



All parts of success

# Sustainability Report 2022



Foreword by Ralf Bühler	3
Profile of Conrad Electronic	4
Spotlight: Plastic-free	5
About this report	64
Glossary	65
GRI Content Index	69

<b>01</b>	
<b>Approach to sustainability</b>	<b>6</b>
Company values	7
Our strategic fields of activity	7
Material topics	8
Our priorities through 2025	9
Embedding of sustainability topics within the organisation	10

<b>02</b>	
<b>Ethics and governance</b>	<b>11</b>
Code of Conduct	12
Governance	13
Compliance	17

<b>03</b>	
<b>The Conrad quality promise</b>	<b>19</b>
Our supply chains	20
Due diligence requirements to protect people and the environment	20
Procurement security	21
Product information	21

<b>04</b>	
<b>Environmental &amp; climate protection</b>	<b>22</b>
Environment management	23
Energy consumption	23
Climate protection	27
Water	32
Biodiversity	33

<b>05</b>	
<b>Circular economy</b>	<b>34</b>
Products	35
Packaging	38
Recycling and waste management	40

<b>06</b>	
<b>Employees</b>	<b>44</b>
New hires and employee turnover	46
Diversity and fairness	48
Training and education	53
Occupational health and safety	55

<b>07</b>	
<b>Contribution to society</b>	<b>59</b>
Regional engagement	60
Support for education	61
Guided by values	62
Association memberships	63

**Dear Readers,  
Dear Customers and Business Partners,**

As a family-run business with a history going back almost 100 years, Conrad has always been mindful of its responsibility towards society as a corporate citizen. We are firmly committed to corporate governance guided by a sense of environmental and social responsibility and to continually improving our sustainability performance.

2022 was a successful year for our business. We have almost completed our transformation into a sourcing platform, our international marketplaces are enjoying strong growth, and we are deploying the very latest e-procurement solutions to our customers. At the same time, we are closely watching any global developments that might impact the future performance of our business. One example is the war in Ukraine, which has caused Germany and many other countries to rethink their energy policy. Climate change triggering record temperatures and droughts in Europe, underlines the importance of transitioning to renewable sources of energy and stepping up our efforts to protect the climate and conserve valuable resources for a stable future.

In 2022, we made big strides towards greater energy independence and a smaller carbon footprint for the 2023 heating season by commissioning a woodchip power plant in Wernberg-Köblitz in southern Germany. We also want to help our customers prepare for the energy transition, which is why we have added solar panels, environmental monitoring equipment and electric car chargers to our product range. We have created additional sustainability management roles internally, and we continue to intensify our efforts to make our supply chains more resilient. Our measures here include improving our risk management processes and ensuring compliance with all relevant due diligence requirements.

We have extended the scope of our sustainability report this year relative to the 2021 report, with fifteen additional local subsidiaries now included in our activity reporting. This not only underlines our common goal, as an international Group, of becoming Europe's leading sourcing platform for electronic and technology products, but also our recognition of sustainability as a top priority at all of our locations.

It goes without saying that we would not be able to achieve our sustainable growth goals without the committed support of our people.

I would like to take this opportunity to thank all Conrad employees – who deliver on and advance our sustainability agenda every day – for their dedication and perseverance.

I hope that you will find this report an informative read.



Ralf Bühler  
CEO Conrad Electronic SE



Founded in 1923, Conrad Electronic is well-known as a reliable partner for sourcing electronics and technology. We are currently present in 17 European countries and provide customers that source technical supplies with all parts of success – regardless their size and sector.

The Conrad Sourcing Platform offers customers what they need to power the success of their projects or businesses: a wide and varied range of over nine million products, customer-centric solutions and services, and qualified advice – from expert to expert.

Our tailored e-procurement solutions reduce the complexity in procurement processes to save both time and money for our customers. As sellers on the Conrad marketplace, manufacturers and distributors can reach new target groups and markets quickly and easily. Private customers also benefit from our professional product offers and services.

### 100 years as a business pioneer

In 2023, Conrad Electronic is celebrating 100 years as a successful family-run business. We are proud of our long history and our deep roots in northern Bavaria, where our Hirschau headquarters are located. What really makes us stand out, however, is our pioneering spirit.

From a specialist dealer in radio kits to today's Sourcing Platform – the last hundred years have shown that we have the confidence to change course and continuously transform our business model and still keep our customers, business partners and employees happy. 2022 proved to be another trend-setting year in our quest to become Europe's leading sourcing platform for electronic and technology products. Due to a shift in customer behaviour and our strategic focus on B2B, we closed most of our retail stores in Germany and Austria. At the same time, we reached several positive milestones – including the fifth anniversary of the first Conrad marketplace in Germany, a record number of products in our range, and the go-lives of new marketplaces in the Netherlands and Italy.

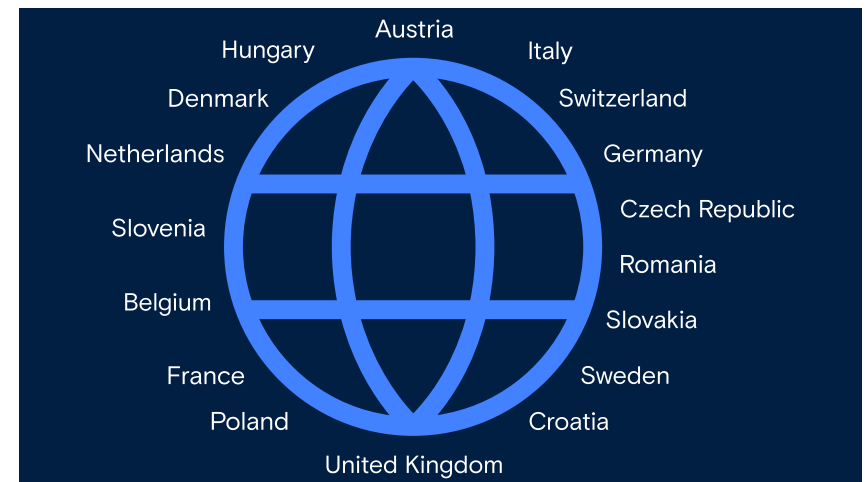
For us, the strongest validation of our success is the satisfied feedback we receive from our customers. We were delighted to win a number of independent awards and prizes in 2022. These included the German B2B Award 2022 in the category "Outstanding Customer

Service", the German Service Prize 2022 and second place in the readers' vote for Distributor of the Year 2022 (category: Online Distributors) presented in the specialist publication *Elektronik*.

### Business development

The Conrad Electronic Group achieved total revenue of EUR 1.19 billion in the 2022 reporting year. While this represented a marked rise in profitability, there was a slight drop in sales compared to the previous year (EUR 1.2 billion), which was mainly attributable to store closures in Germany and Austria during 2022. We are pleased to report high growth rates, particularly in the strategically important B2B and Marketplace business segments in 2022.

Detailed information on the business development of the Conrad Group can be found in the annual financial statements of the individual companies following their publication. Consolidated financial statements are not currently published.





## The Conrad Plastic Free-Initiative

In 2018, we made a bold decision here at Conrad: To declare war on plastic packaging for our private label products. Instead, we are opting for environmentally friendly alternatives such as cardboard packaging and thus starting a journey towards more sustainability in our product range.

The starting point of our Plastic Free initiative was a decision by our then CEO and now Chairman of the Board of Directors, Dr. Werner Conrad, who, considering increasing amounts of plastic waste and pollution worldwide, was striving for a new approach in his own company. From that point on, things changed quickly.

Within the first year 2019/2020, we already managed to reduce the amount of packaging plastic used by 40 %. By 2023, more than 50 % of our articles in the private label sector are already packaged plastic-free. The impressive interim balance: around 160 tons of plastic saved compared to 2019.

## Plastic free means 0% plastic

What does „plastic-free“ mean? At Conrad, exactly that: 0 % plastic. So it doesn't matter whether a package contains 1 or 200 grams of plastic. According to our standards, it can only be considered plastic-free if there is not a single plastic component. For this purpose, every single item is subjected to a detailed sample test and a subsequent inspection by Conrad Electronic International. In order to make this transparent for our customers, plastic-free articles are marked with our „plastic free“ label. This way we enable a conscious and plastic-reduced purchase.

## Our goal: 0 % plastic packaging

Our goal is to eliminate packaging plastic from our strong brands.<sup>1</sup>

To achieve this, we are gradually switching existing products to plastic-free packaging, always in line with their product life cycles. We engage intensely with our suppliers and work together on innovative solutions. The use of any plastic elements in packaging must be approved as an exception.

Some articles are not yet completely plastic-free due to their nature – be it for ESD protection, display protection or due to EU regulations for the protection of children, as in the case of button cell batteries. But even in these cases, we are striving to minimize the plastics more and more.

As Europe's leading sourcing platform, we are committed to working with our partners for a plastic-free future.



<sup>1</sup> Strong Brands: Voltcraft, Toolcraft, Renkforce, Speaka Professional, Sygonix, Reely und TRU Components.

# 01

# Approach to sustainability

## Highlights

- Nomination for the German Sustainability Award 2023
- Bronze Medal Rating by EcoVadis
- Nomination of Human Rights Officer and expansion of CSR Management



## Company values

The Conrad Group is a member of the UN Global Compact network and firmly committed to its ten principles in the areas of human rights, labour, environment and anti-corruption. We are continuing our efforts to implement the UN Sustainable Development Goals (SDGs) and will outline our progress in this report.

As a family-run business spanning generations, we are committed to quality, long-term partnerships with customers, suppliers and employees, and the responsible management of natural resources. We have enshrined these principles in both our Code of Conduct and our Environmental Policy. One of Conrad's four brand values: Mindfulness, also reflects this.

## Our strategic fields of activity

Our goal of sustainable growth is derived from the company values of the Conrad Group. This means that we are fundamentally committed to minimizing any negative impacts from our business operations through holistic management approaches and to selectively strengthening any positive impacts of our activities.

In upcoming reporting periods, Conrad will define measurable qualitative and quantitative targets for all four priorities and report on the status of their achievement. In this report, you will find detailed descriptions of the status quo in each section.

Since 2021, we have dedicated a lot of effort to developing a comprehensive corporate social responsibility strategy. We hope to officially sign off on this strategy and publish it in the 2023 reporting year.

The strategy is based on an extensive analysis of the Conrad value chain – from raw materials and suppliers of primary products through manufacturing and distribution to the disposal of end-of-life products by users as well as the subsequent identification of our material topics. In addition, we actively consider the interests of both internal and external stakeholders. In the process so far, Conrad has identified four strategic priorities: Environmental & Climate Protection, Circular Economy, Employees, and Contribution to Society.



## Material topics

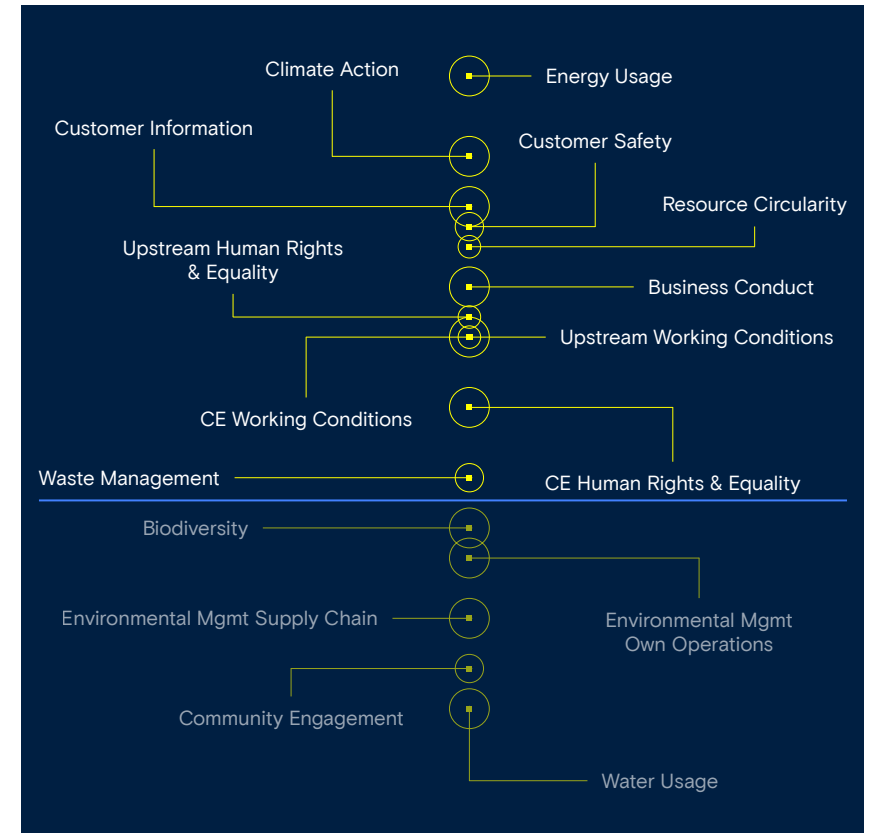
In comparison to the first reporting year 2021, our material topics in accordance with GRI 3 in 2022 were determined using an enhanced methodology. As well as the GRI disclosures, topic areas from the final versions of the European Sustainability Reporting Standards (ESRS) were also considered and evaluated. In addition, we placed a stronger emphasis on a balanced weighing of opportunities and risks against actual impacts.

The evaluation was carried out for all potential and actual impacts in the categories timeframe, reversibility and scope and then, depending on the severity of the impacts, additionally in the categories extent, influence and probability of occurrence. The scoring model for this evaluation was specially developed by Conrad. This new assessment logic to determine the material topics from the “inside-out” perspective makes it easier to compare all topics relative to the previous year. The “outside-in” perspective required from 2025 onwards can be added on accordingly.

We also incorporated a stakeholder perspective into the scoring. The main sources used were direct inquiries by our customers and sustainability assessments carried out by independent rating companies which Conrad opted to take part in.

For ease of understanding, Conrad has clustered individual topics, as specified by the disclosure standards of the GRI and in future also the ESRS, into topic areas. A topic area is considered material if the scores of the respectively identified impacts are higher than fifty percent of the possible points total.

The analysis resulted in the following assessment of the material topics for the Conrad Group:



For upcoming reporting periods, we are already working on placing stronger emphasis on the impact of stakeholder interests in the Conrad materiality analysis and adding the so-called “double materiality” to our scoring model in view of the reporting requirements set out in the CSRD from the 2025 reporting year.



## Our priorities through 2025

In our four strategic priorities, we have set the goal to achieve significant improvements by 2025. This includes the adoption of quantifiable targets at Group level for all fields of activity as well as additional qualitative milestones by which we will be measured.

