



# CONRAD SUSTAINABILITY REPORT 2021

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## PREFACE BY RALF BUEHLER

Dear readers,  
Dear customers and business partners,

providing fair working conditions and protecting both our environment and climate has been at the heart of how we do business here at Conrad for many years. To achieve this, we all follow a strict Code of Conduct. We see sustainability as a major factor contributing to the continued success of our company.

For instance, product shipping already has a very low carbon footprint - among other things, thanks to using electricity entirely generated from renewable sources. We apply high quality and safety standards to our product range, from design to recycling, and design our packaging materials to be as environmentally friendly as possible.

The holistic management of material business risks, the responsible use of natural resources, respect for human rights, ensuring fair working conditions across all stages of the value chain, promoting competence and diversity among our employees, and social commitment to further technical knowledge and digital transformation are our priorities in the context of sustainability.

By joining the UN Global Compact, we recognize our corporate social responsibility and explicitly commit to its ten principles in the areas of human rights, labour standards, environmental protection and the fight against corruption.

This document constitutes our company's first sustainability report, looking back on the year 2021. It has been compiled in full compliance with the 2021 GRI Universal Standards, the current standard for sustainability reporting by the globally recognized Global Reporting Initiative (GRI).

In addition, we refer to our progress with regard to the United Nations' Sustainable Development Goals (SDGs) and report on how we will meet the enormous challenges of the future.

I hereby invite you to learn more about our corporate actions and wish you an informative read.

Yours sincerely,



Ralf Buehler  
Chief Executive Officer (CEO)





## COMPANY AND STRATEGY

### CONRAD ELECTRONIC

#### Organisation

The Conrad Electronic group offers its customers (B2B and B2C) an efficient and digital sourcing platform for technical needs throughout Europe. Conrad Electronic sells products and services primarily in the electronics sector via distance selling (predominantly online) and its own sales team.

Conrad Electronic SE is wholly owned by Conrad Holding SE which, in turn, is wholly owned by the Conrad family.

Conrad Electronic SE are a trading company whose business operations are limited to Germany, however, who run online marketplaces in both Germany and Austria. The company's head offices are based in Hirschau, Germany. Business in other European countries is handled by independent international companies of the Conrad Group. Stationary shops in Germany have been spun off into the independent company Conrad Electronic Stores GmbH & Co. KG on January 1, 2019.

For Conrad, long-standing customer relationships and reliable partnerships with suppliers and sellers are the focus of its actions. In addition, the company strives to have a positive influence on the region around its headquarters in the Upper Palatinate - for example, by creating jobs and offering vocational training programs.

#### Scope of Consolidation

This sustainability report of Conrad Electronic SE covers the period from January to December 2021, which is in line with the financial reporting year of the Conrad Group. Conrad Electronic SE belongs to the group of Conrad Holding SE, Hirschau, which prepares consolidated financial statements and a group management report in accordance with Section 291 of the German Commercial Code (HGB). It is entered in the Commercial Register of the Amberg District Court and is subject to trade income tax. As of the closing date of the 2020 annual financial statements, the company had the size characteristics of a large corporation pursuant to Sections 264, 267 (3) HGB. The consolidated financial statements of Conrad Holding SE can be viewed in the electronic German Federal Gazette. A consolidation with the companies affiliated with Conrad Electronic SE did not take place

for this sustainability report. This represents a deviation from the usual reporting practice of the annual financial statements of Conrad Electronic SE published in the Federal Gazette and is due to the closure of Conrad Connect GmbH at the end of 2021 and the planned closure of the majority of the German B2C shops of Conrad Electronic Stores GmbH by the end of 2022.

## FINANCES

### Fiscal Year 2020



8.1, 8.2 „Economic value“



9.1, 9.4, 9.5 „Economic value“

In 2020, Conrad Electronic SE generated sales revenues of EUR 1,011.6 million (previous year: EUR 946.1 million). The net assets, financial position and results of operations as well as financial performance indicators are included in the annual financial statements for the financial year from 1 January 2020 to 31 December 2020.

During the reporting period, Conrad Electronic SE did not receive any monetary support from the public sector; neither tax relief and/or credits, nor subsidies, investment grants, research and development grants, licence exemptions, awards, financial support from export credit agencies or other financial incentives or benefits. There is no state shareholding of any kind in Conrad Electronic SE.

### Investments



5.4 „Infrastructure investment“



9.1 „Infrastructure investment“  
9.4 „Expenditure and investment“



11.2 „Infrastructure investment“



8.2, 8.3, 8.5 „Indirect economic impact“

For many decades, Conrad Electronic has been strengthening the region of Upper Palatinate, but also its relations with the neighbouring Czech Republic by creating jobs and providing training and education. Our logistics centre in Wernberg-Köblitz, which was built in the 1990s and expanded in 2014, is one of the most technologically advanced in Europe. The logistics centre in Wernberg-Köblitz, which was built in the 1990s and expanded in 2014, is one of the most technologically advanced in Europe. Current investments are mainly focused on the development of the sourcing platform and innovations in the logistics centre, which are necessary and future-proof investments given Conrad's platform strategy. The company is also a major contributor to municipal tax revenues.

### Taxes



10.4 „Fiscal policies“



17.1, 17.3 „Domestic capacity for tax“

Responsibility for the payment of taxes in accordance with the law lies with the legal representatives. The Board of Directors is responsible for overseeing the company's accounting process for the preparation of the management report and the annual financial statements, which include the information on taxes on income (see also Conrad Electronic SE's FY 2020 Profit & Loss Statement).

The German companies of the Group receive ongoing tax advice from a law firm. Specialist advisors are consulted for more specific or complex tax issues.

If necessary, contact is made with the local tax authorities during the current tax assessment. Tax audits are regularly carried out for four to five assessment periods. Depending on the type of report, ongoing tax reports are made by internal resources or by external tax consultants. The annual financial statement also contains the attestation of an independent auditor.

### Risk Management and Financial Impact of Climate Change



13.1 „Risk and opportunities due to climate change“

As part of our financial and risk management, Conrad conducts an annual assessment of relevant risks involving all areas of the company. Environmental risks were taken into account in the form of floods, water ingress and fire hazards.

Conrad is also influenced by rising energy costs and the desire to reduce dependency on fossil fuels in order to cut greenhouse gas emissions. We therefore implement a wide range of measures at our own sites to save energy and generate it ourselves from renewable sources.

## OUR SUSTAINABILITY STRATEGY

### Key Elements

The identification of the actual and potential, positive and negative impacts that the business activities of Conrad Electronic SE have on the economy, the environment and people, including the impact on their human rights, was carried out based on an analysis of the value chain, starting with raw materials, suppliers of primary products, through production and distribution to the disposal of used products by users. We also included the already articulated demands and concerns

of internal and external stakeholders.

This process was initiated during the reporting period and will be taken up and continued in 2022 by the newly appointed sustainability department. This adds to the opportunity and risk report published annually as part of the management report.

The areas of risk management, environment, social employer and society form the core elements of Conrad Electronic's sustainability strategy.

Our main fields of action are managing business risks in a holistic way, responsibly using natural resources, respecting human rights, ensuring fair working conditions across all stages of our supply chain, training a skilled workforce, giving people access to technology, providing technical knowledge and helping with the ongoing digital transformation.

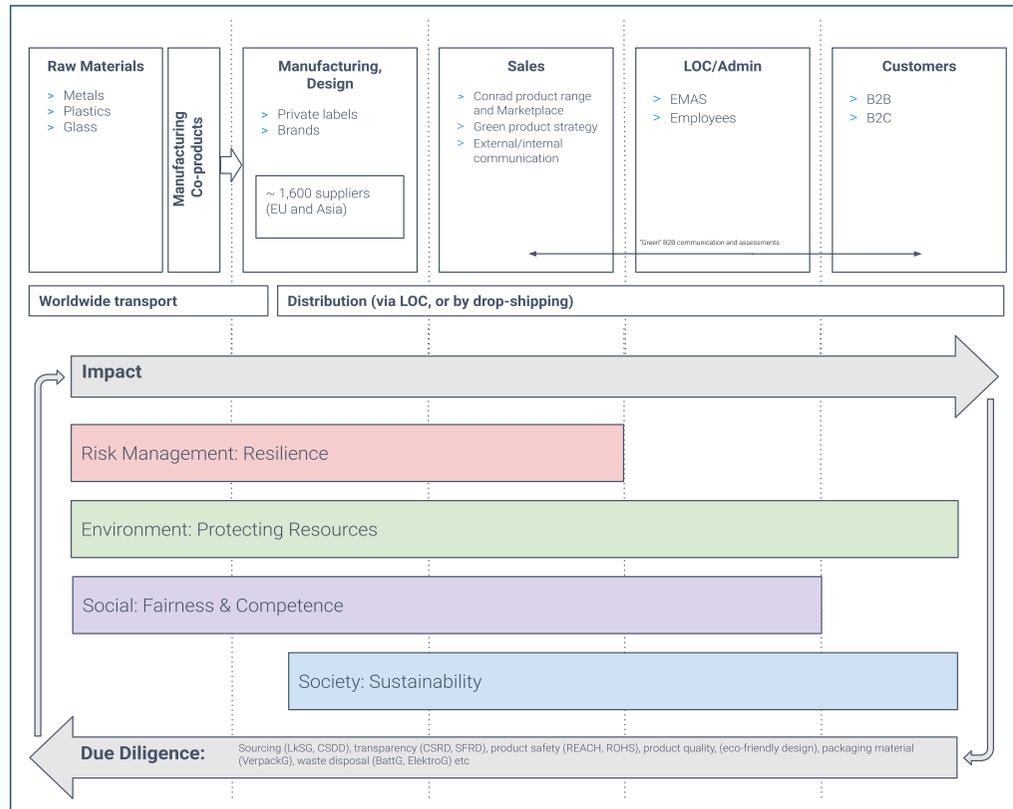
We are aware of numerous linkages and dependencies between our outlined fields of action. We will need to identify how, and address this issue as a part of the ongoing development of our sustainability strategy. During the reporting period, we began to establish a systematic sustainability management system. As we continue to work intensively on a comprehensive status quo assessment, we plan to outline concrete, medium-term quantitative and qualitative targets in the upcoming sustainability report for the 2022 financial year.

Conrad Electronic SE Sustainability Strategy - Key Elements and Roadmap (as of 2021)		
Key Elements	Fields of Action	Operative Sustainability Goals 2022/23 Reporting Period
Risk Management	Security of supply, Business continuity	Analyses, prepare for Supply Chain Due Diligence Act** compliance
<b>Environment</b>		
Materials	R e s o u r c e s  (Input)	Resource-conscious extraction of raw materials and manufacturing processes for our goods and services, especially with regard to water and energy
	Fighting climate change (Output)	Reducing CO <sub>2e</sub> * emission along our supply chain
Product Range	O u r  D e s i g n	Circular economy, reparability
	Q u a l i t y a n d s a f e t y	Adherence to the highest standards
	U s i n g r e n e w a b l e/ s e c o n d a r y r a w m a t e r i a l s	Using eco-friendly alternatives
	R e c y c l a b i l i t y	Reusability of non-renewable primary raw materials, promoting a circular economy
	I n f o r m a t i o n a n d s e r v i c e s	Including B2B and B2C customers in our sustainability strategy, publishing sustainability reports and assessments in line with international standards
Social	Respecting human rights, creating fair working conditions worldwide, furthering employee skills	Prepare for compliance with the Supply Chain Due Diligence Act**
Community/Society	Voluntary activities that help provide access to technology, technical knowledge and digital transformation	Asses the status quo
* CO <sub>2e</sub> emission: the Carbon Dioxide Equivalent (CO <sub>2e</sub> ) is a measure used to make the impact of different greenhouse gases on the environment comparable		
** in German: Lieferkettensorgfaltspflichtengesetz (abbr: LkSG)		

### Systemic Management Approach

Since 2006, our Hirschau head office and our warehousing facilities based in Wernberg-Köblitz have been operating an EMAS-compliant eco-management system, also publishing the required EMAS Declaration in the process. The latter explains our company's environmental policy including our commitment to continual improvement which, altogether, represents an integral part of our systemic management approach. The management approach also serves as the foundation of any sustainability management at Conrad Electronic SE that will go beyond our own business operations.

Our overarching goal is to increase the positive impact that our business activities have on the environment, people and society and to minimise any negative impacts. To this end, we will develop measures, projects and goals within the fields of action that we have derived from the four core elements of the Conrad sustainability strategy.



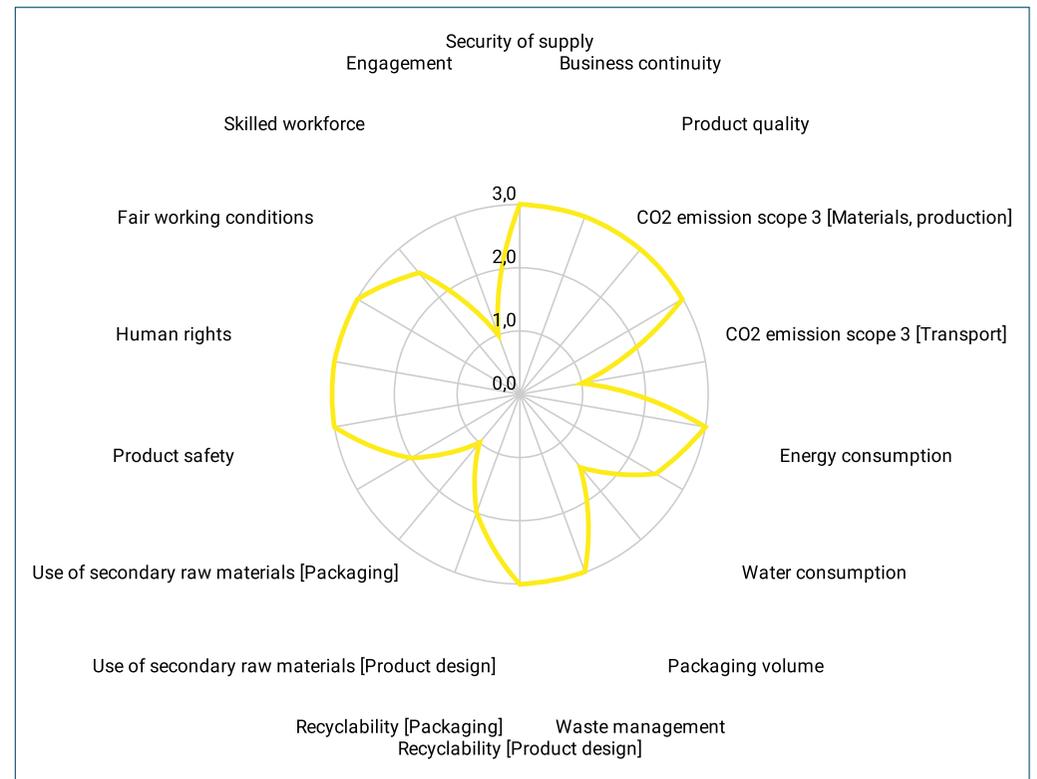
### Process for Determining Material Topics

We have developed a weighting scale to determine the material topics in our fields of action.

