foreign currency translation	1,327	1,870	211	(77)	3,331
Changes in the scope of consolidation	(545)	(3,167)	(883)	0	(4,595)
Additions	9,950	9,595	9,783	23,297	52,625
Disposals	(11,349)	(12,180)	(8,954)	(15)	(32,498)
Transfers	101	5,004	686	(5,803)	(12)
30 April 2024	**320,848**	**333,103**	**126,707**	**44,782**	**825,440**
Accumulated amortisation					
30 April 2023	**(185,410)**	**(271,072)**	**(99,595)**	**0**	**(556,077)**
Foreign currency translation	(964)	(1,612)	(74)	0	(2,650)
Changes in the scope of consolidation	545	3,167	883	0	4,595
Scheduled depreciation	(15,833)	(16,801)	(11,349)	0	(43,983)
Impairment	0	(233)	0	0	(233)
Disposals	8,788	11,609	7,799	0	28,196
30 April 2024	**(192,874)**	**(274,942)**	**(102,336)**	**0**	**(570,152)**
Net carrying amount 30 April 2023	**135,954**	**60,909**	**26,269**	**27,380**	**250,512**
Net carrying amount 30 April 2024	**127,974**	**58,161**	**24,371**	**44,782**	**255,288**

2.6.6.4 Non-controlling interests

The following companies have non-controlling interests:

Company	Country	Operating Segment	30 April 2025	30 April 2024
Thorn Gulf LCC	UAE	Lighting Segment	51%	51%
ZG Lighting Trading LLC	Qatar	Lighting Segment	51%	51%

Additional contractual agreements give the Zumtobel Group control over Thorn Gulf LCC, UAE, and ZG Lighting Trading LLC, Qatar, in the sense of IFRS 10 "Consolidated Financial Statements". These two companies are therefore included through full consolidation.

The following tables present summarised financial information on the subsidiaries with non-controlling interests. This information represents the balances before intragroup eliminations:

Balance Sheet	Thorn Gulf LCC, UAE	ZG Lighting Trading LLC, Qatar	Total	Thorn Gulf LCC, UAE	ZG Lighting Trading LLC, Qatar	Total
in TEUR	30 April 2025			30 April 2024		
Non-current assets	150	23	173	138	25	163
Current assets	3,637	834	4,471	3,932	1,008	4,940
Assets	**3,787**	**857**	**4,644**	**4,070**	**1,033**	**5,103**
Non-current liabilities	25	4	29	13	4	17
Current liabilities	2,120	449	2,569	1,728	347	2,075
Equity	1,642	404	2,046	2,329	682	3,011
thereof due to non-controlling interests	*657*	*202*	*859*	*932*	*341*	*1,273*
Equity and Liabilities	**3,787**	**857**	**4,644**	**4,070**	**1,033**	**5,103**
Dividends	(839)		(839)	(261)	(292)	(553)

Statement of Comprehensive Income	Thorn Gulf LCC, UAE	ZG Lighting Trading LLC, Qatar	Total	Thorn Gulf LCC, UAE	ZG Lighting Trading LLC, Qatar	Total
in TEUR	2024/25			2023/24		
Revenues	6,965	1,565	8,530	6,825	1,013	7,838
Net profit for the year	243	(253)	(10)	629	(278)	351
thereof due to non-controlling interests	*95*	*(126)*	*(31)*	*252*	*(139)*	*113*
Subtotal other comprehensive income	(92)	(25)	(117)	56	28	84
thereof due to non-controlling interests	*(35)*	*(12)*	*(47)*	*22*	*14*	*36*
Total comprehensive income of non-controlling interests	60	(138)	(78)	274	(125)	149
Dividends paid to non-controlling interests	(336)		(336)	(104)	(146)	(250)

Cash flow statement	Thorn Gulf LCC, UAE	ZG Lighting Trading LLC, Qatar	Total	Thorn Gulf LCC, UAE	ZG Lighting Trading LLC, Qatar	Total
in TEUR	2024/25			2023/24		
Cash flow from operating activities	982	(133)	849	(129)	(472)	(601)
Cash flow from investing activities	(17)	(8)	(25)	(4)	0	(4)
Cash flow from financing activities	(919)	(43)	(962)	(446)	(344)	(790)
Net increase/decrease in cash and cash equivalents	**46**	**(184)**	**(138)**	**(579)**	**(816)**	**(1,395)**

2.6.6.5 Financial Assets

Non-current financial assets consist primarily of securities and similar rights as well as shares in other companies. This position also includes amounts receivable from insurance for the coverage of guarantee claims (TEUR 2,841; 2023/24: TEUR 4,228).

Current financial assets consist mainly of positive market values from hedged positions in the form of foreign exchange derivatives (TEUR 1,258; 2023/24: TEUR 2,862) and also include receivables of TEUR 1,386 (2023/24: TEUR 1,454) due from credit institutions from an ongoing factoring agreement.

Detailed information is presented in note 2.6.10.1.

2.6.6.6 Other assets

Other non-current and current assets are classified as follows:

in TEUR	30 April 2025	30 April 2024
Coverage capital for Group life insurance	1,800	1,996
Other	1,209	1,313
Other non-current assets	**3,009**	**3,309**
Prepaid expenses and deferred charges	9,152	7,874
Amounts due from tax authorities	12,447	10,294
Prepayments made	2,551	2,491
Other	8,889	9,760
Other current assets	**33,039**	**30,419**

The coverage capital for Group life insurance is related to the Zumtobel companies in Germany. These assets are held to cover the pension obligations of a German company in the Zumtobel Group, but they do not qualify as plan assets under IAS 19 "Employee Benefits".

The amounts due from tax authorities, as in the previous year, consist chiefly of receivables arising from value added tax.

The main components of the position "other" are as follows: accrued research receivables of TEUR 5,331 (2023/24: TEUR 6,458), receivables of TEUR 162 (2023/24: TEUR 123) from partial retirement in Germany, claims of TEUR 0 (2023/24: TEUR 543) to government institutions in connection with previously granted investment subsidies, and receivables of TEUR 856 (2023/24: TEUR 969) due from employees in Austria from the provision of company bicycles.

2.6.6.7 Deferred taxes

The deferred tax assets and deferred tax liabilities reported on the consolidated balance sheet include timing differences that resulted from the use of different amounts for the valuation of assets and liabilities for the Group financial statements and for tax purposes. The resulting deferred taxes are shown below:

in TEUR	30 April 2025 Assets	30 April 2025 Liabilities	30 April 2025 Recognised through profit/loss	30 April 2024 Assets	30 April 2024 Liabilities	30 April 2024 Recognised through profit/loss
Other intangible assets	1,581	9,906	(1,516)	2,956	9,765	(1,647)
Property, plant and equipment	2,603	7,250	(935)	2,647	6,293	(256)
Financial assets	0	2,090	964	0	3,025	(840)
Inventories	3,341	17	(474)	3,918	36	(319)
Trade receivables	329	1,170	179	282	1,254	(256)
Other receivables	1,866	1,666	575	1,659	2,024	89
Non-current provisions	13,295	271	465	15,529	341	(116)
Other provisions	813	712	(151)	1,031	739	49
Trade payables	2,538	535	704	2,078	750	(476)
Borrowings	5,821	38	1,042	2,441	2	220
Loss carryforwards	150,691	0	1,710	153,638	0	(4,091)
Deferred tax credits or liabilities	**182,878**	**23,655**		**186,179**	**24,229**	
Adjustments to valuation discounts for deferred taxes	(128,557)	0		(133,224)	0	
Offset of tax credits and liabilities due from/to the same taxation authority	(20,495)	(20,495)		(20,326)	(20,326)	
Deferred taxes	**33,826**	**3,160**		**32,629**	**3,903**	
Deferred tax income/expense			**2,563**			**(7,643)**

The calculation of deferred taxes for Group companies is based on the applicable national tax rate. Deferred taxes on loss carryforwards are only capitalised if they will be offset by deferred tax liabilities or if the utilisation of the loss carryforwards is sufficiently certain within the legally defined period.

Deferred tax assets were recognised for tax loss carryforwards of TEUR 73,858 (2023/24: TEUR 64,316). Deferred tax assets were not recognised for tax loss carryforwards and other temporary differences of TEUR 558,945 (2023/24: TEUR 579,234) because their utilisation is not sufficiently certain. Of the tax loss carryforwards not recognised TEUR 13,067 (2023/24: TEUR 18,889) will expire within ten years.

In agreement with IAS 12.39 "Income Taxes", deferred tax liabilities were not recognised on timing differences related to shares in subsidiaries because the parent company can control the timing and because these temporary differences will not reverse in the foreseeable future. The taxes on the temporary differences between the book value of the investment for tax purposes and the net assets of the subsidiary as reported in the consolidated financial statements equal TEUR 18,178 (2023/24: TEUR 17,233).

Details on the deferred taxes recorded under other comprehensive income in 2024/25 are provided in note 2.6.5.5.

2.6.6.8 Inventories

The following table shows the gross value and impairment losses related to the various components of inventories:

in TEUR	30 April 2025	30 April 2024
Raw materials	**60,898**	**66,015**
Gross value	*78,527*	*91,142*
Impairment loss	*(17,629)*	*(25,127)*
Work in process	**1,780**	**1,812**
Semi-finished goods	**10,228**	**7,949**
Gross value	*12,251*	*9,303*
Impairment loss	*(2,023)*	*(1,354)*
Merchandise	**26,544**	**25,822**
Gross value	*33,027*	*31,411*
Impairment loss	*(6,483)*	*(5,589)*
Finished goods	**77,448**	**78,764**
Gross value	*91,591*	*93,126*
Impairment loss	*(14,143)*	*(14,362)*
Inventories	**176,898**	**180,362**

The changes in the valuation adjustments to inventories totalled TEUR 6,154 in 2024/25 (2023/24: TEUR –2,908).

2.6.6.9 Trade receivables

in TEUR	30 April 2025	30 April 2024
Trade receivables gross	**169,083**	**178,500**
Valuation adjustments to receivables	(6,648)	(6,638)
Trade receivables	**162,435**	**171,862**

Details on valuation adjustments are provided in note 2.6.11.1.

The Zumtobel Group transferred trade receivables to a bank in exchange for liquid funds within the framework of a factoring agreement. These receivables were not derecognised in full because all of the related risks and rewards were neither transferred nor retained (allocation of risks and rewards between the Zumtobel Group and the bank). The assessment of the risks resulting from the sold receivables is based on the partially retained default risk and delayed payment risk. The remaining credit risk-related defaults are assumed by the bank. The Zumtobel Group continues to manage the servicing for the sold receivables and retains the right of disposal over the receivables.

in TEUR	30 April 2025	30 April 2024
Trade receivables gross before factoring	**216,613**	**228,530**
Continuing involvement		
Book value continuing involvement	1,386	1,454
Book value associated liability	1,386	1,454

The receivables sold through a factoring agreement, which had not been settled by the customers as of the balance sheet date, totalled TEUR 47,530 as of 30 April 2025 (2023/24: TEUR 50,030). Expenses of TEUR 3,141 (2023/24: TEUR 3,357) were recognised in connection with the factoring agreement.

2.6.6.10 Cash and cash equivalents

Cash and cash equivalents consist of deposits at banks, cash on hand and checks. Of the total bank deposits, TEUR 53 (2023/24: TEUR 59) are not available for discretionary use. The carrying amount of cash and cash equivalents corresponds to the market value because of the terms of these funds.

2.6.6.11 Employee benefits

The provisions for pensions and termination benefits represent post-employment benefits. Other provisions include miscellaneous non-current employee benefits as defined in IAS 19 "Employee Benefits".

The following table reconciles the beginning and ending balances of the present values:

Defined benefit plans as per IAS 19	Post-employment benefits					
	Pensions		Termination benefits		Other	
in TEUR	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
Beginning balance, net liability	**47,109**	**52,610**	**37,217**	**36,626**	**8,233**	**8,125**
Foreign currency translation & reclassification	263	931	0	0	(83)	29
Changes in the scope of consolidation	471	0	0	0	0	0
Changes recognised through profit or loss	4,237	4,313	1,949	2,204	896	964
thereof service cost	*1,788*	*1,438*	*634*	*707*	*792*	*595*
thereof interest expense	*9,033*	*9,528*	*1,315*	*1,497*	*277*	*277*
thereof expected income from plan assets	*(6,584)*	*(6,653)*	*0*	*0*	*0*	*0*
thereof actuarial gain/loss	*0*	*0*	*0*	*0*	*(173)*	*92*
Actuarial gain/loss recognised to other comprehensive income	(1,327)	(3,450)	(519)	4,899	0	0
thereof demographic adjustments	*(964)*	*(2,941)*	*(56)*	*(67)*	*0*	*0*
thereof financial adjustments	*(872)*	*2,087*	*(17)*	*3,297*	*0*	*0*
thereof experience-related adjustments	*509*	*(2,596)*	*(446)*	*1,669*	*0*	*0*
Payments	(6,347)	(7,295)	(4,374)	(6,512)	(1,417)	(885)
thereof to salaried employees	*(6,347)*	*(7,295)*	*(4,374)*	*(6,512)*	*(1,417)*	*(885)*
Ending balance, net liability	**44,406**	**47,109**	**34,273**	**37,217**	**7,629**	**8,233**

The changes recognised through profit or loss are recorded on the income statement. Interest expense and the expected income from plan assets are reported under "other financial income and expenses", while the remainder is included under operating results. The column "Other" consists mainly of provisions for service anniversary bonuses in Austria, a legally required profit-sharing model and bonus payments for long-service in France, partial retirement in Germany, and long service leave in Australia.

Experience-related adjustments represent the actuarial gains and losses caused by variances between the individual employee-based parameters and the parameters applied to the entire calculation base. Examples of these parameters are trends in salaries and wages, the number of deaths, early retirements, terminations and the development of the return on plan assets.

Detailed information on the actuarial losses recorded under other comprehensive income is provided in the section on the "IAS 19 reserve".

The following calculation parameters were applied in the individual countries:

	Interest rate		Income on plan assets		Salary trend		Pension trend		Retirement age (women/men)	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
Germany	3.6%	3.7%	-	-	3.0%	3.5%	2.0%	2.0%	1)	1)
Great Britain	5.4%	5.0%	5.4%	5.0%	-	-	3.3%	3.1%	65/65	65/65
Switzerland	1.1%	1.6%	1.1%	1.6%	1.8%	2.5%	-	-	65/65	65/65
Sweden	3.0%	3.5%	-	-	-	-	1.6%	1.6%	65/65	65/65
Austria	3.65%-3.9%	3.7%-3.8%	-	-	2.8%	2.8%	-	-	2)	2)
France	3.0%	3.5%	-	-	2.5%	3.0%	-	-	3)	3)
Italy	3.4%	3.7%	-	-	1.8%	1.8%	-	-	67/67	67/67
Serbia	5.3%	6.2%	-	-	8.5%	8.5%	-	-	4)	4)

In Austria, a non-recurring salary increase of 8% was included as an inflationary adjustment in 2023/24; the long-term salary trend equals 2.75%. Country-specific mortality and invalidity tables as well as employee turnover rates were also included.

Note 1): Pension obligations 60/65 years and obligations arising from partial retirement at 57 years.

Note 2): The earliest possible retirement age was used as the basis for pension calculations, in keeping with legal transition rules.

Note 3): The legal retirement age in France ranges from 62 to 67 years and depends primarily on the date of birth and documented insurance time. There is no difference in the retirement age for men and women.

Note 4): The retirement age in Serbia currently equals 65 years for men and 62 years for women. The retirement age for women will be gradually raised to 65 years by 2032.

Pension obligations

The Group companies in Germany, Great Britain, Sweden, Australia and Switzerland have implemented defined benefit pension plans. The German and Swedish plans are not financed through external funds; all other plans are financed through external funds. These funds are legally independent of the respective Group company and are only used to meet performance obligations. Any obligations remaining after the deduction of plan assets are recorded as provisions.

The obligations arising from the pension plans are related chiefly to salary-based pension commitments. In individual cases, these obligations also include pension-related commitments to surviving dependents and payments in the event of the participant's invalidity.

The defined benefit plans in the English group companies generally represent obligations from the Thorn Lighting pension fund, which was taken over in connection with the acquisition of the Thorn Group. Most of the related commitments are salary-based pension payments. Benefits are also provided to surviving dependents under certain circumstances. This plan was closed for new employees in 2003 and for additional claims by plan participants in 2009. Since the pension plan is closed, the remaining risks are primarily actuarial in nature.

Two major steps were taken to remedy the shortage of assets in this plan. An agreement was reached with the plan trustee to reduce the deficit by 2046 at the latest through annual contributions by the involved British companies. In addition, the trustee developed and presented an investment strategy in the form of a "statement of investment principles" (SIP), which should support the generation of a portfolio return that exceeds the discount factor.

In order to protect the value of the plan assets, the investment strategy includes elements to systematically reduce risk, above all through the diversification of the portfolio. The daily asset management of the individual asset classes was transferred to professional asset managers, who are licensed and regulated by the Financial Services Authority (FSA) in Great Britain.

The pension plans in Germany are financed entirely through provisions and generally represent commitments for fixed salary-based pension subsidies or commitments based on the employee's final salary, whereby the amount is dependent on the number of years of service with the company. However, the pension plans in Germany have been closed to new employees for over ten years. The remaining risks for the company are therefore mainly actuarial in nature. There is no requirement to cover obligations through plan assets.

The pension obligations in Switzerland represent occupational pensions as defined in Swiss law ("Berufliche Vorsorge-Gesetz", BVG) and also include benefits for surviving dependents and payments in the event of the participant's invalidity. The two involved Swiss companies outsourced these obligations through so-called full-coverage insurance contracts with syndicated funds formed by insurance companies. Swiss experts qualify these full-coverage insurance plans as defined benefit plans in accordance with IAS 19 "Employee Benefits", among others, because of the legally guaranteed minimum payments. The management of plan assets by the syndicated funds is based on BVG regulations and the Swiss directive on occupational retirement, survivors' and disability insurance ("BVV 2").

The defined benefit plan in Sweden is financed entirely through provisions and is closed for new employees and additional claims. The defined benefit commitments consist of salary-based pension payments. An external insurance company ("PRI Pensionsgaranti") administers the claims, whereby the pension payments it makes to the plan participants are charged to the involved Swedish companies.

In addition, Sweden has a pension fund programme that principally qualifies as a defined benefit obligation. It is a multi-employer plan as defined in IAS 19.29, but the insurance company has not provided sufficient information to value it as a defined benefit plan in accordance with actuarial principles. Therefore, payments made by the company are immediately recognised as expenses for a defined contribution plan in accordance with IAS 19.34. These expenses totalled TEUR 99 in 2024/25 (2023/24: TEUR 110), and the payments will total TEUR 88 in 2025/26. The asset coverage calculated in accordance with Swedish law equalled 161% (2023/24: 163%) for all plan participants. This coverage represents the difference between the insurance obligations and the fair value of the relevant assets, which was determined according to information provided by the pension fund programme.