Field of activity	Priorities through 2025
1. Environmental & climate protection (material topics: climate protection and energy)	<ul style="list-style-type: none"> <li>• Continuation of our systematic environmental management approach</li> <li>• Development of targeted strategies to reduce the consumption of resources at our own facilities</li> <li>• Creation of Group-wide transparency in relation to greenhouse gas emissions (scopes 1-3)</li> <li>• Setting of ambitious reduction and net-zero targets and implementation of measures to reduce greenhouse gas emissions</li> <li>• Support for environmental and climate protection by expanding range of related products</li> </ul>
2. Circular economy (material topics: circular economy and waste management)	<ul style="list-style-type: none"> <li>• Development of circular economy business models</li> <li>• Expansion of product range to include products that have verifiable benefits for the environment</li> <li>• Reduction of primary material use at our own facilities and optimisation of resource-intensive processes</li> <li>• Enhanced customer information campaigns</li> </ul>
3. Employees (material topics: working conditions and human rights at Conrad and its suppliers)	<ul style="list-style-type: none"> <li>• Increase in the satisfaction levels of our employees and our attractiveness as an employer</li> <li>• Fulfilment of our due diligence requirements in global supply chains</li> </ul>
4. Contribution to society (material topics: Good corporate governance, customer satisfaction, corporate citizenship)	<ul style="list-style-type: none"> <li>• Establishment of an even broader risk and compliance management system</li> <li>• Roll-out of additional information on sustainability to our customers</li> <li>• Continuation of existing commitments to charitable causes</li> <li>• Further development of existing charity guidelines and processes</li> </ul>

## Embedding of sustainability topics within the organisation

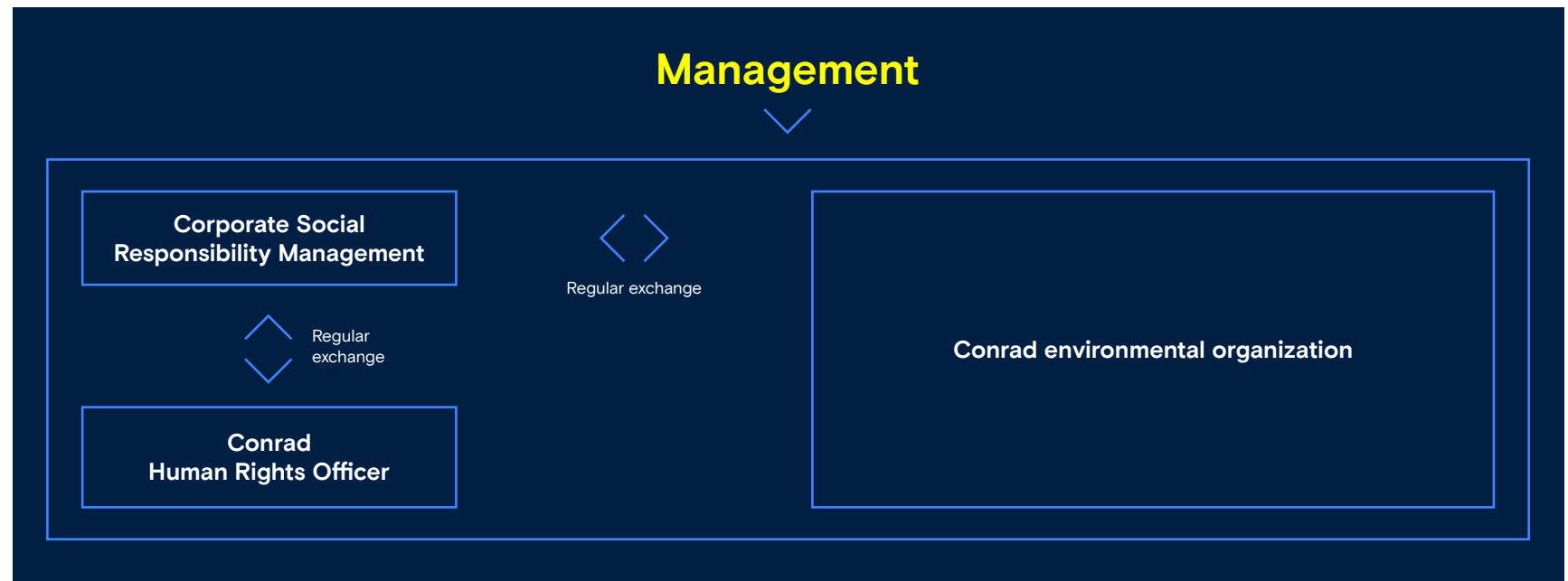
The managing directors of Conrad Electronic SE hold overall responsibility for the development and implementation of the Conrad sustainability strategy. As the supreme supervisory body, the advisory board receives a briefing on sustainability topics from the managing directors at least once a year.

Newly created in 2022, the Corporate Social Responsibility department reports directly to the CEO and is responsible for strategy development, group-wide sustainability reporting and project management related to the implementation of adopted initiatives.

Also in 2022, the Conrad Group appointed a human rights officer to oversee compliance with all relevant due diligence requirements, with a focus on the Conrad supply chain in relation to the German Supply Chain Due Diligence Act (LkSG). The human rights officer is subordinate to the head of strategic procurement and in their role reports directly to the CEO.

The newly created roles are complemented by the Conrad environmental organisation. This organisation is under the control of the COO and has been responsible for the Conrad environmental management system and the annual EMAS certification since 2006.

We plan to set up a sustainability council in 2023 as an additional consulting body made up of the key figures from central departments. The aim of these measures is to strengthen Group-wide exchanges and the engagement of internal stakeholders in the long term.



# 02

## Ethics and governance

### Highlights

- Sign on UN Global Compact
- First international Sustainability Report



## Ethics and governance



## Code of Conduct

The Conrad Group regards ethical and legally compliant behaviour as the bedrock of its long-term economic success. That is why we are committed to upholding a Group-wide Code of Conduct setting out strict standards of behaviour. Content-wise, this code is based on sources including the Universal Declaration of Human Rights of the United Nations, the conventions of the International Labour Organization (ILO) and the ten principles of the UN Global Compact.

The group-wide Code of Conduct addresses all employees as well as all suppliers and business partners, and it is a component of all employment and supplier contracts. Conrad expects all employees, suppliers and business partners to comply with the Code of Conduct and the due diligence requirements contained therein. A strict zero-tolerance policy applies for any violations.

In order to ensure compliance with the Code of Conduct, the standards of behaviour expected, the processes for the avoidance of risks, and the potential consequences in the event of violations are clearly set out in the code's text. A [grievance mechanism](#) for both internal and external users ensures that violations of the Code of Conduct can be quickly identified and resolved without delay. The Code of Conduct was adopted by the managing directors in its current form in 2021. It is available in German, English and Czech. If Conrad becomes aware of any violations, it responds to them in a

measured, predictable and transparent manner. Breaches of our Code of Conduct may lead to disciplinary action, termination of the business relationship or other consequences under civil or criminal law.

If the Code of Conduct is amended, the new version will be sent to all employees, who must confirm their acknowledgement of the new version in writing. All employees are required to undergo regular online training on the Code of Conduct. Managers are expected to lead by example in this regard.

## Governance

### The Conrad Group

The Conrad Electronic Group has subsidiaries in seventeen countries and there are two strands to its organisational structure. The first strand is headed by Conrad Electronic SE, which has its headquarters in Hirschau, Germany. It oversees trading in Germany by itself or via wholly owned subsidiaries as well as the largely centralised purchasing organisation, group logistics, and management of the European marketplace business. The second strand comprises all trading companies operating outside of Germany as well as a purchasing company in Hong Kong. The companies function as wholly owned subsidiaries of an international holding company which is also headquartered in Hirschau, Germany.

Regardless of the organisational structure, the Conrad family as owners stand behind all companies one hundred percent.

### Reporting entity for the sustainability report

This sustainability report of the Conrad Group covers the period from January to December 2022. This period corresponds to the financial reporting year of the Conrad Group. Unlike the financial disclosures, which are published in accordance with the national law of the respective countries, the Group is consolidated in a combined report on sustainability topics for the first time in 2022. The reasons for this are the increasingly international profile of the Group on the one hand and the Group-wide applicability of our ethical and sustainability-related behavioural standards on the other.

The list of companies included in the report is provided below, organised by region:

- Germany: Conrad Electronic SE, Reln Retail International GmbH
- Austria: Conrad Electronic GmbH & Co. KG
- Switzerland: Conrad Electronic AG
- West region: Conrad Electronic Benelux BV (Benelux countries), Conrad SAS (France), Conrad Electronic Italia srl (Italy), Conrad Electronic Norden AB (Sweden and Denmark)

- East region: CE Ceska republika s.r.o. (Czech Republic), Conrad Electronic SP. z.o.o. (Poland), Conrad Electronic d.o.o.k.d. Slovenia (Slovenia), Szinker Aruküldö es Kereskedelmi Kft (Hungary)
- SAR Hong Kong: Conrad Electronic International (HK) Ltd.

The key indicators for the local subsidiaries are aggregated by region, where this makes sense for content reasons.

The following Conrad Group companies are not consolidated in the 2022 sustainability report:

- Rapid Electronics Ltd. – wholly owned subsidiary in the United Kingdom, operating under its own brand name; inclusion in the group-wide sustainability report planned for 2023.
- SOS Electronic – wholly owned subsidiary, operating under its own brand name in Slovakia, the Czech Republic and Hungary; inclusion in the group-wide sustainability report planned for 2023.
- Operating companies of Conrad retail stores in Germany and Austria. Excluded due to the closure of the majority of branches up to the end of 2022. Inclusion in the 2023 report to be re-evaluated.
- German and international holding structures. ESG-relevant impacts are fully covered by the companies organised under the structure.

The report was published following approval by the managing directors of Conrad Electronic SE.

## Corporate governance

### Advisory board and advisory committee

The supreme executive committee of Conrad Electronic SE is a five-member advisory and supervisory body, the Conrad advisory board. It has been chaired by Dr Werner Conrad – a member of the family that owns the company – since 2021. Except for a brief interruption between 2018 and 2020, Dr Conrad has been a member of the advisory board since 2012. Dr Thomas Vollmoeller is the deputy chair of the advisory board. He has acquired expertise in the commercial sector and has been a member of the advisory board since 2012. The legal professional Prof Rainer Kirchdörfer has also been on the advisory board since 2012. Dr Tim Busse, an expert in the field of platform technology, has been a member since 2020. In 2022, Ms Tanja Maaß was appointed to the advisory board based on her expertise in the area of artificial intelligence. The advisory board is not organised into subcommittees due to the small number of members.

The supreme administrative body of the international holding company is the advisory committee. It has three members – Dr Thomas Vollmoeller, Prof Rainer Kirchdörfer and Dr Werner Conrad (Chair) – all of whom are also members of the advisory board of Conrad Electronic SE.

The process for selecting suitable candidates for vacancies on the supervisory bodies is based on specialist requirement profiles of the respective vacancy. The criteria taken into account include the candidate's professional qualifications, how closely their profile aligns with the Group's strategic direction, and an assessment of the candidate's personal integrity. The appointment process takes place in compliance with the legal requirements.

### Management

The operational management of Conrad Electronic SE is overseen by three managing directors led by CEO Ralf Bühler. Ralf Bühler has been a managing director since 2019 and he assumed the role of Chief Executive Officer (CEO) in January 2021. The COO Jürgen Groth has been a managing director of Conrad Electronic SE since 2018. Dr Sebastian Dehnen took up the role of CFO in September 2022, replacing Jürgen Kassel, who had held the position since 2019. Local directors oversee the operational management of Conrad's international companies. The local subsidiaries report to an international holding company, which has been represented by Ralf Bühler since 2021.

### Corporate governance duties

The supervisory bodies of the Conrad Group steer the organisation, determine the guiding principles of their activity and monitor their implementation. A close, trust-based relationship is maintained with the managing directors. Decisions that go beyond the ordinary course of business require the approval of the advisory board/committee. These bodies are thus proactively involved in the strategy development process as well as the management of the economic, environmental and social impacts of the Conrad Group's economic activity. The stage of progress in these areas is evaluated in quarterly meetings and a briefing on ESG topics must take place at least once a year. Critical topics and conflicts of interest must be reported without delay. No such reports were made in 2022. No independent sustainability-related evaluation of the supervisory and advisory activities of the board of directors of Conrad Electronic SE or the advisory board of the international holding company took place during the reporting period.

The remuneration awarded to the advisory board is based on an annual fixed salary plus reimbursement of expenses. The annual salaries of executives are based on a monthly fixed salary (70-90 percent of total salary) along with a bonus. The bonus component is 100 percent based on the company's performance. In addition, executives have entitlement to a company car or a compensation payment. Other individual salary components may be negotiated in individual contracts.

### Stakeholder engagement

Conrad is firmly committed to involving internal and external stakeholders in the further development of the organisation and making a positive contribution to the local region and society. Creating value for Conrad's customers is a central concern of the family that owns the company, corporate management and the workforce as a whole. That is why we regularly gauge customer satisfaction so we can devise appropriate improvement measures. Conrad also maintains ongoing contact with suppliers and marketplace sellers to discuss objectives, measures and mutual development opportunities. This is important because Conrad's business success depends to a large extent on the quality of their products and services.

When it comes to regular internal engagement with employees, the measures used by management include quarterly information events, informal surveys with the option to respond anonymously, and transparent communication via the Intranet. Maintaining productive dialogue with the works council is also a top priority. Through its membership of associations and representative bodies, Conrad is an advocate for fair conditions of competition and ethical business principles. It also actively supports regional and national training initiatives.

As described under "Material topics", the above-mentioned forms of dialogue are also used to identify the positive and negative material impacts of Conrad's activities in relation to economic, social and environmental sustainability. Examples include assessments of B2B customers or individual customer inquiries on the topic of sustainability. Conrad answers these in a prompt and transparent manner, and the content is used as a weighting factor in the Conrad materiality analysis.

### Taxation and investment

#### Taxation

As an international company, the Conrad Group meets its social responsibility obligations by also fully complying with its tax obligations in the local markets and countries in which it operates.

Our Group's outlook vis-à-vis our local subsidiaries is based on economic considerations. Tax considerations do not play a primary role in our decision-making regarding the locations and business activities of our subsidiaries. Our number one objective is to achieve sustainable growth and long-term success. We are convinced that a strategic approach based on a solid economic foundation will provide the greatest benefits for our customers, suppliers and employees in the long term. The objective of our decision-making is to generate added value, promote innovation, and improve the competitiveness of our Group as a whole.

Compliance with the law and with ethical standards is an essential priority for us. We naturally take taxation aspects into consideration in accordance with the applicable laws and regulations. At the same time, however, these aspects are secondary to the economic opportunities and long-term objectives we pursue for each of our local subsidiaries.