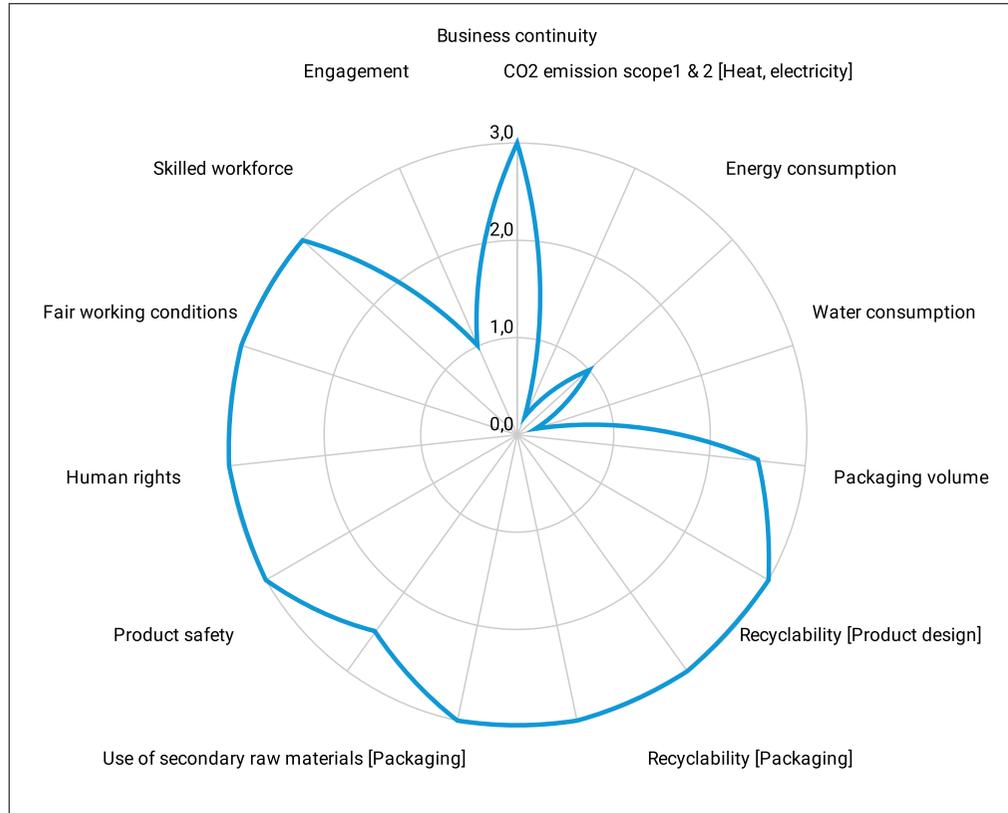
It comprises the values 0.0 to 3.0 (0 = no significance; 1 = low significance; 2 = medium significance; 3 = high significance of impacts).

The weighting is relativised within each aspect (e.g. CO<sub>2</sub> emissions or employee qualification). The values are based on key figures (EMAS environmental statement) and the concerns of our stakeholders - first and foremost our customers. We apply our assessment scale separately to each stage of our value creation (upstream, own and downstream entrepreneurial activities).

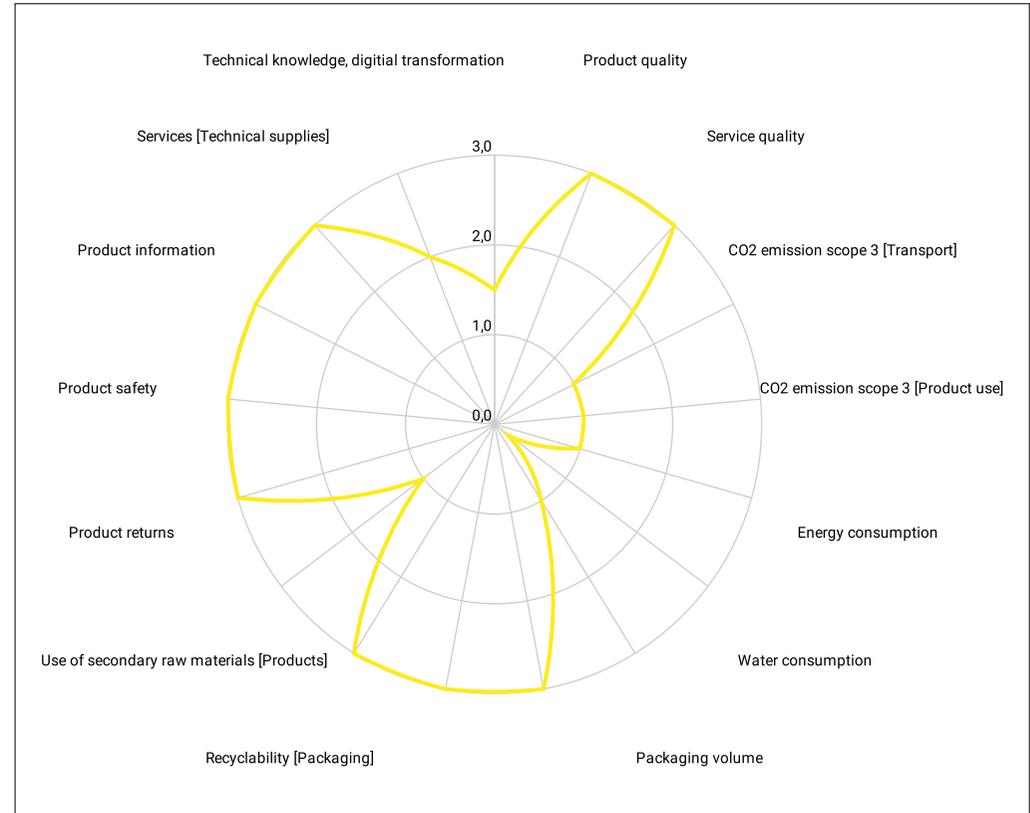
### Upstream



Our operations



Downstream



**Managing the Material Topics**

The corresponding „Topic Disclosures“ of the GRI Universal Standards 2021 provide a detailed representation of the identified material topics for Conrad Electronic SE, their classification in the context of the company's business relationships as well as a description of the respective management approach including the principles on which it is based.

The section Stakeholder Engagement explains how they were involved in determining our material positive and negative topics.

After the respective topics were assessed by the relevant departments, the results were reviewed and approved in collaboration with the management (see “Sustainability Governance”).



# CORPORATE VALUES AND GOVERNANCE



16.3 „Ethical and lawful behavior“, „Compliance with laws and regulations“

## KEY VALUES

As a family business, Conrad Electronic has stood for technology and high quality electronics for almost 100 years. We see our contribution to sustainable development as enabling people to create a better future through technology. This is also reflected in the corporate mission, which is to support all business partners through increased efficiency in the procurement process of technical supplies. Conrad thus makes an important contribution to the economic success of its B2B customers and secures their operational capability through reliable partnerships and long-term thinking. We drive digitalisation in companies, public authorities, educational institutions and private households through smart procurement solutions and suitable products.

The high quality requirements that suppliers and sellers must meet before products are listed on the Conrad sourcing platform should also be emphasised. In order to preserve natural resources for future generations, Conrad focuses on using them conscientiously. In doing so, the fulfilment of all ecological and social due diligence obligations along its supply chains is a matter of course for Conrad. With teamwork and personal responsibility, we work with all employees to achieve this common goal.

### Code of Conduct

Conrad has a Code of Conduct that applies to all companies in the Group. It is addressed to all employees, suppliers and business partners and is an integral part of all labour and supplier contracts. The Code of Conduct is based on the Universal Declaration of Human Rights by the United Nations, the conventions of the International Labour Organization (ILO) and the ten principles of the United Nations Global Compact.

When changes are made to the Code of Conduct, it is sent to all employees, who are required to confirm that they have read and understood it. Regular online training on the Code of Conduct is mandatory for all employees. Moreover, employees with supervising or managerial responsibilities are expected to act as role models.

Conrad expects all employees, suppliers and business partners to comply with the Code of Conduct and the due diligence obligations contained therein. A strict zero-tolerance principle is applied with regard to violations. In order to ensure compliance with the Code of Conduct, it describes in a comprehensible manner the expected behaviour, processes for avoiding risks and possible consequences in the event of non-compliance. An internally and externally usable grievance mechanism ensures that violations of the Code of Conduct can be identified at an early stage and remedied immediately. In its current form, the Code of Conduct was adopted by the Management Board in 2021 and is available for download in German, English and Czech (Conrad Electronic SE Code of Conduct).

If we become aware of violations, Conrad will respond in a balanced and comprehensible manner. Violations of our Code of Conduct may lead to disciplinary action, termination of the business relationship or other consequences under civil or criminal law.

### Anti-corruption



16.5 „Anti-corruption“

The Conrad Group Code of Conduct includes the company's anti-corruption policy in Chapter 4, „Fair Competition“. Compliance is strictly enforced at all Conrad facilities. Violations of the rules laid down therein will result in disciplinary measures for employees, up to and including termination. In the case of business partners, violations can lead to the termination of the business relationship or other consequences under civil or criminal law. In general, offering, promising or granting economic, legal or personal benefits that are not owed is prohibited. Corruption risks covered in detail by the Code of Conduct are:

- personal benefits and gifts
- invitations and hospitality
- facilitation and acceleration payments
- kickbacks, discounts and commission
- donations and sponsorship
- payments without a clear business purpose

All members of the Board of Directors and executive management are aware of both the Code of Conduct - which includes the Anti-Corruption Policy - and the procedures that ensure compliance with this policy (Grievance Mechanism). This also applies to all employees at all hierarchical levels as well as to suppliers and other business partners.

During the reporting period, one incident of corruption became known at Conrad Electronic SE, which resulted in disciplinary measures.

### Anti-competitive Behaviour



16.3 „Compliance with laws and regulations“

Fair competition is the basis for free and sustainable market development. For this reason, Conrad Group is committed to fair and undistorted competition and is opposed to any anti-competitive behaviour. There is zero tolerance for any violations. For example, employees are not allowed to talk to competitors about prices, production performance, capacities, distribution, tenders, profit, profit margins, costs, distribution methods or other factors that determine or influence Conrad's competitive behaviour.

Also prohibited are agreements with competitors to refrain from competition, to restrict business relations with suppliers, to submit sham bids in tenders or to divide up business customers, markets, territories or production programmes. It is also prohibited to influence the resale

prices set by Conrad business customers.

No violations of competition law have been reported in 2021. Also, there were no pending legal proceedings with regard to competition law violations in 2021.

### Principle of Non-discrimination



5.1 „Non-discrimination“



8.8 „Freedom of association and collective bargaining“

In the reporting year 2021, no case of discrimination was reported to the Human Resources department or through the Conrad grievance mechanism. The right to freedom of association and collective bargaining is upheld at every Conrad site, and free works council elections are held regularly every four years. During the reporting period, consideration began on the establishment of systematic risk monitoring with regard to the respect of freedom of association and collective bargaining beyond our own operating sites.

### Compliance with Laws and Regulations



16.3 „Compliance with laws and regulations“  
16.10 „Protection of privacy“

In 2021, Conrad Electronic SE was not involved in any serious case of non-compliance with regulatory requirements or laws.

Due to minor violations, fines were imposed by the German Federal industry regulator Bundesnetzagentur in eight cases. All eight cases were related to product labelling or exceeding limit values; the total amount of penalty charges was € 2,739. Immediate corrective measures were initiated in all cases.

In terms of marketing and communication, there was no breach of regulations that resulted in a fine. Individual customer complaints that do not result in official sanctions are taken seriously and consistently dealt with by customer service. Quantitative recording has not been carried out so far.

In the spirit of reliable partnerships, Conrad takes the security of customer data extremely seriously. Faced with the increasing danger of cyber-attacks, Conrad continuously invests in preventive measures and is aiming for ISO 27001 certification by 2023.

There were no cases of data theft or data loss in the reporting period. The number of complaints received regarding possible violations of data protection law is also low. In the reporting year, only one case was punished with a warning fine of € 250.

### Grievance Mechanism



#### 16.3 „Grievance mechanisms“

Employees, private customers, business customers, suppliers, business partners and third parties can submit complaints to Conrad via a publicly accessible grievance mechanism. Incidents that indicate a violation of the Code of Conduct or of applicable law can be reported anonymously via our publicly accessible grievance mechanism. Reprisals against whistleblowers of any kind will not be tolerated. Chapter 7 of the Code of Conduct, „Dealing with the Code of Conduct“, contains a detailed description of the complaints procedure.

### Stakeholder Engagement

Involving internal and external stakeholders in the further development of our organisation and positively influencing the region and its people is paramount to us.

The creation of added value and the satisfaction of all customers are at the hearts of our owner family, management (board of directors and executive directors) and all Conrad employees. For this reason, customer satisfaction is regularly evaluated to help us identify room for improvement. We are also regularly talking to suppliers and marketplace sellers regarding mutual goals, measures and joint development perspectives, as the quality of their offering is a major factor contributing to our business performance.

Within the company, the management relies on regular exchange with employees through quarterly information events, informal question rounds with the option of anonymity, and transparent communication via intranet. Great importance is also attributed to dialogue with the works council. Through its membership in associations and interest groups, Conrad advocates fair competitive conditions and ethical principles in trade and is an active supporter of regional and supra-regional educational initiatives.

Increasingly, the above mentioned dialogue formats are also used to determine Conrad's material impacts in terms of economic, social and environmental sustainability. Examples of this are assessments of B2B customers or individual enquiries from customers on the topic of sustainability, which Conrad answers promptly and transparently.