The carrying amount of the net obligations and net assets is shown below:

in TEUR	30 April 2025	30 April 2024
Obligations not financed through funds	21,157	18,616
Obligations financed through funds	199,390	198,551
Present value of defined benefit obligation (DBO)	**220,547**	**217,167**
Fair value of plan assets	(176,141)	(170,058)
Net liability as per balance sheet	**44,406**	**47,109**

The provision for pensions is classified by country as follows:

in TEUR	30 April 2025	30 April 2024
Germany	16,658	17,619
Great Britain	21,161	26,135
Switzerland	5,553	2,357
Other	1,034	998
Net liability as per balance sheet	**44,406**	**47,109**

The following table reconciles the present values of the defined benefit obligation (DBO) and plan assets at the beginning and the end of the financial year:

	2024/25		2023/24	
in TEUR	DBO	Plan assets	DBO	Plan assets
30 April 2024	**217,167**	**170,058**	**218,167**	**165,557**
Foreign currency translation	2,426	2,163	4,982	4,051
Changes in the scope of consolidation	3,465	2,994	0	0
Service cost	1,788	0	1,438	0
Interest expense / income	9,033	6,584	9,528	6,653
Actuarial gain/loss recognised to other comprehensive income	(5,062)	(3,735)	(7,501)	(4,051)
thereof demographic adjustments	*(964)*	*0*	*(2,941)*	*0*
thereof financial adjustments	*(872)*	*0*	*2,087*	*0*
thereof experience-related adjustments	*(3,226)*	*(3,735)*	*(6,647)*	*(4,051)*
Payments	(8,270)	(1,923)	(9,447)	(2,152)
30 April 2025	**220,547**	**176,141**	**217,167**	**170,058**

The actual payments from the pension plans totalled TEUR –8,270 in 2024/25 (2023/24: TEUR –9,447).

Plan assets comprised the following as of 30 April 2025:

in TEUR	30 April 2025	thereof quoted on an active market
Liquid funds	5,205	441
Equity instruments	64,848	43,828
Debt instruments	24,188	17,490
Real estate	9,382	0
Assets held by insurance companies	8,148	0
Other	64,370	60,373
Plan assets	**176,141**	**122,133**

The plan assets generated income of TEUR 2,849 in 2024/25 (2023/24: TEUR 2,602).

The development of the present value of pension obligations and plan assets is shown in the following table:

in TEUR	30 April 2025	30 April 2024
Present value	220,547	217,167
Plan assets	(176,141)	(170,058)
Deficit	**44,406**	**47,109**

Termination benefits

These obligations are defined by law and require the company to make a lump-sum payment to employees on the termination of their employment relationship under certain circumstances.

The major termination benefit obligation is a result of Austrian law, which applies to employees who joined the Austrian group companies on or before 31 December 2002. These employees are entitled to a termination payment when they reach retirement age or when the company ends the employment relationship. The amount of the claim is linked to the length of service and the amount of the final salary or wage. The termination benefit claims for employees who joined the company after 31 December 2002 are covered by defined contribution plans.

The obligations relate to the following countries:

in TEUR	30 April 2025	30 April 2024
Austria	31,073	33,030
France	1,179	2,366
Italy	2,021	1,821
Termination benefits obligations	**34,273**	**37,217**

IAS 19 Reserve

The following table shows the development of actuarial gains and losses, including deferred taxes, which were recognised directly in equity:

in TEUR	Pensions	Termination benefits	Total
30 April 2023	**(92,889)**	**(6,584)**	**(99,473)**
Actuarial gain/loss	3,450	(4,899)	(1,449)
Changes in the scope of consolidation	470	0	470
Foreign currency translation	(2,754)	0	(2,754)
Deferred taxes	(918)	1,103	185
30 April 2024	**(92,641)**	**(10,380)**	**(103,021)**
Actuarial gain/loss	1,327	519	1,846
Changes in the scope of consolidation	0	0	0
Foreign currency translation	(320)	0	(320)
Deferred taxes	(357)	(117)	(474)
30 April 2025	**(91,991)**	**(9,978)**	**(101,969)**

Deferred taxes of TEUR -474 were recognised in other comprehensive income during 2024/25 (2023/24: TEUR 185).

The total actuarial gains of TEUR 1,526 recognised in 2024/25 (2023/24: losses of TEUR –4.203) include gains of TEUR 1,324 (2023/24: gains of TEUR 3,450) from pension plans. These gains consist primarily of the following: gains of TEUR 3,336 (2023/24: gains of TEUR 4,060) in Great Britain and TEUR 263 (2023/24: losses of TEUR -60) in Germany as well as losses of TEUR –2,188 (2023/24: losses of TEUR -450) in Switzerland.

Sensitivity analysis

Effects on the DBO as of 30 April 2025:

	Discount rate		Salary trend		Pension trend	
	0.5%	(0.5)%	0.5%	(0.5)%	0.5%	(0.5)%
Pension plans	(11,466)	12,685	244	(252)	6,910	(5,935)
thereof UK	*(7,296)*	*7,894*	*0*	*0*	*4,127*	*(5,203)*
Termination benefits	(1,485)	1,587	1,466	(1,387)	0	0

Effects on the DBO as of 30 April 2024:

	Discount rate		Salary trend		Pension trend	
	0.5%	(0.5)%	0.5%	(0.5)%	0.5%	(0.5)%
Pension plans	(12,009)	13,414	152	(160)	7,792	(6,908)
thereof UK	*(8,693)*	*9,525*	*0*	*0*	*5,404*	*(6,128)*
Termination benefits	(1,680)	1,800	1,681	(1,585)	0	0

Weighted average term of the obligation in years

	30 April 2025	30 April 2024
Pension plans	12	11
Termination benefits	9	10

The contributions to pension plans are expected to total TEUR 5,774 in 2025/26, and the expected termination benefits amount to TEUR 1,660.

Other long-term employee benefits

These obligations totalled TEUR 7,629 in 2024/25 (2023/24: TEUR 8,233) and consisted mainly of the following provisions: TEUR 6,295 (2023/24: TEUR 6,564)for service anniversary bonuses in Austria, TEUR 533 (2023/24: TEUR 376) for partial retirement in Germany, TEUR 447 (2023/24: TEUR 742) for special leave in Australia, and TEUR 354 (2023/24: TEUR 551) for legally required profit sharing and bonus payments for long-standing service in France.

2.6.6.12 Defined contribution obligations

Defined contributions of TEUR 5,120 to various pension plans were made by various Group companies in 2024/25 (2023/24: TEUR 5,419). This amount also includes payments made in Austria based on the amended termination benefits regulations (“Abfertigung neu“).

2.6.6.13 Defined benefit remuneration systems

The compensation packages for employees in certain functions include annual variable salary components. The employees assigned to these functions are entitled to participate in the Group’s overall results and, consequently, are part of the Global Reward Scheme (GRS). The variable salary components of the GRS consist of two incentive schemes:

1) Short-Term Incentive Scheme (STI) for all employees participating in the GRS
2) Long-Term Incentive Scheme (LTI) for selected functions with significant strategic responsibility for the long-term success of the company

Variable remuneration comprises a short-term component (Short-Term Incentive; STI) and a long-term component (Long-Term Incentive; LTI). The STI is paid out in cash on the allocation date. Beginning with the 2023/24 financial year, the cash distribution from the LTI is spread over a performance period of four years for all participants.

The performance evaluation for the allocation of variable remuneration (STI) to employees in the respective distribution year is based on a maximum of four indicators: the EBIT margin, free cash flow, ESG goals and individual goals (not applicable beginning with the executive level). For the Management Board, the performance indicators are the EBIT margin, free cash flow and ESG goals. The targets for these performance indicators are based on the budget forecast and defined before the beginning of each financial year.

The re-evaluation of the accrued LTI tranches from earlier years up to and including the 2021/22 financial year is based for the Management Board on the total shareholder return of Zumtobel Group AG, which is compared with the total shareholder return of selected, comparable companies (peer group). This peer group has a broad distribution, from both a geographical and industrial perspective. For LTI participants below the Management Board, this applies up to and including the 2022/23 financial year.

The following procedure applicable to the Management Board for granted LTI tranches also covers these persons beginning with the 2023/24 financial year. The current tranche of the long-term component from the LTI commitment had been earned in full as of 30 April 2025, whereby the average relative TSR target attainment was based on a branch index compared with the STOXX® Europe 600 Industrial Goods & Services and average annual revenue growth over a four-year performance period (compound annual growth rate, CAGR). A provision was therefore recognised at the full amount of the obligation. The provisions for share based remuneration with cash settlement totalled TEUR 5,321 (2023/24: TEUR 4,543), and the respective amount recognised under personnel expenses amounted to TEUR 1,854 (2023/24: TEUR 148).

In addition to this remuneration method, variable salary components represent part of the total compensation package for the sales staff (direct sales jobs) and participants in defined local remuneration programmes.

2.6.6.14 Other provisions

2024/25 Financial Year

in TEUR	Guarantees	Restructuring	Legal proceedings	Onerous contracts	Other	Total
30 April 2024	**29,014**	**5,870**	**72**	**2,004**	**10,059**	**47,019**
Addition	8,469	9,806	67	71	9,311	27,724
Utilisation	(11,203)	(4,926)	0	(79)	(7,495)	(23,703)
Reversal	(1,667)	(365)	0	0	(535)	(2,567)
Foreign currency translation	86	(88)	0	8	(120)	(114)
30 April 2025	**24,699**	**10,297**	**139**	**2,004**	**11,220**	**48,359**
thereof current	*9,646*	*10,297*	*139*	*2,004*	*9,403*	*31,489*
thereof non-current	*15,053*	*0*	*0*	*0*	*1,817*	*16,870*

Other current provisions include, among others, accruals for licenses, commissions, customs duties, freight and professional associations as well as consulting and auditing fees. The comparable position under other non-current provisions consists chiefly of settlements due to sales representatives.

Provisions for guarantees

The provisions for guarantees are classified into separate provisions of TEUR 7,434 (2023/24: TEUR 9,178) for individual cases and experience-based provisions of TEUR 2,212 (2023/24: TEUR 2,129) for cases not recognised individually or not known. Provisions are created for cases not recognised individually or not known in connection with the voluntary extension of the guarantee to five years for Zumtobel products sold in the EU or EFTA countries. For these calculations, separate percentage rates for the various product groups are applied to product revenues for the respective period. In addition, provisions of TEUR 15,053 (2023/24: TEUR 17,708) were recognised for individual damage cases which primarily involve road lighting projects in Great Britain.

Restructuring provisions

These provisions resulted from the restructuring measures connected with the plant reorganisation in Austria and France which were still in progress as of 30 April 2025.

2.6.6.15 Financial liabilities

in TEUR	30 April 2025	30 April 2024
Loans from financial institutions	1,537	71,454
Lease liability	12,094	11,593
Working capital credits	11,388	12,691
Current borrowings	**25,019**	**95,738**
Loans from financial institutions	77,065	6,064
Lease liability	51,870	31,260
Loans from public authorities	4,909	5,888
Non-current borrowings	**133,844**	**43,212**
Borrowings	**158,863**	**138,950**

The consortium credit agreement concluded on 15 December 2021 represents a major financing agreement for the Zumtobel Group. It has a term ending in December 2028 and a maximum line which currently equals EUR 125 mn. This credit agreement was converted into an "ESG linked loan" in June 2023 which is connected to the sustainability strategy and performance. Financing costs reflect the target attainment as confirmed by the EcoVadis sustainability rating and by the reduction of Scope 3 CO_2 emissions. A total of EUR 5 mn was drawn under this agreement as of 30 April 2025 (2023/24: EUR 5 mn). The two long-term loans with bullet repayment concluded with the European Investment Bank (EIB) for EUR 30 mn and EUR 40 mn, respectively, were repaid on schedule at the end of their terms (September 2024 and February 2025) and restructured through the increased use of the consortium credit agreement. A new financing agreement over EUR 50 mn was concluded with the EIB on 9 December 2024 but had not been used by the end of the reporting year on 30 April 2025. These significant financing agreements include a change of control clause that would take effect if the Zumtobel family syndicate were no longer the largest shareholder group or if their holding fell below a specified threshold. They also require compliance with specific financial covenants (a debt coverage ratio of less than 3.55 and an equity ratio of more than 23.5%). The financial covenants were met in full as of 30 April 2025 with a debt coverage ratio of 1.36 (2023/24: 0.73) and an equity ratio of 42.9% (2023/24: 43.1%) The consortium credit agreement also includes a clause for an increase of up to EUR 225 mn which can be drawn under certain circumstances.

2.6.6.16 Rights of use from leases and lease liabilities

The Zumtobel Group leases various items of real estate, machinery and motor vehicles. The related leases are generally concluded for three to ten years but can also include extension options. These contracts can include leasing as well as non-leasing components. The transaction prices for the various components are based on their respective individual prices. Leases are negotiated individually and include a wide variety of different conditions. They do not include any credit conditions, with the exception that the leased objects serve as collateral for the lessor. Consequently, leased assets may not be used as collateral for borrowings.

The assets and liabilities from leases are initially recognised at their present value. The lease liabilities include the present value of the following lease payments:

- Fixed lease payments (including de facto fixed payments minus any incentives received)
- Variable lease payments that are linked to an index or interest(rate) and initially recognised at the index or interest(rate) on the commencement date
- Expected payments by the Group from the utilisation of residual value guarantees
- Penalty payments connected with the cancellation of a lease, if the Group plans to exercise the cancellation option during the term of the lease.

The measurement of lease liabilities also includes the lease payments which would result from the sufficiently probable exercise of extension options. Lease payments are discounted at the underlying implied interest rate when this rate can be readily determined. If not – which is usually the case – discounting is based on the lessee's incremental borrowing rate, i.e. the interest rate that the lessee would have to pay to borrow over a similar term with similar security and conditions to purchase an asset of similar value in a similar economic environment.

Group-wide interest rates are available for use in establishing the incremental borrowing rate. They are based on the Group's major currencies, each with three maturity bands.

The currency-specific three-year SWAP rate plus the Group's risk premium represents a uniform interest rate for all leases with a term up to three years. This covers the majority of the leasing contracts, which primarily involve motor vehicles with a term of 36 months. The currency-specific, six-year SWAP rate plus the Group's risk premium represents a uniform interest rate for all leases with a term of three to six years. The calculations for leases with a term over six years are based on a currency-specific ten-year SWAP rate.

The overall risk premium is based on the parameters for the Group's average credit spread and the respective country-specific risk premium, which form the basis to establish the WACC for impairment testing. Local investments are generally financed internally through loans or with guarantees provided by the Group.

The Zumtobel Group is exposed to potential changes in variable lease payments arising from fluctuations in an index or interest(rate). Any effect on the lease payment is reflected in the remeasurement of the lease liability against the right of use. Lease payments are separated into a principal and an interest portion. The interest portion is recognised to profit or loss over the term of the lease to develop a constant periodic rate of interest over the remaining amount of the liability.

The rights of use are measured at cost, which includes the following components:

- The amount determined by the initial measurement of the lease liability
- any lease payments made at or before the commencement date, less any lease incentives received,
- any initial direct costs incurred by the lessee and
- the estimated costs for the lessee to return the underlying asset to the condition required by the lease.

Rights of use are amortised on a straight-line basis over the shorter of the asset's useful life and the term of the underlying lease. Payments for short-term leases of technical equipment, machinery and motor vehicles and low-value leases are expensed as incurred. Short-term leases are defined as leases with a term up to twelve months and without a purchase option. Low-value assets include IT and office equipment.

A number of real estate leases held by the Group, primarily in connection with sales locations, include extension and cancellation options. Most of these extension and cancellation options can only be exercised by the Zumtobel Group and not by the respective lessor. In establishing the term of a lease, management includes all facts and circumstances which could provide an economic incentive to exercise an extension option or not to exercise a cancellation option. Any changes in the term arising from the exercise of extension or cancellation options are only included in the lease term when the extension or non-exercise of the cancellation option is sufficiently probable.

Development of the rights of use in 2024/25:

in TEUR	Land & buildings	Other equipment	Right-of-use assets
30 April 2024	**20,823**	**8,399**	**29,222**
Additions	29,801	5,744	35,545
Scheduled depreciation	(8,765)	(4,283)	(13,048)
Other movements	2,309	(294)	2,015
30 April 2025	**44,168**	**9,566**	**53,733**

Future lease payments to third parties:

in TEUR	2024/25	2023/24
< 1 year	15,499	14,038
1–5 years	32,199	32,358
> 5 years	34,910	3,342
Total minimum lease payments	**82,608**	**49,738**

Expenses totalling TEUR 11,891 were incurred in 2024/25 (2023/24: TEUR 10,427) for licences/software leasing, short-term leases, low-value leases, leases with rights and obligations whose enforcement is not sufficiently certain, and service components. The interest expense arising from leases amounted to TEUR 3,148 (2023/24: TEUR 2,684). Lease payments totalled TEUR 16,918 (2023/24: TEUR 16,308) and do not include any conditional components.

A GBP 15.7 mn finance lease was concluded in 2008/09 for the factory building in Spennymoor, Great Britain. The contract was extended in 2024/25 for a further ten years up to 2039. The net present value of the minimum lease payments totalled TEUR 27,815 as of 30 April 2025 (2023/24: TEUR 11,155).

2.6.6.17 Zumtobel Group as the lessor

The Zumtobel Group has sublet vacant office and warehouse space which, in total, is immaterial in scope. The terms of these subleases range from one to three years.

Rental income of TEUR 498 was received in 2024/25 (2023/24: TEUR 167). Of this total, TEUR 498 (2023/24: TEUR 167) represent income from sub-letting capitalised rights of use as defined in IFRS 16.

2.6.6.18 Other liabilities

The components of other liabilities are as follows:

in TEUR	30 April 2025	30 April 2024
Contract liabilities	38,438	39,669
Government grants	7,606	8,344
Vacations, comp. in free time, special payments to employees	70,165	65,534
Amounts due to employees	8,513	10,654
Miscellaneous taxes	17,111	17,973
Social security	6,926	6,528
Accrued interest	14	319
Derivatives (hedge accounting)	3,510	3,805
Derivatives held for trading	2,533	112
Customs	53	34
Other liabilities	7,913	7,706
Other liabilities	**162,782**	**160,678**
thereof non-current	*19,910*	*18,808*
thereof current	*142,872*	*141,870*

Contract liabilities consist primarily of prepayments received, rebates, bonuses and discounts arising from contracts with customers and from long-term accruals for extended guarantees of TEUR 14,750 (2023/24: TEUR 14,500). The Zumtobel Group received government grants totalling TEUR 6,145 (2023/24: TEUR 6,710) for the plant in Serbia in previous years, which will be reported as liabilities until the grant conditions are met in full. The position "government grants" also includes research subsidies and investment bonuses. The amounts due to employees are based mainly on commitments made in connection with the employee incentive programme and include long-term commitments of TEUR 4,767 (2023/24: TEUR 4,308). Other liabilities primarily involve accrued expenses and customers with credit balances which do not represent financial instruments.

2.6.7 Notes to the Consolidated Cash Flow Statement

Cash flow was determined on a monthly basis in accordance with the indirect method. The resulting monthly cash flows are translated at the average monthly exchange rate and then aggregated, while the balance sheet positions are translated at the exchange rate in effect on the closing date. This procedure leads to currency translation differences, above all in individual positions under cash flow from operating activities, and thereby also to significant differences in comparison with the changes in the respective balance sheet positions.