The legal representatives in all companies of the Conrad Group are responsible for ensuring the correct payment of taxes in accordance with local laws. The overarching supervisory bodies are responsible for overseeing the accounting processes leading to the preparation of the companies' annual financial statements, which in turn contain information on taxes on income and earnings.

All companies receive ongoing tax advice from local practitioners. For more specific or complex tax matters, they consult experts in the respective field. If necessary, the local tax authorities are contacted for any queries related to current tax returns. Tax investigations are regularly carried out for four to five assessment periods. Regular tax returns are completed by internal resources or by external tax advisers, depending on the type of return. Annual financial statements are also accompanied by an auditor's report from an independent auditor.

Since taxes do not represent a material topic for Conrad in accordance with GRI 3 and a consolidated group view with respect to local tax charges by country is not available for 2022, further details are omitted in this report.

### **Investment**

Conrad Electronic continuously invests in the creation of qualified employment and training positions at all its locations. We also focus on investing in our plants and buildings to ensure that the installed technology is up-to-date and as energy efficient as possible. In line with the Group's strategic direction, our current investment is primarily targeted at the development of digital procurement solutions and the internationalisation of our platform.

In 2022, the Conrad Group received no financial assistance from government in the form of tax relief, licence exemptions, awards or financial support from export credit agencies.

Research and development subsidies amounting to EUR 1,935.00 were granted in Austria. Subsidies were granted in the following countries:

- Italy: EUR 6,820.00 in the form of a subsidy for advertising expenses
- Austria: EUR 61,506.00 in the form of subsidies and support for the provision of employee on-boarding and training, and EUR 29,744.00 in the form of various supports and financial assistance in connection with Covid-19

There are no state holdings whatsoever in companies of the Conrad Electronic Group.



## Compliance

### Compliance with laws and regulations

The Conrad Group was not involved in any serious instance of non-compliance with laws or regulations in 2022.

Fines totalling EUR 3,302.00 were imposed in Germany due to minor infringements in seven cases. All seven cases were related to product labels, compliance or exceedance of limits. In Switzerland, two violations involving products that did not meet the legal requirements attracted fines totalling CHF 1,780.00. Corrective action was taken without delay in all of the above-mentioned cases.

In the area of marketing and communication, no violations punishable by a fine occurred. Individual customer complaints, which are not subject to official sanctions, are treated seriously and comprehensively dealt with by customer service. No quantitative data on this has been recorded to date. Conrad takes the security of customer data very seriously as part of its desire to be recognised as a reliable partner. In view of the increasing risk of cyberattacks, Conrad is steadily investing in prevention measures and is aiming to achieve ISO 27001 certification in 2023. No data theft occurred during the reporting period. The local data protection authority in Austria was informed about two individual cases of data loss in the reporting year. Other than this, there were no noteworthy complaints in relation to violations of data protection law.

### Anti-competitive behaviour

Fair competition is the basis for free and sustainable development of the market. That is why the Conrad Group is committed to fair and undistorted competition and rejects all forms of anti-competitive behaviour. There is a zero-tolerance approach to violations. For example, employees are forbidden to engage in discussions with fellow competitors about prices, production performance, capacities, sales, tenders, profit, profit margins, costs, distribution methods or other factors that determine or influence Conrad's competitive behaviour. They are also not permitted to collude with competitors to refrain from competing, restrict business relations with suppliers, submit rigged bids in tender processes or allocate business customers, markets, territories or production programmes. In addition, there is a prohibition on influencing the resale prices of Conrad's business customers. During the reporting period, there were no complaints regarding anti-competitive behaviour in violation of anti-trust or monopoly legislation and no pending legal actions were concluded.

### Anti-corruption

The Conrad Group sets out its anti-corruption policy in its Code of Conduct under section 4, “Fair competition”. This policy is strictly observed at all of Conrad’s establishments. Violations of these rules by employees result in disciplinary measures up to and including termination. Violations by business partners may result in termination of the business relationship or other consequences under civil or criminal law. Generally speaking, the making, promising or granting of offers for the purpose of an improper financial, legal or personal advantage is prohibited. Risks related to corruption that are individually covered by the Code of Conduct are as follows:

- Personal gifts and other benefits
- Invitations and entertainment
- Facilitation or “grease” payments
- Kickbacks, rebates and commissions
- Donations and sponsorship
- Payments without a clear business purpose

All members of the supervisory bodies and the operational management are familiar with both the Code of Conduct – including the anti-corruption policy – and the procedures for ensuring compliance with this policy (whistleblower system). This extends to all employees, suppliers and other business partners. Anti-corruption training was not offered at all of the companies during the reporting year. No known case of corruption came to light.

### Freedom from discrimination

Equal treatment of all people, regardless of their origin, nationality, religion, culture, world-view, gender or sexual orientation, forms an integral component of the Conrad Group’s common values system. We therefore treat possible cases of discrimination very seriously and follow them up with due determination.

In the 2022 reporting year, one case of gender-based discrimination was reported in one of the local subsidiaries. The matter was dealt with by the local legal and HR departments and an official warning was issued by way of sanction. In addition, two accusations of workplace bullying were reported across the Group, with both of these again being dealt with internally by the respective HR and legal departments. Freedom of association and the right to engage in collective bargaining are ensured at every Conrad location. During the reporting period, the Conrad Group made significant progress in respect of due diligence requirements in its supply chains. A systematic risk monitoring system has been under development since the second half of 2022. Its scope extends beyond our own establishments to enable us to meet our due diligence requirements and thus efficiently support the safeguarding of employee rights in our supply chains.

### Whistleblower system

Employees, business customers, private customers, suppliers, business partners and third parties may use our online whistleblower system to report any alleged wrongdoings to Conrad anonymously. Every report is investigated. If required, appropriate measures are taken and/or the relevant authorities are informed. Reprisals of any kind against whistleblowers are not tolerated. Section 7 of the Code of Conduct sets out a detailed description of the procedure for handling complaints under “The Code of Conduct process”.

03

# The Conrad quality promise



## The Conrad quality promise



## Our supply chains

As a trading company, Conrad maintains close relationships with the manufacturers and suppliers of the products we offer. We favour long-term, stable business relationships and regard it as our duty to use our influence as a business partner to extend compliance with the environmental and social standards that we uphold within our company to the greatest possible extent along our entire value chain. Our own Code of Conduct therefore forms the basis for all contractual relationships. That is why we oblige our suppliers not only to comply with our standards of behaviour and safeguard our company values, but also implement these in their own supply chains and thereby fulfil their due diligence obligations.

These include the respect for human rights, the prohibition of forced labour and child labour, taking responsibility for the health and safety of their employees, and environment-related duties of care.

## Due diligence requirements to protect people and the environment

In the 2022 reporting year, we initiated wide-ranging processes for systematic risk monitoring of our supply chains to identify any violations of human rights or labour law or laws relating to environmental and climate protection. This allows us to ensure full, group-wide compliance with the German Supply Chain Due Diligence Act (LkSG) from 1 January 2024.

It was not possible to carry out systematic evaluations of existing and new suppliers based on social and environmental criteria in the initial year 2022. This should become routine practice in the coming years, however, and we will report on our performance in this area. Our online whistleblower system can be used to anonymously report any suspected violations of applicable laws or our guidelines on behaviour. No negative impacts were reported in 2022, and there was accordingly no need to define countermeasures or impose penalties.

Another important topic for Conrad is the due diligence and inspection requirements in relation to any conflict minerals contained in the products imported and traded by the company. We continuously strive for maximum transparency in this area. For more information, please refer to [“Circular economy – products”](#).

## Procurement security

Conrad is a reliable partner when it comes to procuring millions of technologically advanced products for its customers. Quality is a top priority, but we also know that our customers expect the shortest possible shipping distances and delivery times. That is why Conrad prefers to source its merchandise from local suppliers. Almost ninety percent of all products and services consumed by Conrad Electronic SE itself or sold via its logistics centre are sourced from suppliers headquartered in Germany. Of this number, just over one quarter are in turn based in Bavaria. At Group level, imports from non-EU countries are kept to a minimum for the sake of reliable supply chains. Non-EU imports are processed by our purchasing company headquartered in Hong Kong for better operational control. In the area of shipping, we try to avoid air freight as much as possible.

## Product information

The high quality of the products sold via our platform is a major priority for the Conrad Group. Consumers may be harmed if defective products reach the market. Other negative consequences include loss of reputation or even liability claims against Conrad. We therefore take the issue of product safety very seriously and regularly carry out strict quality controls on our range of products to ensure compliance with the legal standards. The carefully selected products sold on our curated marketplace are also all sourced from responsible sellers.

In order to guarantee transparency for consumers, Conrad obliges all suppliers and sellers (as the manufacturer or distributor) to comply with the statutory requirements to provide information on product conformity (CE marking) as well as on product origin and environmentally sound disposal.

Information on compliance with the EU Chemicals Regulation REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) which we receive from our suppliers can be found on our website ([REACH information provided by our suppliers](#)). The REACH Regulation applies to Conrad's entire product range and it minimises the risks that may arise across the lifecycle of a product due to the use of chemicals.

Information regarding compliance with the EU's RoHS Directive (Restriction of Hazardous Substances in electrical and electronic equipment) can also be found on the online store. The RoHS Directive restricts the use of certain hazardous substances in electrical and electronic equipment and applies to almost 60 percent of Conrad's product range.

As a distributor, Conrad passes on the provided REACH-and RoHS-related information, but it cannot give any guarantees or warranties in this role as to the accuracy of this information. For its Private Label range, Conrad directly guarantees compliance with all legal requirements for the distribution of products within the EU as part of its producer responsibility.

It goes without saying that Conrad's own product responsibility does not end at the point of sale to its customers. When it comes to returns and the disposal of sold products, we try to make things as easy as possible for customers while avoiding the waste of resources. Further information on this is provided under "[Circular economy](#)".

# 04

## Environmental & climate protection

### Highlights

- EMAS certified environmental management in Germany
- Onsite photovoltaic systems
- Only 132g/CO<sub>2</sub> per piece of shipping (Scopes 1 & 2)



## Environmental & climate protection



## Environmental management

The Conrad Group strives to reinforce the positive impacts of its business activities on the environment, people and society while minimising the negative impacts. Our environmental policy, which includes a continuous improvement undertaking, therefore applies to all companies of the Conrad Group. It covers the key topics of resource conservation and climate protection, circular economy and transparency. Since 2006, our largest locations – the Group headquarters in Hirschau and the logistics centre in Wernberg-Köblitz – have had an environmental management system verified in accordance with the EMAS Regulation in place and have regularly been publishing an EMAS-validated environmental statement.

## Energy consumption

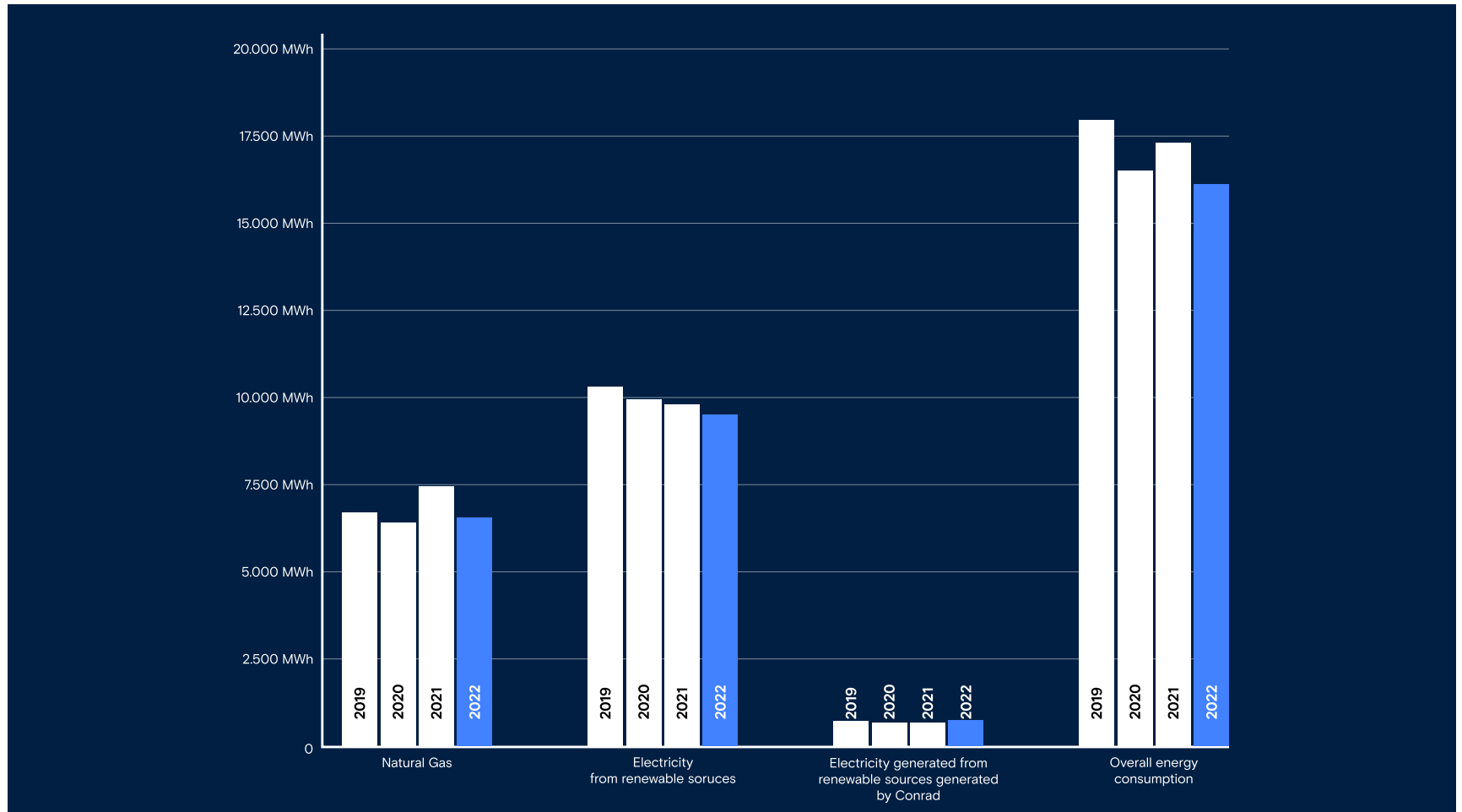
Since 2013, Conrad has made an active contribution to the decarbonisation effort by switching to renewable sources of energy to power its administrative HQ in Hirschau and the logistics centre in Wernberg-Köblitz. Our objective is to leverage energy savings and the switch to renewable energy sources to gradually improve the environmental and climate protection performance of other locations, too. As a first step in this direction, consumption data for the West and East regions and for Austria, Switzerland and SAR Hong Kong was collected for the first time in the 2022 reporting year and transparently consolidated for group-wide reporting. This data was used – where available – without being independently verified. It provides initial quantity- and quality-related indications for future optimisation.