## GOVERNANCE



#### 5.5 „Women in leadership“



#### 16.6 „Effective, accountable and transparent governance“ 16.7 „Inclusive decision making“

A five-member Board of Directors acts as the highest governing body of the company. This board fulfils its duties of supervision and consultation in quarterly meetings as well as through regular consultations with the manage-

ment. Since 2021, the Board of Directors has been chaired by Dr Werner Conrad, who is also the sole Managing Director of Conrad Holding SE and a member of the owner family. Dr Conrad has continuously been a member of the Board of Directors since 2012 with the exception of the years 2018 to 2020.

Dr Thomas Vollmoeller serves as the deputy chairman. Being appointed to the board in 2012, he is an experienced expert in the retail industry. Furthermore, Prof. Dr. Rainer Kirchdörfer, lawyer, and Lea Sophie Cramer, expert for marketing and eCommerce, have been members of the Board of Directors since 2012 and 2014 respectively. Ms Cramer left the Board of Directors at her own request at the end of 2021. Dr Tim Busse was appointed to the Board of Directors as a new member in 2020 due to his expertise in the platform area. The Administrative Board is not organised into sub-committees due to its small size.

The Company's operational management headed by two Managing Directors, under the Chairmanship of Ralf Buehler. Ralf Buehler has been part of the Management Board since 2019 and took over the position of Chief Executive Officer (CEO) from Dr Werner Conrad in January 2021. Jürgen Groth has been a Managing Director of Conrad Electronic SE and COO since 2018. The position of CFO has been held by Jürgen Kassel since 2019. Jürgen Kassel was an authorised signatory until July 2021 and has filled the role since August 2021 as part of a consultancy mandate.

### Board of Directors

The selection of suitable candidates for open positions on the Board of Directors is based on professional requirement profiles for the respective vacancy. Attention is paid to professional suitability, the match of the candidate's profile with the strategic orientation of the company, as well as to criteria of personal integrity. The appointment process follows the legal requirements of the legislator. In 2021, the position of Lea Sophie Cramer was successfully

filled with the AI expert Tanja Maaß, who was appointed to the Board of Directors in January 2022.

### Chair

Dr Werner Conrad took over as Chair of the Board of Directors in 2021 after a two-year absence from the Board. During this time, he served as Head of Operational Management. With his resignation from operational management at the end of 2020, a renewed appointment to the Board of Directors took place. There was no parallel service in both bodies at any time.

### Modus Operandi

Conrad Electronic SE is run by the Board of Directors, which determines the fundamental principles of business activities and monitors their implementation. Cooperation with the managing directors is close and based on trust. Decisions that go beyond ordinary trading operations require the approval of the Board of Directors. Accordingly, the Board of Directors is actively involved in strategy development as well as the management of economic, environmental and social impacts of Conrad Electronic SE's business activities. Assessments of the corporate development take place in quarterly meetings.

### Role of Management

In compliance with §90 of Germany's Stock Corporation Act (AktG), managing directors are required to regularly brief the Board of Directors on any general and topical issues arising during business operations, with urgent topics to be reported straight away. No such issues have been reported in 2021.

With regard to sustainability topics, the managing directors have delegated the operative responsibility for implementing measures to those departments that are best suited to do so. To streamline the process, in March 2021, General Management contracted an external consulting firm to develop a comprehensive sustainability

strategy, and to consult on how to optimize business operations accordingly during the forthcoming years.

### Governance of Sustainability Issues

This document is the first sustainability report prepared by Conrad Electronic SE. The report was published after approval by the managing directors. The Board of Directors was informed at its regular meeting on 30 November 2022. Quarterly meetings of the Board of Directors always deal with the economic, ecological and social activities of the company. In-depth discussions on the topic of sustainable development did not take place in 2021, but are planned for the 2022 reporting period. There is currently no independent evaluation of the supervisory and advisory work of the Board of Directors.

### Conflict of Interest

Company procedure requires all members of the Board of Directors to disclose potential conflicts of interest. No conflicts of interest have been declared in 2021.

### Board Member and Management Salaries

The remuneration of the Board of Directors is based on an annual fixed salary with additional reimbursement of expenses. The annual salaries of the senior executives consist of a monthly fixed salary (70-90 % of the total salary) and a bonus. The bonus is 100% linked to the success of the company. In addition, executive employees are entitled to a company car or a compensation payment. Further individual salary components can be regulated in individual contracts.



# CONRAD QUALITY PLEDGE

## OUR SUPPLY CHAIN

### Supply Chain Due Diligence

- |  |   |
|--|---|
|  <p>1.4 „Access to land and other resources“</p>  |  <p>5.2 „Supplier engagement“, „Workplace violence and harrassment“</p>                |
|  <p>8.7 „Children and young worker protection“, „Abolition of child labor“, „Elimination of forced labor“<br/>8.8 „Labor practices in the supply chain“</p> |  <p>16.1 „Workplace violence and harrassment“,<br/>16.2 „Abolition of child labor“</p> |

Due to strict compliance with German labour law, there is no risk of child labour, forced or compulsory labour at any Conrad Electronic SE site. As described under Code of Conduct, all suppliers are contractually obliged to comply with the same principles as Conrad itself. They are also obliged to implement these value principles in their own supply chain. These include, among others, the observance of human rights, the prohibition of child or forced labour, the assumption of responsibility for the health and safety of employees as well as environmental due diligence. A grievance mechanism has been created. Possible sanctions for violations are openly communicated.

In preparation for the German Supply Chain Due Diligence Act (LkSG), which will apply to Conrad from January 1st 2024, and the European Corporate Sustainability Due Diligence Directive (CSDD), Conrad is working on the development of a comprehensive risk management system to deal with social and environmental risks across our supply chain even more consistently.

The system includes regular supplier audits and is currently under development. In 2021, no supplier evaluations according to social criteria took place yet and there were no reports of misconduct via the Conrad Grievance Mechanism. Overall, no cases of negative social impacts were identified and it was not necessary to define countermeasures or impose sanctions.

## Sourcing Locally



8.3 „Local Procurement“

Conrad acts as a reliable partner in the procurement of millions of high-quality technical products for its customers. Quality is the top priority, but the shortest possible delivery routes and times are also crucial for customers. For these reasons, Conrad relies primarily on local suppliers when purchasing merchandise. Direct imports from countries outside the European Union are deliberately reduced in the interest of reliable supply chains. For transports, special attention is paid to a low air freight rate. Almost ninety percent of all goods and services that Conrad Electronic SE consumes itself or sells via its logistics centre are purchased from suppliers based in Germany. Of these, just over a quarter are based in Bavaria.

## PRODUCT RESPONSIBILITY THROUGHOUT THE ENTIRE LIFECYCLE

Conrad offers its customers a high-quality range with millions of technical products. Consumer protection is our top priority because we know that product quality and safety, environmental protection and fair working conditions are crucial to our business success. This also includes compliance with product conformity regulations (CE labelling), as well as information on product origin and environmentally sound disposal. Moreover, we make sure that all our suppliers and sellers (both, as manufacturers and distributors) are contractually obliged to adhere to all applicable law. As a distributor, Conrad ensures that this information is passed on, but does not provide any guarantee or warranty for the correctness of the information.

In the private label product range, Conrad directly

guarantees compliance with all legal requirements for the marketing of products within the EU as part of its manufacturer responsibility. Since we can exert a great deal of influence on product design, production and packaging, we are very committed - for example, to packaging that is free of plastic (plastic-free).

### Product Information: REACH and RoHS



12.8 „Product information“

Stringent quality control carried out at regular intervals ensures that all our suppliers comply with REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) regulations issued by the EU. This helps minimise risks posed by the use of chemicals throughout the product lifecycle.

As a rule, REACH regulations apply to any product, and the materials they are made of, sold across Europe. This also means that REACH governs each and every product in our product range. First and foremost, this concerns adhering to any applicable limit set for the use of chemicals, and preventing the use of banned substances. Relevant information provided by our suppliers is available on our company webpage ([Supplier-provided REACH Information](#))

Our seamless quality control also covers the European Union's RoHS (Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment) guidelines. In Germany, the RoHS guidelines have become law in the form of the ElektroStoffV regulation. The RoHS guidelines govern about 60 percent of our product range. All electronic components that comply with RoHS are labelled as such on our webpage. Any eco-friendly disposal of electrical and electronic products no longer in use is the responsibility of the end consumer.

## EU Ecodesign Directive



3.9 „Waste“



6.3 „Recycle and reuse“, „Waste and wastewater“, 6.6 „Spills“



12.4, 12.5 „Waste management“

Directive 2009/125/EC, better known as the Ecodesign Directive, sets out a framework of mandatory ecological requirements when it comes to the design of energy-consuming products (i.e. at the very beginning of the product lifecycle). Besides products that consume energy themselves, the Directive also governs goods that affect the energy-consumption of other products or systems.

The very scope of the Ecodesign Directive, namely the minimisation of the ecological impact of energy consuming products throughout their entire lifecycle, necessitates frequent amendments and updates. Currently, the EU looks into both circular economy and material efficiency issues which has already resulted in a set of basic guidelines addressing product reparability across several product categories.

By ensuring compliance with these legal regulations through corresponding specifications in our supplier contracts and stringent quality, Conrad makes an important contribution to the efficient use of resources and the avoidance of waste.

### Labelling of Eco-friendly Products



7.2, 7.3 „Energy consumption“



8.4 „Energy efficiency“



12.2 „Energy efficiency“



13.1 „Energy efficiency“

Products displaying the Conrad ECO label are spread across our entire product range. Compared to similar items in the same category, these products come with extra eco-friendly properties and feature at least one of the following badges: Blauer Engel, TCO Certified and/or EU Ecolabel.

Moreover, we provide customers with comprehensive information regarding product energy efficiency ratings and highlight products with plastic-free packaging.

Badge	No. of products
„Blauer Engel“	426
EU Ecolabel	55
Plastic-free packaging	3.361
TCO Certified	170
Energy Efficiency Rating	6.127
• of which are A, B or C rated	301

### Eco-friendly Packaging



8.4 „Material efficiency“

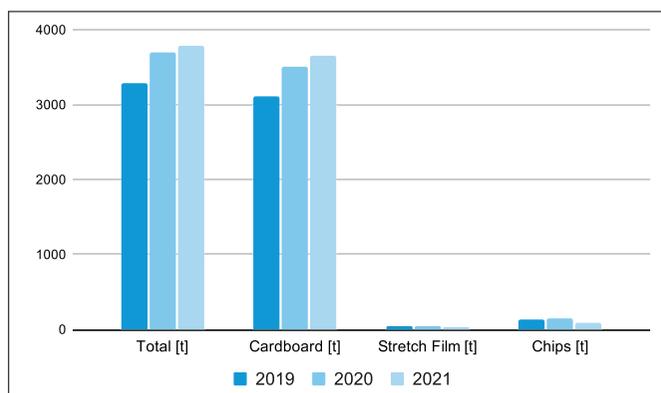


12.2 „Material efficiency“

All orders that do not involve drop-shipping by suppliers or sellers, are processed at and dispatched from our Logistics and Distribution Centre (LOC) based in Wernberg. The packa-

ging we use at the warehouse comprises cardboard, stretch film, crumpled recycled paper and corn-starch loose-fill packaging chips. Any cardboard used at our facilities in 2021 was made of 100 percent recycled material. All in all, 96.5 percent of all product packaging at Conrad in 2021 was made from recycled materials. Since 2018, we've been working closely with our suppliers to make packaging more sustainable. In doing so, we prioritise phasing out PVC and EPS (Styrofoam) and replacing product wrapping containing plastic with alternatives made from cardboard. In 2020, almost 90 percent of products newly added to our range and sold under our private label names as well as selected stock products were shipped in plastic-free packaging.

In 2021, 96.5 percent of the packaging used at the LOC was cardboard (compared to 94.8 percent in 2020). Stretch film amounted to 0.95 percent (2020: 1.2 percent) whilst corn-starch chips were down to 2.55 percent (from 4 percent in 2020.) All in all, we used 3.781 tons of packaging materials in 2021 (2020: 3.699 tons). In 2021, on average, 0.338 kg of packaging was used per shipped product (2020: 0.318 kg). The proportion of packaging coming from non-renewable resources was just below one percent in 2021, and slightly above one percent in 2020. This means that 99 percent of the packaging was made of material stemming from renewable resources.



### Recycling and Eco-friendly Disposal of Primary and Secondary Packaging

While our own waste is so-called commercial waste, the packaging volumes that we send to private end consumers are licensed with one of the Dual Systems in Germany. In addition, Conrad Electronic is registered as a manufacturer and distributor of packaging with and without mandatory system participation with the „Stiftung Zentrale Stelle Verpackungsregister“.

With the licence fees that Conrad Electronic pays via the Dual System according to the weight and type of material of the packaging, the company co-finances near-household collection of the waste that arises from its packaging materials. For this reason, it is assigned either to the “paper, heavy paper and cardboard” category (paper bin) or the “light packaging” category („yellow bin“) and not to household waste, the disposal of which is financed by municipalities.

Also, during the reporting period we made sure that our customers had the opportunity to dispose of all packaging exempt from Dual System licencing but used to protect goods during shipping and of any other type of non-licensed industrial packaging free of charge. More information is available at [conrad.de](http://conrad.de).

### Recycling and Eco-friendly Disposal of Waste Electrical, Electronic Equipment and Batteries



3.9 „Waste“



6.3 „Recycle and reuse“, „Waste and wastewater“  
6.6 „Spills“



12.4, 12.5 „Waste management“

The Electrical and Electronic Equipment Act (ElektroG), which applies in Germany, implements EU-wide regulations and stipulates that old electrical equipment must not be

disposed of with household waste, but must be collected and recycled separately. This is also part of EU-wide measures to prevent the illegal export of e-waste, thereby making sure that valuable raw materials are kept within EU borders to be reused.