In agreement with the indirect method, profit before tax is adjusted for the effects of non-cash transactions (e.g. depreciation and amortisation) as well as income and expenses that relate to investing or financing activities.

Cash flow from operating results fell from TEUR 105,845 to TEUR 86,425 in 2024/25, chiefly due to the decline in revenues and profitability.

Working capital totalled TEUR 227,754 as of 30 April 2025 and was TEUR 2,162 above the level on 30 April 2024. Inventories generally reflected the previous year at TEUR 176,898 (2023/24: TEUR 180,362). Trade receivables declined by TEUR 9,427 as of 30 April 2025. Trade payables and prepayments received were TEUR 12,474 and TEUR 2,577 lower, respectively, as of 30 April 2025. As a per cent of rolling 12-month revenues, working capital rose from 20.0% in the previous year to 20.8%. The receivables sold through factoring agreements amounted to TEUR 47,530 as of 30 April 2025 (2023/24: TEUR 50,030). The change in other operating positions equalled TEUR –6,640 (2023/24: TEUR –2,310). The cash outflows in this position resulted primarily from a reduction of the provisions pensions, termination benefits and guarantees. These effects were contrasted by an increase in the provisions for restructuring. Cash flow from operating activities declined from TEUR 102,284 to TEUR 72,289 in 2024/25.

Cash flow from investing activities consists mainly of investments in various production facilities and also includes investments in tools for new products, expansion projects, maintenance and capitalised development costs. Investments amounted to TEUR 54,168 in 2024/25 (2023/24: TEUR 50,847) and included capitalised development costs, digitalisation and modernisation expenditures of TEUR 36,763 (2023/24: TEUR 35,355) in Dornbirn. Free cash flow declined to TEUR 19,610 in the reporting year (2023/24: TEUR 53,813).

Cash flow from financing activities was adjusted by the non-cash additions from lease liabilities. This position includes cash outflows of TEUR 13,563 (2023/24: TEUR 13,577) for principal payments on lease liabilities and TEUR 10,459 (2023/24: TEUR 11,627) of interest paid. Dividends of TEUR 10,681 were distributed to shareholders during the 2024/25 financial year (2023/24: TEUR 17,259).

Liquid funds comprise cash and cash equivalents. The latter are held for the purpose of meeting short-term cash obligations. They are subject to only insignificant fluctuations in value and have a remaining maturity of not more than three months from the date of acquisition. Bank overdrafts are generally considered to be part of cash and cash equivalents because they form an integral part of the Group's cash management.

Bank deposits, demand deposits and other similar items are presented on the consolidated balance sheet under "liquid funds". Overdrafts are reported on the balance sheet under current financial liabilities.

The balance sheet position "liquid funds" also includes the above-mentioned bank deposits that are not available for discretionary use as well as smaller deposits with a term over three months. These items are not considered to be part of cash and cash equivalents.

2.6.7.1 Reconciliation to cash and cash equivalents

in TEUR	30 April 2025	30 April 2024
Liquid funds	38,935	60,375
Not available for disposal	(53)	(59)
Overdrafts	(11,388)	(12,691)
Cash and cash equivalents	**27,494**	**47,625**

Cash and cash equivalents do not include funds that are subject to restrictions on disposal.

2.6.7.2 Reconciliation to financial liabilities

in TEUR	Loans received (non-current and current)	Overdrafts	Total	Lease liability (non-current and current)	Total Borrowings
30 April 2023	**101,937**	**(22,376)**	**79,561**	**45,537**	**125,098**
Cash proceeds from non-current and current borrowings			6,360	0	6,360
Cash repayments of non-current and current borrowings			(2,809)	(13,577)	(16,386)
Effect of changes in foreign exchange rates			1,064	(489)	575
Other changes			(770)	11,382	10,612
30 April 2024	**96,096**	**(12,691)**	**83,406**	**42,853**	**126,259**
Cash proceeds from non-current and current borrowings			72,637	0	72,637
Cash repayments of non-current and current borrowings			(72,460)	(13,563)	(86,023)
Effect of changes in foreign exchange rates			(514)	193	(321)
Other changes			291	34,481	34,772
30 April 2025	**94,899**	**(11,388)**	**83,511**	**63,964**	**147,475**

The position "other changes" consists chiefly of the non-cash changes to lease liabilities arising from the additions, disposals and modifications to leases as well as accrued interest.

2.6.8 Notes to the Consolidated Statement of Changes in Equity

2.6.8.1 Share capital

On 31 January 2025, the Zumtobel Group announced the end of the buyback programme for Zumtobel Group AG shares. A total of 808,945 Zumtobel Group AG shares were purchased up to and including 31 January 2025. The company's share capital totals EUR 107,866,642.50 and is divided into 43,146,657 bearer shares with zero par value.

Zumtobel Group AG shares are traded in the Prime Market segment of the Vienna Stock Exchange. The stock market abbreviation is ZAG, and the international security identification number (ISIN) is AT0000837307. The company has no shares that carry special preferred rights or control rights.

The number of shares outstanding and treasury shares developed as follows:

in pcs.	Outstanding shares	Treasury shares	Total
30 April 2024	**42,890,343**	**256,314**	**43,146,657**
Share buyback	(552,631)	552,631	0
30 April 2025	**42,337,712**	**808,945**	**43,146,657**

2.6.8.2 Additional paid-in capital

Additional paid-in capital includes the appropriated and non-appropriated capital of Zumtobel Group AG. This item also includes the transactions in treasury shares.

2.6.8.3 Reserves

Other reserves
This position includes profit carried forward, profit for the year and the reserve from the expired stock option programme.

Currency reserve
This reserve includes the currency differences resulting from the application of the historical exchange rate on the date of initial consolidation and the exchange rate in effect on the balance sheet date for companies that do not report in the euro as well as differences resulting from the translation of the income statement at the monthly average exchange rate and the exchange rate in effect on the balance sheet date. Also included here are the currency differences arising from long-term Group loans granted in GBP, AUD and USD, which are classified as net investments in foreign operations in accordance with IAS 21 "The Effects of Changes in Foreign Exchange Rates" (also see notes 2.6.5.1 and 2.6.5.2) as well as the foreign exchange effects from an interest rate hedge. Foreign exchange-based adjustments to goodwill are also recorded under this position.

Reserve for cash flow hedges
The increases or decreases in equity in the previous year from the application of hedge accounting reflect the changes in the fair value of derivative contracts that are recorded directly in equity as well as amounts transferred from equity to profit or loss following the exercise or realisation of contracts and the related deferred taxes.

IAS 19 reserve
Additional information on the IAS 19 reserve is provided in note 2.6.6.11.

2.6.8.4 Dividend

The general meeting on 2 August 2024 approved a dividend payment of 25 euro cents per share for the 2023/24 financial year. Based on the 42,723,004 outstanding on the payment date (43,146,657 shares less 423,653 treasury shares), TEUR 10,681 was distributed to shareholders on 9 August 2024.

Zumtobel Group AG follows a continuous dividend policy which calls for a pay-out of approximately 30% to 50% of consolidated net profit, taking any special effects into consideration. In order to safeguard the company's financial stability under all possible scenarios, the specific amount of the dividend is also dependent on debt coverage.

Net profit for the 2024/25 financial year was positive at TEUR 15,490. In view of this sound operating development, the Management Board plans to make a recommendation to the Supervisory Board, and subsequently to the annual general meeting of Zumtobel Group AG, which is scheduled for 26 September 2025, to distribute a dividend of 15 euro cents per share for the 2024/25 financial year.

2.6.9 Capital Management

The goals of capital management in the Zumtobel Group are to protect the continued existence of its member companies ("going concern") and to optimise the return for shareholders by creating the best possible balance between the use of equity and debt. The capital structure is monitored regularly based on the minimum equity ratio agreed with the major lenders, including the cost and the risks connected with each type of capital. The main instruments used for capital management include an increase in or reduction of financial liabilities as well as dividend payments, new issues and share buybacks.

The consortium credit agreement and a long-term credit contract with the European Investment Bank (EIB) represent the major financing agreements for the Zumtobel Group. Information on these credit agreements is provided in note 2.6.6.15.

2.6.10 Information on Financial Instruments

2.6.10.1 Categories of financial instruments as defined in IFRS 9

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as well as their classification in the fair value hierarchy.

2024/25 Financial Year

Assets

in TEUR	Carrying amount	Accounting at fair value	Accounting at amortized cost	Fair value	Level 1	Level 2	Level 3
Non-current financial assets	4,042	682	3,360	-			
Securities and similar rights	*682*	*682*	*-*	*682*			*682*
Loans originated and other receivables	*3,360*	*-*	*3,360*	*-*			
Current financial assets	2,757	1,354	1,403	-			
Securities and similar rights	*1,386*	*-*	*1,386*	*-*			
Loans originated and other receivables	*17*	*-*	*17*	*-*			
Positive market values of derivatives held for trading	*1,258*	*1,258*	*-*	1,258		*1,258*	
Positive market values of derivatives (hedge accounting)	*96*	*96*	*-*	96		*96*	
Trade receivables	162,435	1,386	161,049	1,386			1,386
Liquid funds	38,935	-	38,935	-			
Total	**208,169**	**3,422**	**204,747**				

Liabilities

in TEUR	Carrying amount	Accounting at fair value	Accounting at amortized cost	Fair value	Level 1	Level 2	Level 3
Non-current borrowings	133,844	-	133,844	-			
Loans received	*81,974*	*-*	*81,974*	*81,016*			
Lease liability	*51,870*	*-*	*51,870*	*-*			
Other non-current liabilities	394	394	-	-			394
Current borrowings	25,019	-	25,019	-			
Loans received	*1,537*	*-*	*1,537*	*-*			
Working capital credits	*11,388*	*-*	*11,388*	*-*			
Lease liability	*12,094*	*-*	*12,094*	*-*			
Trade payables	93,300	-	93,300	-			
Other current liabilities	6,057	6,043	14	6,043			
Negative market values of derivatives held for trading	*2,533*	*2,533*	*-*	*2,533*		*2,533*	
Negative market values of derivatives (hedge accounting)	*3,510*	*3,510*	*-*	*3,510*		*3,510*	
Other	*14*	*-*	*14*	*-*			
Total	**258,614**	**6,437**	**252,177**				

The table does not include any information on the fair value of financial assets and financial liabilities that are not carried at fair value when the carrying amount represents an approximation of fair value.

Financial liabilities are carried at amortised cost, with the exception of derivatives and the obligation resulting from the earn-out agreement related to the acquisition of Inventron (see other non-current liabilities).

In the Zumtobel Group, the calculation of fair value is based primarily on input factors which are generally observable on the market (Level 2). The fair value of forward exchange contracts is based on the present value of future cash flows and reflects the application of current market-based interest rate curves for the respective currency and the foreign exchange rates in effect on the valuation date. The fair value of the remaining derivative financial instruments can be reliably determined as of each balance sheet date because these measurements are based on observable market input factors. These valuations reflect the Level 2 criteria. The Level 2 financial instruments consist entirely of the derivatives reported under financial assets and financial liabilities (positive market values: TEUR 1,354, 2023/24: TEUR 2,904; negative market values: TEUR –6,043, 2023/24: TEUR –3,917). The risks associated with non fulfilment of the financial assets and liabilities are reflected in risk discounts if the amounts are material.

The consolidated financial statements also include an immaterial volume of financial instruments whose valuation is not based on quoted prices or input factors that can be observed on the market (Level 3). These financial instruments represent, on the one hand, smaller investments in various companies. Dividends of TEUR 16 were received during the 2024/25 financial year (2023/24: TEUR 14).

On the other hand, the other non-current liabilities of TEUR 394 from obligations connected with the earn-out agreement for the purchase of the remaining 52% of Inventron. The amount of the earn-out is dependent on the future development of EBIT at Inventron, and the valuation of the obligation is based on Inventron's forecasted EBIT.

2023/24 Financial Year

Assets

in TEUR	Carrying amount	Accounting at fair value	Accounting at amortized cost	Fair value	Level 1	Level 2	Level 3
Non-current financial assets	5,323	576	4,747	-			
Securities and similar rights	*576*	*576*	*-*	*576*			*576*
Loans originated and other receivables	*4,747*	*-*	*4,747*	*-*			
Current financial assets	4,373	2,904	1,469	-			
Securities and similar rights	*1,454*	*-*	*1,454*	*-*			
Loans originated and other receivables	*15*	*-*	*15*	*-*			
Positive market values of derivatives held for trading	*2,862*	*2,862*	*-*	2,862		*2,862*	
Positive market values of derivatives (hedge accounting)	*42*	*42*	*-*	42		42	
Trade receivables	171,862	1,454	170,408	1,454			1,454
Liquid funds	60,375	-	60,375	-			
Total	**241,933**	**4,934**	**236,999**				

Liabilities

in TEUR	Carrying amount	Accounting at fair value	Accounting at amortized cost	Fair value	Level 1	Level 2	Level 3
Non-current borrowings	43,212	-	43,212	-			
Loans received	11,952	-	*11,952*	*10,534*			
Lease liability	31,260	-	*31,260*	-			
Other non-current liabilities	-	-	-	-			
Current borrowings	95,738	-	95,738	-			
Loans received	71,454	-	*71,454*	-			
Working capital credits	12,691	-	*12,691*	-			
Lease liability	11,593	-	*11,593*	-			
Trade payables	105,774	-	105,774	-			
Other current liabilities	4,236	3,917	319	3,917			
Negative market values of derivatives held for trading	112	*112*	-	*112*		*112*	
Negative market values of derivatives (hedge accounting)	3,805	*3,805*	-	*3,805*		*3,805*	
Other	*319*	-	*319*	-			
Total	**248,960**	**3,917**	**245,043**				

2.6.10.2 Income / expense on financial instruments (IFRS 9 categories)

in TEUR	2024/25	2023/24
Net gains or net losses	**(3,502)**	**1,124**
Financial instruments measured at amortised cost	*522*	*(2,196)*
Financial instruments at fair value through P&L	*(4,024)*	*3,997*
Net investment hedge – ineffective portion of changes in fair value	*0*	*0*
Realised losses from the hedge of a net investment	*0*	*(677)*
Interest expense	**(10,242)**	**(11,765)**
Interest expense for financial assets measured at amortised cost	*(10,242)*	*(11,765)*
Interest income	**913**	**697**
Interest income at amortised cost	*830*	*692*
Interest income hedge accounting	*83*	*5*
Valuation adjustments to trade receivables	**(346)**	**74**

Other financial income and expenses (TEUR –7,543; 2023/24: TEUR –3,525) include the net income or expense from these investments (TEUR –3,502; 2023/24: TEUR 1,124) as well as the interest component as defined in IASS19 "Employee Benefits" after the deduction of income on plan assets (TEUR –4,041; 2023/24: TEUR –4,649).

Net income / expense as well as the total interest expense and income are included under financial results, while impairment losses on loans and receivables are reported under selling expenses.

2.6.11 Information on Risk Management

The use of financial instruments exposes the Zumtobel Group, in particular, to the following risks:

- >> Credit risk
- >> Liquidity risk
- >> Market risk

Risk management is regulated by Group guidelines. The Management Board is responsible for the preparation of appropriate guidelines and the monitoring of risk management throughout the Group.

2.6.11.1 Credit risk

>> Trade receivables

Group companies have not concluded any general settlement agreements with customers, and the total amounts reported under assets therefore represent the maximum credit and default risk. However, this risk is considered low because it is distributed over a large number of customers and financial institutions. Losses on receivables, i.e. derecognised receivables, equalled 0.06% of Group revenues in 2024/25 (2023/24: 0.12%). In 2024/25, no individual customer was responsible for more than 10% of Group revenues.

The Group has arranged for credit insurance to cover the default risk on specific trade receivables, and an application for coverage is required for every new customer with a balance of TEUR 100 or more. The deductible on this credit insurance in the event of a default incident equalled 10% of the insured receivables as of 30 April 2025. Group managers are authorised to approve credit limits for customers, whereby the amount of the credit limit corresponds to the management level.

The valuation adjustments to trade receivables developed as follows:

in TEUR	2024/25	2023/24
Beginning balance	**(6,638)**	**(8,164)**
Foreign currency translation	(318)	122
Addition	(1,334)	(814)
Utilisation	1,028	1,404
Reversal	614	814
Ending balance	**(6,648)**	**(6,638)**

Individual valuation adjustments were recognised in connection with possible default cases. These individual charges are based on the classification of receivables as doubtful or non-doubtful. The allowances for doubtful receivables are based on specific indications or confirmation of the need to recognise a valuation adjustment. The allowances for non-doubtful receivables are calculated on the basis of a six-step risk class model which includes empirically developed default probabilities.

Trade receivables gross in TEUR	**169,083**
thereof Trade receivables not valued in risk-class-model	*(32,418)*
thereof Trade receivable valuation base	*136,665*

Probability of default per risk class in %		Basis for impairment	Impairment
Debtor risk class 1	0.05%	9,383	(2)
Debtor risk class 2	0.17%	32,895	(18)
Debtor risk class 3	0.47%	37,516	(77)
Debtor risk class 4	1.53%	40,395	(397)
Debtor risk class 5	9.14%	7,810	(463)
Debtor risk class 6	15.00%	8,665	(778)
Total		**136,665**	**(1,735)**
Country-specific factor	**0,67 - 1,47**		**24**
Total			**(1,711)**

The main components of trade receivables that are not evaluated under the risk class valuation model are as follows:

- Receivables whose impairment or default is covered by individual credit insurance are excluded in line with the deductible.
- The dilution reserve and ongoing activities for the receivables derecognised in connection with the factoring agreement which are contrasted by contract liabilities from the granting of discounts, bonuses and rebates as well as a liability to the factor.
- Trade receivables from the invoicing of partial services for which prepayments have already been recognised as liabilities.^

The nominal value of trade receivables includes TEUR 4,937 (2023/24: TEUR 5,072) that were classified as doubtful. These doubtful receivables were written off in full.

- Liquid funds, securities, derivatives and other financial assets
  The Zumtobel Group minimises credit risk in this area by investing only in short-term instruments with selected banks.

- Outstanding credit risk
  The maximum risk represents the carrying amount of financial instruments and totalled TEUR 208,169 as of 30 April 2025 (2023/24: TEUR 241,933). This amount consists primarily of trade receivables and liquid funds (also see note 2.6.10.1).

- Climate-related credit risks
  The Zumtobel Group currently sees no credit risks which would be caused directly by climate change due to the short term of the loans from trade receivables which result from its business model.

2.6.11.2 Liquidity risk

Liquidity risk represents the risk that the Zumtobel Group will be unable to meet its current and/or future payment obligations in full or on a timely basis. In order to ensure the ability to meet these obligations at all times, the Zumtobel Group maintains liquidity reserves in the form of demand deposits with banks to service expected operating expenses and financial liabilities. The Group also has extensive working capital credit lines that allow it to offset liquidity fluctuations arising from business activities, both in specific months and during the year. Consequently, there are no material liquidity risks connected with short-term financing. The results of the climate and vulnerability analysis and the analysis of transitory climate risks did not identify any material liquidity risks.