## Energy consumption in Germany

The logistics centre, lighting and IT account for most of the electricity consumption at the two largest locations in Germany. Since 1 January 2013, this consumption has been covered by renewable sources. Fossil fuels are limited to natural gas exclusively used to heat buildings. In 2022, total energy consumption came to 16,114 MWh (previous year: 17,315 MWh). Natural gas accounted for 6,544 MWh of this total (previous year: 7,440 MWh). This roughly corresponds to the consumption of 409 four-person households per year, assuming average annual household consumption of 16,000 kWh. In order to reduce natural gas consumption in future heating periods, measures were taken in the reporting year to recommission an existing woodchip power plant to heat the logistics centre from the 2023 heating season onwards.

The Group's total energy consumption in 2022 amounted to 9,570 MWh (previous year: 9,875 MWh). This corresponds approximately to the annual consumption of 2,393 four-person households, assuming average annual household consumption of 4,000 kWh.

Of this total, 736.2 MWh (previous year: 669.5 MWh) came from renewable electricity generated by the Group itself. Both the administrative HQ in Hirschau (from 2012) and the roof of the logistics centre in Wernberg-Köblitz (from 2005) are equipped with photovoltaic systems that were installed to cover around ten percent of total electricity requirements. In 2022, these photovoltaic systems generated a total of 1,580 MWh of renewable power at both locations (previous year: 1,470 MWh). This equates to 16.51 percent coverage in the reporting period (previous year: 14.87 percent). The Group's objective was therefore achieved. Renewable energy that was sold back to the grid (2022: 840 MWh; 2021: 790 MWh) was included in this figure.



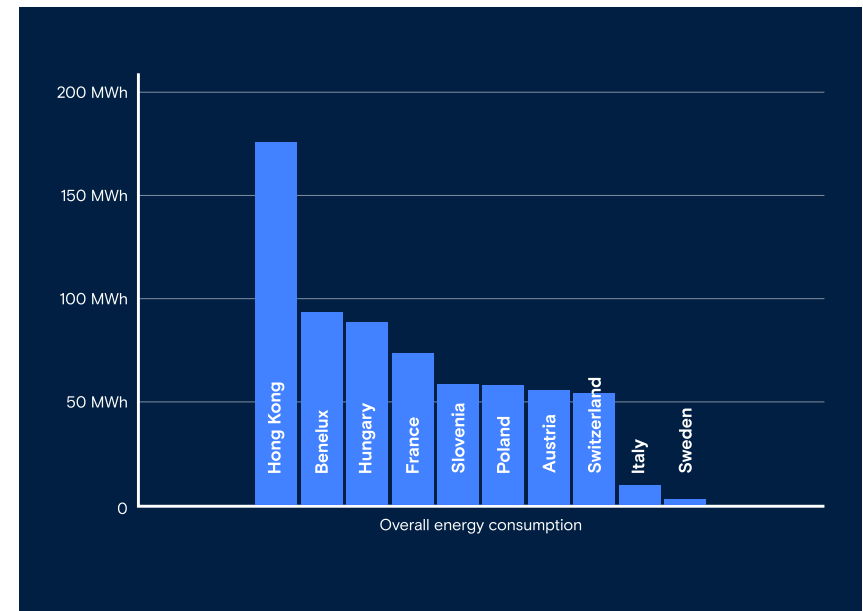
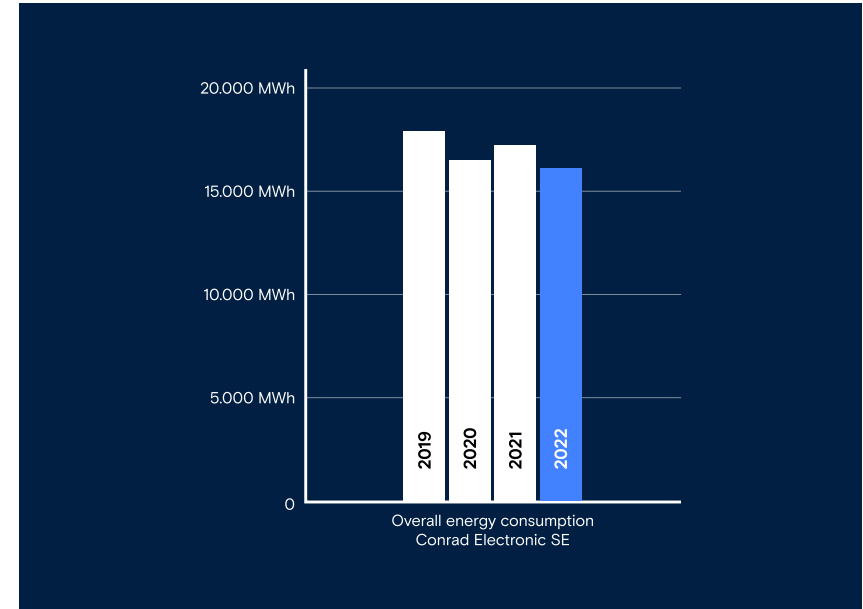


**Energy consumption of the other Group companies**

The energy consumption data of Conrad companies in the West and East regions and in Austria, Switzerland and Hong Kong was collected for the first time in 2022 for the purposes of consolidated reporting. The reported data was not independently verified.

In the reporting year, the total energy consumed in Germany (16,114 MWh) accounted for over 95 percent of the total figure for the other consolidated companies (0.66 MWh).

The Conrad Group does not at present report data on energy consumption outside its own organisation. For information on our CO<sub>2</sub> emissions (scopes 1-3) in accordance with the Greenhouse Gas Protocol (GHGP), please refer to [“Climate protection”](#).



### Energy intensity

Conrad Electronic measures its energy intensity by dividing its total electricity consumption by the number of packages shipped per year. The figures only cover the German organisation and are not consolidated for the entire Group. This is as a result of the EMAS certification, which refers to the German company Conrad Electronic SE. The energy consumption of both the logistics centre and the administrative HQ in Hirschau are included in the calculation. In 2022, the energy intensity was recorded at 0.96 kWh/package (previous year: 0.88 kWh/package). On average, the overall electricity consumption per package is more or less one kilowatt-hour. The ongoing measures to reduce energy consumption combined with the good capacity utilisation rate are reflected in the development of the electricity consumption per package indicator since 2005. The lower capacity utilisation figure – expressed in number of packages (2022: 9,991,315; previous year: 11,169,504) – results in a slightly higher indicator compared to the previous year.

### Energy saving measures

The absolute value for electricity consumption in the logistics centre was 4.22 percent lower in 2022 (previous year: 1.16 percent). Various measures, such as installing LED lighting in the outgoing goods department and the administration building, have delivered large energy savings. In the 2022 reporting year, two picking lines were switched to a shuttle system. An energy saving of around 325,000 kWh was achieved in the logistics centre by getting rid of transport routes and 36 Megamats.

Natural gas is used exclusively to heat the buildings. With average heat consumption of 54.6 kWh/m<sup>2</sup> in Wernberg over the past 20 years (2022: 54.1 kWh/m<sup>2</sup>) and 60.9 kWh/m<sup>2</sup> in Hirschau (2022: 42.8 kWh/m<sup>2</sup>), the specific heat consumption is significantly lower than comparable industrial buildings.

Change in energy consumption (as a percentage compared to previous year)	2020	2021	2022
Electricity consumption in Hirschau	- 30,29 %	- 20,17 %	+ 5,68 %
Electricity consumption in Wernberg	- 5,73 %	- 1,16 %	- 4,22 %
Electricity consumption in Hirschau and Wernberg	- 8,8 %	+ 29,8 %	- 14,3 %

Various measures were also used to reduce energy consumption at the locations of the other consolidated companies. In the Benelux region, for example, the switch to LED lighting resulted in savings of 40 percent. In Slovenia, a 10-percent reduction in energy use was achieved by switching the heating off at night. The measures adopted in France – such as limiting the room temperature to 19°C and an increase in the uptake of remote work – resulted in energy savings of as much as 70 percent.

## Climate protection

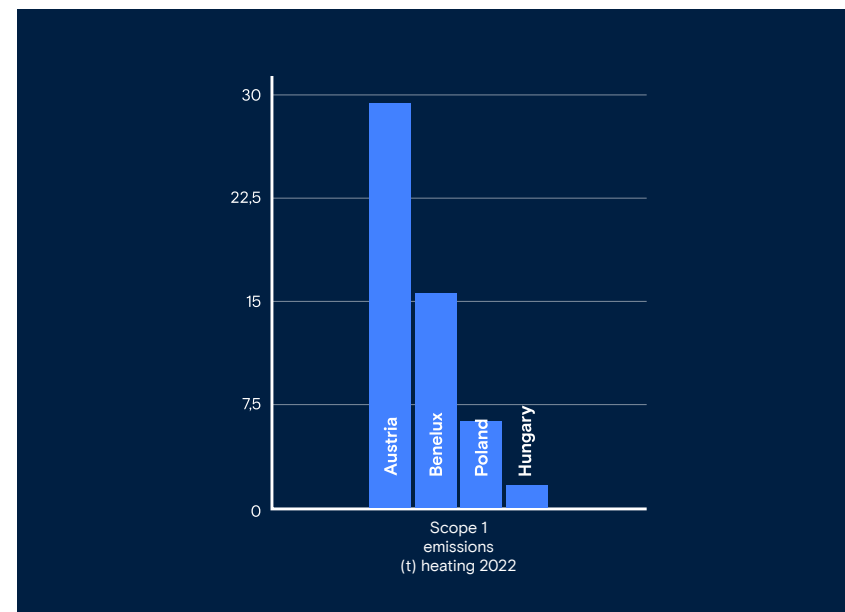
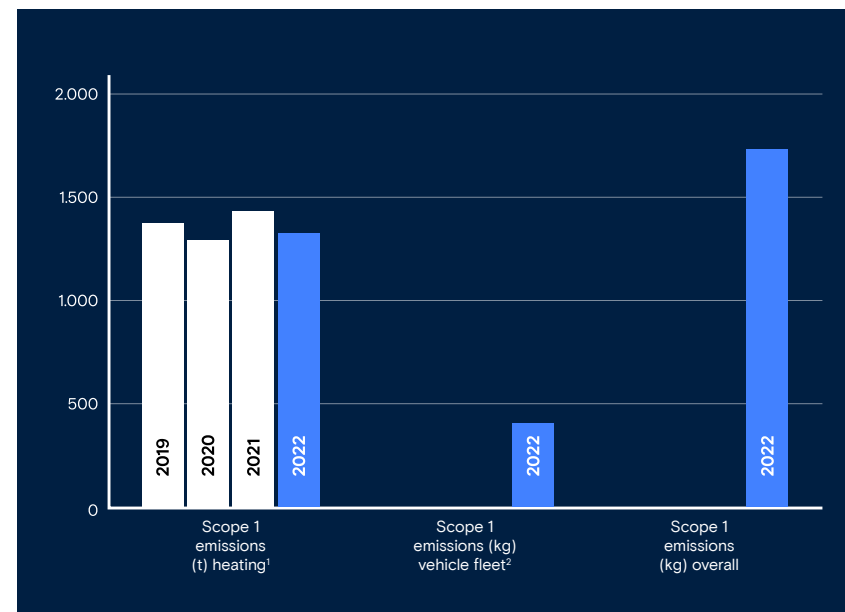
The Conrad Group recognises the ongoing process of climate change as one of the biggest challenges of our time. The risks associated with climate change affect us and our supply chains in the form of extreme weather events among other things. We have accordingly started to include these risks in our ongoing corporate risk management evaluation. Our objective is thus to reduce our emissions and make a contribution towards the climate aims of the Paris Agreement. We use the “Greenhouse Gas Protocol Corporate Accounting and Reporting Standard” as updated in 2015 to measure our greenhouse gas emissions (GHG Protocol).

### Direct (scope 1) GHG emissions

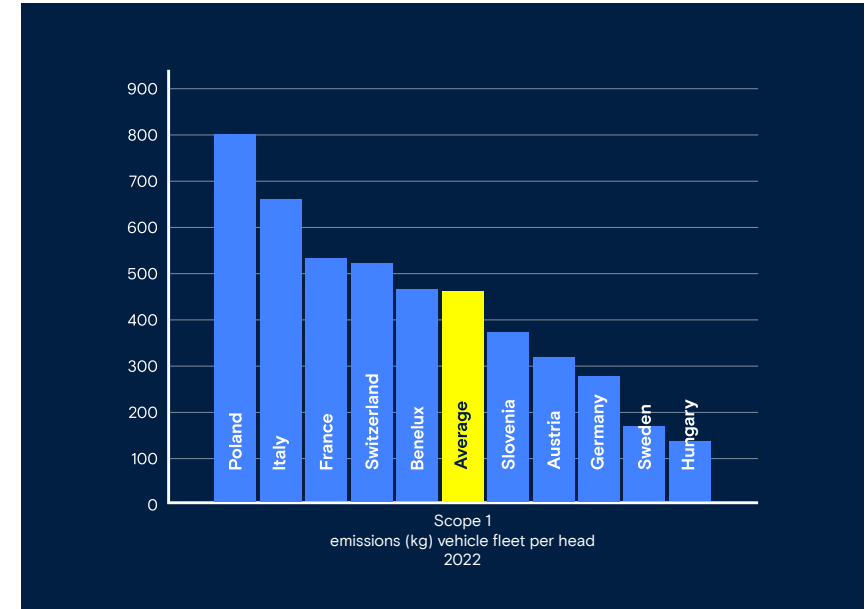
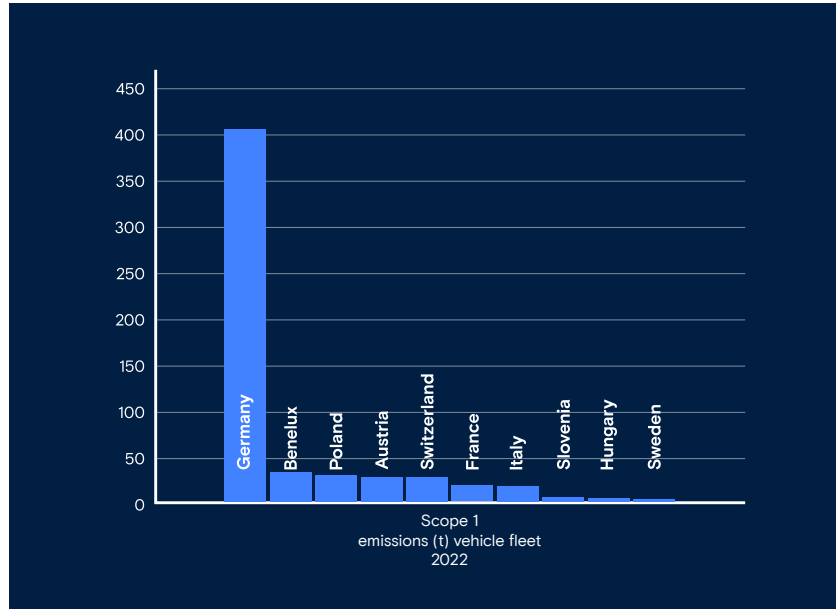
Direct greenhouse gas emissions as defined by the GHG Protocol are produced in the Conrad Group through the use of natural gas for heating our locations and by company cars with combustion engines. Both emission categories come under scope 1.