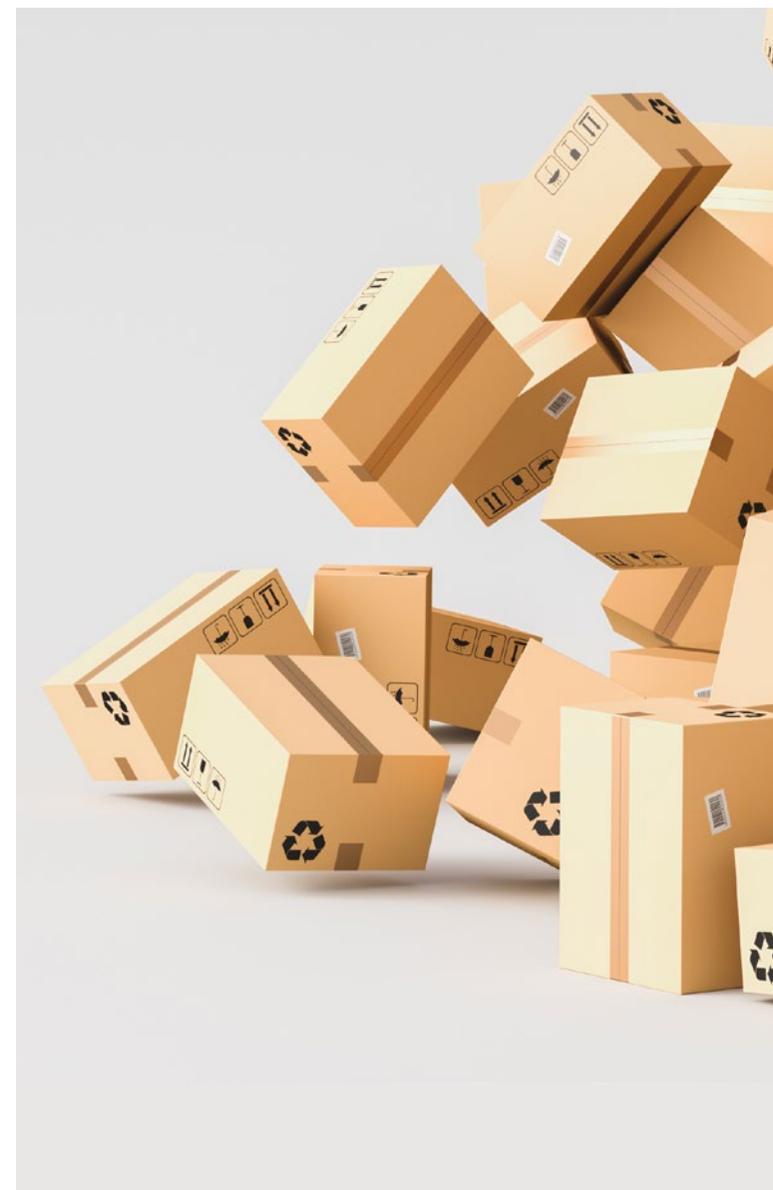
The ElektroG also obliges Conrad to accept discarded appliances in normal household quantities directly and free of charge and to dispose of them in accordance with the law, irrespective of the purchase of a new appliance. Accordingly, Conrad offers free collection of old appliances in the event of a new appliance purchase within certain product categories. Conrad is also a member of the take-back system [take-e-back](#) which offers consumers the opportunity to find a collection point in the vicinity for the free return of old appliances via a platform. Of course, Conrad is also registered in its area of responsibility with the „Elektro-Altgeräte Register“ (EAR) foundation, the joint body for manufacturers as defined by the ElektroG. Conrad takes care of the legally required collections from recycling centres in cooperation with the European Recycling Platform (ERP).

In a similar way, Germany's Battery Act (BattG) implements EU law that regulates the disposal of batteries and accumulators. The law puts manufacturers and retailers in charge of collecting and disposing of battery waste. Consumers, on the other hand, are obliged not to dispose of batteries and rechargeable batteries in household waste due to their contents, but to return them to the appropriate places. In addition, the Battery Act also imposes mandatory collection quotas that are based on the number of batteries sold.

The Battery Act stipulates that all batteries need to be registered before being retailed in Germany. Like electronic equipment, all batteries sold by our company are entered in the Elektro-Altgeräte Register (EAR) database. We are also affiliated with the [REBAT](#) waste collection system which makes sure that we comply with all applicable recycling laws.

### Responsible Handling of Customer Returns

By providing informative product descriptions and an efficient customer returns management we further both the sustainable use of resources and a high degree of product reuse. In 2021, after passing through quality control, 50 percent of the items returned by customers were re-sold as new products. As a result of minor defects, 21 percent of the returns were sold at a discounted price whilst 26 percent were classified as defective and sent back to their respective manufacturer or suppliers. Only 3 percent of returns had to be disposed of due to their condition (e.g. opened hygiene products, used batteries, defective lamps).



**50 % OF RETURNED GOODS**

could be re-sold without blemishes.



# PROTECTING THE ENVIRONMENT AND RESOURCES

We are aware that as a trading company we must, more than ever, demonstrably ensure that the materials required for our products are procured and processed responsibly towards people and the environment - starting with the raw materials. This principle is an integral part of our environmental policy. We will only succeed in this, if we continue to develop our existing standards in dialogue, systematically and step by step with our direct suppliers, but also with the sellers on our B2B marketplace.

## MATERIALS USED



8.4 „Material efficiency“



12.2 „Material efficiency“  
12.5 „Material recycling“

The products we sell at Conrad (not including packaging) contain a variety of metals with different physical properties.

Moreover, our products come with components made of different types of plastic, used in everything starting with loudspeakers all the way to switch caps. Each type of plastic meets a specific set of requirements. Most of the plastics are petrochemicals made of fossil fuel. Some of our suppliers use biodegradable plastic components or recycled plastic. Also, many of the products we sell contain glass.

Metall	Anwendungsbeispiel in elektronischen Produkten
Aluminium	Housings, casings
Cobalt	Batteries
Copper	PCB, mains cables and terminals
Gold	PCB coating
Lithium	Batteries

Rare Earth Metals	Mobile phones
Steel	Housings, casings
Tantalum	Capacitors
Tungsten	Mobile phones
Zinc	Brass gold contacts in network cables
Tin	Solder

### Use of Secondary Raw Materials

For any manufacturer, switching from the use of metals, glass and plastics to the use of recycled or renewable materials poses a major challenge.

The main reasons for this are differences in the physical properties/quality of recycled and renewable materials and primary raw materials, and the limited availability of the former. Moreover, getting information about the origins of the material may prove difficult due to increasing supply chain complexity. All this leads to a disproportionate amount of time and effort required to source high-quality recycled or renewable materials for parts, components and products. Last but not least, laws and regulations can make it difficult to ship scrap metal, decommissioned equipment or used parts across international borders to salvage and recycle materials.

Therefore, as part of the Conrad Material Strategy, the first step, which should be completed by the end of 2023, is working with our suppliers to identify the types and amount of all materials used which includes recycled and renewable materials. Based on this assessment, and working closely with handpicked suppliers, the plan is to agree on and develop the appropriate measures for resource conservation which can be implemented across our product range. This is also in line with other important action we have taken to meet the requirements of a sustainable sourcing process.

## ENERGY CONSUMPTION

Energy consumption across our supply chain by far exceeds the energy we use operating our own facilities. While Conrad has been making an active contribution to decarbonisation since 2013 by switching to electricity from renewable sources to supply the

administrative headquarters in Hirschau and the LOC in Wernberg-Köblitz, it is much more challenging to create incentives so that suppliers and third-party business partners also take action.

Here, too, as a first step in our climate protection measures, we want to conduct an inventory by the end of 2023 in close cooperation with our direct suppliers to determine how high the share of renewable energies already is. On this basis, we will decide whether and in what way we as a retailer can contribute to reducing the energy intensity of our supply chain through suitable initiatives.

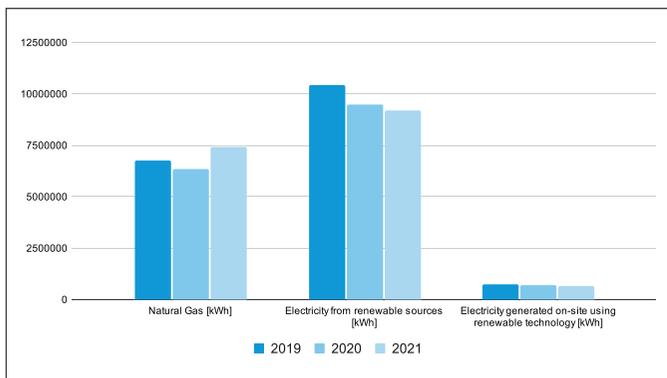
### Energy Consumption at Conrad Facilities



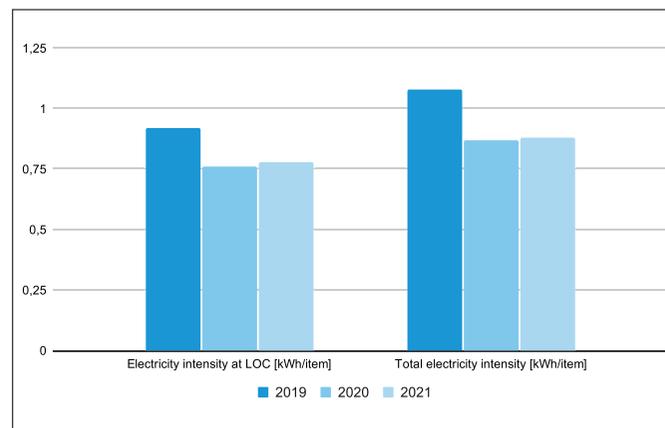
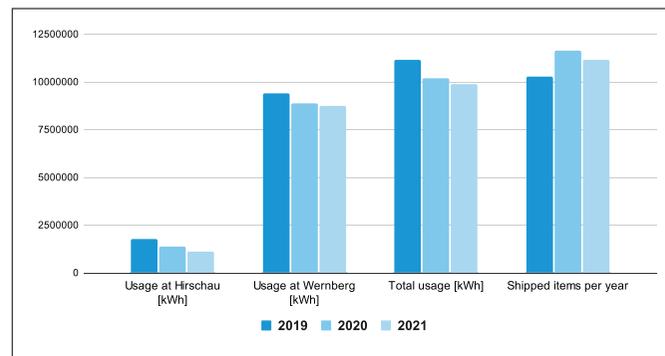
The data provided below reflect energy usage logged at our facilities based in Hirschau (head office) and Wernberg-Köblitz (LOC). Most of the electricity was consumed by warehousing and shipping operations, site lighting and IT. As of 1 January 2013, our Hirschau and Wernberg facilities are solely powered by electricity generated from renewable resources. Fossil fuel in the form of natural gas was only used for heating offices and buildings. The total amount of natural gas consumed in 2021 was 7.44 MWh (compared to 6.37 MWh in 2020). Assuming an average family of four uses 16,000 kWh per annum, this equals 465 households.

Power consumption in 2021 totalled 9.87 MWh (compared to 10.21 MWh in 2020) which matches the consumption of 2470 families of four. 0.67MWh (2020: 0.72MWh) were generated on site employing renewable technologies. In 2005 and 2012, respectively, photovoltaic systems were installed on the roofs of our head office and our warehouses, with the goal to produce 10 percent of the required power in a regenerative way. By supplying 14.87 percent (compared to 9.62 percent in 2020) of the total power consumed, we achieved our goal.

In 2021, a total of 1.47 MWh (down from 1.59 MWh in 2020) were generated on site using renewable technology. However, above calculations do not include electricity sold to third parties (2021: 0.79 MWh; 2020: 0.88 MWh).



Overall, the electricity consumption per package is slightly above or below one kilowatt hour on average (see chart). With this energy, you can blow-dry your hair for an hour, for example.



**Reduction of Energy Usage**

The decreasing energy intensity per shipping unit is a direct consequence of the focused optimisation of energy consumption at our Hirschau and Wernberg locations. Various measures, such as equipping the Goods-Out area and the administration building with LED lights, have led to major savings and made it possible to reduce the energy intensity per shipping unit by 56 percent - i.e. by more than half - over the past 15 years. Further energy-saving projects in both the

administrative headquarters and the logistics centre are being, or about to be, implemented.

**WATER CONSUMPTION**

**Water as a Shared Resource**

6.3 „Recycle and reuse“  
6.4 „Water withdrawal“

12.4 „Water management“

The number of freshwater sources across the globe is dwindling, with those still available more and more affected by climate change. Water constitutes a natural resource we share with everyone else, which also applies to freshwater we use at our Hirschau and Wernberg facilities. Water consumption at our company is relatively low, with water being supplied by regional water companies.

We are aware that the water footprint in the supply chains for our products is much larger. Here we are at the beginning, but have the goal of working closely with suppliers and partners to assess where and for which products the risk of water shortages is highest - now and in years to come. To this end, we will use tools such as the World Resources Institute's (WRI) Aqueduct Water Risk Atlas and potentially derive water management measures along our supply chains. Since, from our point of view as a retailer, these are far upstream processes, measures can only be implemented in close partnership with our suppliers and, if necessary, other partners.

At its locations, Conrad uses water primarily for sanitary purposes. Only a small amount is used in Hirschau for watering green areas, humidifying indoor air and regularly testing the sprinkler system. To meet the water demand, the sites are connected to the local supply network. There is no process water at the sites and thus no process

Currently, Conrad Electronic is not reporting on energy consumption of parties outside of its own organisation. For our company's CO2 emission ratings (scopes 1 to 3) in accordance with the Greenhouse Gas Protocol (GHGP), please refer to the Fighting Climate Change section.

**Energy Intensity**

7.2, 7.3 „Energy consumption“

8.4 „Energy efficiency“

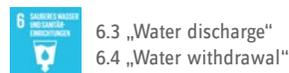
12.2 „Energy efficiency“

13.1 „Energy efficiency“

Conrad Electronic's energy intensity coefficient has been calculated as the total annual electricity usage divided by the number of items shipped over the year. This takes into account not only the energy consumption of the logistics centre, but also the head office in Hirschau, because activities there are also attributable to the actual shipping of items. In 2021, the energy intensity of each product shipped by our company was 0.88 kWh per item (compared to 0.87kWh in 2020). Looking at our LOC warehouses only, the energy intensity was 0,78 kWh per item (2020: 0.76kWh).

water-related impacts. According to 2025 projections released by the federal water authorities, the Oberpfalz region will continue to be an area with low water stress levels. Nevertheless, we make sure that we keep our water consumption at the lowest possible level.