As of 30 April 2025, the Zumtobel Group had the consortium credit agreement and one other credit agreement at its disposal (see note 2.6.6.15). Other sources of liquidity include TEUR 43,302 (2023/24: TEUR 43,306) of short-term unsecured credit lines with interest rates that are dependent on local market circumstances and reflect ordinary conditions in the respective countries.

The following schedule of future payments shows the periods in which the cash flows are expected to occur. The liabilities recorded as of 30 April 2025 will result in the following payments.

30 April 2025

		Contractual cash flow			
in TEUR	Carrying amount	Total	< 1 year	1–5 years	> 5 years
Borrowings	158,863	184,548	31,149	118,489	34,910
Loans from financial institutions	78,602	85,406	2,668	82,738	0
Loans from public authorities	4,909	5,146	1,594	3,552	0
Lease liability	63,964	82,608	15,499	32,199	34,910
Working capital credits	11,388	11,388	11,388	0	0
Trade payables	93,300	93,300	93,300	0	0
Other liabilities	6,451	5,012	1,935	3,077	0
Derivatives held for trading	2,533	1,974	1,974	0	0
thereof outflows of forward exchange contracts		*109,749*	*109,749*	*0*	*0*
thereof inflows of forward exchange contracts		*107,776*	*107,776*	*0*	*0*
Derivatives (hedge accounting)	3,510	2,630	(53)	2,683	0
Other financial instruments	408	408	14	394	0
Liquidity risk	**258,614**	**282,860**	**126,384**	**121,566**	**34,910**

30 April 2024

in TEUR	Carrying amount	Total	Contractual cash flow < 1 year	1–5 years	> 5 years
Borrowings	138,950	147,892	102,074	42,476	3,342
Loans from financial institutions	77,518	78,151	72,560	5,591	0
Loans from public authorities	5,888	7,312	2,785	4,527	0
Lease liability	42,853	49,738	14,038	32,358	3,342
Working capital credits	12,691	12,691	12,691	0	0
Trade payables	105,774	105,774	105,774	0	0
Other liabilities	4,236	2,769	455	2,314	0
Derivatives held for trading	112	128	128	0	0
thereof outflows of forward exchange contracts		*19,168*	*19,168*	*0*	*0*
thereof inflows of forward exchange contracts		*19,041*	*19,041*	*0*	*0*
Derivatives (hedge accounting)	3,805	2,322	8	2,314	0
Other financial instruments	319	319	319	0	0
Liquidity risk	**248,960**	**256,435**	**208,303**	**44,790**	**3,342**

The future cash flows from derivatives with a positive market value are as follows:

30 April 2025

in TEUR	Carrying amount	Total	Contractual cash flow < 1 year	1–5 years	> 5 years
Financial assets	1,354	1,843	1,789	54	0
Derivatives (hedge accounting)	96	95	41	54	0
Derivatives held for trading	1,258	1,748	1,748	0	0
thereof outflows of forward exchange contracts		*82,141*	*82,141*	*0*	*0*
thereof inflows of forward exchange contracts		*83,889*	*83,889*	*0*	*0*

30 April 2024

in TEUR	Carrying amount	Total	Contractual cash flow < 1 year	1–5 years	> 5 years
Financial assets	2,904	3,484	3,496	(12)	0
Derivatives (hedge accounting)	42	28	40	(12)	0
Derivatives held for trading	2,862	3,456	3,456	0	0
thereof outflows of forward exchange contracts		*108,578*	*108,578*	*0*	*0*
thereof inflows of forward exchange contracts		*112,034*	*112,034*	*0*	*0*

No securities were pledged as collateral.

2.6.11.3 Market risk

Market risk represents the risk arising from changes in market prices that are denominated in a foreign currency (in particular, from sales and procurement transactions that are not denominated in the functional currency or from net investments in Group companies with a different functional currency than the euro). Another source of market risk involves the changes in interest rates and raw material prices which could have a negative effect on Group earnings and/or the fair value of the financial instruments used by the Group. The goal of risk management in this area is to identify and minimise these risks as far as possible and economically feasible through the implementation of appropriate measures.

The Zumtobel Group uses derivative financial instruments in certain cases to provide protection against these risks. Derivative transactions are concluded only with selected banks in order to minimise the credit risk associated with the hedges. The use of derivative financial instruments is regulated by a Group hedging policy. No derivatives are used for trading or speculative purposes.

Planned cash flows that are exposed to exchange rate risks are generally hedged for an average of one to three quarters on a rolling basis. This method leads to a relatively constant volume of hedges and equalises foreign exchange exposure. Raw material price risks are reduced where possible through appropriate supplier agreements.

The Zumtobel Group concluded a cross-currency interest rate swap to hedge a net investment in Swiss francs. The fair value changes in the hedging instrument are recorded in comprehensive income under currency differences in accordance with IFRS 9 "Financial Instruments – Recognition and Measurement". The hedge was last extended on 30 June 2023 based on a historical exchange rate (EUR/CHF 1.4364) at a nominal amount of TCHF 12,780, and the term now ends on 30 June 2026. Amortisation of TCHF 500 (initially as of 29 September 2023) is recorded quarterly and included as part of the hedge. In connection with this new roll over, the CHF-denominated net investment (the business operations of the Swiss subsidiaries) was designated as an underlying transaction at a proportional amount of TCHF 12,780 without termination of the existing hedge. The designated nominal amount of the underlying transaction is also reduced quarterly by TCHF 500 in line with the amortisation of the hedge. The variable CHF SARON is used as the CHR reference interest rate for the CHF-denominated component and the variable three-month EURIBOR for the EUR component. The effectiveness of the hedge relationship is determined at the beginning of the hedge and on a regular basis through a prospective evaluation with a critical terms match. This process ensures an economic connection between the hedge and the underlying transaction. The effectiveness is assumed to equal 100% from a prospective standpoint and, consequently, no ineffectiveness was recognised.

Interest rate risk

Interest rate risk represents the possible fluctuation in the value of a financial instrument due to an increase or decrease in market interest rates or a future change in cash flows from variable interest items. The risk associated with interest rate fluctuations is related primarily to receivables and liabilities with a term of more than one year. These terms are not of material importance in the operating area but can play a role with respect to financial assets and financial liabilities.

The downward trend in money market interest rates during the 2024/25 financial year was reflected in a year-on-year decline in interest expense because most of the major bank liabilities held by the Zumtobel Group carry variable interest rates. The two bilateral long term loans concluded with the European Investment Bank (EIB) had terms ending in September 2024, respectively February 2025 and included variable interest rates (EURIBOR money market interest rate plus a fixed interest margin). The consortium credit agreement and the factoring agreement are also based on money market rates plus an agreed margin. Both loans were repaid on schedule at the end of their respective terms and rescheduled through the increased use of the consortium credit agreement. The consortium credit agreement and the factoring agreement are based on variable money market interest rates plus an agreed interest margin.

In February 2024, a euro interest rate swap (nominal volume: TEUR 5,000; fixed interest up to March 2027) was concluded as a limited interest hedging instrument. Apart from this transaction, the prevailing market expectations for a downward trend in interest rates were confirmed during the reporting period. This interest rate swap exchanges variable interest payments for monthly fixed interest payments at 2.687% per year and was designated as a cash flow hedge for the variable interest payments from the proportional amount of the outstanding draw-down from the consortium credit agreement at the same nominal volume in accordance with IFRS 9 (contrasting identical risk components for the underlying transaction and the derivative, hedge ratio 1:1). From a prospective standpoint, the effectiveness is assumed to be almost 100% due to the similarity of the major contract terms (e.g. reference interest rate, interest rate adjustment dates, payment dates and nominal amount). Potential sources of ineffectiveness could come from a significant change in the interest landscape (e.g. if the reference rate (EURIBOR) turns negative) or if there are changes in the default risk of the counterparty to the derivative. Any ineffectiveness with regard to this EUR interest rate swap was negligible in 2024/25.

Nominal currency	Nominal value in 1,000 local currency 30 April 2025	Fair value in TEUR 2024/25	Fair value in TEUR 2023/24
EUR	5,000	96	42
Positive market values of hedging instrument (hedge accounting)		**96**	**42**
CHF	9,228	(3,510)	(3,805)
Negative market values of hedging instrument (hedge accounting)		**(3,510)**	**(3,805)**

The nominal amount of the EUR-CHF cross currency swap was amortised by TCHF 2,000 at the historical exchange rate of 1.4364 against an amount of TEUR 1,392 in the consolidated statement of comprehensive income.

The financial liabilities reported as fixed interest represent loans from public sources and lease liabilities as defined in IFRS 16.

>> Outstanding interest rate risk

The following table shows the classification of interest-bearing financial instruments according to fixed and variable interest rates:

in TEUR	30 April 2025	30 April 2024
Borrowings	(66,570)	(47,611)
Fixed rate instruments	**(66,570)**	**(47,611)**
Financial assets	6,799	9,696
Liquid funds	38,935	60,375
Borrowings	(92,293)	(91,339)
Variable rate instruments	**(46,559)**	**(21,268)**
Total	**(113,129)**	**(68,879)**

Rising interest rates – especially for the euro – can have a negative impact on financial results and increase the Group's average interest rate.

>> Sensitivity analysis

For variable interest instruments, a change of 100 basis points in the interest rate over a period of one year would result in a change of TEUR 419 (2023/24: TEUR 39) in interest income or interest expense on the income statement. Since fixed-interest financial liabilities are carried at amortised cost, a change in the interest rate would not have any valuation effects on the income statement or equity.

For the interest rate hedges, a change of 100 basis points in the interest rate over a period of one year would lead to a contrary valuation effect of TEUR 46.

Foreign exchange risk
Foreign exchange risk represents the risk that changes in exchange rates can lead to fluctuations in the value of financial instruments. This risk occurs when business transactions are carried out in a different currency than the functional (local) currency of the involved company.

The foreign exchange hedges had a remaining term of less than one year as of the balance sheet date. The Zumtobel Group generally uses forward exchange contracts with a term of up to one year, but options are also used in selected cases. Translation risks are not hedged.

The Group's main currencies are the EUR, USD, CHF, GBP, AUD, NOK and SEK.

Foreign exchange exposure is determined on the basis of general forecast assumptions and not on the basis of specific contracts and, for this reason, the requirements for hedge accounting are usually not met.

>> Sensitivity analysis
The following information describes the sensitivity of a change in the EUR exchange rate versus other currencies from the Group's point of view. The calculations cover all financial instruments reported on the balance sheet as of 30 April 2025 (including internal financial instruments).

Financial instruments denominated in the relevant functional currency of subsidiaries that are not located in the euro zone do not represent a risk and are therefore not included in this sensitivity analysis.

A 10% increase or decrease in the value of the euro versus the respective foreign currency as of 30 April 2025 would have had the following effect on profit after tax and equity based on the most important currency pairs. All other variables (above all interest rates) were held constant for the analysis. The effects on equity are related to long-term Group loans.

	EUR decrease of 10%		EUR increase of 10%	
in TEUR	**Profit or loss**	**Equity**	**Profit or loss**	**Equity**
EUR – GBP	327	(5,189)	(327)	5,189
EUR – USD	3,835	(448)	(3,835)	448
EUR – RSD	(881)	0	881	0
EUR – AUD	1,027	(337)	(1,027)	337
EUR – CHF	(51)	0	51	0
EUR – HKD	(82)	0	82	0

The following table shows the effects on derivatives of an exchange rate change of +/- 10%.

in TEUR	Fair value	EUR decrease of 10%	EUR increase of 10%
EUR – USD	(2,373)	6,654	(6,049)
EUR – CHF	908	(5,835)	5,305
EUR – GBP	191	(839)	763
EUR – SEK	(1)	(155)	141

Raw material price risk

The most important raw materials used by the Zumtobel Group are aluminium, steel, plastic granulate and energy. Fixed-term supply contracts are concluded wherever possible to minimise the risks arising from unexpected price fluctuations.

The energy price crisis and climate crisis have not had any material effects on market risk for the Zumtobel Group because energy intensity is low compared with other industrial sectors. Moreover, the Group is working to gradually increase the share of ecological energy through the use of photovoltaic equipment in production.

2.6.12 Segment Reporting

2.6.12.1 Operating segments

The Zumtobel Group has two operating segments which form the basis for corporate management: the Lighting Segment and the Components Segment. Each segment has its own global product portfolio, sales and production organisation. In the Lighting Segment, the company is one of the European market leaders with its Thorn and Zumtobel brands. The components brand Tridonic forms the basis for the Group's leading role in the production of hardware and software for lighting systems (LED light sources, LED drivers, sensors and lighting systems management).

The focus of both segments, the Lighting Segment and the Components Segment, is clearly based on applications. The Indoor Division includes applications for industry (incl. logistics, halls and car parks), offices, education and health (incl. hospitals, schools and universities) as well as the retail trade, supermarkets, art & culture and exhibition areas (incl. gastronomy). The Outdoor Division addresses applications for roads, tunnels, sport facilities and exterior lighting for public areas, including facade lighting. The Service Division bundles all project and software-oriented services under a single roof. This application-based orientation determines the form of the product portfolio and carries over into the sales organisation.

Segment reporting is principally based on the same presentation, accounting and valuation methods used to prepare the consolidated financial statements. In accordance with the management approach prescribed by IFRS 8 "Operating Segments", adjusted operating profit (EBIT) – a key indicator used for internal reporting – is included as part of the segment data. The disclosures on segment assets are therefore limited to the segment inventories which are reported regularly to management.

The column "Reconciliation" comprises assets and the related income statement items that could not be allocated to either segment as well as property, plant and equipment, financial liabilities and taxes that involve both segments.

Adjusted depreciation for the reporting period includes TEUR –218 of impairment losses (2023/24: TEUR –42) which are allocated in full (TEUR –218; 2023/24: TEUR –42) to the Components Segment. The elimination of inter-segment revenues is included in the reconciliation column.

	Lighting Segment		Components Segment		Reconciliation		Group	
in TEUR	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
Net revenues	**864,035**	**889,340**	**299,346**	**299,433**	**(66,145)**	**(61,798)**	**1,097,236**	**1,126,975**
External revenues	*862,609*	*888,524*	*234,627*	*238,451*	*0*	*0*	*1,097,236*	*1,126,975*
Inter-company revenues	*1,426*	*816*	*64,719*	*60,982*	*(66,145)*	*(61,798)*	*0*	*0*
Cost of goods sold(adjusted)[1]	(530,057)	(542,810)	(234,064)	(244,253)	67,162	63,365	(696,959)	(723,699)
Adjusted Gross profit[1] [2]	**333,978**	**346,530**	**65,283**	**55,180**	**1,016**	**1,567**	**400,277**	**403,277**
SG&A adjusted)[1]	(282,707)	(277,365)	(51,752)	(48,246)	(18,870)	(20,411)	(353,330)	(346,021)
thereof Selling expenses (adjusted)[1]	*(261,656)*	*(254,831)*	*(49,141)*	*(44,234)*	*(3,293)*	*(5,068)*	*(314,090)*	*(304,133)*
Adjusted EBIT[1]	**51,271**	**69,165**	**13,530**	**6,934**	**(17,853)**	**(18,844)**	**46,948**	**57,255**
Special effects	(14,101)	(2,170)	120	(5,617)	0	0	(13,981)	(7,787)
Operating profit	**37,170**	**66,995**	**13,649**	**1,317**	**(17,853)**	**(18,844)**	**32,966**	**49,468**
Investments	**37,824**	**36,600**	**13,166**	**11,150**	**3,179**	**3,097**	**54,168**	**50,847**
Adjusted Depreciation[1]	**(37,184)**	**(38,555)**	**(12,962)**	**(13,656)**	**(3,745)**	**(4,178)**	**(53,891)**	**(56,388)**

1) Adjusted for special effects
2) The prior year amounts were adjusted to reflect the change in internal reporting (TEUR 3,652 for the Lighting Segment, TEUR 1,235 for the Components Segment, TEUR –4,887 in the Reconciliation column)

The special effects recognised as a result of restructuring measures are allocated to the segments as follows:

	Lighting Segment		Components Segment		Reconciliation		Group	
in TEUR	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
Cost of goods sold	(10,444)	(1,615)	300	(5,617)	0	0	(10,144)	(7,232)
Selling expenses	(2,483)	(507)	(106)	0	0	0	(2,589)	(507)
Administrative expenses	(1,174)	0	(75)	0	0	0	(1,248)	0
Other operating results	0	(48)	0	0	0	0	0	(48)
Special effects	**(14,101)**	**(2,170)**	**120**	**(5,617)**	**0**	**0**	**(13,981)**	**(7,787)**

The cost of goods sold includes write-offs of TEUR 0 (2023/24: TEUR 233) which are allocated in full to the Components Segment.

Revenues with individual external customers amount to less than 10% of total revenues in all cases.

	Lighting Segment		Components Segment		Reconciliation		Group	
	30 April 2025	30 April 2024	30 April 2025	30 April 2024	30 April 2025	30 April 2024	30 April 2025	30 April 2024
Headcount (full-time equivalent)	3,538	3,602	1,599	1,586	162	162	5,299	5,350

The above headcount includes 89 (2023/24: 86) contract workers employed by the Zumtobel Group.

The reconciliation column comprises the following:

in TEUR	2024/25	2023/24
Group parent companies	(17,881)	(19,017)
Group entries	28	173
Operating profit	**(17,853)**	**(18,844)**

The classification of inventories by segment is as follows:

	Lighting Segment		Components Segment		Reconciliation		Group	
in TEUR	30 April 2025	30 April 2024	30 April 2025	30 April 2024	30 April 2025	30 April 2024	30 April 2025	30 April 2024
Raw materials	40,121	42,655	38,406	48,488	0	0	78,527	91,142
Work in process	552	540	1,228	1,272	0	0	1,780	1,812
Semi-finished goods	11,938	8,929	313	374	0	0	12,251	9,303
Merchandise	24,475	21,931	8,552	9,480	0	0	33,027	31,411
Finished goods	51,124	51,910	40,916	41,693	(449)	(477)	91,591	93,126
Impairment loss	(20,357)	(21,247)	(19,921)	(25,186)	0	0	(40,278)	(46,432)
Inventories	**107,853**	**104,718**	**69,494**	**76,121**	**(449)**	**(477)**	**176,898**	**180,362**

2.6.12.2 Regional segments

The classification of business activities by region is based on the following: D/A/CH, Northern and Western Europe, Southern and Eastern Europe, Asia & Pacific and Rest of the World:

in TEUR	2024/25	2023/24
D/A/CH	408,023	403,390
thereof Austria	100,762	100,395
Northern and Western Europe	265,906	264,925
Southern and Eastern Europe	279,191	298,614
Asia & Pacific	87,129	95,118
Americas & MEA	56,987	64,928
Total	**1,097,236**	**1,126,975**

2.6.13 Contingent Liabilities and Guarantees

The Zumtobel Group has issued bank guarantees totalling TEUR 16,963 (30 April 2024: TEUR 14,521) for various liabilities.

2.6.14 Subsequent Events

No material events occurred after the balance sheet date on 30 April 2025.