A CO<sub>2</sub> emissions total of 1,316 tonnes from local heat generation was independently verified for the Hirschau and Wernberg locations as part of the annual EMAS certification (previous year: 1,423 tonnes of CO<sub>2</sub>). The reduction relative to the previous year was attributable to improvements in operating habits, e.g. avoiding leaving rolling shutter gates open in the loading area. This resulted in average specific heating consumption of 54.1 kWh/m<sup>2</sup> in Wernberg and 42.8 kWh/m<sup>2</sup> in Hirschau. Both figures were well below the average for comparable industrial buildings.

Statistics on CO<sub>2</sub> emissions from heat generation in the other consolidated companies could only be collected in sufficient quality for Austria, Benelux, Poland and Hungary up to the reporting date. The total CO<sub>2</sub> emissions generated at these locations was 52.46 tonnes. We hope to publish the data for the other countries in the 2023 report.



The (rounded) total for the CO<sub>2</sub> emitted by the Group's vehicle fleet came to 560 tonnes in the 2022 reporting period. As the company with the largest number of employees, Conrad Electronic SE not surprisingly accounted for the highest (absolute) emission figures. When the company fleet emissions are analysed on a per capita basis, the Group-wide average comes to 0.45 tonnes CO<sub>2</sub>/employee – with Poland accounting for the highest relative values.

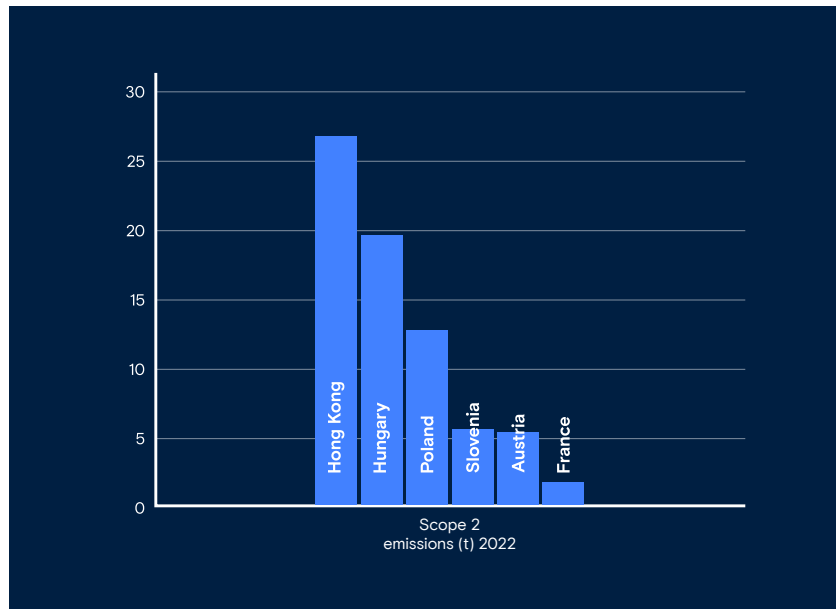


### Energy indirect (scope 2) GHG emissions

Since 1 January 2013, the Hirschau and Wernberg locations have been powered by 100 percent renewable sources of energy. This means that zero scope-2 emissions as defined by the GHG Protocol are produced at these locations from the purchase of fossil fuel electricity, resulting in an annual saving of 4,600 tonnes of CO<sub>2</sub>.

The Conrad Group's other locations have not yet completed the switch to renewable sources of energy. In order to calculate these locations' scope-2 emissions using their reported electricity consumption data, we used data on the average CO<sub>2</sub> emissions of the local power mix provided by official sources such as electricity companies or environmental agencies.

Our company in Hong Kong produced around 26.5 tonnes of CO<sub>2</sub> emissions (scope 2) in the previous financial year. Due to nuclear power's large share of the national energy mix, the figure for France was only 1.66 tonnes of CO<sub>2</sub> emissions (scope 2). The total scope-2 emissions recorded for the Conrad Group amounted to 71.03 tonnes of CO<sub>2</sub>. A number of companies were not able to provide sufficient data by the reporting date. We hope to publish the data for the other countries in the 2023 report.



### Other indirect (scope 3) GHG emissions

In the total reckoning of the Conrad Group's scope-1, scope-2 and scope-3 emissions, by far the largest volume of CO<sub>2</sub> emissions are produced in the upstream stages of the value chain. These are globally distributed and very difficult for us to influence.

CO<sub>2</sub> emissions are produced for example in the extraction of raw materials, the manufacture of huge numbers of all kinds of primary and end products as well as through the use of packaging materials and in the transport of products.

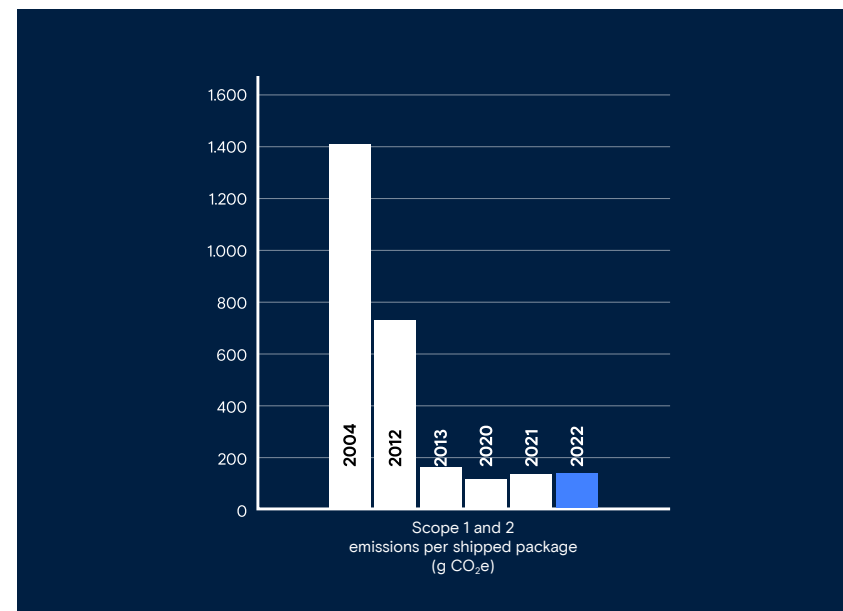
Conrad recognises that reducing GHG emissions is essential to mitigate climate change. In 2022, we therefore began to lay the groundwork to include future calculation of our scope-3 emissions. We plan to publish the first results as soon as the 2023 reporting year.

Our long-term objective is also to develop product-specific measures to make the carbon footprint of our range more transparent for our customers – both in terms of the manufacture and the use of the products.

### GHG emissions intensity

Conrad also calculated the intensity ratio for greenhouse gas emissions for the 2022 reporting period, based on the relevant shipping activities, using the total of its scope-1 and scope-2 CO<sub>2</sub> emissions from the Hirschau and Wernberg locations, divided by packages shipped per year.

The effectiveness of the climate protection measures already implemented is very clear to see over time. In 2004, when the first photovoltaic system went live, the emissions intensity per package was still 1.40 kg of CO<sub>2</sub>. The addition of three additional high-performance photovoltaic systems in subsequent years almost halved the CO<sub>2</sub> intensity per package by 2012. The switch to electricity from renewable sources in 2013 reduced the carbon intensity again to one fifth of the 2012 level. Continuous optimisation measures have brought about even more reductions since then, with the CO<sub>2</sub> intensity per package coming in as low as 132 grams in 2022 (previous year: 127 grams). This slight increase is due to the lower capacity utilisation compared to the previous year.



### Reduction of GHG emissions

In Germany, the implementation of site-specific climate protection measures dates back to August 2005 with the installation of the first photovoltaic system. The Hirschau and Wernberg sites now have a total of four such installations – with a further expansion under review. In the intervening years, a total of 16,933 MWh of solar energy have been generated at the two locations. When multiplied by the average of the CO<sub>2</sub> conversion factors for Germany's energy mix in the period from 2005 to 2022 (0.562 t CO<sub>2</sub>/MWh; source: Umweltbundesamt [German Environment Agency]), this equates to a reduction in CO<sub>2</sub> of 9,516 tonnes. Taking the switch to renewable electricity since 2013 into account alongside this, the total savings come to 61,878 tonnes of CO<sub>2</sub>. As part of our continuous improvement process, we are also implementing energy and heating economy projects aimed at optimising energy efficiency overall.

Meanwhile, we are optimising indirect scope-3 emissions. Even though we exclusively use external logistics service providers to ship items from our logistics centre in Wernberg to over 150 countries, we are still able to capture some data on the transport impact of our shipping activities. We have, for example, reduced the height of our shipping packaging and we have been continuously adapting the available box sizes. This has increased the load capacity of the transport vehicles and in turn reduced the transport emissions per

package. When it comes to choosing other contractual partners and contractors, we tend to favour regional providers within short transport distances. For instance, the main suppliers for our packaging materials are located within a radius of around 100 kilometres from Hirschau and Wernberg. During the reporting period, we additionally succeeded in offsetting almost 90 percent of the carbon emissions from transporting packages within Germany in partnership with our parcel service providers.

Our company in Austria saved 82 tonnes of CO<sub>2</sub> (scope 3) during the reporting period as a result of carbon-neutral parcel deliveries. Carbon-neutral transport is also used for most of our deliveries in Switzerland. The CEI subsidiary in Hong Kong saved 52.48 tonnes of CO<sub>2</sub> (scope 2) in one year by reducing its energy consumption.

No other emissions that contribute to climate change, damage the ozone layer, or are otherwise problematic are produced.

## Water

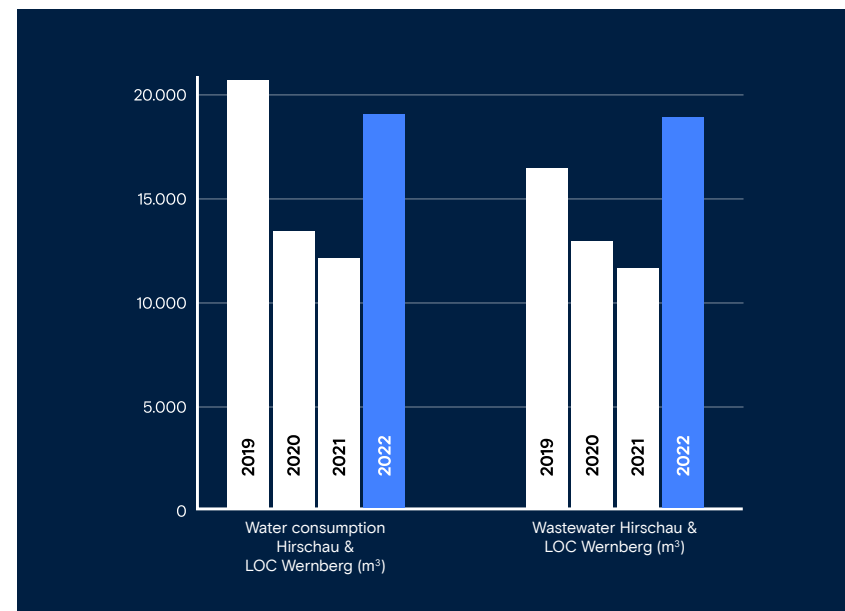
In all parts of the world, water is a scarce natural resource which we as a Group have to share with others. We therefore want to reduce our water use as much as possible and avoid waste and pollution. Since we primarily use water for sanitation at our locations, excessive pollution is not an issue. At our Group headquarters in Hirschau, small volumes of water are used for irrigation of green spaces, for room humidifiers, and to regularly test the sprinkler system. Process water is not used at any Group location and therefore there is no impact related to process water. We source the fresh water we require for our low levels of consumption from local utility companies. Water stress is not a major problem at any of our locations. We therefore do not regard our water consumption as a material topic in accordance with GRI 3.

### Water consumption in Germany

During the reporting period, total water consumption for the Hirschau and Wernberg locations amounted to 19,065 m<sup>3</sup> (previous year (corrected): 11,990 m<sup>3</sup>). For 2022, the late discovery of a burst water pipe resulted in an exceptional increase in consumption at the Wernberg location, which also had a retrospective impact on the year 2021. Normal water consumption at both locations has fallen by just under 42 percent since 2019. The main reason for this decrease has been the larger number of administrative staff working remotely since the Covid-19 pandemic. The average sanitary water consumption per employee/working day more or less corresponds to the statistical average consumption in Germany of 35 litres per capita. A detailed breakdown of water usage is provided in the updated EMAS environmental statement for 2023.

In Germany, the Wastewater Ordinance (AbwV) regulates the discharge of wastewater into water bodies and defines the related requirements and threshold values. Conrad observes these for the – mostly sanitary – wastewater of the Hirschau and Wernberg locations. In 2022, the volume of wastewater recorded for both locations was 18,804 m<sup>3</sup> (previous year: 11,286 m<sup>3</sup>). This increase is also attributable to the burst water pipe.