### Wastewater Discharge



6.3 „Water discharge“  
6.4 „Water withdrawal“



15.1 „Impact on biodiversity and ecosystems“

In Germany, the discharge of wastewater is governed by the Wastewater Act (AbwV), which stipulates requirements and sets limits. Conrad complies with these as a matter of course for the predominantly sanitary wastewater from the Hirschau and Wernberg sites. In 2021 the total amount of waste water discharged by our company was 11,286 m<sup>3</sup> (compared to 12,829 m<sup>3</sup> in 2020).

### Water Withdrawal and Consumption

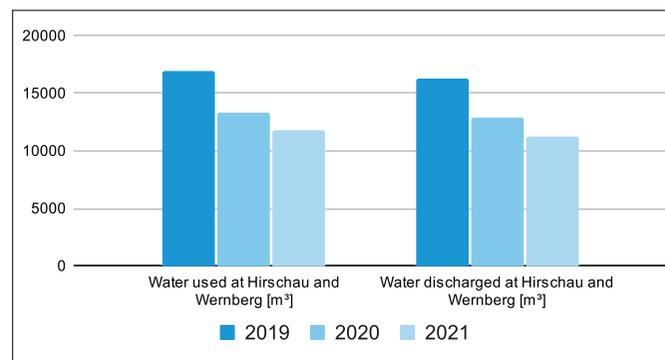


6.4 „Water withdrawal“

The water supplied by our local providers Wasserwerke Hirschau and Stadtwerke Schwandorf is taken from groundwater. At the moment, the impact of climate change resulting in a reduction of groundwater formation across Bavaria is still low. Thus, according to the current state of knowledge, no impairment of the average available water supply is to be expected in the case of productive groundwater resources, as is the case in the district of Amberg-Weilburg.

In 2021, the total amount of water usage at our Hirschau and Wernberg facilities was 11,761 m<sup>3</sup> (compared to 13,317 m<sup>3</sup> in 2020). The observed reduction of water consumption was the result of our staff predominantly working from home during the COVID-19 pandemic. The additional

consumption in 2019 was due to the leakage of a so-called surface hydrant. It was retroactively corrected in the data based on a credit note for 3,590 m<sup>3</sup> of water. The average daily water usage per employee at our sanitary facilities amounted to 35 litres, which is about the same as the average consumption of a person living in Germany. Detailed breakdowns of water consumption are provided in the EMAS Environmental Statements 2021 and 2022.



### BIODIVERSITY



6.6 „Impact on biodiversity and ecosystems“



14.2 „Impact on biodiversity and habitat“



15.1, 15.5 „Impact on biodiversity and ecosystems“

The conservation of biodiversity and thus the mitigation of species extinction is a very important issue. As Conrad's trading activities have a lower impact on biodiversity compared to the manufacturing industry and we consider the issues of raw materials, energy, emissions and water to be paramount in our supply chains, we do not consider biodiversity to be a material topic within the context of the GRI Universal Standards 2021. In our view, Conrad's activities at its Hirschau and Wernberg sites do not have a significant adverse impact on biodiversity. As

far as we know, our business operations in Hirschau and Wernberg do not endanger biodiversity in any noticeable way. Since our operations do not affect regional plant life, the natural habitats of wildlife or any protected species, we have not put in place any local renaturation measures.

### WASTE MANAGEMENT



3.9 „Waste“



6.3 „Recycle and reuse“, „Waste and wastewater“, 6.6 „Spills“



12.4, 12.5 „Waste management“

Our overall goal is to reduce the use of resources and minimise pollution along our supply chains. This is also reflected by our waste management policy. We make sure that each product which has reached the end of its lifecycle will be disposed of in compliance with the law. To boost the efficiency of our resources, we encourage recycling and reduce the amount of waste wherever possible. We full comply with EU law, and the laws and regulations that apply in Germany.

To determine the significant waste-related impacts, Conrad considers two different aspects. On the one hand, we are concerned with the life cycles of a very wide range of metals and plastics that make up the products we offer (see also “Product Responsibility Throughout the Entire Life Cycle”). However, we can only exert indirect influence on their product components, the type of waste generated during the manufacturing processes and the disposal by our customers at the end of the product's life. On the other hand, specific waste is generated by our trading activities, both for us and for our customers.

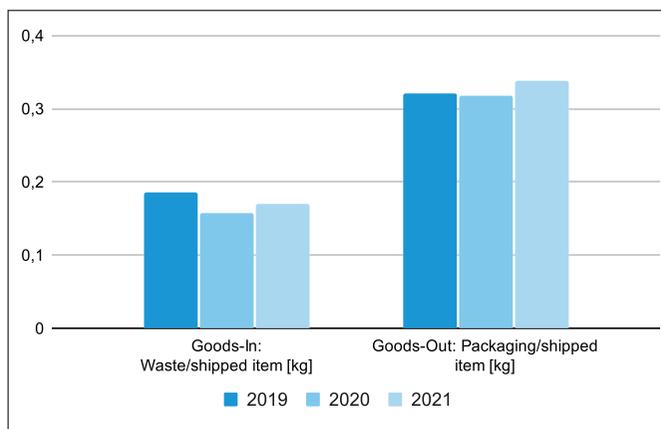
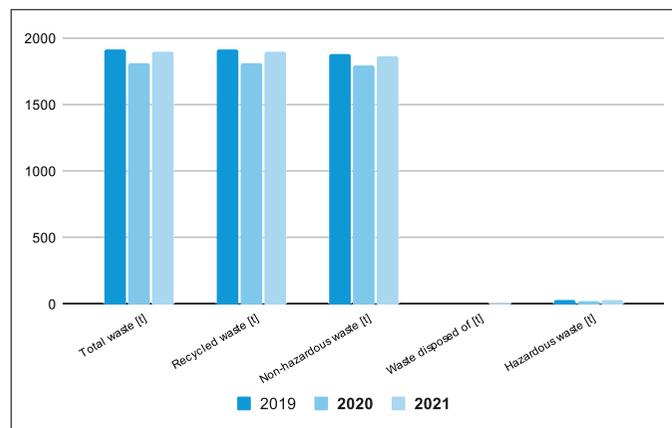
### On-site Waste Management

All information provided on the total amount of waste generated as a result of our business operations refers to

both our head office in Hirschau and our warehousing facilities in Wernberg. More than 90 percent of this amount is packaging waste such as paper, cardboard boxes and foils resulting from incoming goods.

The remaining ten per cent is mainly commercial waste similar to household waste and, with a small share of less than two per cent, so-called hazardous waste that is subject to verification, but which we can also recycle to a large extent. Measures to reduce the amount of incoming packaging and to reduce our own waste volumes were successful. The slight increase in the amount of waste for disposal in 2021 is due to internal measures. Conrad has long had a high recycling rate of over 99 per cent in relation to its total waste volume.

Our waste intensity, which mainly relates to the packaging material of incoming goods, is represented by dividing the total amount of waste by shipping units per year. In 2021, it was 170 grams per package (previous year: 157 grams per package). In the same period, 0.338 kilograms of packaging material were used per shipping unit in outgoing goods (previous year: 0.318 kilograms; see also „Eco-friendly Packaging“).



### CLIMATE ACTION

- 3. „Air quality“
- 12.4 „GHG Emissions“
- 13.1 „GHG Emissions“
- 14.3 „GHG Emissions“, „Air pollution“
- 15.2 „GHG Emission“, „Air pollution“

While we have been successfully reducing CO<sub>2</sub> emissions at our sites for many years, it is our goal to also increase transparency regarding greenhouse gas emissions in our upstream and downstream value creation stages and to reduce them wherever possible together with our partners.

Conrad Electronic uses the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol), which was updated in 2015. We chose the GHG Protocol because it was established by internationally recognised organisations who also keep it up to date, and because it is now one of the most widely-used standards for greenhouse gas emissions on the planet.

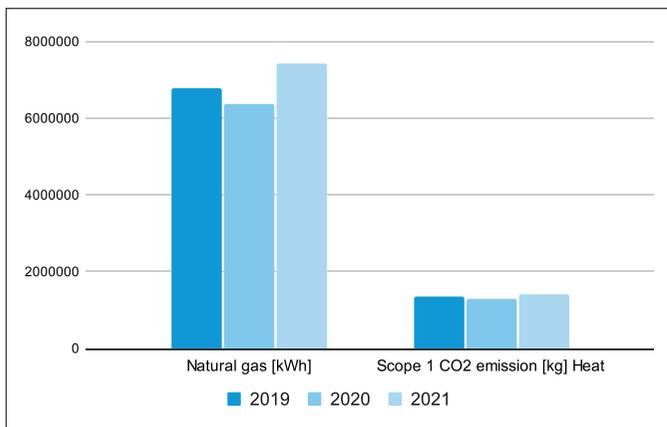
### Direct Greenhouse Gas Emissions (GHG Protocol Scope 1)

In accordance with GHG Protocol, our company's scope 1 carbon footprint includes CO<sub>2</sub> emissions resulting from using natural gas for heating purposes at our Hirschau and Wernberg facilities, and from using our company fleet, which is composed of vehicles with combustion engines.

In this report, we were not able to provide fleet emission data in a consolidated manner. This is why we were limited to publishing data collected with regard to heating our facilities which, actually, represent the largest proportion of our direct emissions.

To convert gas consumption (kWh) into CO<sub>2</sub> emissions, we used the conversion factors of the Global Emission Model of Integrated Systems (GEMIS). These were 0.201 t CO<sub>2</sub>/MWh in 2019 and 2020 and 0.191 t CO<sub>2</sub>/MWh in 2021. In total, 1,423 tonnes of CO<sub>2</sub> (previous year: 1,281 tonnes of CO<sub>2</sub>) were generated at the Hirschau and Wernberg sites in 2021. This corresponds roughly to the annual CO<sub>2</sub> emissions of 120 people living in Germany.

In order to map the heating efficiency, we set the natural gas consumption in relation to the heated area, which ultimately reflects the quality of the thermal insulation, but also the optimised usage behaviour, such as avoiding open roller doors in the loading area of the logistics centre. Our average heat consumption over the last twenty years of 49.4 kWh/m<sup>2</sup> in Wernberg and 57.5 kWh/m<sup>2</sup> in Hirschau is significantly lower than that of comparable industrial buildings.



Conrad recognises that reducing GHG emissions is essential to limiting climate change. This is why, in 2022, and in line with the Conrad Material Strategy, we will begin to create the greatest possible transparency about not only the type and volume of basic materials used and water-related risks, but also about where the intensity of greenhouse gas emissions is greatest in our far upstream and downstream value creation stages.

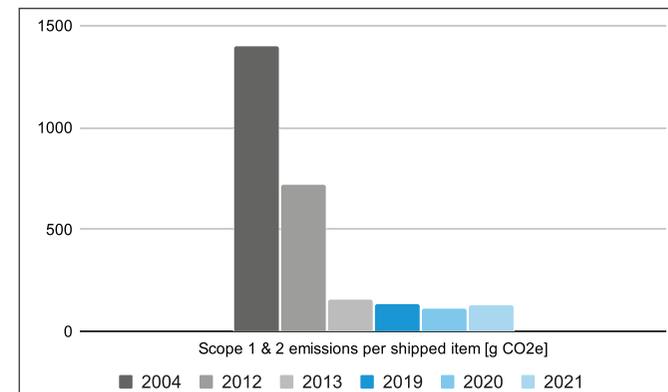
After a thorough inventory, measures can only be implemented in close cooperation with our suppliers and, if necessary, other partners. Furthermore, we will evaluate to what extent it is possible to develop assortment-related measures to make the carbon footprint of products more transparent for our customers - both in terms of production and use.

**Intensity of Carbon Emissions**

Conrad calculates the intensity quotient for climate-relevant emissions from the sum of its Scope 1 and Scope 2 CO<sub>2</sub> emissions, divided by shipping units per year. Plotting the data over time shows how effective our fight against climate change has been so far.

In 2004, the year before the first photovoltaic system was commissioned, the CO<sub>2</sub> intensity per package was still 1.40 kg CO<sub>2</sub>. Through the installation of three more powerful photovoltaic systems in the following years, the CO<sub>2</sub> intensity per package was almost halved by 2012.

The switch to electricity from renewable sources in 2013 again reduced the CO<sub>2</sub> intensity to one fifth compared to the previous year 2012. Through continuous optimisation measures, it could be reduced even further until today. In 2021, the CO<sub>2</sub> intensity for a package was therefore only 127 grams (previous year: 110 grams). This represents an intensity reduction of over one thousand percent compared to 2004.



**Reducing Greenhouse Gas Emissions**



13.1 „GHG reduction/ renewable energy target“



14.3 „GHG emissions“, „Air pollution“



15.2 „GHG emissions“, „Air pollution“

Our fight against climate change started in August 2005, with the first photovoltaic system being installed on the company premises. Nowadays, we operate four different solar energy systems at our Hirschau and Wernberg facilities. Since 2005, we generated a total of 15,350 MWh of solar energy. Multiplying this figure by Germany's 2005 to 2021 average energy mix CO<sub>2</sub> conversion factor (0.562 t CO<sub>2</sub>/MWh, source: Umweltbundesamt Germany) equals 8,627 t of CO<sub>2</sub>, i.e. the amount of CO<sub>2</sub> not being released. Together with the switch to electricity from renewable sources in 2013, this results in a total saving of 56,970 tonnes of CO<sub>2</sub>. In addition, as part of our continuous improvement process, energy and heat saving projects are carried out that contribute to our goal of optimal energy efficiency.

When it comes to Scope 3 emissions, we are also developing procedures to optimise the energy efficiency. Although we have external logistics service providers

**Indirect Greenhouse Gas Emissions (GHG Protocol Scope 2)**

Since 1 January 2013, electricity supplied to our facilities at Hirschau and Wernberg has been generated using renewable resources. In accordance with the GHG Protocol, this means that we do not purchase electricity produced using fossil sources and hence do not need to account for any scope 2 emissions. Over the past nine years, this has helped us save 48,343 tons of CO<sub>2</sub>. This figure has been calculated as the total electricity usage over the nine years divided by the averaged conversion factors of Germany's energy mix over the nine-year period (0.475 t CO<sub>2</sub>/MWh; source: Umweltbundesamt Germany). This is equivalent to the annual carbon emissions of 1100 families-of-four living in Germany.

**Other Indirect Greenhouse Gas Emissions (GHG Protocol Scope 3)**

In the overall balance of Conrad Electronic's Scope 1, Scope 2 and Scope 3 emissions, by far the largest amount of CO<sub>2</sub> emissions is generated in the upstream, globally distributed stages of the value chain, which we can only influence to a very limited extent.