2.6.15 Related Party Transactions

Closely related persons are defined as persons in key positions at Zumtobel Group AG (active members of the Management Board and Supervisory Board of Zumtobel Group AG) and their close family members. No revenues were generated from the sale of goods to members of management in key positions during the reporting year (2023/24: TEUR 1). The members of the Management Board received long-term variable remuneration (LTI) of TEUR 1,290 in 2024/25 (2023/24: TEUR 1,059). Remuneration of TEUR 660 (2023/24: TEUR 660) was paid to the members of the Supervisory Board. No loans or advances were granted to management in key positions. The members of management in key positions take on functions in other companies which allow them to exercise control or significant influence over the respective company's financial and business policies. Transactions with these companies amounted to TEUR 73 in 2024/25 (2023/24: TEUR 998) and generated revenues of TEUR 88 (2023/24: TEUR 2). Transactions with unconsolidated companies totalled TEUR 3 (2023/24: TEUR 0) and generated revenues of TEUR 1,489 (2023/24: TEUR 331). Moreover, the Zumtobel Group holds receivables of TEUR 1,194 (2023/24: TEUR 158). due from unconsolidated companies. There were no transactions with owners during the 2024/25 financial year.

The Group has concluded supply and delivery agreements with associated companies which reflect third party conditions. Revenues from the sale of materials and services to associated companies totalled TEUR 467 in 2024/25 (2023/24: TEUR 365) and the expenses for products purchased from associated companies equalled TEUR 3,055 (2023/24: TEUR 2,442). Trade receivables due from associated companies amounted to TEUR 0 as of 30 April 2025 (2023/24: TEUR 51) and trade payables equalled TEUR 0 (2023/24: TEUR 62). No trade receivables due from associated companies were derecognised because of failed collection or classified as uncollectible during the reporting year. No loans were granted to associated companies in the reporting year or previous year.

No financial liabilities were due to associated companies as of 30 April 2025 or 30 April 2024.

Remuneration for the corporate bodies of Zumtobel Group AG

in TEUR	2024/25	2023/24
Total remuneration for the Management Board	**4,631**	**4,029**
thereof fixed component	*2,147*	*2,064*
thereof short-term variable component	*1,194*	*906*
thereof long-term variable component	*1,290*	*1,059*

in TEUR	2024/25	2023/24
Alfred Felder (as of 1 April 2016)	**1,509**	**1,479**
thereof fixed component	*700*	*700*
thereof short-term variable component	*389*	*359*
thereof long-term variable component	*420*	*420*
Bernhard Motzko (as of 1 February 2018)	**1,185**	**910**
thereof fixed component	*550*	*520*
thereof short-term variable component	*305*	*180*
thereof long-term variable component	*330*	*210*
Thomas Erath (as of 1 August 2021)	**967**	**689**
thereof fixed component	*447*	*394*
thereof short-term variable component	*250*	*136*
thereof long-term variable component	*270*	*159*
Marcus Frantz (as of 1 November 2022)	**970**	**951**
thereof fixed component	*450*	*450*
thereof short-term variable component	*250*	*231*
thereof long-term variable component	*270*	*270*

As a contractual fringe benefit, each member of the Management Board is entitled to participate in the collective insurance policy for work-related accidents that was concluded for these persons. The company can cover verified costs for general health insurance for the Management Board member and his family. Each Management Board member is also provided with a company car (upper middle-class) based on the respective regulation issued by Zumtobel Group AG, which can also be used for private purposes. The members of the Management Board and all other corporate bodies are covered by criminal law insurance and D&O insurance concluded by the company, which carries the related premiums.

The remuneration received by the Supervisory Board of Zumtobel Group AG is shown in the following table:

in TEUR	2024/25	2023/24
Total Supervisory Board remuneration	**660**	**660**
thereof fixed remuneration	420	420
thereof variable remuneration	240	240

2.6.16 Information on Employees and Corporate Bodies

2.6.16.1 Personnel structure

	30 April 2025		30 April 2024	
	Average	Balance sheet date	Average	Balance sheet date
Production	2,557	2,488	2,629	2,562
R&D	538	546	528	532
Sales	1,699	1,694	1,667	1,683
Administration	478	483	482	487
Miscellaneous	100	90	72	86
Total	**5,372**	**5,299**	**5,378**	**5,350**

The above number of employees also includes the contract workers employed by the Zumtobel Group.

2.6.16.2 Corporate bodies

The following persons served as members of the Supervisory Board in 2024/25:

Name	Function	Initially appointed/ delegated in	Term ends in	Service time to date
Karin Zumtobel-Chammah	Chairwoman	2019	2026	6 years
Georg Pachta-Reyhofen	1st Vice-Chairman	2020	2027	5 years
Volkhard Hofmann	2nd Vice-Chairman	2017	2025	8 years
Christian Beer	Member	2020	2025	5 years
Eva Kienle	Member	2019	2026	6 years
Thorsten Staake	Member	2020	2027	5 years
Dietmar Dünser	Delegated by the Employees' Council	2015		10 years
Richard Apnar	Delegated by the Employees' Council	2012		13 years
Isabel Kreilhuber	Delegated by the Employees' Council	2021		4 years

The following persons served as members of the Management Board in 2024/25:

Name	Function	Initially appointed/ delegated in	Term ends in	Service time to date
Alfred Felder	CEO (Chief Executive Officer)	1 April 2016	30 September 2027	9 years
Bernard Motzko	COO (Chief Operating Officer)	1 February 2018	30 September 2026	7 years
Thomas Erath	CFO (Chief Financial Officer)	1 August 2021	30 September 2027	4 years
Marcus Frantz	CDTO (Chief Digital Transformation Officer)	1 November 2022	30 September 2028	3 years

2.7 Scope of Consolidation

No.	Total	Country	Share in %	Consolidation method	Balance sheet date	Currency
1	ZG Operations Australia Pty. Ltd.	Australia	100	full	30 April	AUD
2	Tridonic Australia Pty. Ltd.	Australia	100	full	30 April	AUD
3	Tridonic Oceania Holding Pty. Ltd.	Australia	100	full	30 April	AUD
4	ZG Lighting Australia Pty Ltd	Australia	100	full	30 April	AUD
5	LEDON Lighting GmbH	Austria	100	full	30 April	EUR
6	Tridonic Jennersdorf GmbH	Austria	100	full	30 April	EUR
7	Tridonic GmbH	Austria	100	full	30 April	EUR
8	Tridonic GmbH & Co KG	Austria	100	full	30 April	EUR
9	Tridonic Holding GmbH	Austria	100	full	30 April	EUR
10	Zumtobel Group AG	Austria	100	full	30 April	EUR
11	Zumtobel Holding GmbH	Austria	100	full	30 April	EUR
12	Zumtobel Insurance Management GmbH	Austria	100	full	30 April	EUR
13	Zumtobel LED GmbH	Austria	100	full	30 April	EUR
14	RFZ Holding GmbH	Austria	100	full	30 April	EUR
15	ZG Lighting Austria GmbH	Austria	100	full	30 April	EUR
16	Zumtobel Lighting GmbH	Austria	100	full	30 April	EUR
17	Zumtobel Pool GmbH	Austria	100	full	30 April	EUR
18	ZG Lighting Benelux SA	Belgium	100	full	30 April	EUR
19	ZG ILUMINACION LATAM LIMITADA	Chile	100	full	30 April	CLP
20	Thorn Lighting (Guangzhou) Ltd.	China	100	full	31 December	CNY
21	ZG Lighting Hong Kong Limited	Hong Kong	100	full	30 April	HKD
22	Tridonic (Shanghai) Co. Ltd.	China	100	full	31 December	CNY
23	TridonicAtco (Shenzhen) Co. Ltd.	China	100	full	31 December	CNY
24	TridonicAtco Hong Kong Ltd.	Hong Kong	100	full	30 April	HKD
25	ZG Lighting d.o.o.	Croatia	100	full	30 April	EUR
26	ZG Lighting Czech Republic, s r.o.	Czech Republic	100	full	30 April	CZK
27	ZG Lighting Denmark A/S	Denmark	100	full	30 April	DKK
28	Thorn Lighting OY	Finland	100	full	30 April	EUR
29	ZG Lighting France SAS	France	100	full	30 April	EUR
30	Tridonic France Sarl	France	100	full	30 April	EUR
31	ZG Europhane SAS	France	100	full	30 April	EUR
32	Reiss Lighting GmbH	Germany	100	full	30 April	EUR
33	Tridonic Deutschland GmbH	Germany	100	full	30 April	EUR
34	Zumtobel Holding GmbH	Germany	100	full	30 April	EUR
35	Zumtobel Group Deutschland GmbH	Germany	100	full	30 April	EUR
36	Zumtobel Lighting GmbH	Germany	100	full	30 April	EUR
37	ZG Lighting Greece	Greece	100	full	30 April	EUR
38	Rewath Ltd.	Great Britain	100	full	30 April	GBP
39	Thorn Lighting Group	Great Britain	100	full	30 April	GBP
40	Thorn Lighting Holdings Ltd.	Great Britain	100	full	30 April	GBP
41	Thorn Lighting International Ltd.	Great Britain	100	full	30 April	GBP
42	Thorn Lighting Ltd.	Great Britain	100	full	30 April	GBP
43	Tridonic UK Ltd.	Great Britain	100	full	30 April	GBP
44	Wengen-One Ltd.	Great Britain	100	full	30 April	GBP
45	Wengen-Two Ltd.	Great Britain	100	full	30 April	GBP
46	Wengen-Three Ltd.	Great Britain	100	full	30 April	GBP
47	Wengen-Four Ltd.	Great Britain	100	full	30 April	GBP
48	Wengen-Five Ltd.	Great Britain	100	full	30 April	GBP

49	ZG Lighting (UK) Limited	Great Britain	100	full	30 April	GBP
50	ZG Lighting Hungary Kft.	Hungary	100	full	30 April	HUF
51	Thorn Lighting India Private Limited	India	100	full	30 April	INR
52	ZG Lighting (Ireland) Ltd.	Ireland	100	full	30 April	EUR
53	Tridonic Italia SRL	Italy	100	full	30 April	EUR
54	ZG Lighting Srl socio unico	Italy	100	full	30 April	EUR
55	Tridonic (Malaysia) Sdn, Bhd.	Malaysia	100	full	30 April	MYR
56	ZG Lighting Netherlands B.V.	Netherlands	100	full	30 April	EUR
57	Thorn Lighting Asian Holdings BV	Netherlands	100	full	30 April	EUR
58	ZG Lighting (N.Z.) Limited	New Zealand	100	full	30 April	NZD
59	ZG Lighting Norway AS	Norway	100	full	30 April	NOK
60	ZG Lighting Polska sp.z o.o.	Poland	100	full	30 April	PLN
61	Europhane Portugal LDA	Portugal	100	full	31. März	EUR
62	Tridonic Portugal Unipessoa LDA	Portugal	100	full	30 April	EUR
63	ZG Lighting Trading LLC	Qatar	49	full	30 April	QAR
64	Zumtobel Lighting Romania SRL	Romania	100	full	30 April	RON
65	ZG Lighting Singapore Pte Limited	Singapore	100	full	30 April	SGD
66	Tridonic (S.E.A.) Pte Ltd.	Singapore	100	full	30 April	SGD
67	ZG Lighting Slovakia s.r.o.	Slovakia	100	full	30 April	EUR
68	ZG Lighting d.o.o.	Slovenia	100	full	30 April	EUR
69	ZG Lighting SRB d.o.o.	Serbia	100	full	30 April	RSD
70	Tridonic SRB d.o.o.	Serbia	100	full	30 April	RSD
71	Tridonic SA (Proprietary) Limited	South Africa	100	full	30 April	ZAR
72	TRIDONIC Korea LLC	South Korea	100	full	30 April	WON
73	ZG Lighting Iberia S.L.	Spain	100	full	30 April	EUR
74	Tridonic Iberia SL	Spain	100	full	30 April	EUR
75	ZG Lighting Nordic AB	Sweden	100	full	30 April	SEK
76	TLG Sweden Holdings AB	Sweden	100	full	30 April	SEK
77	Tridonic AG	Switzerland	100	full	30 April	CHF
78	Zumtobel Licht AG	Switzerland	100	full	30 April	CHF
79	Inventron AG	Switzerland	100	full	31 December	CHF
80	ZG Lighting (Thailand) Ltd	Thailand	100	full	30 April	THB
81	Tridonic Aydinlatma Ticaret Limited Sirketi	Turkey	100	full	30 April	TRY
82	Thorn Gulf LCC	UAE	49	full	31 December	AED
83	Tridonic (ME) FZE	UAE	100	full	30 April	AED
84	Tridonic Inc., US	USA	100	full	30 April	USD
85	Lemgo Realty Corp.	USA	100	full	30 April	USD
86	Zumtobel Lighting Inc.	USA	100	full	30 April	USD

The following companies were not included in the scope of consolidation in 2024/25 due to materiality considerations:

1	Atlas International Limited	Great Britain	100	30 April	GBP
2	Smart & Brown Limited	Great Britain	100	30 April	GBP
3	Oriole Emergency & Fire Protection Limited	Great Britain	100	30 April	GBP
4	Thorn Lighting Pension Trustees Limited	Great Britain	100	30 April	GBP
5	TLG Supplemental Pension Trustees Limited	Great Britain	100	30 April	GBP
6	TLG Limited	Great Britain	100	30 April	GBP
7	British Lighting Industries Limited	Great Britain	100	30 April	GBP
8	Thorn Lighting Overseas	Great Britain	100	30 April	GBP
9	ATCO Controls (India) Pvt. Lt.	India	100	31 March	INR
10	ZG Lighting Russia	Russia	100	31 December	RUB
11	ALL - Advanced Lights Limited AG	Switzerland	100	31 December	CHF

2.8 Statement by the Management Board in accordance with § 124 (1) No. 3 of the Austrian Stock Exchange Act

We confirm to the best of our knowledge that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group as required by the applicable accounting standards and that the group management report gives a true and fair view of the development and performance of the business and the position of the group, together with a description of the principal risks and uncertainties the group faces.

We confirm to the best of our knowledge that the separate financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the parent company as required by the applicable accounting standards and that the management report gives a true and fair view of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties the company faces.

Dornbirn, 18 July 2025

The Management Board

Alfred Felder
Chief Executive Officer (CEO)

Thomas Erath
Chief Financial Officer (CFO)

Bernard Motzko
Chief Operating Officer (COO)

Marcus Frantz
Chief Digital Transformation Officer (CDTO)

We draw attention to the fact that the English translation of this auditor's report according to section 274 UGB (Austrian Company Code) is presented for the convenience of the reader only and that the German wording is the only legally binding version.

Auditors Report

Report on the Consolidated Financial Statements

Audit Opinion

We have audited the consolidated financial statements of Zumtobel Group AG, Dornbirn, and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 30 April 2025, the separate consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the financial year then ended, and the notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as at 30 April 2025, and of its financial performance and cash flows for the financial year then ended in accordance with International Financial Reporting Standards as adopted by the EU (IFRSs) and the additional regulations of section 245a Austrian Company Code.

Basis for Opinion

We conducted our audit in accordance with Regulation (EU) No. 537/2014 (hereinafter EU Regulation) and Austrian Generally Accepted Standards on Auditing. Those standards require the application of the International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with Austrian Generally Accepted Accounting Principles and professional requirements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained until the date of the auditor's report is sufficient and appropriate to provide a basis for our opinion by this date.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the financial year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have structured key audit matters as follows:

- Description
- Audit approach and key observations
- Reference to related disclosures

Recoverability of goodwill allocated to the Lighting segment

>> Description

In the consolidated financial statements of Zumtobel Group AG, the item "Goodwill" in the consolidated balance sheet reports goodwill in the amount of EUR 196.124k, thus representing 20% of the Group's total assets. EUR 194.146k of this goodwill mainly relates to Lighting goodwill which particularly results from the acquisition of the Thorn Lighting Group in the financial year 1999/2000. In order to determine a potential need for impairment, the Company tests goodwill for impairment each year at the reporting date or if there is any indication that an asset may be impaired.

The impairment test of Lighting goodwill is performed on the level of the Lighting segment to which goodwill is allocated as a cash-generating unit. In the course of the impairment test, the carrying amount of the cash-generating unit is compared with the respective recoverable amount. The recoverable amount is determined based on the value in use. Measurement is based on the present value of future cash flows of the cash-generating unit. The Group determines the present value by means of a discounted cash flow model. In doing so, expectations regarding the future market development, the general economic situation and assumptions regarding the development of macroeconomic factors as well as the expected impact of current and future business development on the business activities of the segment are also taken into account. Discounting is made based on the weighted average capital costs of the cash-generating unit. The impairment test did not result in any need for impairment.

The result of this assessment substantially depends on estimates made by management with regard to the future cash flows of the Lighting segment, the discount rate used, the growth rate as well as further assumptions, especially given the stagnating business development. Against this backdrop and given the complexity of the assessment, we considered this matter to be a key audit matter in the course of our audit.

>> Audit approach and key observations

In the course of our audit and by involving internal specialists, we verified – among others – the methodical approach in identifying indications for a need for impairment and in performing the impairment test. After reconciling the future cash flows used in the calculation with the medium-term planning approved by the Supervisory Board for the Lighting segment, we evaluated the appropriateness of the calculation, in particular by comparing it with general and industry-specific market expectations. In this context, we also verified management's estimates regarding the impact of the current and future business development on the business activities of the segment and verified its consideration in determining the future cash flows. Knowing that small changes in the discount rate used may already have a material impact on the amount of goodwill thus calculated, we examined the parameters applied in the determination of a discount rate in line with the risk level and the assumptions relating to the long-term growth rate by means of external market and industry data as well as tested the calculation method for mathematical accuracy. To take into account the existing forecast uncertainties, we verified the sensitivity analyses prepared by the Company. In doing so, we noted that, considering the information available, the carrying amounts of the cash-generating units were sufficiently covered by the discounted future cash flows.

Overall, the measurement parameters and assumptions used by management are in line with our expectations and are also within the acceptable ranges from our point of view.

>> Reference to related disclosures

The Company's disclosures on the impairment test are included in section 2.6.6.1 in the notes to the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the management report for the Group and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU (IFRSs) and the additional regulations of section 245a Austrian Company Code, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation and with Austrian Generally Accepted Standards on Auditing, which require the application of ISAs, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the EU Regulation and with Austrian Generally Accepted Standards on Auditing, which require the application of ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- >> identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- >> obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- >> evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- >> conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- >> evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- >> plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with all relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, on measures taken to eliminate identified threats or on applied safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Comments on the Management Report for the Group

Pursuant to Austrian Generally Accepted Accounting Principles, the management report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the management report for the Group was prepared in accordance with the applicable legal regulations. Regarding the consolidated non-financial statement contained in the management report for the Group, it is our responsibility to examine whether it has been prepared, to read it and to consider whether it is, based on our knowledge obtained in the audit, materially inconsistent with the consolidated financial statements or otherwise appears to be materially misstated.

Management is responsible for the preparation of the management report for the Group in accordance with Austrian Generally Accepted Accounting Principles.

We conducted our audit in accordance with Austrian standards on auditing for the audit of the management report for the Group.