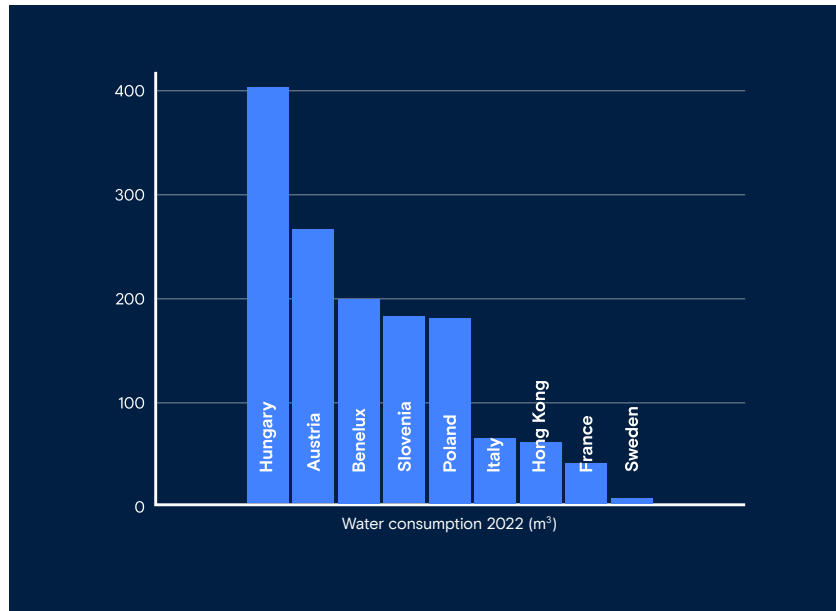
The raw water piped to the Conrad locations by local suppliers – water utilities located in Hirschau and Schwandorf respectively – is withdrawn from groundwater. The impact of climate change is for the time being expected to result in only a small decrease in the average annual groundwater replenishment in Bavaria. Therefore, based on the information currently available, the presence of large groundwater deposits, like in the Amberg-Sulzbach district, means that there is not likely to be any restriction in the average available water supply.





### Water consumption of the other Group companies

When compared with consumption at the Hirschau and Wernberg-Köblitz sites, water usage at our other locations – to the extent that data was provided for 2022 – was low. The figures reported referred exclusively to water used for sanitation purposes, with the level of consumption in line with that of private households. The water comes from local suppliers; no specific data was available on wastewater volumes, the origin of the raw water or regional water stress.



### Biodiversity

Efforts to maintain biodiversity and prevent species extinction is an important topic at global level. Given that Conrad's business activity has less impact on biodiversity compared with the manufacturing industry, and considering the high priority we place on energy and emissions in our supply chains, we do not regard biodiversity in this context as a material topic in accordance with the GRI Universal Standards 2021.

In our view, the activities carried out by Conrad at its locations do not produce significant negative impacts on biodiversity. Since the nature of our business activities does not, to our knowledge, negatively impact the habitats of wild animals or plants or of protected species, there is no requirement to carry out any local land restoration measures.

# 05 Circular economy

## Highlights

- 100 % shipping boxes made from recycled materials
- 32 % reduction of overall packaging material
- 60 % increase of products with proven environmental benefits in Conrad portfolio



## Circular economy



Dwindling resources and climate change mean that a global effort is required to move away from the throwaway society towards a carbon-neutral, environmentally sustainable and non-toxic circular economy by 2050 at the latest. The “Global Resources Outlook” report by the UNEP (United Nations Environment Programme) shows that if we continue to use resources at our current rate, we would need three planet Earths to meet our demands by 2050.

In its “Circular Economy Action Plan” published in 2020, the European Commission puts forward a concrete set of actions to speed up the transition. These actions are in line with the EU’s aim to be climate-neutral by 2050 and cover all stages of the value chain from product design and production through consumption, repair, waste management and secondary raw materials that are put back into the economy.

As a sourcing platform for electronic and technology products, Conrad can – through its actions – make a significant contribution towards the transition to a circular economy at every stage. This accordingly represents a key activity field of our sustainability strategy.

## Products

### Transparency regarding basic materials

The products sold directly by Conrad or via sellers for the most part contain basic materials made of various metals with different technical properties as well as a wide range of plastics. All of the plastic materials have to meet different performance requirements. It is estimated that most of the plastic components were originally made from fossil fuels. Glass is another material that is used in many products.

As part of our supplier management system, we have set ourselves the long-term objective of achieving maximum transparency on the type and volume of basic materials used. Our previous work on this topic has shown that this process will continue well beyond 2025. The same applies to the recording of the resource consumption and greenhouse gas emissions in our upstream supply chains, which are significantly higher than at our own locations, as well as to the preferred use of recycled or renewable materials in the products.

Rare-earth minerals from countries where human rights are not observed may constitute a potentially problematic exception in terms of the basic materials used. For its part, the Conrad Group does not import any cobalt, mica, conflict minerals (tin, tantalum, tungsten and gold; also known as “3TG”) or their derivatives from cassiterite, columbite-tantalite and wolframite directly from metallurgical works or other sources in conflict or high-risk regions. At the same time, all six of the above-named minerals are widely used in the manufacture of electronic components around the world and it is also possible that they are present in the electronic components we sell to our customers.

As a company that is fully aware of its responsibilities, we follow the OECD Guidelines as well as the United Nations Guiding Principles on Business and Human Rights. In addition, even though we exclusively use well-known manufacturers and long-standing distributors, we do not ourselves have any direct influence on the source of the minerals used. To the best of our ability and in cooperation with our suppliers, as well as in view of the German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz) which applies to Conrad as of 1 January 2024, we continue to work towards our objective of creating,

at an early stage, the necessary transparency to allow us to provide our customers with reliable statements and thereby support them in an adequate manner in fulfilling any burden of proof they may have. We currently do not have any information on the presence of materials from conflict or high-risk regions that are not deemed to be “conflict-free”. The statements are based on data provided to us by manufacturers and suppliers.

### Eco-friendly product design

Conrad contractually obliges all of its suppliers to comply with the EU's Ecodesign Directive and implements this with regular quality checks. The Directive sets out requirements for the eco-friendly design of “energy-related products” – applying therefore from the start of the product lifecycle. As well as energy-using products, it also covers products that affect the energy consumption of other systems. Through our compliance with the Directive, we are contributing to the more efficient use of resources, the avoidance of waste, and the creation of a stronger market for efficient and environmentally friendly products.

In addition, through its compliance with the EU Chemicals Regulation REACH and the RoHS Directive, Conrad counteracts the risks for people and the environment associated with the recycling of e-waste. Electronic components that meet the requirements of the RoHS Directive are identified as such in the online stores.

### Identification of products with environmental benefits

Conrad is endeavouring to increase the share of products with proven environmental benefits as opposed to comparable alternatives in its range. We give customers the opportunity to include this criterion in their buying decision by labelling products with environmental benefits with the word “ECO”. Every product marked “ECO” has at least one of the following certifications: Blauer Engel (Blue Angel), TCO Certified or EU Ecolabel. In addition, Conrad provides comprehensive information on energy efficiency classes and highlights products with plastic-free packaging.

In 2022, increases were achieved in all categories relative to the previous year. This is attributable both to our product range strategy (e.g. plastic-free) and to better data reconciliation with external databases.

Label	Number of items in 2022	Number of items in 2021
„Blauer Engel“	762	426
EU Ecolabel	71	55
Plastic-free packaging	5,780	3,361
TCO Certified	1,084	170
Energy efficiency labelling	8,703	6,127
of which energy efficiency class A, B and C	522	301
<b>Total number of items with “ECO” labelling</b>	<b>16,400</b>	<b>10,139</b>

### Extended useful life of product

EU statistics show that electrical and electronic waste makes up the fastest growing waste stream in the EU. This poses a particular problem considering that the current recycling rate is less than 40 percent. To start making progress towards a circular economy, therefore, we need to extend the useful life of existing products and thereby reduce the amount of waste produced.

Conrad makes an important contribution here through its responsible approach to customer returns and innovative services to enable different use of products.

The Conrad Group tries to make its product descriptions and images as accurate as possible in order to avoid returns in the first place. Where returns are unavoidable, we take responsibility for giving the products a second life in a way that saves maximum resources. In 2022, this efficient management approach meant that we were able to re-sell 50.4 percent of returned products as Class A merchandise following a quality check. A further 23.3 percent of returns were put back onto the market at a reduced sale price due to minor defects. Approximately 24 percent of returns were sent back to the manufacturers or suppliers as “defective” and only 2.3 percent had to be disposed of in the proper prescribed manner due to their condition (e.g. opened hygiene items, used batteries, faulty lamps).

Conrad also encourages changes in consumer behaviour by offering services that help to extend the product use phase and thereby save resources. These include our continuously growing range of [refurbished](#) products. In many product categories, including notebooks, monitors and printers, we offer customers a high-quality alternative to the purchase of a new product. These offers naturally also include a warranty and a test phase. With our [trade-in programme](#) meanwhile, consumers have the option to give their used electronic device a second life when it is sold to someone else. They can receive a fair market price for their device, depending on its condition, by sending it to our partner Recommerce.

In addition to the traditional way of purchasing electronic devices, Conrad also offers its customers a flexible monthly hire option. Through our [partner Grover](#), B2B and B2C customers can hire the device they want for however long they want, choosing from nine different categories ranging from laptops or drones to virtual reality headsets. This is an efficient way to pass on unused devices to the next user without burdening the environment with additional e-waste.

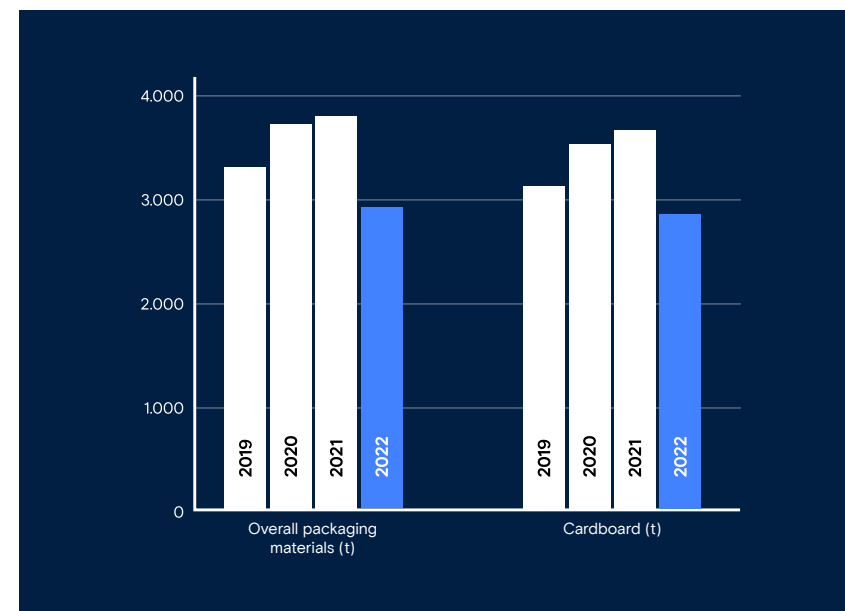
## Packaging

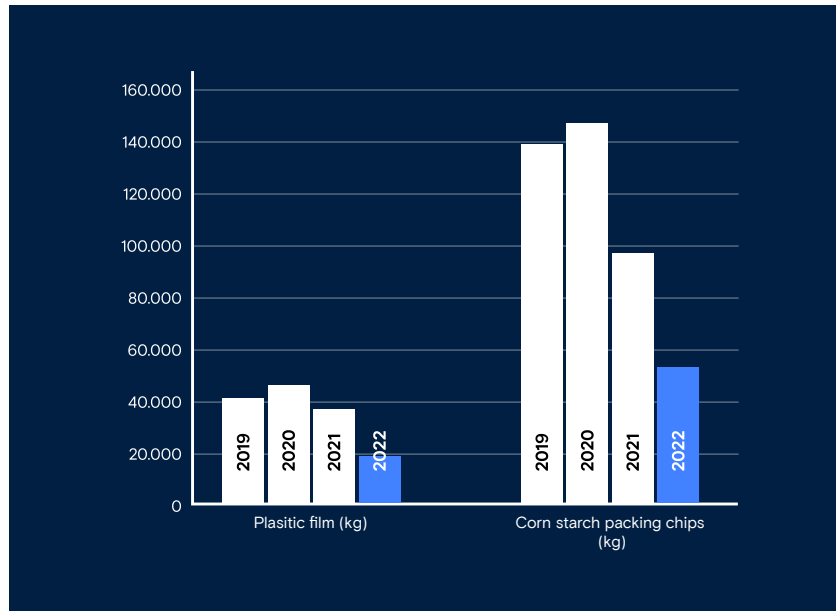
Statistics show that the average packaging waste produced in Europe every year comes to almost 180 kg per person. That is why the European Commission published a draft regulation on packaging and packaging waste in 2022, with the target for the latter aiming at a 15 percent reduction per Member State per capita (2018 baseline) by 2040. This is to be achieved through reuse and recycling.

Packaging waste is produced at our own establishments and by our customers due to our commercial activity. In the case of items that are shipped indirectly to customers via suppliers and sellers, these are picked at the Wernberg logistics centre (LOC) and made ready for dispatch to international B2B customers and private end consumers. This means that the products are first removed from their transport packaging – which becomes packaging waste at the logistics centre. You can read more about our process for dealing with this category of waste under [Reduction of site waste in Germany](#). If necessary, Conrad transport packaging is added to the products in a second stage. Depending on the type of customer, this becomes commercial or municipal waste and is sent to recycling by our customers. As the consignor, our aim is to set a good example here, which is why we are committed to using sustainable shipping packaging made from recycled materials wherever possible.

### Sustainable shipping packaging

The packaging materials used for shipping at LOC mostly comprise recyclable cardboard boxes, recyclable crinkle paper, corn starch packaging chips and plastic film. At 97.7 percent, cardboard boxes accounted for the majority of the packaging used at LOC in the 2022 reporting year (previous year: 96.5 percent), corn starch packaging chips made up 1.87 percent (previous year: 2.55 percent) and plastic film made up 0.41 percent (previous year: 0.95 percent). The total weight of the packaging materials used was 2,896 tonnes (previous year: 3,781 tonnes). In 2022, 0.290 kilogrammes of packaging materials were used per package (previous year: 0.338 kilogrammes). The share of non-renewable packaging materials was under one percent in line with the previous year. This means that the share of packaging materials made from renewable materials was around 99.3 percent. The cardboard used by Conrad for its shipping packaging at LOC in 2022 was made from 100 percent recycled fibres. The greenhouse





### Continuous optimisation of product packaging

In the case of Conrad's own brands, Conrad Electronic has been working intensively with its suppliers since 2018 to design more environmentally friendly product packaging and avoid the use of plastic in transport and consumer packaging. The focus here is on the elimination of PVC and expanded polystyrene (EPS) as well as the substitution of plastic packaging components with cardboard materials, for example.

At 30 tonnes, the total volume of plastic packaging used in 2022 was further reduced by 21 percent relative to the previous year. The reduction since 2018 amounts to just under 85 percent. Shipping pallets are as a matter of course re-used unless they are damaged.

gas emissions resulting from the production of the cardboard was largely offset by our suppliers. This information is printed on the packaging boxes and therefore visible to our customers. The proportion of recycled packaging materials used came to 95.2 percent in the reporting year (previous year: 96.5 percent). This is lower than the total cardboard packaging percentage because gummed adhesive tape and dangerous goods labels are also included in the cardboard packaging category and it has not yet been possible to source these items made from recycled fibres.