CO<sub>2</sub> emissions arise, for example, from the extraction of raw materials, the manufacture of countless and very different preliminary and end products, the use of packaging materials and the transport of products.

handle one hundred percent of the transport of goods shipments from our logistics centre in Wernberg to over 150 countries, we still record the transport effort of our shipping activities to some extent. For example, we have reduced the amount of shipping packaging and continuously adjusted the available carton sizes so that the utilisation of outgoing transports could be increased by approximately 47% compared to 2015, which in turn reduced transport emissions per shipment.

When selecting contractual partners and contractors, we try to give preference to regional suppliers with short transport routes. For example, the main suppliers for our packaging materials are located within a radius of about 100 kilometres from Hirschau and Wernberg.

In 2021, by working closely with our parcel delivery services, we were able to carbon-offset some of our shipping volume.

Our operations do not result in any other types of emissions that contribute to global warming, damage the ozone layer or are otherwise hazardous to the global climate.

A graphic showing the chemical formula CO<sub>2</sub> in a stylized, glowing white font against a dark blue background.



## SOCIALLY COMMITTED EMPLOYER

### OUR WORKFORCE



8.5 „Employment and workforce“



10.3 „Equal opportunity“

A qualified workforce is an important factor when it comes to achieving our company goal, namely becoming the leading sourcing platform in Europe. We are based in the Oberpfalz region of Bavaria, Germany and overcome skilled labour shortages by offering flexible working time models, employee benefits such as daytime care for children, offices in various other regions including one in Munich, and by our commitment to provide apprenticeships and vocational training.

We attach the greatest importance to fair and attractive working conditions, respectful treatment and the opportunity for professional development for all employees. These core values are also an integral part of our [Code of Conduct](#).

The appendix of our 2020 Management Report details the steps we have taken to promote gender equality and equal pay in accordance with § 21 of Germany's Transparency in Wage Structures Act (EntgTranspG).

To cope with seasonal fluctuations in business and to enable the reduction of untaken annual leave and accrued overtime of staff working at Wernberg LOC, we employ a limited number of contract workers at our warehouse facilities. In accordance with Germany's Temporary Employment Act (AÜG), contract workers have the same rights as company employees. In 2021, each month, between 121 and 192 temporary staff were working full time at our warehouse facilities.

Our workforce is structured as follows:

Workforce gender breakdown (as of 31.12.2021; head count)			
	Male	Female	Total
Total	672	781	1.453
Permanent	605	736	1.341
Temporary	67	45	112
Full time	631	433	1.064
Part time	41	348	389

Workforce regional breakdown (as of 31.12.2021; head count)			
	Bavaria	Other Federal States	Total
Total	1.423	25	1.456
Permanent	1.317	24	1.341
Temporary	111	1	112
Full time	1.046	18	1.064
Part time	382	7	389

other companies - are dealing with.

Attractive working conditions and a positive company culture here at Conrad helped us recruit 128 new employees in 2021. The age and gender breakdown of our new employees looks as follows:

Newly employed (end of year head count)			
	Under 30 years old	30 - 50 years old	Over 50 years old
Male	38	35	8
Female	17	23	7

The employee turnover rate was calculated using Schlüter's equation [(turnover = leavers / (total staff at reference date + new hires) \* 100]:

Turnover (Schlüter)			
	Under 30 years old	30 - 50 years old	Over 50 years old
Male	15,44 %	9,09 %	5,51 %
Female	11,58 %	7,14 %	9,23 %

attract female talent to the technology sector, and to facilitate the recruitment of female leaders in the long term.

In 2021, the workforce gender and age breakdown at Conrad looked like this:

Administrative Board and Management, i.e. registered directors and division heads (head count)			
	Under 30 years old	30 - 50 years old	Over 50 years old
Male	0 %	25 %	58 %
Female	0 %	17 %	0 %

Other employees (end of year head count)			
	Under 30 years old	30 - 50 years old	Over 50 years old
Male	8,67 %	22,33 %	14,92 %
Female	6,06 %	23,15 %	24,87 %

### New Employees and Employee Turnover

-  5.1 „Gender equality“, „non-discrimination“
-  8.5 „Employment and workforce“, „Remuneration and benefit“, 8.6 „Employment condition“
-  10.3 „Ensure equal opportunity“

### EQUALITY AND DIVERSITY

We at Conrad are fully committed to ensure workplace equality and diversity. As a member of the Bundesverband E-Commerce und Versandhandel (bevh), we are also indirect signatories of the "Charta der Vielfalt" (Diversity Charter), and, since 2021, are regularly participating in activities held on Diversity Day. Moreover, we actively support STEM education and participate in "Girls' Day", to

### Importance as a Regional Employer



8.5 „Employment and workforce“

Conrad Electronic is an important employer in Bavaria's Oberpfalz region and in its neighbouring districts, namely Upper and Lower Franconia as well as Upper and Lower Bavaria. Currently, data regarding the proportion of appointed Conrad managers born in one of these districts are not available. However, 92 percent of employees across all hierarchical levels of our company have registered their main home in either postcode area 8 or 9. Conrad assesses this as a predominantly local workforce.

When it comes to growth, attracting and retaining talent is one of the biggest challenges we at Conrad - like most

## Salaries and Collective Agreements



16.7 „Inclusive decision making“



8.8 „Freedom of association and collective bargaining“

Salaries at Conrad Electronics are not governed by labour agreements. Pay is in line with market benchmarks and centred around salaries for comparable roles and candidate qualifications. About a quarter of our employees are on contracts that stipulate a basic monthly salary and bonus payments linked to company profits. The majority of our workforce is covered by an informal agreement entered by General Management and the Conrad Works Council. This agreement does not include profit-related bonus payments, however, stipulates annual inflation-linked pay increases as well as additional benefits such as anniversary payments (birth, marriage, etc.), holiday and Christmas bonuses. Performance-based salary adjustments are subject to the decision of the respective managers as well as the regular budgeting process.

Information on the amount of personnel expenses - wages and salaries, social security contributions and expenses for pensions and support - can be found in the income statement for the financial years 2019 and 2020. The current expenses for the Board of Directors are disclosed in the notes to the management report under the item „Other disclosures“. The current expenses for the managing directors are not disclosed in accordance with Section 286 (4) HGB, as only two managing directors received remuneration in the 2020 reporting year.

Works agreements have been concluded with the works council on other collective bargaining issues, such as mobile working. If individual employees are not directly covered by the scope of application of the company agreements due to their function or their activity at a certain location, these agreements are nevertheless fully applicable.

## Equal Pay



5.1 „Non-discrimination“



8.5 „Remuneration and benefit“



10.3 „Ensure equal opportunity“

Salaries at Conrad are based on employee performance, responsibilities and qualifications. The following comparison of the remuneration (basic salary plus bonus or remuneration according to the works council agreement) of female and male employees was calculated on a full-time basis. Furthermore, a clustering by department/function was carried out and only the average salaries of employees of the same grading were compared. The percentage deviations at department level were then aggregated as a mean value per location (Hirschau or Wernberg). If a position does not have a direct counterpart of a different gender, it is treated as neutral in the statistics. We classify the deviations as minor.

Gender pay gap (by company facility)	
Wernberg	Difference in average remuneration male/female: +6,26 %
Hirschau	Difference in average remuneration male/female: +1,35 %

## National Minimum Wage



1.2 „Earnings, wages and benefits“



5.1 „Gender equality“



8.5 „Employment and workforce“

The statutory minimum wage was introduced in Germany on January 1st 2015 and therefore also applies to all employees of Conrad Electronic SE. The statutory minimum wage was increased to EUR 9.50 on January 1st 2021 and again to EUR 9.60 on July 1st 2021. As only a very small proportion (0.2% in Bavaria and 4% in other federal states) of Conrad employees and all other employees receive remuneration based on the minimum wage, the disclosure of the starting salary broken down by gender in comparison to the local minimum wage at the Hirschau and Wernberg-Köblitz sites is omitted.

## Parental Leave



5.1, 5.4 „Parental leave“  
5.4 „Parental leave“



8.5 „Parental leave“

Conrad enables all employees to take parental leave within the scope of their legal entitlement and also grants the further option of up to two years of parental leave.

A statistical survey of how many employees were legally entitled to parental leave in the reporting year is not possible, as there is no legal obligation for employees to report the birth of children to the employer. A total of 76 employees made use of their entitlement in the reporting year 2021 - 56 of them female, 20 male. In return, 35 employees returned to the company from parental leave in 2021 - 16 of them female, 19 male.

It is great to see that 31 of them (15 women, 16 men) are still employed here at Conrad 12 months after their return.

Statistics on the return rate and retention rate over several reporting years cannot be reported at the current time. However, Conrad plans to continue these statistics in the sustainability report beyond 2022.

### Company Pension

Conrad Electronic SE fully complies with all legal requirements to pay social security contributions for its employees. In addition, Conrad offers a company pension scheme in cooperation with a renowned insurance company and provides employer contributions for this. Whether and to what extent employees take advantage of this offer is up to their personal decision.

The total amount of social security contributions and expenses for pensions and employee benefits of Conrad Electronic SE can be found in the income statement of the annual financial statements 2020.

### Employee Benefits

-  3.2 „Insurance“
-  5.4 „Parental leave“, „Equal remuneration and benefits“
-  8.5 „Employment and workforce“, „Remuneration and benefit“, „Parental leave“, „Training and education“

At Conrad, employees enjoy a wide range of benefits regardless of whether they work full time, part time, or are temporarily employed. In accordance with statutory law, all staff are entitled to health care, parental leave and pension plans. Depending on the facilities they work at, employees may receive additional benefits, financial or otherwise, such as employee discounts and sports training sessions.

As a rule, we do not provide life insurance, disability insurance and company stock options.

## TRAINING AND EDUCATION

-  4.3, 4.4, 4.5 „Employee training and education“
-  5.1 „Gender equality“
-  8.2, 8.5 „Training and education“, 8.5 „Remuneration and benefit“
-  10.3 „Ensure equal opportunity“

We consider a highly skilled workforce essential for the future viability and economic success of our company. This is why we heavily invest into staff development. This includes the offer of numerous entry-level positions for young talents apprenticeships, study courses, internships, supervised final theses, working student positions and trainee positions for entry after graduation - but also the constant education and development of all employees.

When it comes to staff development, we follow a clear strategy: about 70 percent of our training and education happens “on the job” which means “learning by doing.” Another 20 percent is provided in the form of coaching, honest feedback, and being trained by co-workers. The remaining 10 percent of staff training and education involves training courses, workshops, textbooks and video tutorials.

Looking at the 10 percent of systemic and institutional education and training, employees are able to choose from a variety of options. First, staff can log on to the Conrad Academy website, our company's in-house gateway, to take part in mandatory training. Second, and after obtaining their supervisors' consent, our employees can sign up to a wide range of personal and professional development opportunities. Among them are the Udemy learning platform, Google Cloud certifications, language courses and tailored seminars and tutorials provided by external training providers.

Unfortunately, an evaluation of the hours spent on training and development per employee is not possible at the moment. At Conrad, we do not offer any standardised program for re-entering the workforce and maintaining employability. Employees and their supervisors talking to each other, identifying areas for personal and professional development is paramount to us. This is why we support regular meetings and appraisals. Since 2016, all Conrad employees are assessed once a year in terms of their individual development but also with regard to alignment with our company's goals and values.

Our staff development policy changed in 2021. As a result, the Conrad Development Dialogue became more agile and is now able to cater to the individual requirements of both company departments employees more effectively. The aim is to come up with a tailored development plan for each of our employees.

### In-house Communication

-  8.8 „Labor relations/management“

Conrad attaches great importance to well-informed employees who are involved in the company's activities. For this purpose, Conrad uses various channels for internal communication. This - whether by talking to each other face to face or online - improves employee satisfaction and motivation which makes working towards our overall business goals much easier.

Since Conrad Electronic SE is not bound by any collective bargaining agreements, employees and their elected representatives, the works council, are informed in compliance with the German Works Constitution Act (BetrVG). This means that significant operational changes are always communicated in a timely and

comprehensive manner. Consultation and negotiation provisions are observed.

## OCCUPATIONAL HEALTH AND SAFETY



3.3, 3.4, 3.6, 3.9 „Occupational health and safety“,  
3.5 „Prevention of substance abuse“,  
3.8 „Access to quality essential health care services“



8.8 „Occupational health and safety“



16.7 „Responsive, inclusive, participatory and representative decision-making“

To ensure occupational health and safety at all of our facilities, and to meet all our responsibilities as an employer, we comply with a hierarchical framework of laws, rules and regulations.

As in the environmental sector, a large number of regulations have their origin in directives by the European Union. In Germany, the Basic Law, which stipulates the right to physical integrity, is also authoritative. The Occupational Health and Safety Act, the Occupational Safety Act and social laws further define occupational health and safety in legal terms. Furthermore, the statutory accident insurers in Germany, as corporations under public law, set legally binding regulations through accident prevention regulations (DGUV regulations issued by the German Social Accident Insurance). Below the level of regulations with the status of law, technical rules for shaping state law, such as the Technical Rules for Industrial Safety (TRBS), also play an important role for Conrad.

### Health and Safety Management System

As an employer, Conrad fulfils the central obligation to carry out a risk assessment for each of its workplaces.

This identifies and assesses hazards and defines and controls appropriate protective measures. A total of more than forty operating instructions inform employees briefly and in written form in German and Czech about hazards and protective measures at their respective workplaces based on the Occupational Health and Safety Act (ArbSchG) and/or other ordinances and rules. In this way, the results of the risk assessment are clearly presented. The purpose of the operating instructions is to minimise accidents when handling work equipment and substances.

Compliance with the operating instructions is mandatory for both staff employed by Conrad and contracted third-party workers. This means that our health and safety management system covers each and every one working at Conrad across all workstations on our premises.

A continuous improvement process is in place, which is regularly checked for effectiveness and documented, but has not yet been audited or certified by third parties. Compliance with all legal requirements is regularly checked by the local labour inspectorates and statutory accident insurance institutions.

### Health and Safety at Our Facilities

In the 2021 reporting period, we appointed a health and safety officer (HSO) for our Hirschau facility, and an occupational safety administrator (OSA) for our warehouses in Wernberg. Both carried out safety inspections at their respective site throughout 2021. Their other responsibilities included continuous self-training, and the obligation to provide all employees with safety briefings on an annual basis.