Opinion
In our opinion, the management report for the Group was prepared in accordance with the applicable legal regulations, comprising the details in accordance with section 243a UGB, and is consistent with the consolidated financial statements.

Statement
Based on the findings during the audit of the consolidated financial statements and due to the obtained understanding concerning the Group and its circumstances no material misstatements in the management report for the Group came to our attention.

Additional Information in Accordance with Article 10 of the EU Regulation

We were elected as statutory auditor at the ordinary general meeting dated 2 August 2024. We were appointed by the Supervisory Board on 13 January 2025. We have audited the Company for an uninterrupted period since 2020/2021.

We confirm that the audit opinion in the "Report on the Consolidated Financial Statements" section is consistent with the additional report to the Audit Committee referred to in Article 11 of the EU Regulation.

We declare that no prohibited non-audit services (Article 5 para. 1 of the EU Regulation) were provided by us and that we remained independent of the audited company in conducting the audit.

Responsible Engagement Partner

Responsible for the proper performance of the engagement is Peter Pessenlehner, Austrian Certified Public Accountant.

Vienna
18 July 2025

PwC Wirtschaftsprüfung GmbH

Peter Pessenlehner
Austrian Certified Public Accountant

signed

This report is a translation of the original report in German, which is solely valid. Publication and sharing with third parties of the consolidated financial statements together with our auditor's report is only allowed if the consolidated financial statements and the management report for the Group are identical with the German audited version. This auditor's report is only applicable to the German and complete consolidated financial statements with the management report for the Group. For deviating versions, the provisions of section 281 para. 2 UGB apply.

We draw attention to the fact that the English translation of this independent assurance report is presented for the convenience of the reader only and that the German wording is the only legally binding version.

Independent Assurance Report

Zumtobel Group AG
Höchsterstraße 8
6850 Dornbirn

We have performed a limited assurance engagement of the consolidated sustainability reporting included in the section "Consolidated Non-Financial Statement" of Zumtobel Group AG, Dornbirn, for the financial year ended as at 30 April 2025.

Conclusion Based on a Limited Assurance Engagement

Based on the procedures performed and evidence obtained nothing has come to our attention that causes us to believe that the consolidated sustainability reporting included in the management report for the Group in the section "Consolidated Non-Financial Statement" does not comply, in all material aspects, with the requirements of Article 29a of the Directive 2013/34/EU, including:

- compliance with the European Sustainability Reporting Standards (hereinafter ESRS) including carrying out the process to identify the information to be reported pursuant to ESRS (hereinafter "Materiality Assessment Process"), and its presentation in disclosure "IRO-1 & SBM-3 – Description of the processes to identify and assess material impacts, risks and opportunities" pursuant to ESRS 2, and
- compliance with the reporting requirements pursuant to Article 8 of the Taxonomy Regulation (EU) 2020/852 (hereinafter EU Taxonomy Regulation).

Basis for Conclusion

We performed our limited assurance engagement in accordance with the legal requirements and the professional standards applicable in Austria with regard to other assurance engagements and additional opinions and the International Standard on Assurance Engagements (ISAE 3000 (Revised)) – applicable to such engagements, if agreed upon in the engagement letter. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement; consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Limited Assurance Engagement of the Consolidated Sustainability Reporting" section of our report.

We are independent of the Group in accordance with professional requirements and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our assurance activities are subject to the requirements of KSW-PRL 2022, which essentially corresponds to the requirements pursuant to ISQM 1, applying an extensive quality management system including documented guidelines and processes to adhere to ethical requirements, professional standards as well as applicable legal and regulatory requirements.

We believe that the assurance evidence we have obtained until the date of the independent assurance report is sufficient and appropriate to provide a basis for our opinion by this date.

Other Matter – Prior-year Disclosures 30 April 2024

Prior-year disclosures were not subject to a comparable assurance engagement.

Other Information

Management is responsible for the other information. The other information comprises the information included in the consolidated financial statements and the management report for the Group and the Annual Financial Report 2025, but does not include the "Consolidated Non-Financial Statement" and our independent assurance report.

Our conclusion on the consolidated sustainability reporting included in the section "Consolidated Non-Financial Statement" does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our limited assurance engagement of the consolidated sustainability reporting included in the section "Consolidated Non-Financial Statement" our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated sustainability reporting included in the section "Consolidated Non-Financial Statement" or our knowledge obtained in the limited assurance engagement, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management

Management is responsible for the preparation of the sustainability statement including developing and performing the Materiality Assessment Process pursuant to the applicable requirements and standards. This responsibility includes

- identifying actual and potential impacts as well as risks and opportunities related to sustainability aspects and assessing the materiality of these impacts, risks and opportunities,
- preparing the sustainability reporting included in the section "Consolidated Non-Financial Statement" complying with the requirements of Article 29a of the Directive 2013/34/EU, including compliance with the ESRS,
- including disclosures in the sustainability statement in accordance with the EU Taxonomy Regulation as well as
- designing, implementing and maintaining such internal controls as management determines is relevant to enable the preparation of sustainability reporting included in the section "Consolidated Non-Financial Statement" that is free from material misstatements, whether due to fraud or error, and performing the Materiality Assessment Process pursuant to the requirements of the ESRS.

Furthermore, this responsibility includes the selection and application of appropriate methods regarding sustainability reporting as well as making assumptions and estimates on the individual sustainability disclosures appropriate under the given circumstances.

Inherent Limitations for the Preparation of the Sustainability Reporting

When reporting on future-oriented information, the Company is required to prepare this future-oriented information based on disclosed assumptions about events that may occur in the future as well as possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

When determining disclosures pursuant to the EU Taxonomy Regulation, management is required to interpret undefined legal terms. Undefined legal terms may be interpreted differently, also regarding legal compliance of the interpretations, thus they are subject to uncertainties.

For reporting on greenhouse gas emissions, the scientific basis plays a decisive role. However, this may lead to challenges, in particular regarding the determination of emission factors, especially when these factors are required to combine emissions of different gases and describe them in a single unit of measurement such as CO2 equivalents. Therefore, incomplete scientific knowledge may lead to uncertainties in reporting.

Auditor’s Responsibilities for the Assurance Engagement of the Consolidated Sustainability Reporting

Our responsibility is to plan and perform a limited assurance engagement to obtain limited assurance about whether the consolidated sustainability reporting included in the section “Consolidated Non-Financial Statement” including the comprised Materiality Assessment Process and the reporting pursuant to the EU Taxonomy Regulation is free from material misstatement, whether due to fraud or error, and to issue an independent assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the sustainability statement.

We exercise professional judgment and maintain professional skepticism throughout the limited assurance engagement.

Our responsibilities include:

>> performing risk-based procedures comprising obtaining an understanding of internal controls relevant to this engagement in order to identify disclosures where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of expressing a conclusion on the effectiveness of the Group’s internal controls, and

>> developing and performing procedures regarding disclosures in the sustainability reporting, where material misstatements are likely to arise.

The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of Performed Work

A limited assurance engagement requires performing procedures to gain evidence on the sustainability reporting included in the section "Consolidated Non-Financial Statement". The nature, timing and scope of the selected procedures depend on professional judgement including identifying disclosures in the sustainability reporting where material misstatements are likely to arise, whether due to fraud or error.

In our limited assurance engagement regarding the sustainability reporting in the section "Consolidated Non-Financial Statement" we proceed as follows:

- We obtain an understanding on the Materiality Assessment Process, especially through:
  - interviews, to understand the information sources used by management; and
  - reviewing the internal process documentation; and
- We evaluate whether the Materiality Assessment Process complies with the ESRS requirements and the process presentation in disclosure "IRO-1 & SBM-3 – Description of the processes to identify and assess material impacts, risks and opportunities" pursuant to ESRS 2, based on the evidence obtained from our procedures performed.
- We evaluate whether all relevant information identified in the Materiality Assessment Process were included in the sustainability statement.
- We obtain an understanding of the Company's procedures relevant for the preparation of the sustainability statement.
- We evaluate whether the structure and presentation of the consolidated sustainability reporting included in the sustainability statement comply with the ESRS.
- Regarding the linkage with other parts of the corporate reporting and connected information, we compare selected disclosures in the sustainability statement with the corresponding disclosures in the management report for the Group and the other sections of the management report for the Group.
- We interview relevant employees and perform analytical audit procedures regarding selected disclosures in the sustainability statement.
- We perform sample-based, result-oriented procedures regarding selected disclosures in the sustainability statement.
- We obtain evidence on the presented methods regarding the development of estimates and future-oriented information.
- We obtain an understanding of the procedure to identify taxonomy-eligible and taxonomy-aligned economic activities and of the preparation of the corresponding disclosures in the sustainability statement.

Limited Liability

The limited assurance engagement of the sustainability statement is voluntary. According to the agreement, in the event of liability, any contributory negligence on the part of the company subject to a limited assurance engagement, its legal representatives and vicarious agents must be taken into account. Because our report is prepared solely for and on behalf of the client, it does not constitute a basis for any reliance on its contents by third parties. Therefore, no claims of third parties can be derived from it.

Our independent assurance report is issued based on the engagement letter agreed with the Company and is governed by the General Conditions of Contract for the Public Accounting Professions (AAB 2018) enclosed to this report, which also apply towards third parties.

Deviating from item 7 para. 2 AAB 2018, our liability for gross negligence to the Company is limited to half of the liability limit, thus to EUR 4 million, pursuant to section 275 para. 2 UGB corresponding to the Company's size criteria based on the size criteria pursuant to section 221 UGB.

Responsible Engagement Partner

Responsible for the proper performance of the limited assurance engagement of the sustainability reporting is Mr. Peter Pessenlehner, Austrian Certified Public Accountant.

Vienna
18 July 2025

PwC Wirtschaftsprüfung GmbH

Peter Pessenlehner
Austrian Certified Public Accountant

signed

This report is a translation of the original report in German, which is solely valid. Publication and sharing with third parties of the sustainability reporting included in the section "Consolidated Non-Financial Statement" together with our independent assurance report is only allowed if the sustainability reporting included in the section "Consolidated Non-Financial Statement" is identical with the German audited version. This independent assurance report is only applicable to the German and complete sustainability statement. For deviating versions, the provisions of section 281 para. 2 UGB apply.

3. Corporate Governance

Contents

3. Consolidated Corporate Governance Report 2024/25

As a listed international company, the Zumtobel Group is committed to business activities that support the long-term, sustainable creation of value and ensure a high degree of transparency for all stakeholders. Transparency in reporting, the continuous improvement of an efficient system of governance, management that reflects the interests of stakeholders, trust-based cooperation between the Management Board and Supervisory Board and among employees form the basis for the attainment of corporate goals. The necessary framework is based on legal regulations, the Austrian Code of Corporate Governance, the articles of association, the rules of procedure for the corporate bodies and the company's internal guidelines.

3.1 Commitment to the Austrian Code of Corporate Governance

The Zumtobel Group has voluntarily committed to Compliance with the Austrian Code of Corporate Governance (ACGC) in the respective current version (January 2025) and intends to also comply with the code and to explain any deviations in the future. The Zumtobel Group complies with all binding L-Rules (Legal Requirements). The C-Rules (Comply or Explain) are also met by the corporate bodies concerned or by the company, unless an explanation is provided. The Austrian Code of Corporate Governance is available on the website of the Austrian Working Group for Corporate Governance under www.corporategovernance.at and on the website of the Zumtobel Group under https://z.lighting/en/group/investor-relations/corporate-governance/.

3.1.1 External evaluation of the consolidated corporate governance report

In accordance with C-Rule 62 of the ACCG, the company arranges for an external evaluation of compliance with the code regulations on a regular basis, i.e. at least every three years. Zumtobel Group AG commissioned PwC Wirtschaftsprüfung GmbH, Vienna, to evaluate the corporate governance report for 2022/23, with the exception of Rules 77 to 83. Compliance with Rules 77 to 83 was evaluated by Schönherr Rechtsanwälte GmbH, Vienna.

The results of the evaluations confirmed that the Zumtobel Group complied with all rules defined by the Austrian Code of Corporate Governance in the version issued in January 2023. The report on the independent evaluation and the corporate governance report are available to the general public on the Zumtobel Group's website under https://z.lighting.

3.1.2 Compliance management at Zumtobel Group AG[1]

Compliance is a central element of good corporate management and a basic requirement for a company's sustainable success. The compliance management system in the Zumtobel Group is the subject of continuous development to protect the ability to meet current and future responsibilities. The related activities are carried out in close cooperation between corporate audit & compliance, the legal department, risk management, the human resources department and corporate IT. The senior director of corporate audit & compliance reports on current compliance issues as well as planning and progress on the development and expansion of the compliance management system at the scheduled meetings of the Audit Committee. Regular one-on-one meetings are also held with the chairman of the Audit Committee. The compliance management system used by Zumtobel Group AG is described in the non-financial statement which is part of the management report.

[1] This section fulfills the disclosure requirements of the European Sustainability Reporting Standards (ESRS), which are applied in the consolidated non-financial statement as part of Zumtobel Group AG's Group Management Report (ESRS 2-GOV-5 §36a).

Data protection

The protection of personal data is a central element of corporate policies. The Zumtobel Group meets the requirements of European data protection laws, in particular the General Data Protection Regulation (GDPR; "Datenschutz-Grundverordnung"), as well as various national requirements that can include additional rules.

All Group companies have installed local data protection coordinators who work closely with the Zumtobel Group's data protection coordinator to guarantee compliance with data protection requirements. In addition, functional leads are responsible for data protection issues in their respective areas. The Zumtobel Group works continuously to ensure compliance with data protection regulations, reviews and updates documents and processes, and monitors the implementation of the necessary technical and organisational measures in each company.

Cybersecurity

Cybersecurity incidents are on the rise throughout the world. Consequently, the Zumtobel Group must expect not only thousands of daily malware and spam attacks as well as complex and professional cyberattacks at any time. A strong cyber security strategy is required to adequately address these threats.

The Zumtobel Group's security concept is based prevention, protection, identification and reaction.

- The Zumtobel Group also relies on good practice standards for the development of its data and cybersecurity strategy, e.g. ISO 27001. That allows us to react even stronger to customer requirements.
- Legal and regulatory requirements are integrated in the strategy, e.g. the EU NIS-2 Directive or the EU Cyber Resilience Act.
- Our users receive regular training on cybersecurity.
- IT process and procedures are regularly reviewed and upgraded.
- The information security team works closely with management, security engineers, compliance managers, our external cybersecurity partners and all other organisational units that are involved in cybersecurity issues.

3.1.3 Shareholders and the annual general meeting

Shareholders protect their interests and exercise their voting rights at the annual general meeting. The shares of Zumtobel Group AG are issued in accordance with the "one share - one vote" principle.

The annual general meeting is announced at least 28 days in advance and is held at the headquarters of the company, in Vienna or in another Austrian provincial capital. The information required by the Austrian Stock Corporation Act is published on the company's registered website at the latest 21 days prior to the annual general meeting.

The shares issued by Zumtobel Group AG are bearer shares. Therefore, information on the shareholder structure can only be compiled when shareholders deposit their shares prior to an annual general meeting or when Zumtobel Group AG collects information on these shareholdings. The available information on the shareholder structure is provided in the section "The Zumtobel Group AG share".

The Zumtobel Group places high priority on a comprehensive, timely information policy that is based on equal treatment for all shareholders. In addition to meeting all legal requirements (e.g. the annual financial report, half-year report, quarterly reports and ad-hoc announcements), information on the latest company developments is provided through press releases, telephone conferences and investor events. All reports, announcements and key presentations are published on the Zumtobel Group website under https://z.lighting. A detailed financial calendar and other share-related information can be found on this website under the menu point "Investor Relations".

3.1.4 The corporate bodies of Zumtobel Group AG

The Management Board, the Supervisory Board, and the annual general meeting form the corporate bodies of Zumtobel Group AG. These three independent corporate bodies met their obligations with the greatest diligence during the 2024/25 financial year in accordance with the relevant legal regulations, the articles of association, and the rules of procedure for the Management and Supervisory Boards.

3.2 The Management Board[2]

3.2.1 Composition of the Management Board of Zumtobel Group AG as of 30 April 2025

The members of the Management Board are appointed by the Supervisory Board for a maximal term of five years, whereby reappointment is permitted.

The Management Board of Zumtobel Group AG in the financial year 2024/25 consisted of the following four male members, all of whom (100%) were independent:

Alfred Felder (1963)

Chairman, Chief Executive Officer (CEO)
Nationality: Italy
Initially appointed in: 2016
End of current term: 2027

Alfred Felder has been a member of the Management Board since 2016 and CEO of Zumtobel Group AG since 2018. He has extensive, international professional and management experience. Er studied electrical engineering at the Vienna University of Technology, where he also received his doctorate.

Assigned corporate functions:
Corporate strategy, M&A, business divisions, sales, marketing & corporate communications, product marketing, human resources, technology & development, Group sustainability

Additional functions or corporate positions outside the Zumtobel Group:
None

[2] This section fulfills the disclosure requirements of the European Sustainability Reporting Standards (ESRS), which are applied in the consolidated non-financial statement as part of Zumtobel Group AG's Group Management Report (ESRS 2-GOV-1 §21b, d and e).

Thomas Erath (1971)

Chief Financial Officer (CFO)
Nationality: Austria
Initially appointed in: 2021
End of current term: 2027

Thomas Erath has served as CFO of Zumtobel Group AG since 1 August 2021. Prior to joining the Zumtobel Group, he studied business management at the Vienna University of Economics and Business and worked for a leading international accounting firm.

Assigned corporate functions:
Accounting & taxes, finance & controlling, treasury, risk management, compliance & internal audit, insurance, facility management, legal, investor relations

Additional functions or corporate positions outside the Zumtobel Group:
None

Bernard Motzko (1962)

Chief Operating Officer (COO)
Nationality: Germany
Initially appointed in: 2018
End of current term: 2026

Bernard Motzko was appointed to the Management Board of Zumtobel Group AG as Chief Operating Officer (COO) on 1 February 2018. He studied mechanical engineering and business management at Paderborn University, where he received his doctorate.

Assigned corporate functions:
Plants (operations), supply chain & logistics, quality, procurement

Additional functions or corporate positions outside the Zumtobel Group:
Schwering & Hasse Elektrodraht GmbH, member of the advisory board
Warespace GmbH & Co. KG, member of the advisory board

Marcus Frantz (1964)

Chief Digital Transformation Officer (CDTO)
Nationality: Germany
Initially appointed in: 2022
End of current term: 2028

Marcus Frantz has served as Chief Digital Transformation Officer (CDTO) of Zumtobel Group AG since 1 November 2022 where he is responsible for IT & digitalisation. He studied economics and management at the Universities of Constance and Trier.