## Recycling and waste management

### Collection and recycling of used devices

The European Union's WEEE Directive sets out provisions for the placing on the market and recovery of waste electrical and electronic equipment. The separate collection and recycling of e-waste is important to avoid it being disposed of in household refuse. This should also help to combat the illegal export of used electrical and electronic equipment to third countries and keep valuable raw materials in the EU so that they can be re-used.

Even though the WEEE Directive sets out the EU-wide legislative framework for the various obligations of manufacturers, it is individually implemented in each EU Member State through national laws like Germany's Electrical and Electronic Equipment Act (ElektroG). There is no EU-wide registration system for electrical and electronic equipment; instead, each Member State has adopted its own solution. The same applies to other waste directives, such as the legislation on used batteries and packaging.

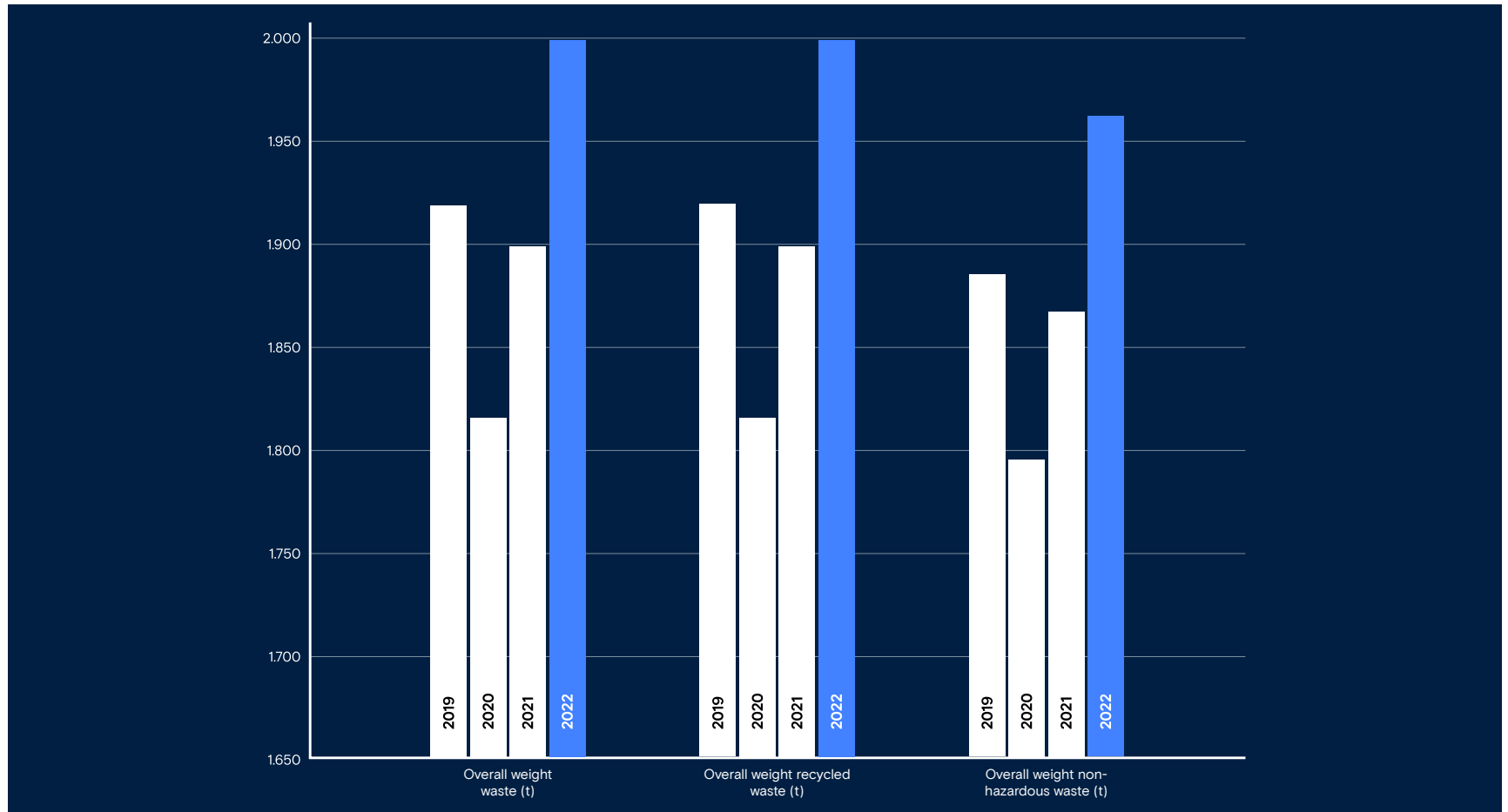
All of the companies included in this report that are based in an EU Member State and which sell electrical and electronic equipment comply with the corresponding national legislation. In Switzerland, the Ordinance on the Return, Taking Back and Disposal of Electrical and Electronic Appliances (VREG) is applicable. In Hong Kong, the Conrad Group does not sell any electrical or electronic equipment. For more information on the legislation that applies in each country, please see the websites of our local subsidiaries.

### Reduction of site waste in Germany

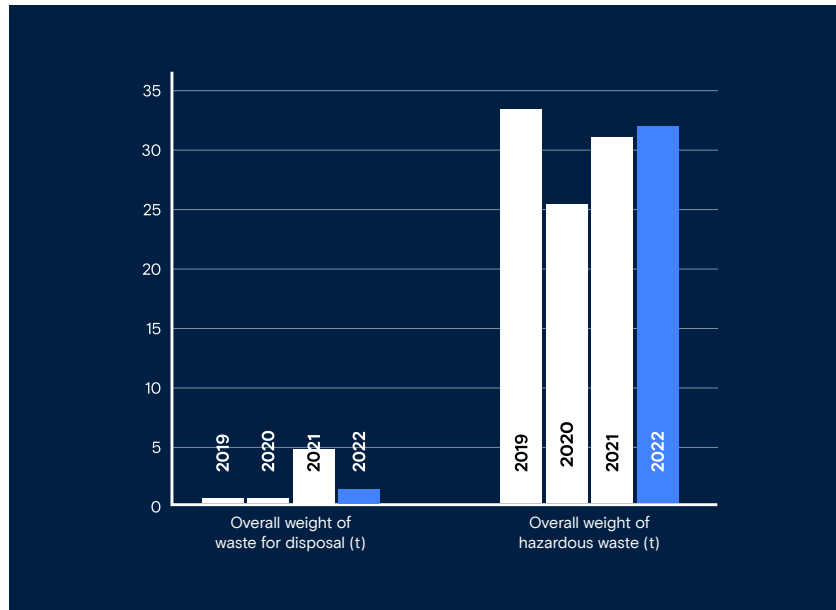
Just under 86 percent (previous year: over 90 percent) of the total waste produced at our German sites is accounted for by transport packaging of incoming goods. This is mostly paper, cardboard and film. The remaining around fourteen percent is mainly made up of commercial waste of a similar nature to household rubbish, while the remaining less than two percent is "hazardous" waste to be accompanied by documentary proof and which we are mostly able to send to recycling. The measures we have adopted to reduce the amount of incoming packaging as well as the waste we produce ourselves have been successful. We use the volume of waste per package indicator to document the continuous reduction process (2022: 172 g/package; previous year: 170 g/package). The slight increase is due to a one-off effect of 283 tonnes in total of metal waste arising from a reconstruction project. Conrad has long been able to point to a high recycling rate of over 99 percent relative to its total volume of waste. In the same period, 0.290 kilogrammes of packaging materials were used per package in the goods outward department (previous year: 0.338 kilogrammes).



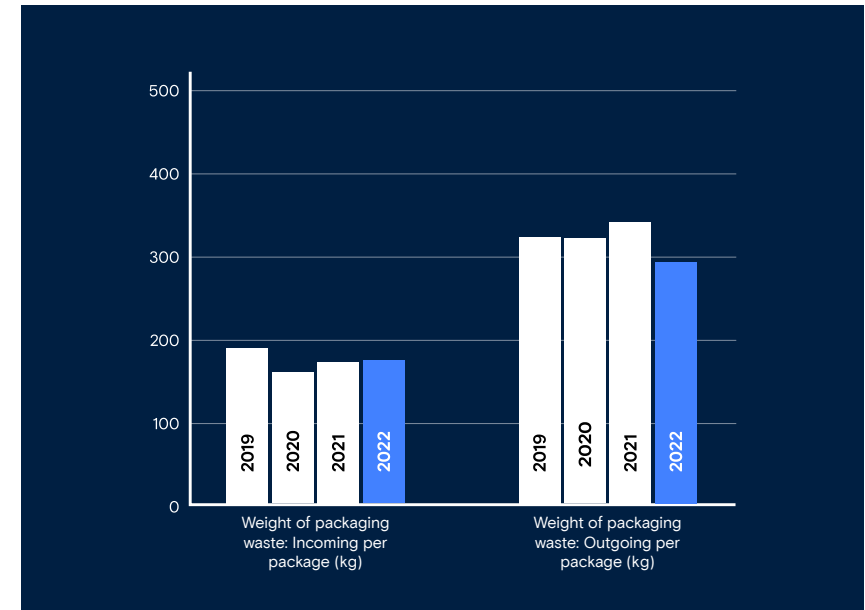
### Onsite waste Germany – Overall, recycled and non-hazardous



### Onsite Waste Germany – "For disposal" and "hazardous"



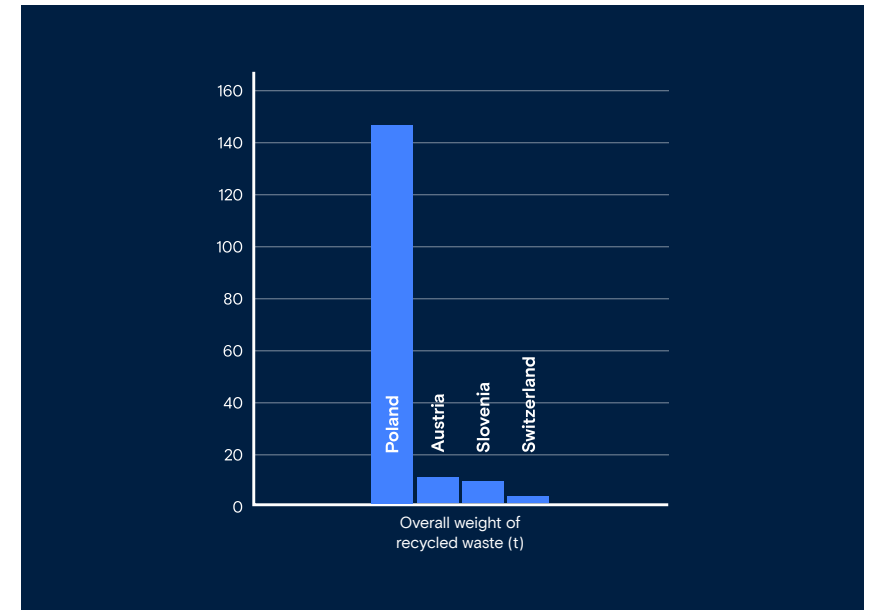
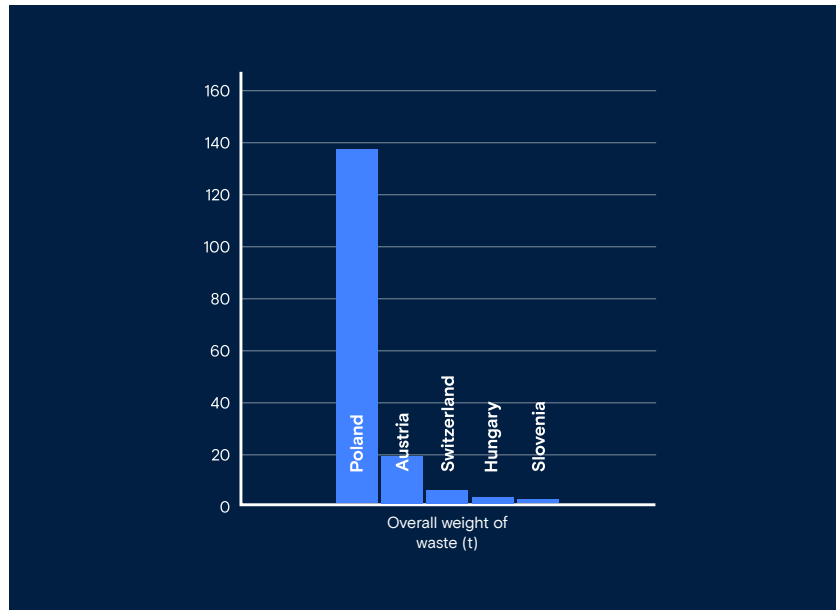
### Weight of packaging waste – Incoming and Outgoing



### Waste management in the other Group companies

High-quality indicators for waste management in Germany are available due to the EMAS certification (introduced in 2006) of our main locations in Germany. The 2022 sustainability report presents the first packaging indicators recorded for the Conrad Group's local subsidiaries. Our companies in Switzerland, Poland, Slovenia and

Hungary (East region) were able to provide these indicators before the reporting date. The figures, which were not independently verified, are thus included in the below graphic. Our goal is to provide more detailed and complete information on the disclosures of our local subsidiaries in the coming year.



# 06

## Employees

### Highlights

- Family friendly due to flexible working hours and mobile work
- 89% of employees stay with the company after parental leave in Germany
- 36% reduction of occupational accidents compared to 2021



## Employees



Qualified employees are a decisive success factor for the Conrad Group. We attach great importance to fair and attractive working conditions, respectful relationships, and career advancement opportunities at all locations. Our Code of Conduct ensures that these principles are firmly embedded in our corporate culture and implemented on a daily basis.

The Conrad Group offers flexitime models and numerous employee benefits in order to counteract any shortages of skilled labour. It also clearly positions itself as a training organisation and has a diverse location policy with offices in 16 international locations.

In order to react in a flexible manner to seasonal fluctuations in the orders received from Conrad customers as well as the use of holiday and overtime entitlements by employees in the LOC logistics centre, Conrad employs a small number of temporary workers in the logistics department. These extra staff are treated as equivalent to regular employees in accordance with the German Act on Temporary Agency Work (AÜG). In 2022, between 68 and 111 temporary staff were employed full-time at the logistics centre, depending on the month.