In Wernberg, the topics covered by the annual briefing were forklift trucks, hazardous substances and warehouse furnishing. HSO and OSA were also in charge of updating operational procedures whenever there was room for im-

provement. The occupational accidents or near-accidents that nevertheless occurred were discussed in one of the quarterly meetings of the Occupational Safety Committee (ASA). The committee determines remedial and preventive measures to avoid future accidents. The ASA is an employee-employer committee.

In compliance with the Occupational Health and Safety Act, Conrad Electronic provided measures in the areas of first aid, firefighting and evacuation. Instructions on occupational health and safety, such as lifting and carrying loads or handling cardboard knives, supplement the operating instructions in German and Czech.

### On-site Health Care

In accordance with Germany's Preventive Occupational Health Care Act (ArbMedVV) which itself is a part of the Occupational Health and Safety Act (Arbeitsschutzgesetz), our company provides preventive health care. Preventive health care aims to identify, record and prevent work-related health issues. In addition, preventive health care also contributes to minimising absence from work and improving occupational health management as a whole. We strictly separate fitness for work tests and occupational health screenings. While the former serve to safeguard Conrad as an employer, the latter is merely a counselling tool in the service of Conrad's employees. For reasons of data and privacy protection, feedback from the preventive check-ups is only given to the employees.

Complying with Germany's Occupational Safety Law (ASiG) we have appointed a medical practitioner to provide on-site occupational health care. In 2021, there were no work-related health issues reported at our Hirschau and Wernberg facilities that resulted in the death of an employee.

### Improving Employee Health and Wellbeing

Conrad promotes the health of its employees through a variety of offers. At our warehouse facilities in Wernberg, we carry out regular inspections of workstations, to constantly improve them in terms of ergonomics and safety. Furthermore, we offer a company sports club, encourage a healthy lifestyle through activities like step challenges, distance running events, quit-smoking seminars or Cycle-to-Work schemes (aka "Job Bike").

Moreover, we actively strive to reconcile family and work by providing a company day care centre for children, flexi-time options and high proportions of mobile working.

### Injury Prevention

Based on the workplace-specific risk assessments, Conrad provides its employees with individually suitable protective equipment (PPE). Hand protection, hearing protection, safety shoes as well as safety equipment against falling and rescuing from heights are mandatory for corresponding activities or workplaces. For example, when handling safety knives, cardboard boxes or parts with edges, it is mandatory for employees to wear hand protection. The specifications for PPE are an integral part of the management system for occupational safety and health protection at Conrad. Defective PPE must be replaced.

### Accidents at Work

In 2021, a total of 30 accidents at work were recorded (compared to 28 in the previous year). Three of them were accidents that happened during the commute (four in 2020). 13 accidents (2020: 12) resulted in an absence of more than 10 working days. Most of these accidents were recorded at our Wernberg warehouse facilities, and were the result of tool use, forklifts and obstructions in warehouse aisles. There were no fatalities.

In 2021, a total of 391 working days were lost as a result of accidents (compared to 193 days in 2020). The reason

for the 2021 figure being almost twice as much as 2020 was one serious incident involving severe injuries. All workstations are assessed with regard to any occupational hazards during the annual safety inspections, with measures put in place to minimise these risks. The purpose of these continual assessments and measures is to keep work-related accidents at the absolute minimum.



# ENGAGEMENT



## 16.5 „Anti-corruption“

As part of our commitment to make a positive contribution to society, we at Conrad Electronic SE are affiliated with the following community programmes, associations and industry bodies:

- Amberger Freunde der Ostbayerischen Hochschule Amberg-Weiden
- BDEF – Bundesverband Deutscher Eisenbahnfreunde
- bevh – Bundesverband eCommerce und Versandhandel Deutschland
- Bund der Steuerzahler
- Creditreform Nürnberg Aumüller KG
- DARC – Deutsche Amateur Radio-Club e.V.
- Didacta Verband e.V.
- DGFP – Die Deutsche Gesellschaft für Personalführung e.V.
- DGTB – Deutsche Gesellschaft für Technische Bildung e.V.
- DSAG – Deutschsprachige SAP Anwendergruppe e.V.
- ECLASS
- ESD - Europaverband der Selbstständigen Deutschland e.V.
- FBDi – Fachverband Bauelemente Distribution e.V.
- Förderverein der OTH-Weiden e.V.
- IDO – Interessenverband für Rechts- und Finanzconsulting deutscher Online-Unternehmen e.V.
- MHI – Gesellschaft für Montage, Handhabung und Industrierobotik
- MNU – Verband zur Förderung des MINT-Unterrichts
- MOBA – Modellbahnverband in Deutschland e.V.
- Obst und Gartenverein Hirschau
- SHRM – the society for human resource management
- tekom Deutschland e.V.
- UN Global Compact (Mitgliedschaft seit August 2022)
- UNSPSC – United Nations Standard Products and Service Codes
- VFAALE – Verein für Angewandte Automatisierungstechnik in Lehre und Entwicklung in Hochschulen
- VEA e.V. – Bundesverband der Energie-Abnehmer
- Verein gegen Unwesen in Handel und Gewerbe Köln e.V.
- Warenzeichenverband Edelstahl Rostfrei e.V.
- Wirtschaftsclub Nordoberpfalz
- Zentrale zur Bekämpfung unlauteren Wettbewerbs

Conrad is also a supporter of the Stiftung Familienunternehmen and supports a local university, Ostbayerische Technische Hochschule Amberg-Weiden.

We at Conrad see ourselves as a socially committed non-partisan company. This is why we did not donate to any political party.

Last but not least, the Klaus und Gertrud Conrad Foundation, a charitable organisation established by members of the Conrad family, has been supporting various regional local aid programmes over the past two decades.



# ABOUT THIS REPORT

## COMPLIANCE WITH GRI 2021 UNIVERSAL STANDARDS

This report was prepared in full accordance with the GRI Universal Standards 2021. The editorial deadline was 31.08.2022. The Sustainable Development Goals (SDGs) of the United Nations serve as an additional frame of reference. When we show how Conrad Electronic SE contributes to these global sustainable development goals, we have marked this in accordance with the guideline „Business Reporting on the SDGs“. This also applies to the ten principles of the United Nations Global Compact, which the company joined in August 2022. The table of contents indicates where we report on our progress in the areas of human rights, labour standards, environmental protection and anti-corruption. As this document is the first sustainability report of Conrad Electronic SE, it is not possible to compare the main topics with a report from a previous reporting period. In future, a sustainability report will be published annually. The contact person for this sustainability report is Lena Stoeckl ([nachhaltigkeit@conrad.de](mailto:nachhaltigkeit@conrad.de)).

## EXTERNAL AUDIT

The present report was not audited by an external party. However, in this report we use KPIs published in our EoY statement available on the Bundesanzeiger webpage. These KPIs were reviewed by ART Amberger Revision und Treuhand GmbH, an external accounting firm. Environment-related KPIs (GRI 301-2 to GRI 306-5) were audited and approved by an independent accredited consultant in line with EMAS (Eco-Management and Audit Scheme) standards.

## LEGAL DISCLAIMER

The present report was published on 31 October 2022, and is also available in German. Any projections, predictions or forecasting contained in the document are based on assumptions made by Conrad Electronic SE management. Although we believe these assumptions to be informed estimates, we cannot guarantee that they will be accurate as they are centred around scenarios that are prone to risks and uncertainty such as chan-

ges in the economy and the business environment, currency exchange rate fluctuations, increasing or decreasing interest rates, failing new products or services and the necessity of changing our business strategy. Also, we do not plan to update any of the projections contained in this report, nor are we willing to do so.



# GLOSSAR

## A

### **AÜG - Temporary Employment Act**

Germany's Temporary Employment Act (AÜG) governs workers hired out by agencies to provide services to third parties.

### **ArbSchG - Occupational Health and Safety Act**

Germany's Occupational Health and Safety Act stipulates the basic responsibilities of employers when it comes to workforce safety, employee rights and obligations, and the procedures to ensure that health and safety measures comply with the Act.

### **ASiG - Occupational Safety Law**

Germany's Occupational Safety Law governs the appointment of company-based medical practitioners, safety engineers and other OHS staff.

## B

### **Battery Act (BattG)**

Germany implemented EU Directive 2006/66/EG in the form of the Battery Act (BattG) which governs the sales, return and eco-friendly disposal of batteries no longer in use.

### **Bundesverband E-Commerce und Versandhandel (bevh)**

Bevh represent the interests of the members of the retail sector to law makers, political institutions and industry regulators.

### **B2B**

B2B stands for "business-to-business", referring to the business relationship between companies.

## C

### **Conrad Marketplace**

Conrad Marketplace is an integral part of the Conrad Sourcing Platform which supplies over 7 million products. Buyers purchasing from marketplace sellers enter into a contract with the seller. Conrad do not enter into these contracts as one of the contractual parties. We simply provide a platform for transaction between buyers and sellers.

### **Conrad grievance mechanism**

Safe and confidential communication channel provided by Conrad Electronic SE to enable people to report potential offenses, irregularities, and Code of Conduct violations.

### **CO<sub>2</sub>e emissions**

Carbon dioxide equivalents are a measure introduced to harmonise the impact of different greenhouse gases on the global climate. Besides CO<sub>2</sub>, the main greenhouse gas produced by humans, there are also methane and nitrous oxide.

### **Corporate Sustainability Due Diligence Directive (CSDD)**

In February 2022, the European Commission published a draft of the Corporate Sustainability Due Diligence (CSDD) directive that aims to improve ethical and sustainable business practices across all global supply chains.

## E

### **EntgTranspG - Transparency in Wage Structures Act**

The Transparency in Wage Structures Act aims to help women exert their right of equal pay for equal work. The Act stipulates the right of employees to ask employers to

disclose wages paid to the other gender, in-house audits of existing wage structures, and mandatory reporting of measures put in place to ensure gender equality and equal pay for women and men in the same employment performing equal work.

### **E-Procurement**

Sourcing goods and services via the internet, using a wide range of other information and communication systems in the process.

### **ECO label**

Highlights those products sold by Conrad that are more eco-friendly than comparable products in the same category.

### **ElektroG - Waste Electrical and Electronic Equipment (WEEE) Act**

Germany's WEEE regulations govern the sale, returns and eco-friendly disposals of electrical and electronic equipment. The regulations are based on EU Directive 2012/19/EU and were updated in 2022 (ElektroG3).

## G

### **Greenhouse Gas Protocol (GHGP)**

The Greenhouse Gas Protocol (GHGP) provides standards for accounting and reporting, industry specific guidelines, calculation tools and training for regional and national authorities, to harmonise the way contributions of different types of emissions to global warming are accounted for.

## Grading

A standardised assessment of jobs using a scale, to compare, systematize and evaluate individual roles and responsibilities across all company departments and the entire organisational hierarchy.

## I

### Internet of Things (IoT)

Internet of Things (IoT) refers to physical objects (or groups thereof) equipped with sensors, data processing functions, software and other technology that enables them to interconnect with other devices or system exchanging data via the internet or using other communication protocols.

## L

### LkSG – Supply Chain Due Diligence Act

The Supply Chain Due Diligence Act (LkSG) was ratified by the German Federal Parliament on 11 June 2021. The law aims to improve the worldwide human rights situation by stipulating rules for a sustainable supply chain management, with the level of responsibility assigned to companies and their subsidiaries being determined by how much influence they can exert. Companies based in Germany employing more than 1000 people need to be registered by 1 January 2024 which includes Conrad Electronic SE.

## M

### Marketplace Seller

Term referring to sole traders or businesses who, after being vetted by Conrad, are allowed to sell their products on the Conrad Marketplace.

## O

### One-Stop-Shopping

One-stop shopping means supplying a wide range of different yet related products sold via one single platform (i.e. customer only need to stop once to source what they need).

## P

### Private Label product range

Goods in the Conrad product range that are sold under the Conrad name (own brand).

### Plastic Free

Packaging of Conrad own brands does not involve the use of plastics.

### Personal Protective Equipment (PPE)

Personal protective equipment (PPE) refers to compulsory gear (specific outfits, tools, devices, objects etc) that protects their wearers/users from health hazards at work.

## S

### Sourcing Platform

Term used to sum up Conrad Electronic's entire range of products and the different ways in which they can be procured

### Stiftung Elektro-Altgeräte Register (EAR)

EAR is the retailers and manufacturers register required by the WEEE Act (ElektroG). EAR is a sovereign legal entity that governs aspects of both the WEEE and the Battery Act.

# TABLE OF CONTENTS (BASED ON GRI AND UNGC STANDARDS)

## Statement of Use

Conrad Electronic SE have reported in accordance with the GRI Standards for the period from January 1, 2021 to December 31, 2021.

## GRI 1 used

GRI 1: Foundation 2021

## Applicable GRI Sector Standard(s)

No applicable GRI Sector Standard was available at the time this report was published.