Assigned corporate functions:
Business processes & digital transformation, IT, information security & data protection, information & data management

Additional functions or corporate positions outside the Zumtobel Group:
Digital Factory Vorarlberg GmbH, member of the management board
HSG-Institut für Computer Science in Vorarlberg (ICV-HSG), member of the advisory board
Plattform V, member of the management board

3.2.2 Working procedures of the Management Board

The members of the Management Board carry joint responsibility for the direction of the company and exchange information on all important operations and transactions. The full Management Board takes decisions on matters of fundamental nature or importance which are assigned to this corporate body by legal regulations, the articles of association and the respective rules of procedure. The Management Board defines the company's goals and basic strategic orientation as well as the corporate policies and organisation. Resolutions by the Management Board are generally adopted in meetings which are held twice each month. The board members also meet regularly outside these meetings to discuss developments on the markets and in the company's broader environment as well as important issues involving the company and upcoming decisions and subsequently prepare the necessary actions. In addition, there is a continuous exchange of information on relevant activities and events with the responsible managers.

The Management Board reports regularly to the Supervisory Board, among others on the following topics: the current and expected development of business, the company's financial position and performance, major acquisition and divestment projects, corporate planning, the implementation of the corporate strategy including the sustainability strategy, opportunities and risks for the company, risk and compliance management and the internal control system. Apart from the scheduled meetings, the chairwoman of the Supervisory Board is in regular contact with the Management Board, above all with the CEO.

3.3 The Supervisory Board – Experienced, Diverse, Independent[3]

The Supervisory Board of Zumtobel Group AG consists of nine members – six shareholder representatives elected by the annual general meeting and three members delegated by the Employees' Council for an unlimited period. The Supervisory Board and Management Board follow a policy of open and transparent communication with all stakeholders. The Supervisory Board has established committees to effectively carry out its advising and control functions in the following areas: Audit Committee, Strategy Committee, Committee for Management Board Matters and Digitalisation Committee. The Austrian Labour Constitutional Act entitles the employee representatives to delegate one member to the Supervisory Board and its committees for every two members (shareholder representatives) elected by the annual general meeting.

3.3.1 Composition of the Supervisory Board

As of 30 April 2025, the Supervisory Board of Zumtobel Group AG had six shareholder representatives elected by the annual general meeting and three members delegated by the Employees' Council. The legally required 30% quota for women on supervisory boards which was introduced in 2018 is, therefore, met. The annual general meeting on 2 August 2024 elected Georg Pachta-Reyhofen and Thorsten Staake to the Supervisory Board for a further three years. There were no changes among the employee representatives during the reporting year.

[3] This section fulfills the disclosure requirements of the European Sustainability Reporting Standards (ESRS), which are applied in the consolidated non-financial statement as part of Zumtobel Group AG's Group Management Report (ESRS 2-GOV-1 §21b, c, d).

Supervisory Board | Shareholder Representatives

Karin Zumtobel-Chammah

Born in: 1963

independent

Function:
Chairwoman

Term of office:
Initially appointed: 26 July 2019, appointed to AGM 2026

Nationality:
Austria

Education & Career Development:
After completing her MBA studies at the University of Freiburg, Ms Zumtobel-Chammah initially held several leading management positions in the finance sector during her professional career, before joining the Zumtobel Group in 1996. Most recently, Ms Zumtobel-Chammah served as Head of Art & Culture, where she was responsible for the Group's art and cultural activities.

Mandates in listed companies and other mandates:
None

Georg Pachta-Reyhofen

Born in: 1955

independent

Function:
First Vice-Chairman

Term of office:
Initially appointed: 18 May 2020, appointed to AGM 2027

Nationality:
Austria

Education & Career Development:
Mr Pachta-Reyhofen studied mechanical engineering and process engineering at the Technical University in Vienna, where he obtained his doctorate in 1985. Since 2018, Mr Pachta-Reyhofen has been working as an independent adviser, supporting technology companies, among others, on their path through transformation with his excellent technical and strategic development expertise. From 2006 to 2015, he held various management board positions at MAN SE, Germany, including CEO of MAN Diesel, CEO of MAN Truck & Bus, and most recently as CEO on the Executive Board of MAN SE. Prior to this, Mr Pachta-Reyhofen held various senior positions at MAN Nutzfahrzeuge AG.

Mandates in listed companies and other mandates:
- Benteler International AG, member of the supervisory board
- SJP Holding GmbH, member of the advisory board

Volkhard Hofmann

Born in: 1952

independent

Function:
Second Vice-Chairman

Term of office:
Initially appointed: 21 July 2017, appointed to AGM 2025

Nationality:
Germany

Education & Career Development:
After completing his doctorate (Dr. rer. pol.) at the University of Cologne, Mr Hofmann joined the Boston Consulting Group as a consultant in 1982 and was elected Partner and Managing Director after the minimum period of six years. During his time at the Boston Consulting Group, he established and led several practice groups and also held various international leadership positions.

Mandates in listed companies and other mandates:
None

Eva Kienle

Born in: 1967

independent

Function:
Member

Term of office:
Initially appointed: 26 July 2019, appointed to AGM 2026

Nationality:
Germany

Education & Career Development:
Ms Kienle holds a degree in business administration and is a qualified banker. In addition to her Executive MBA, she brings extensive and relevant industry experience to her role on the Supervisory Board, as well as many years of experience at board level and in senior positions gained through her work as CFO in a wide range of sectors. Ms Kienle moved from her position as CFO of KWS SAAT SE & Co. KGaA to Rambøll Group A/S, where she serves as CFO and member of the Group Executive Board.

Mandates in listed companies and other mandates:
- Schott Pharma AG & Co. KGaA, member of the supervisory board

Thorsten Staake

Born in: 1978

independent

Function:
Member

Term of office:
Initially appointed: 18 May 2020, appointed to AGM 2027

Nationality:
Germany

Education & Career Development:
Mr Staake obtained several academic degrees, including a Master of Science in Electrical and Computer Engineering from Worcester Polytechnic Institute in the USA, a Diplom-Ingenieur in Electrical and Information Engineering from the Technical University in Darmstadt, and ultimately completed his doctorate in Technology Management at the University of St. Gallen in 2007. Since 2013, Mr Staake has been a university professor at the University of Bamberg, where he is Chair of the Department of Information Systems and Energy Efficient Systems. Prior to this, he was Co-Director of the Bits to Energy Lab at the Chair of Information Management at the Swiss Federal Institute of Technology in Zurich.

Mandates in listed companies and other mandates:
- Hoval AG, member of the administrative board
- BEN Energy AG, member of the administrative board

Christian Beer

Born in: 1961

independent

Function:
Member

Term of office:
Initially appointed: 24 July 2020, appointed to AGM 2025

Nationality:
Austria

Education & Career Development:
After graduating from HTL Bregenz, Mr Beer began his professional career in 1981 at Grass GmbH. In 1988, Mr Beer founded Heron Sondermaschinenbau GmbH, whose original core business was the development and construction of assembly machines. Since then, Mr Beer has been Managing Partner of the Heron Group in Dornbirn. Between 1995 and 2022, he established various companies, including Robotunits GmbH with branches in the USA, United Kingdom, Australia, and Italy, Heron CNC Technik GmbH, Servus Intralogistics GmbH, SAFEDI Distance Control, and most recently Vertic Greens GmbH.

Mandates in listed companies and other mandates:
- pester pac automation GmbH, member of the advisory board

Supervisory Board | Employee Representatives

Dietmar Dünser	Richard Apnar	Isabel Kreilhuber
Born in: 1966	Born in: 1974	Born in: 1977
Function: Delegated by the Employees' Council	Function: Delegated by the Employees' Council	Function: Delegated by the Employees' Council
Term of office: Initially appointed: 24 July 2015 End of current term: n/a	Term of office: Initially appointed: 26 June 2012 End of current term: n/a	Term of office: Initially appointed: 1 April 2021 End of current term: n/a
Nationality: Austria	Nationality: Austria	Nationality: Austria
Education: Telecommunications & electronics	Education: Plastics technology	Education: Business management
Mandates in listed companies and other mandates: None	Mandates in listed companies and other mandates: None	Mandates in listed companies and other mandates: None

3.3.2 Working procedures of the Supervisory Board

The Supervisory Board appoints the Management Board members and regularly advises and oversees the board on the direction and development of the Zumtobel Group. It is involved in decisions of fundamental importance for the company. This involvement is guaranteed by the definition of issues requiring the approval of the Supervisory Board and through voting on the strategic orientation of the company. The work of the Supervisory Board is regulated by rules of procedure. To specifically define the submission requirements of the Management Board, the Supervisory Board has prepared a catalogue of transactions and actions requiring its approval. This catalogue represents an integral part of the rules of procedure for the Supervisory and Management Boards.

The Supervisory Board met in six sessions during the 2024/25 financial year: four scheduled meetings, one unscheduled meeting and one constituent meeting. The central issue at these meetings covered the numerous geopolitical and economic tensions as well as the challenging macroeconomic environment and its effects on the Zumtobel Group's business field.

Other focal points at the Supervisory Board meetings in 2024/25 were:

- Evaluation and approval of the separate and consolidated financial statements as of 30 April 2024 which were submitted by the Management Board
- Proposed resolutions for the annual general meeting
- Recommendation for the distribution of profit in accordance with § 96 (1) of the Austrian Stock Corporation Act
- Remuneration policy for the Supervisory Board
- Remuneration report for the 2023/24 financial year
- Definition of targets for the variable remuneration components of the Management Board with special consideration of ESG criteria
- Assignment of the audit mandate to the auditor

- Elections of supervisory board members for direct subsidiaries
- Appointment of managing directors for subsidiaries
- Evaluation, discussion and approval of the budget for the 2025/26 financial year
- Approval for negotiations with the EIB (European Investment Bank) over a financing agreement for a EUR 50 million loan
- Approval of a joint tender for the audit of the separate and consolidated financial statements and the audit of the sustainability report of Zumtobel Group AG for the 2025/26 financial year
- Audit procedure by the Austrian Financial Reporting Enforcement Panel (OePR)
- Approval of business relations with Supervisory Board member Christian Beer
- Measures to reduce costs and capital employed as well as integration, restructuring and expansion projects
- Risk management and the internal control system
- Measures to fight corruption
- Sustainability focal points
- Strategic orientation of the Zumtobel Group over the coming years

Participation in the meetings of the Supervisory Board and its committees in 2024/25:

Participation in FY 2024/25	SB	AC	CMB	SC	DC
Shareholder representatives					
Karin Zumtobel-Chammah	6/6	6/6	5/5	2/2	-
Georg Pachta-Reyhofen	6/6	6/6	5/5	2/2	-
Volkhard Hofmann	6/6	5/6	5/5	2/2	2/2
Eva Kienle	5/6	6/6	-	-	2/2
Thorsten Staake	6/6	-	-	2/2	2/2
Christian Beer	6/6	-	5/5	-	2/2
Employee representatives					
Dietmar Dünser	4/6	3/6	-	1/2	-
Richard Apnar	6/6	1/6	-	1/2	2/2
Isabel Kreilhuber	6/6	6/6	-	2/2	2/2

Abbreviations: SB = Supervisory Board, AC = Audit Committee, CMB = Committee for Management Board Matters, SC = Strategy Committee, DC = Digitalisation Committee

3.3.3 Contracts with Supervisory Board members which require approval

The following contracts and business transactions between Zumtobel Lighting GmbH and individual Supervisory Board members required approval and were submitted to the Supervisory Board of Zumtobel Group AG during 2024/25 in accordance with the Austrian Stock Corporation Act and the Austrian Code of Corporate Governance (Rule 49):

Costs of TEUR 72 for support and maintenance were charged based on the existing contract between Servus Intralogistics GmbH, Dornbirn, a company attributable to the economic ownership of Supervisory Board member Christian Beer, and Zumtobel Lighting GmbH. The business relationship is subject to standard market conditions.

3.3.4 Independence of the Supervisory Board members[4]

A Supervisory Board member is considered independent when he or she has no business or personal relations to the Zumtobel Group or to the Management Board of Zumtobel Group AG. These types of relationships include, among others, material customer-supplier relationships or close family relationships. The criteria for determining the independence of the Supervisory Board members are available for review on the Zumtobel Group's website at https://z.lighting under "Investor Relations". The following Supervisory Board members are independent and neither shareholders nor representatives of shareholders with an investment of more than 10%: Volkhard Hofmann, Georg Pachta-Reyhofen, Thorsten Staake, Eva Kienle and Christian Beer

3.3.5 Measures to avoid conflicts of interest

The Supervisory Board members deal, at least once each year, with the provisions of the ACCG that are related to conflicts of interest. In addition, new members of the Supervisory Board are informed extensively of the need to avoid such conflicts when they join the board. The members of both the Management Board and the Supervisory Board are required to disclose any conflicts of interest. If a Supervisory Board member is involved in a conflict of interest, he/she must report this immediately to the chairwoman of the Supervisory Board. There were no conflicts of interest by a member of the Management Board or Supervisory Board in 2024/25 that would have required immediate disclosure to the Supervisory Board.

3.3.6 Evaluation of the Supervisory Board's activities

The Supervisory Board carries out a self-evaluation of its work annually in accordance with C-Rule 36 of the ACGC and uses the findings as the basis for continuous improvement. Each Supervisory Board member is required to complete a questionnaire, and the results together with the next steps are discussed at a Supervisory Board meeting. The self-evaluation discussed at the meeting on 28 June 2024 covered the organisation and working procedures, diversity and succession planning as well as the work of the committees. The results were, in total, very positive as regards cooperation between the Supervisory Board members and with the Management Board.

3.3.7 Composition and working procedures of the committees

The Supervisory Board of Zumtobel Group AG has established the following four committees to facilitate the efficient exercise of its responsibilities. These committees, which are described in detail in the following section, form the basis for focused, well-informed discussions and decision making by the full Supervisory Board. Each committee is chaired by an expert experienced in the respective area.

[4] This section fulfills the disclosure requirements of the European Sustainability Reporting Standards (ESRS), which are applied in the consolidated non-financial statement as part of Zumtobel Group AG's Group Management Report (ESRS 2-GOV-1 §21e).

Audit Committee

Members:

Name	Function
Eva Kienle	Chairwoman
Karin Zumtobel-Chammah	Vice-Chairwoman
Volkhard Hofmann	Member
Georg Pachta-Reyhofen	Member
Dietmar Dünser	Employee representative
Isabel Kreilhuber	Employee representative

The Audit Committee of Zumtobel Group AG met six times in 2024/25, including one preparatory meeting which included, in part, representatives of the auditor (in some cases with participation through the use of acoustic and optical communications software).

The focal points of the committee's activities included the monitoring of the accounting process, the review of the half-year and quarterly financial statements, a preliminary review of the consolidated and separate financial statements together with the management report, and a discussion of the auditor's reports. The committee also evaluated the quality of the auditor responsible for auditing the separate and consolidated financial statements and reviewed financial and investment planning. Regular information was provided on the internal control and audit system, the risk management system and the compliance management system, which was accompanied by an evaluation of the appropriateness and effectiveness of these systems. Among others, the committee also dealt with the consolidated non-financial report based on the initial application of the Corporate Sustainability Reporting Directive (CSRD) and the requirements for methods and data points defined by European Sustainability Reporting Standards (ESRS). Focus issues included the double materiality analysis with the resulting impacts, risks and opportunities. The recommendations of the Audit Committee to the Supervisory Board were based on a statement of independence issued by PwC Wirtschaftsprüfung GmbH and an analysis of the non-audit services provided by this firm. The Audit Committee repeatedly addressed the effects of the challenging economic situation, the risk situation – and here, above all, cybersecurity – as well as refinancing and liquidity planning and the equity situation. Additional issues discussed by the committee involved the tender for the appointment of an auditor for the 2025/26 financial year and ongoing regulatory proceedings.

Committee for Management Board Matters

Members:

Name	Function
Volkhard Hofmann	Chairman
Georg Pachta-Reyhofen	Vice-Chairman
Karin Zumtobel-Chammah	Member
Christian Beer	Member

The Committee for Management Board Matters is responsible for issues involving the members of the Management and Supervisory Boards and represents a remuneration committee as described in C-Rule 43. It is also responsible for the tasks assigned to a nomination committee by C-Rule 41. The Committee for Management Board Matters deals with all issues involving the members of the Supervisory and Management Boards, in particular succession planning, and prepares recommendations for the Supervisory Board concerning appointments to positions on the Management Board. The committee also prepares recommendations for the remuneration policy which must be submitted to the Annual General Meeting at least every four years, monitors compliance with these recommendations, deals with the content of employment contracts for the members of the Management Board and issues related to the remuneration structure for the Supervisory Board. In accordance with C-Rule 43 of the ACGC, the chairwoman of the Supervisory Board is a member of this committee.

The Committee for Management Board Matters held five meetings in 2024/25. The main issues involved preparations for a recommendation to the Supervisory Board on the determination of variable remuneration for the Management Board. Specific points included the determination of the STI target attainment for the 2023/24 financial year and the definition of new targets for the STI and LTI for the 2024/25 financial year. The committee also addressed the extension of the Management Board contracts with Alfred Felder as Chief Executive Officer (CEO) and Marcus Frantz as Chief Digital Transformation Officer (CDTO).

Strategy Committee

Members:

Name	Function
Georg Pachta-Reyhofen	Chairman
Volkhard Hofmann	Vice-Chairman
Karin Zumtobel-Chammah	Member
Thorsten Staake	Member
Dietmar Dünser	Employee representative
Isabel Kreilhuber	Employee representative

The members of the Strategy Committee held two meetings in 2024/25, independent of concrete strategic projects, and dealt with various aspects of the corporate strategy. Discussions centred on various aspects of the corporate strategy, portfolio management, the framework conditions for organic and inorganic growth, geopolitical issues, financial goals and the sustainability strategy of the Zumtobel Group. In these meetings, the committee examined the development of business, the position and strategic orientation of the company with the Management Board. An update to implement the approved concept for the company's further strategic focus was prepared by the Strategy Committee and reviewed by the Supervisory Board.

Digitalisation Committee

Members:

Name	Function
Thorsten Staake	Chairman
Christian Beer	Vice-Chairman
Eva Kienle	Member
Volkhard Hofmann	Member
Isabel Kreilhuber	Employee representative
Richard Apnar	Employee representative

The Digitalisation Committee met twice in 2024/25. Its work involved preparations and decisions for the continuous optimisation of business processes, the most important digitalisation projects, service orientation and the development of digital products and services. Other issues involved an assessment of the risks arising from cyberattacks and measures to strengthen IT security.

The committee members also addressed the issues of cyber-resilience security and information & data management as cornerstones for the digital transformation. Issues to increase operational efficiency (Fit for future DC, Digital Factory) were also discussed as were initiatives to optimise the customer experience and expand the IoT portfolio. Through the implementation of the digital agenda, the Zumtobel Group is continuously expanding its competitive position – also in the digital world.

3.4 Measures to Support Women and Diversity Concept

The Zumtobel Group is an equal opportunity employer and, as such, rejects any form of discrimination based on social or ethnic origin, gender, sexual orientation, religious conviction or ideology, age, physical or mental abilities, or other characteristics. A diverse workforce that reflects society creates numerous opportunities: innovative strength, creativity, economic power and social cohesion. As a company, the Zumtobel Group can contribute to a fairer and more inclusive society.

A global strategy for diversity, equity & inclusion (DE&I) was developed during the past financial year. It reflects our commitment to our respectful, open and tolerant working environment in which the diversity of our workforce is appreciated and encouraged.