GRI Standard	UNGC	Disclosure	Page	Omissions including reasons and explanations
<b>GENERAL DISCLOSURES</b>				
GRI 2: General Disclosures 2021  GRI 2, Section 1: The organisation and its reporting practices	n.a.	2-1 Organizational details	4	
		2-2 Entities included in the organisation's sustainability reporting	4	
		2-3 Reporting period, frequency and contact point	4, 31	
		2-4 Restatements of information	31	
		2-5 External assurance	31	
GRI 2, Section 2: Activities and workers	n.a.	2-6 Activities, value chain and other business relationships	4, 5	
	UNGC 3, 6	2-7 Employees	25	
	UNGC 3, 6	2-8 Workers who are not employees	24	
GRI 2, Section 3: Governance	UNGC 6	2-9 Governance structure and composition	11 f.	
	UNGC 6	2-10 Nomination and selection of the highest governance body	11 f.	
	UNGC 6, 10	2-11 Chair of the highest governance body	11 f.	
	UNGC 6, 10	2-12 Role of the highest governance body in overseeing the management of impacts	11 f.	
	n.a.	2-13 Delegation of responsibility for managing impacts	12	

GRI Standard	UNGC	Disclosure	Page	Omissions including reasons and explanations
	n.a.	2-14 Role of the highest governance body in sustainability reporting	12	
	UNGC 6, 10	2-15 Conflicts of interest	12	
	n.a.	2-16 Communication of critical concerns	12	
	n.a.	2-17 Collective knowledge of the highest governance body	12	
	n.a.	2-18 Evaluation of the performance of the highest governance body	12	
	n.a.	2-19 Remuneration policies	12	
	UNGC 6, 10	2-20 Process to determine remuneration	26	
	n.a.	2-21 Annual total compensation ratio		Data not available. To be collected and included into the 2022 report.
GRI 2, Section 4: Strategy, policies and practices	n.a.	2-22 Statement about sustainable development strategy	3	
	UNGC 1, 2, 3, 4, 5, 6, 10	2-23 Policy commitments	9 f.	
	UNGC 1, 2, 3, 4, 5, 6, 10	2-24 Implementing policy commitments	9 f.	
	UNGC 1, 2, 3, 4, 5, 6, 10	2-25 Procedures to remediate negative impacts	10	
	UNGC 1, 2, 3, 4, 5, 6, 10	2-26 Mechanisms for seeking advice and raising concerns	11	
	n.a.	2-27 Compliance with laws and regulations	10 f.	
	n.a.	2-28 Membership of associations	30	

GRI Standard	UNGC	Disclosure	Page	Omissions including reasons and explanations
GRI 2, Section 5: Stakeholder engagement	n.a.	2-29 Approach to stakeholder engagement	11	
	UNGC 3	2-30 Collective bargaining agreements	26	
<b>MATERIAL TOPICS</b>				
GRI 3, Section 2: Disclosures on material topics 2021	n.a.	3-1 Process to determine material topics	7	
	n.a.	3-2 List of material topics	7 f.	
<b>DISCLOSURE OF INDIVIDUAL TOPICS</b>				
<b>Economic Performance</b>				
GRI 3, Material topics 2021	n.a.	3-3 Management of material topics	4	
GRI 201: Economic performance 2016	UNGC 9	201-1 Direct economic value generated and distributed	5	
	UNGC 7, 8, 9	201-2 Financial implications and other risks and opportunities due to climate change	5	
	n.a.	201-3 Defined benefit plan obligations and other retirement plans	27	
	n.a.	201-4 Financial assistance received from government	5	
<b>Market Presence</b>				
GRI 3, Material topics 2021	n.a.	3-3 Management of material topics	24	
GRI 202: Market presence 2016	UNGC 3, 4, 5, 6	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	25	
	n.a.	202-2 Proportion of senior management hired from the local community	25 f.	

GRI Standard	UNGC	Disclosure	Page	Omissions including reasons and explanations
<b>Indirect Economic Impacts</b>				
GRI 3, Material topics 2021	n.a.	3-3 Management of material topics	5, 25	
GRI 203: Indirect economic impacts 2016	UNGC 9	203-1 Infrastructure investments and services supported	5	
	UNGC 9	203-2 Significant indirect economic impacts	5	
<b>Procurement Practices</b>				
GRI 3, Material topics 2021	n.a.	3-3 Management of material topics	13	
GRI 204: Procurement practices 2016	UNGC 3, 4, 5, 6, 10	204-1 Proportion of spending on local suppliers	14	
<b>Anti-corruption</b>				
GRI 3, Material topics 2021	n.a.	3-3 Management of material topics	10	
GRI 205: Anti-corruption 2016	UNGC 10	205-1 Operations assessed for risks related to corruption	10	
	UNGC 10	205-2 Communication and training about anti-corruption	10	
	UNGC 10	205-3 Confirmed incidents of corruptions and actions taken	10	
<b>Anti-competitive Behaviour</b>				
GRI 3, Material topics 2021	n.a.	3-3 Management of material topics	10	
GRI 206: Anti-competitive behaviour 2016	UNGC 10	206-1 Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	10	

GRI Standard	UNGC	Disclosure	Page	Omissions including reasons and explanations
<b>Tax</b>				
GRI 3, Material topics 2021	n.a.	3-3 Management of material topics	5	
GRI 207: Tax 2019	UNGC 10	207-1 Approach to tax	5	
	n.a.	207-2 Tax governance, control and risk management	5	
	n.a.	207-3 Stakeholder engagement and management of concerns related to tax	5	
	UNGC 10	207-4 Country-by-country-reporting		Not applicable. Report covers businesses registered in Germany only.
<b>Materials</b>				
GRI 3, Material topics 2021	n.a.	3-3 Management of material topics	13 ff., 17	
GRI 301: Materials 2016	UNGC 7, 8, 9	301-1 Materials used by weight and volume	15	
	UNGC 7, 8, 9	301-2 Recycled input materials used	15, 18	
	UNGC 7, 8, 9	301-3 Reclaimed products and their packaging materials	15 f.	
<b>Energy</b>				
GRI 3, Material topics 2021	n.a.	3-3 Management of material topics	18	
GRI 302: Energy 2016	UNGC 7, 8, 9	302-1 Energy consumption within the organization	18	
	n.a.	302-2 Energy consumption outside the organisation		No data available

GRI Standard	UNGC	Disclosure	Page	Omissions including reasons and explanations
	UNGC 7, 8, 9	302-3 Energy intensity	19	
	UNGC 7, 8, 9	302-4 Reduction of energy consumption	19	
	n.a.	302-5 Reduction in energy requirements of products and services		Information unavailable. Status Quo analysis including our suppliers is planned for the year 2023.
<b>Water and Effluents</b>				
GRI 3, Material topics 2021	n.a.	3-3 Management of material topics	19 f.	
GRI 303: Water and Effluents 2018	UNGC 7, 8, 9	303-1 Interactions with water as a shared resource	19 f.	
	UNGC 7, 8, 9	303-2 Management of water discharge-related impacts	20	
	UNGC 7, 8, 9	303-3 Water withdrawal	20	
	UNGC 7, 8, 9	303-4 Water discharge	20	
	UNGC 7, 8, 9	303-5 Water consumption	20	
<b>Biodiversity</b>				
GRI 3, Material topics 2021	n.a.	3-3 Management of material topics	20 f.	
GRI 304: Biodiversity 2016	UNGC 7, 8, 9	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	20 f.	
	UNGC 7, 8, 9	304-2 Significant impacts of activities, products and services on biodiversity	20 f.	

GRI Standard	UNGC	Disclosure	Page	Omissions including reasons and explanations
	UNGC 7, 8, 9	304-3 Habitats protected or restored		Not applicable. Our activities at the Hirschau and Wernberg sites have no significant impacts on biodiversity.
	UNGC 7, 8, 9	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations		Not applicable. Our activities at the Hirschau and Wernberg sites have no significant impacts on biodiversity.
<b>Emissions</b>				
GRI 3, Material topics 2021	n.a.	3-3 Management of material topics	21 f.	
GRI 305: Emissions 2016	UNGC 7, 8, 9	305-1 Direct (Scope 1) GHG emissions	21	
		305-2 Energy indirect (Scope 2) GHG emissions	22	
	UNGC 7, 8, 9	305-3 Other indirect (Scope 3) GHG emissions	22	
	UNGC 7, 8, 9	305-4 GHG emission intensity	22	
	UNGC 7, 8, 9	305-5 Reduction of GHG emissions	22	
	UNGC 7, 8, 9	305-6 Emissions of ozone-depleting substances (ODS)	23	Not applicable
	UNGC 7, 8, 9	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant air emission	23	Not applicable
<b>Waste</b>				
GRI 3, Material topics 2021	n.a.	3-3 Management of material topics	20	

GRI Standard	UNGC	Disclosure	Page	Omissions including reasons and explanations
GRI 306: Waste 2020	UNGC 7, 8, 9	306-1 Waste generation and significant waste-related impacts	20 f.	
	UNGC 7, 8, 9	306-2 Management of significant waste-related impacts	20 f.	
	UNGC 7, 8, 9	306-3 Waste generated	20 f.	
	UNGC 7, 8, 9	306-4 Waste diverted from disposal	20 f.	
	n.a.	306-5 Waste directed to disposal	20 f.	
<b>Supplier Environmental Assessment</b>				
GRI 3, Material topics 2021	n.a.	3-3 Management of material topics	13	
GRI 308: Supplier environmental assessment 2016	n.a.	308-1 New suppliers that were screened using environmental criteria	13	
	n.a.	308-2 Negative environmental impacts in the supply chain and actions taken	13	
<b>Employment</b>				
GRI 3, Material topics 2021	n.a.	3-3 Management of material topics	24	
GRI 401: Employment 2016	UNGC 3, 4, 5, 6	401-1 New employee hires and employee turnover	25	
	n.a.	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	27	Not applicable. All benefits apply regardless of working hours and contract type.
	n.a.	401-3 Parental leave	26	
<b>Labor/Management Relations</b>				
GRI 3, Material topics 2021	n.a.	3-3 Management of material topics	27 f.	

GRI Standard	UNGC	Disclosure	Page	Omissions including reasons and explanations
GRI 402: Labor/management relations 2016	n.a.	402-1 Minimum notice periods regarding operational changes	27 f.	
<b>Occupational Health and Safety</b>				
GRI 3, Material topics 2021	n.a.	3-3 Management of material topics	28	
GRI 403: Occupational health and safety 2018	n.a.	403-1 Occupational health and safety management system	28	
		403-2 Hazard identification, risk assessment and incident investigation	28 f.	
		403-3 Occupational health services	28 f.	
		403-4 Worker participation, consultation, and communication on occupational health and safety	28 f.	
		403-5 Worker training on occupational health and safety	28 f.	
		403-6 Promotion of worker health	29	
		403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	29	
		403-8 Workers covered by an occupational health and safety management system	29	
		403-9 Work-related injuries	29	
		403-10 Work-related ill health	29	
<b>Training and Education</b>				
GRI 3, Material topics 2021	n.a.	3-3 Management of material topics	27	

GRI Standard	UNGC	Disclosure	Page	Omissions including reasons and explanations
GRI 404: Training and education 2016	n.a.	404-1 Average hours of training per year per employee	27	Information unavailable
		404-2 Programs for upgrading employee skills and transition assistance programs	27	
		404-3 Percentage of employees receiving regular performance and career development reviews	27	
<b>Diversity and Equal Opportunity</b>				
GRI 3, Material topics 2021	n.a.	3-3 Management of material topics	25	
GRI 405: Diversity and equal opportunity 2016	n.a.	405-1 Diversity of governance bodies and employees	25	
		405-2 Ratio of basic salary and remuneration of women to men	26	
<b>Non-discrimination</b>				
GRI 3, Material topics 2021	n.a.	3-3 Management of material topics	10, 25	
GRI 406: Non-discrimination 2016	UNGC 3, 4, 5, 6	406-1 Incidents of discrimination and corrective action taken	10	
<b>Freedom of Association and Collative Bargaining</b>				
GRI 3, Material topics 2021	n.a.	3-3 Management of material topics	26	
GRI 407: Freedom of Association and Collective Bargaining 2016	UNGC 3, 4, 5, 6	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining my e at risk	10	
<b>Child Labor</b>				
GRI 3, Material topics 2021	n.a.	3-3 Management of material topics	9 f.	

GRI Standard	UNGC	Disclosure	Page	Omissions including reasons and explanations
GRI 408: Child labor 2016	UNGC 3, 4, 5, 6	408-1 Operations and suppliers at significant risk for incidents of child labor	13	
<b>Forced or Compulsory Labor</b>				
GRI 3, Material topics 2021		3-3 Management of material topics	9 f.	
GRI 409: Forced or compulsory labor 2016	UNGC 3, 4, 5, 6	409-1 Operations and suppliers at significant risk of incidents of forced or compulsory labor	13	
<b>Security Practices</b>				
GRI 3, Material topics 2021	n.a.	3-3 Management of material topics		Not applicable. No material topic for Conrad.
GRI 410: Security practices 2016	UNGC 3, 4, 5, 6	410-1 Security personnel being aware of human rights		Not applicable. Conrad Security staff are company employees who comply with our Code of Conduct that stipulates a comprehensive set of guidelines.
<b>Rights of Indigenous People</b>				
GRI 3, Material topics 2021	n.a.	3-3 Management of material topics		Not applicable. No material topic for Conrad.
GRI 411: Rights of indigenous people 2016	UNGC 3, 4, 5, 6	411-1 Incidents of violations involving rights of indigenous people		Not applicable to our facilities in Hirschau and Wernberg.
<b>Local Communities</b>				
GRI 3, Material topics 2021	n.a.	3-3 Management of material topics		Not applicable. No material topic for Conrad.
GRI 413: Local communities 2016	UNGC 3, 4, 5, 6	413-1 Operations with local community engagement, impact assessments and development programs		Not applicable. See GRI 203.
	n.a.	413-2 Operations with significant actual and potential negative impacts on local communities		Not applicable. See GRI 203.

GRI Standard	UNGC	Disclosure	Page	Omissions including reasons and explanations
<b>Supplier Social Assessment</b>				
GRI 3, Material topics 2021	n.a.	3-3 Management of material topics	9 f.	
GRI 414: Supplier social assessment 2016	UNGC 3, 4, 5, 6	414-1 New suppliers that were screened using social criteria	13	
	UNGC 3, 4, 5, 6	414-2 Negative social impacts in the supply chain and actions taken	13	
<b>Public Policy</b>				
GRI 3, Material topics 2021	n.a.	3-3 Management of material topics	30	
GRI 415: Public policy 2016	UNGC 10	415-1 Political contributions	30	
<b>Customer Health and Safety</b>				
GRI 3, Material topics 2021	n.a.	3-3 Management of material topics	14	
GRI 416: Customer health and safety 2016	n.a.	416-1 Assessment of the health and safety impacts of product and service categories	14	
		416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	10 f.	
<b>Marketing and Labelling</b>				
GRI 3, Wesentliche Themen 2021	n.a.	3-3 Management of material topics	14 f.	
GRI 417: Marketing and labelling 2016	n.a.	417-1 Requirements for product and service information and labelling	14 f.	
	n.a.	417-2 Incidents of non-compliance concerning product and service information and labelling	10 f.	
	n.a.	417-3 Incidents of non-compliance concerning marketing communications	10 f.	

GRI Standard	UNGC	Disclosure	Page	Omissions including reasons and explanations
Customer Privacy				
GRI 3, Wesentliche Themen 2021	n.a.	3-3 Management of material topics	11	
GRI 418: Customer privacy 2016	n.a.	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	11	

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