Our DE&I strategy currently concentrates on three central focus areas:

- Gender equality: We are committed to providing all genders with equal opportunities for professional advancement and management positions. Included here are measures to increase the share of women in management positions and support for a sustainable female talent pipeline.
- Cooperation: We promote cooperation and the exchange of know-how within the organisation to create a positive and innovative working environment. This includes the improvement of cooperation between departments, business areas and regions.
- Age diversity: We recognised the value of an inter-generational workforce and encourage the exchange of knowledge between experienced specialists and young talents. In this way, all employees can develop their full potential.

The Zumtobel Group addresses all genders in the recruiting process and job advertisements. Personnel decisions are taken independent of gender, ethnic origin and other characteristics. Personal skills, experience, qualifications and performance form the basis for personnel decisions in all corporate areas and at all management levels.

The appointment of women to management positions is backed by internal and external recruiting and personnel development measures. Job vacancies, also including positions with management responsibility are also posted as part-time positions where possible to create entry opportunities and management functions on a part-time basis.

The work-life balance is supported by the design of more flexible working structures. For example: Various part-time models are available for employees who re-enter working life after parental leave or are unable to work full-time due to other personal situations.

The Supervisory Board of Zumtobel Group AG currently includes three women and six men, which represents a one-third share of women. There are no women on the Management Board of Zumtobel Group AG at the present time. Women hold management positions in the first and second reporting levels, especially in human resources, legal, marketing & corporate communications, information technology, supply chain and finance.

The Zumtobel Group has set a goal to achieve an annual increase in the share of women in the corporation. The share of women in key management positions equalled 22.9% in 2024/25 and represents an increase over the previous financial year (22.4%). The share of women in the Group's workforce was 36% in the 2024/25 financial year and remained the same as in the previous year .

The inclusion of employees with physical or mental impairment has high priority for the Zumtobel Group as an employer, and these employees are actively supported in their everyday work routine. The plant in Dornbirn, as an example, has operated a career support programme for over 30 years that helps young people with physical or mental impairment take their first steps on the employment market. This two-year training course is designed to make the participants fit for the labour market. The Zumtobel Group also employs men and women with physical, mental or cognitive limitations in other areas, administration as well as production, who make an important contribution in their respective functions.

Appropriate adjustments are made wherever possible (e.g. additional breaks, seated activities etc.) to support employees with special needs. Managers receive special awareness training and preparation for these situations and are assisted by external persons.

The Zumtobel Group has implemented various measures to support diversity. Following are a few examples:

- Personal skills, experience, know-how and capabilities form the basis for evaluating qualifications during the recruiting process and in personnel decisions. The equal treatment of genders is strictly observed.
- The Zumtobel Group uses a standardised remuneration structure that is based on job descriptions and appraisals to ensure transparent and performance-based remuneration in line with equal opportunity (equal opportunity employer).
- The Zumtobel Group puts measures in place to support the work-life balance. Part-time employment, educational leave, sabbaticals, home office options or other models are arranged where needed.
- An extensive DE&I online training programme was introduced to strengthen the awareness and skills of employees in this area.
- An internal DE&I guideline was issued to support diversity, equal opportunities and inclusion.
- A global Group Policy on Human Rights underscores the Zumtobel Group’s strong commitment to respect and support for human rights in all business activities.

3.5 Diversity on the Supervisory Board and Management Board

The members of the Supervisory and Management Boards are selected on the basis of their professional qualifications and personal expertise in order to achieve a balance of educational and professional backgrounds. Support for diversity with regard to generations and genders is included in selecting new appointments.

3.5.1 Diversity in the composition of the Management Board and Supervisory Board of Zumtobel Group AG

The Zumtobel Group, as a listed company, complies with diversity requirements, especially the requirements defined by the Austrian Stock Corporation Act and the Austrian Code of Corporate Governance (ACCG). These regulations define different requirements for the composition of management and supervisory boards. The relevant aspects for the diverse composition of a management board are a balanced educational and professional background, internationality and a consistent composition.

3.5.2 Management Board

The qualification profile defined by the Supervisory Board for the selection of Management Board candidates is based, above all, on personality, integrity, convincing management qualities, technical qualifications for the intended function, previous performance, knowledge of the company and the ability to adapt business models and processes in a changing world.

Diversity is an additional factor considered by the Supervisory Board. As a decision criterion, the Supervisory Board sees diversity, above all, as different mutually complementary profiles and professional experience, also in the international area, as well as different personalities, the appropriate representation of both genders and an appropriate age mix.

The Management Board, as a whole, covers the necessary spectrum of professional and managerial skills due to the members' different educational and management backgrounds in technical and commercial areas as well as their many years of international experience. The age structure of the Management Board in its current composition is balanced and covers a range of nine years, which guarantees sufficient continuity. Moreover, none of the Management Board members exceeds the statutory retirement age of 65 years.

3.5.3 Supervisory Board

The goal is to find qualified personalities for the Supervisory Board to strengthen this body, in total, as best as possible through the members' professional and management expertise. Diversity represents an additional focal point. The men and women appointed to the Supervisory Board should complement each other with different professional and life experience and ensure the appropriate representation of both genders. It must be ensured that the Supervisory Board, as a whole, has a maximum of experience and technical qualifications to critically monitor the business activities of the Zumtobel Group from the widest possible range of perspectives.

This concept is reflected in connection with the election of members to the Supervisory Board. Recommendations to the annual general meeting of Zumtobel Group AG must meet the legal requirements for the composition of the Supervisory Board with women and men; they must also meet the defined goals; and, at the same time, fulfil the competence profile for the entire corporate body. This also applies to the subsequent appointment of candidates to the Supervisory Board.

Education and professional background: The personalities on the Supervisory Board should have international experience in the areas of business, science, technology or research of a nature that is important for the Zumtobel Group. The Supervisory Board must have at least one financial expert.

Age: The goal is to achieve a balanced age structure among the members to permit the contribution of various generation perspectives. Consequently, there is no specific age limit for the Supervisory Board members. Supervisory Board members are elected for a term of office up to the end of the annual general meeting which votes on the release from liability for the fourth financial year after election unless they are elected for a shorter term.

Internationality: The Supervisory Board should include members with international experience or special expertise in one or more key markets for the Zumtobel Group.

Gender representation: An appropriate representation of women on the Supervisory Board is targeted, independent of legal requirements. The ratio of genders on the Supervisory Board reflects, as a minimum, the legal requirement of at least 30% women and men.

3.6 Changes after the Closing Date

There were no changes in reportable issues between the closing date on 30 April 2025 and the preparation of this corporate governance report.

Dornbirn 18 July 2025

The Management Board

Alfred Felder
Chief Executive Officer (CEO)

Thomas Erath
Chief Financial Officer (CFO)

Bernard Motzko
Chief Operating Officer (COO)

Marcus Frantz
Chief Digital Transformation Officer (CDTO)

Report by the Supervisory Board of Zumtobel Group AG for the 2024/25 Financial Year

Dear Shareholders,

Before I turn to the activities of the Supervisory Board and its committees in the 2024/25 financial year, I would like to briefly outline the challenging market environment in which the Zumtobel Group operates.

The increasingly unpredictable nature of geopolitical, economic and social developments appears to have become a permanent state of heightened uncertainty. Geopolitical tensions like the ongoing war in Ukraine and the conflicts in the Near East, trade and customs disputes, climate change and the resulting transition to sustainable business models, IT and cyberthreats as well as macroeconomic issues – for example inflation and interest rate shifts – are increasing the complexity of the business world. This environment demands a maximum of adaptability and resilience from companies. Conventional strategies focused on short-term stability are no longer adequate. On the contrary, continuous, integrated risk management is required – together with a capacity for innovation and flexibility – to also remain successful over the long-term under volatile operating conditions.

In spite of these many challenges, the management of the Zumtobel Group again reacted quickly and decisively this year and took the necessary actions. The strategy was upgraded from FOCUSED to FOCUSED[+] to address the current challenges. The Zumtobel Group's value chain in the Lighting Segment was expanded to include Smart Building Solutions, a business area for the development and marketing of innovative, intelligent, sustainable and user-centred lighting solutions in buildings. We, as the Supervisory Board, were also faced with far-from-easy decisions like the termination of production in France and the assembly location in Australia.

The members of the Supervisory Board, actively accompanied the development of the Zumtobel Group throughout the 2024/25 financial year and performed the duties required by law, the articles of association and the rules of procedure with the greatest possible diligence. The Supervisory Board was involved in decisions of material importance for the future of the Zumtobel Group, monitored and accompanied the Management Board, and provided support in an advisory capacity. I was also in regular contact with the chairman of the Management Board and the other members of this corporate body to discuss the development of business under the current economic conditions and to evaluate the effects of the risk situation on the company. Cooperation within the Supervisory Board and its committees and with the Management Board was trustful, respectful and constructive.

As the chairwoman of the Supervisory Board, I am pleased that the Supervisory Board approved the extension of the Management Board contracts with Alfred Felder as Chief Executive Officer (CEO) up to 30 September 2027 and Marcus Frantz as Chief Digital Transformation Officer (CDTO) up to 30 September 2028. That is an important sign of continuity in these challenging times.

The Management Board reported on the development of business and the general economic situation, financial and investment planning, the risk position, and issues related to risk management and compliance at all meetings of the Supervisory Board in 2024/25. A particular focus was placed on Group revenues and earnings and business in the individual segments. Extensive information was also provided on the development of the Zumtobel Group.

The Supervisory Board of Zumtobel Group AG included the following six shareholder representatives as of 30 April 2025: Karin Zumtobel-Chammah (chairwoman), Georg Pachta-Reyhofen (1st vice-chairman), Volkhard Hofmann (2nd vice-chairman), Christian Beer, Eva Kienle and Thorsten Staake.

Meetings of the Supervisory Board

The Supervisory Board held four scheduled, one unscheduled and one constituent meeting during the 2024/25 financial year.

The issues handled by the Supervisory Board at the 28 June 2024 meeting included, among others, status reports on the development of business and the economic climate and measures to support the company's further strategic orientation and the improvement of earnings in all segments. The Supervisory Board also discussed the audited separate and consolidated financial statements and the consolidated management report, including the consolidated non-financial statement for the Group and the consolidated corporate governance report as of 30 April 2024 and approved the audited separate and consolidated financial statements for the 2023/24 financial year.

The target attainment by the members of the Management Board was discussed, and variable remuneration was determined in line with the remuneration report for the 2024/25, subject to the approval of the annual financial statements.

The Supervisory Board also carried out a routine evaluation of its activities in 2024/25. The results, in total, were very positive as regards cooperation between the individual Supervisory Board members and with the Management Board.

Among others, the members of the Supervisory Board approved negotiations with the European Investment Bank for a financing agreement in the form of a 50 million euro loan.

The 48th Annual General Meeting of Zumtobel Group AG on 2 August 2024 re-elected Georg Pachta-Reyhofen and Thorsten Staake to the Supervisory Board for a further three-year term. At the constituent meeting of the Supervisory Board which followed the election, I was re-elected chairwoman of the Supervisory Board and Georg Pachta-Reyhofen was re-elected vice-chairman of the Supervisory Board.

The central issues of the Supervisory Board meeting on 11 October 2024 were the management report on the first quarter of the 2024/25 financial year and status reports on the development of business in the segments. Transactions requiring the approval of the Supervisory Board included changes in general powers of representation for the company. A further topic was the implementation of the cultural transformation, whereby the goal is to strengthen the related changes throughout the group.

The central issue of the virtual unscheduled Supervisory Board meeting on 16 October 2024 was the evaluation of the possible termination of production at the ZG Europhane SAS subsidiary in Les Andelys (France).

Discussions at the Supervisory Board meeting on 24 January 2025 covered an update on financial indicators at the end of December 2024, the development of business and the outlook for both segments. The Supervisory Board also unanimously approved the termination of production at the plant in Les Andelys and the sale of the location.

The issues on the agenda for the Supervisory Board meeting on 24 April 2025 included the management report on the third quarter of the 2024/25 financial year as well as the development of business and the outlook for both segments. The budget prepared for the 2025/26 financial year of Zumtobel Group AG was approved by the Supervisory Board unanimously, and medium-term planning for the financial years from 2025/26 to 2028/29 was accepted.

Audit Committee

The Audit Committee of the Supervisory Board fulfilled its monitoring and review responsibilities and met six times during the 2024/25 financial year. Apart from four meetings at which one committee member was excused, all members of the Audit Committee attended all meetings. The meetings regularly included the Management Board and, on selected occasions, also the auditor. Outside these meetings, the committee chairwoman was in regular contact with the auditor. The committee's activities covered the monitoring of accounting processes, the audit of the half-year and quarterly financial statements, pre-audit work on the annual and consolidated financial statements including the management report as well as a discussion of the auditor's reports. The committee also evaluated the quality of the audit and reviewed financial and investment planning. Information on the internal control system (ICS), the risk management system and the compliance management system was provided on a regular basis, whereby the committee evaluated the appropriateness and effectiveness of these systems. The committee was routinely informed of any additional risks and material legal proceedings.

In the meeting on 3 December 2024, the Audit Committee directed its attention to the accounting process and review focal points in connection with the half-year financial statements as of 31 October 2024 and accepted the related reports by the auditor and internal staff from the involved departments.

The Audit Committee also approved the documents for the tender covering the audit of the separate and consolidated financial statements together with the sustainability report of Zumtobel Group AG for the 2025/26 financial year. Seven auditors certified for public interest entities in Austria were invited to participate in the proceedings. In alphabetical order, these firms are BDO, Deloitte, EY, Forvis Mazars, Grant Thornton, KPMG und PwC.

Additional focal points of the committee's work in 2024/25 were the quarterly reports, which were discussed and reviewed in detail with the Management Board. Other issues involved data protection and data security, the functional capability of the ICS and the development of the risk profile. Discussions also covered the status of preparations for CSRD reporting in terms of the procedural changes resulting from the EU Omnibus Directive.

Committee for Management Board Matters

The members of the Committee for Management Board Matters held five meetings during the 2024/25 financial year. The key issues in these meetings covered preparations for a recommendation to the Supervisory Board to establish variable remuneration for the Management Board. Specific topics were the determination of STI target attainment for the 2023/24 financial year and the establishment of new STI and LTI targets for the 2024/25 financial year.

Another central point was the analysis of our "corporate culture values". The results of the employee survey carried out in spring 2025 on processes and management behaviour confirmed the effectiveness of the measures implemented by the company and their success in making the company faster, leaner and more innovative.

Digitalisation Committee

The Digitalisation Committee held two meetings during the 2024/25 financial year. Topics included preparations for and decisions on the continuous optimisation of operating processes and major digitalisation projects as well as the service orientation and development of digital products and services.

The committee members also examined the issues of cyber resilience security and information & data management as an essential foundation for the digital transformation. Measures to increase operational efficiency (Fit for future DC, Digital Factory) were considered together with initiatives to optimise the customer experience and expand the IoT portfolio. The implementation of this digital agenda will allow the Zumtobel Group to continuously expand its competitive position, also in the digital world.

Strategy Committee

The members of the Strategy Committee held two meetings during the 2024/25 financial year. In addition to concrete strategic projects, work also concentrated on various aspects of the corporate strategy. Discussions covered strategic basics, portfolio management, the framework conditions for organic and inorganic growth, geopolitical issues, financial goals and, last but not least, the Zumtobel Group's sustainability strategy.

Among the most important issues accompanied by the Strategy Committee in 2024/25 were the evaluation of options for action in connection with the Zumtobel Group's strategy, including the evaluation of new business and service models as future growth drivers and the transition of the FOCUSED strategy to FOCUSED[+], which addresses the current economic and geopolitical environment and creates the foundation for a sustainable, future-oriented corporate orientation.

Consolidated and Separate Financial Statements

The separate financial statements and the management report as well as the consolidated financial statements and the group management report, which were prepared in accordance with International Financial Reporting Standards (IFRS), of Zumtobel Group AG for the 2024/25 financial year, were audited by PwC Wirtschaftsprüfung GmbH, Vienna, and awarded an unqualified opinion. The audit indicated that the bookkeeping, the separate financial statements and the management report of Zumtobel Group AG complied with legal requirements and the provisions of the articles of association.

Based on a previous examination and discussion with the auditor in the Audit Committee, the Supervisory Board reviewed and approved the separate financial statements and the consolidated financial statements as prepared by the Management Board together with the management report and the auditor's reports. In accordance with § 96 (1) of the Austrian Stock Corporation Act, the Supervisory Board stated its agreement with the consolidated financial statements, the management report, the consolidated corporate governance report, the remuneration report and the consolidated non financial statement. The Supervisory Board then approved the separate financial statements and the consolidated financial statements of Zumtobel Group AG for the 2024/25 financial year. The separate financial statements of Zumtobel Group AG for the 2024/25 financial year are therefore considered finalised in accordance with § 96 (4) of the Austrian Stock Corporation Act.

The Supervisory Board supports the recommendation by the Management Board to the Annual General Meeting to distribute a dividend of EUR 0.15 per share from the balance sheet profit recorded by Zumtobel Group AG and to carry forward the remaining amount.

Notwithstanding the continuing uncertainty for the global economy, we look to the future with optimism – due to excellent products and lighting solutions, great innovative strength and the impressive commitment of our employees.

On behalf of my colleagues on the Supervisory Board, but also personally, I would like to thank you, our shareholders, for your continued confidence.

I would also like to thank the many women and men who work for Zumtobel Group AG as well as the Management Board on behalf of my colleagues on the Supervisory Board for their commitment and outstanding performance during the very challenging previous financial year.

For the Supervisory Board

Karin Zumtobel-Chammah
Chairwoman of the Supervisory Board

Dornbirn, 22 July 2025

4. Service

Contents

4. Service

General Information

The use of automatic data processing equipment can lead to rounding differences.

Financial Terms

CAPEX	Capital expenditure
Debt coverage ratio	= Net debt divided by EBITDA
EBIT	Earnings before interest and taxes
Adjusted EBIT	EBIT adjusted for special effects
Adjusted EBIT margin	= Adjusted EBIT as a percentage of revenues
EBITDA	Earnings before interest, taxes, depreciation and amortisation
Adjusted EBITDA	EBITDA adjusted for special effects
Equity ratio	= Equity as a percentage of assets
Gearing	= Net debt as a percentage of equity
Net debt	= Non-current borrowings + current borrowings – liquid funds – current financial receivables from associated companies – receivables from credit institutions from a continuing involvement based on the factoring agreement
Working capital	= Inventories + trade receivables – trade payables – prepayments received – customer bonuses, discounts and rebates

Financial Calendar

Interim Report Q1 2025/26 (1 May 2025 – 31 July 2025)	04 September 2025
Record Date for the Annual General Meeting	16 September 2025
49th Annual General Meeting	26 September 2025
Ex-Dividend Day	30 September 2025
Record Date Dividend	01 October 2025
Dividend Payout Day	03 October 2025
Half-Year Financial Report 2025/26 (1 May 2025 – 31 October 2025)	04 December 2025
Interim Report Q1 – Q3 2025/26 (1 May 2025 – 31 January 2026)	05 March 2026

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Financial Reports

Our financial reports are available in English and German for download under: https://z.lighting/.

More Information

on Zumtobel Group AG and our brands can be found on the Internet under: https://z.lighting/

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