From time to time, Conrad concludes individual contracts with independent providers of services like translation, graphical design, marketing or programming at most of its local subsidiaries. Around 14 service providers were engaged on an exclusive or semi-exclusive basis for Conrad in 2022. Fair remuneration and legally compliant working hours are contractually agreed in accordance with the applicable national legislation and are in line with the principles of our Code of Conduct.

In Switzerland, our business apprentices are hired via regional training centres. These hirings are in line with Swiss labour law and Conrad's Code of Conduct. Two such apprentices were taken on in 2022.

The structure of our workforce was as follows in the 2022 reporting year:

### Employees by gender in the 2022 calendar year

	Male	Female
<b>Total</b>	<b>970</b>	<b>990</b>
Benelux	46	23
Fernany	694	783
France	13	21
Hong Kong	29	33
Italy	15	10
Austria	29	55
Croatia & Slovenia	7	6
Poland	26	10
Sweden	6	9
Switzerland	34	17
Slovakia & the Czech Republic	56	14
Hungary	15	9

(as of 31 December 2022; headcount)

## Employees by region and employment status in the 2022 calendar year

	Germany, Austria, Switzerland	Hong Kong	Region East	Region West	Total
<b>Total</b>	<b>1612</b>	<b>62</b>	<b>143</b>	<b>143</b>	<b>1960</b>
Open-ended contracts	1506	60	134	112	1812
Temporary contracts	106	2	9	31	148
Full-time employees	1217	59	136	105	1517
Part-time employees	395	3	7	38	443

(as of 31 December 2022; headcount)

## New hires and employee turnover

Like many companies, the Conrad Group is challenged to attract and retain talent over time to remain on its growth path. By offering attractive working conditions and nurturing a positive workplace culture, Conrad was able to add 294 new employees to its workforce in the reporting year.

The following tables show the age and gender breakdown of the new recruits:

### New employees

	Younger than 30	30-50	Older than 50	Total
Germany, Austria, Switzerland	106	95	21	<b>222</b>
Hong Kong	3	3	5	<b>11</b>
Region East	7	19	0	<b>26</b>
Region West	14	20	1	<b>35</b>

(headcount, as of 31 December 2022)

### New hires

	Male	Female	Total
Germany, Austria, Switzerland	121	101	<b>222</b>
Hong Kong	4	7	<b>11</b>
Region East	24	2	<b>26</b>
Region West	20	15	<b>35</b>

(headcount, as of 31 December 2022)

Calculated using the Schlüter formula [turnover rate = departures / (headcount at beginning of period + new hires) \* 100], average turnover at the two German locations Conrad Electronic SE and ReIn Retail International GmbH was as follows in the reporting period:

### Turnover rate (Schlüter formula)

	Younger than 30	30-50	Older than 50
Male	14,48 % (prev. year: 15,44 %)	10,52 % (prev. year: 9,09 %)	6,15 % (prev. year: 5,51 %)
Female	32,95 % (prev. year: 11,58 %)	13,83 % (VJ: 7,14 %)	5,27 % (prev. year: 9,23 %)

Turnover by age and gender was as follows for other countries where the Conrad Group is represented:

### Turnover rate (Schlüter formula)

	Male	Female
Benelux	21,20 %	16,7 %
France	0 %	4,3 %
Hong Kong	12,12 %	10,81 %
Italy	12,5 %	16,7 %
Austria	46 %	35 %
Sweden	0 %	27,3 %
Switzerland	8,1 %	22,72 %

### Turnover rate (Schlüter formula)

	Younger than 30	30-50	Older than 50
Benelux	15 %	0 %	0 %
France	9,1 %	0 %	0 %
Italy	0 %	26,7 %	0 %
Austria	51 %	31 %	21 %
Sweden	28,6 %	15 %	22,2 %
Switzerland	25 %	8 %	7,1 %

FNo data was available for region East up to the editorial deadline. No breakdown by age could be provided for Hong Kong. We intend to include this data for the first time in the 2023 sustainability report.

## Diversity and fairness

Conrad is firmly committed to promoting diversity and equal opportunities. Through its membership of Bundesverband E-Commerce und Versandhandel (bevh), Conrad is an indirect signatory of the “Charta der Vielfalt” (Diversity Charter) and it has been a regular participant in Day of Diversity events since 2021. In addition, Conrad proactively promotes STEM (science, technology, engineering and mathematics) disciplines with a view to convincing more female talent to take up a career in the technology industry. Through its regular participation in “Girls’ and Boys’ Day”, Conrad also hopes to make it easier to recruit female managers in the future. Strict compliance with our own Code of Conduct and with local labour law eliminates the risks of child labour, forced labour and compulsory labour in all of our establishments.

The gender and age distribution in the Conrad Group was as follows in the reporting period:

### Distribution of Conrad managers by region\*

		unter 30 Jahre	30-50 Jahre	über 50 Jahre
Germany, Austria, Switzerland	Male	0%	53,2%	40,3%
	Female	0%	6,5%	0%
Hong Kong	Male	9%	45,5%	18,2%
	Female	0%	0%	27,3%
Region East	Male	0%	0%	60%
	Female	0%	20%	20%
Region West	Male	0%	28,6%	57,1%
	Female	0%	0%	14,3%

\* i.e. registered directors and heads of department (headcount)

### Distribution of non-managerial Conrad employees by region\*

		unter 30 Jahre	30-50 Jahre	über 50 Jahre
Germany, Austria, Switzerland	Male	9%	22,8%	13,8%
	Female	8,6%	23,4%	22,4%
Hong Kong	Male	3,9%	35,3%	2%
	Female	3,9%	37,3%	17,6%

\* (headcount)

It was not possible to classify the local employees by age cohort in the East and West regions by the editorial deadline. We intend to include this data for the first time in the 2023 sustainability report.

Conrad Electronic is a significant employer in Upper Palatinate, Bavaria, as well as in neighbouring districts in Upper Franconia, Middle Franconia, Lower Bavaria and Upper Bavaria. An analysis of the share of members of management who were specifically recruited locally shows that 82.9 percent with the grade of director or higher have their main place of residence in German postal code areas starting with 8 or 9 (covering territory in the south-east of Germany). We regard this as an overwhelming majority of local leaders. Management roles are also predominantly filled by local employees at all other Conrad locations. It is important for us to promote talent regardless of the region they come from, however. This means that cross-border work and changes of role within the Group are common practice with high rates of remote work.



### Equal payment

Conrad compensates its employees based on performance in line with requirements and qualifications. The following comparison of the remuneration (basic salary plus bonuses and/or remuneration in accordance with informal employer/works council agreement) of female versus male employees was calculated on a full-time equivalent basis. In addition, the data was clustered by department/function and only the average salaries of employees with the same grading were compared. The percentage variances at departmental level were then aggregated as a mean value for each location. If there was no direct counterpart of the opposite sex for a particular job, this was considered statistically neutral. Due to the small number of employees at many locations, it was not possible to calculate a gender pay gap given that jobs at those locations are usually performed by just one person. This is also inapplicable in countries with a collective agreement in place.

An equalising trend relative to the previous year can be seen in Hirschau, whereas in Wernberg, women earned slightly more than their male colleagues doing the same job in 2022. No comparison with the previous year was possible in the other countries because the data was collected for the first time in 2022. We classify the differences as minimal.

### Gender pay gap by company and location

CE SE: Hirschau	Difference in average pay of men/women: +5,18% (prev. year: 6,26%)
CE SE: Wernberg	Difference in average pay of men/women: - 2,58% (prev. year: 1,53%)
Retail International (DE)	Difference in average pay of men/women: - 4,17%
Slovenia	Difference in average pay of men/women: 0,88%
Czech Republic	Difference in average pay of men/women: 0,94%

The annual total compensation ratio of the median employee salary to the highest paid employee of the respective companies varies from 1.84 to 9.41 in the regions. It was not possible to collect data in Austria and Germany by the editorial deadline; we expect no major deviations compared to the other regions and intend to include this data in the next reporting period.

**Remuneration policy and collective agreements**

There is no collective bargaining set-up in several of the countries in which the Conrad Group operates. This means that remuneration is based on customary salaries in the market (benchmark) for comparable positions, taking the individual's background knowledge into consideration. Decisions on performance-based salary adjustments are made by the respective managers in accordance with the regular budget approval process.

France, Italy, Austria and Sweden are exceptions as one hundred percent of Conrad employees in these countries are remunerated in accordance with national collective agreements.

In Germany, around one quarter of employees have contracts stipulating remuneration based on a monthly basic salary and a results-based profit-sharing bonus. The majority of employees are covered by an informal employer/works council agreement. This does not include a profit-sharing bonus but does set out entitlements such as an annual inflation-linked salary increase, anniversary payments (birthday, marriage, etc.) or holiday and Christmas bonuses.

The annual financial statements of the respective companies contain information on personnel expenditure (wages and salaries, social security contributions, pension plan contributions and support). Current expenditure for the board of directors is disclosed in the Notes to the Management Report under "Other information". The current expenditure for the managing directors of Conrad Electronic SE was not disclosed in 2021 pursuant to Section 286 para. 4 of the German Commercial Code (HGB).

Employer/works council agreements at Group company level are concluded for other topics covered by collective bargaining law, for

example remote working. If individual employees are not directly covered by the scope of application of the employer/works council agreements because of their function or activity at a particular location, such agreements are nevertheless fully applicable.

**Statutory minimum wage**

The percentage of employees whose pay was based on the applicable local minimum wage was zero at the majority of companies in 2022. The minimum wage only applied to two German companies to a minor extent. Entry-level salaries based on the national minimum wage were paid to 0.15 percent of employees at Conrad Electronic SE and 1.43 percent of ReIn Retail International GmbH employees. No further information is reported due to the low percentages involved.

**Parental leave**

Conrad allows all employees to take parental leave in accordance with their legal entitlement and at certain locations also provides the additional option of taking extended parental leave of up to two years. It was not possible to record the number of employees who availed of their legal entitlement to parental leave in the reporting year because there is no legal obligation for employees to report the birth of children to their employer.

In Germany, a total of 92 employees – 69 women and 23 men – made use of their entitlement in the 2022 reporting year. Meanwhile, 40 employees returned from parental leave in 2022 – 16 of them women and 23 men. Conrad is happy to report that 31 of the

employees who returned from parental leave (15 women, 16 men) are still employed with the company twelve months after the end of their parental leave. The returnee rate was therefore 87 percent and the remainee rate was 89 percent.

Since statutory parental leave entitlements vary greatly from one country to another, the differences from one country to another are not described in this report. The following statistics have been recorded for young parents taking and returning from parental leave:

**International parental leave statistics**

	Employees taking parental leave		Employees returning from parental leave		Employees returning from parental leave after 12 months	
	Male	Female	Male	Female	Male	Female
<b>Benelux</b>	4	0	4	0	7	0
<b>France</b>	0	1	0	0	0	0
<b>Austria</b>	0	7	0	2	0	0
<b>Poland</b>	1	0	0	0	0	0
<b>Sweden</b>	0	0	3	3	2	3
<b>Switzerland</b>	0	2	0	2	0	0

Hong Kong, Italy, Croatia, Slovenia, Slovakia, the Czech Republic and Hungary were not included in the table due to no cases of parental leave in the period concerned. Conrad is not currently in a position to report statistics on returning and remaining employees over several

reporting years. We do, however, plan to continue disclosing these statistics in the sustainability report for 2023 and beyond.



**Employee pension scheme and other benefits**

The Conrad Group fully complies with all of its legal obligations to pay social security contributions for its employees and offers many additional occupational benefits. In general, no distinctions are made between full-time, part-time and temporary employees – with the exception of Slovenia/Croatia, where preventive healthcare and parental leave are only offered for full-time employees. In all other companies, all employees are provided with healthcare, parental leave and a pension scheme in accordance with the local legal entitlements. More extensive benefits, such as voluntary preventive occupational healthcare measures or financial and non-financial benefits, such as employee discounts, a company canteen or sports programmes, are available to all employees at some locations. Life assurance, (general) disability insurance and equity interests are in general not offered.

In Germany, Conrad offers a company pension scheme in cooperation with a well-known insurance provider and pays the corresponding employer contributions. The employees can decide whether to take up this offer and choose the level of the

contributions. The total expenditure on social security contributions for pension schemes and support for Conrad Electronic SE employees is disclosed in the profit and loss account of the 2021 annual financial statements.

## Training and education

The Conrad Group recognises that the competence of its employees is a key factor in determining the company's future viability and business success. That is why it invests heavily in employee training. This begins with numerous entry-level positions for young talent – including introductory training, regular apprenticeship offers, combined study and work programmes, work placements, supervised theses, working student positions and career gateway traineeships. We also provide ongoing promotion and development opportunities to all employees. It is unfortunately not currently possible to report the hours of training and further education completed per employee, but we aim to be able to analyse this metric in the 2024 reporting year.

Conrad uses a transparent model for the development of its employees. This is based on a learning-on-the-job component comprising roughly 70 percent. A further 20 percent of an employee's personal development is to be achieved through coaching, a culture of embracing feedback, and learning from colleagues. The remaining 10 percent for the optimum development of individual skills is intended to be covered by training, workshops, literature and videos. Employees can choose from a number of options to complete the systemic or institutional learning that makes up ten percent of the overall training. All employees can for example access Conrad's own online training portal "Conrad Academy" to complete certain compulsory further training modules. With their manager's approval, they can also choose from other personal and professional development options, including access to the Udemy learning platform, Google Cloud certification, language courses, and third-party seminars and courses that are individually tailored to their requirements. Standardised programmes for transitional assistance or maintaining employability are not offered. A prioritised internal jobs market with a focus on advice gives our employees flexible professional development opportunities.





### Internal communication

Conrad attaches great importance to having a satisfied and well-informed workforce. That is why we offer a range of formats to facilitate dialogue between employees and corporate management. Changes within the company are communicated to the works council in a comprehensive and timely manner in compliance with the consultation- and negotiation-related provisions.

Our annual Conrad Experience Days give all colleagues the opportunity to participate in dozens of specialist talks and discussion groups and listen to inspiring keynote speeches. They can find out more about our corporate strategy and exciting innovations and discover the latest B2B trends. The events also allow employees to interact with colleagues in different parts of the organisation. The annual Conrad Summit provides a similar networking platform. This is where managers from across the entire Group meet at the beginning of every year to get a head-start on the specific challenges and opportunities of the coming year.

With support from the Great Place to Work Institute, we conducted a survey of all employees in the 2022 reporting year to gauge their personal level of satisfaction. We also organised several workshops to develop follow-up measures. We plan to repeat this survey in 2023.

In addition to this, corporate management holds quarterly “townhall meetings” to inform all employees about important developments and give them the opportunity to ask questions anonymously. Other opportunities, such as regular CEO lunches, walk-and-talk events and team-building exercises also help to promote informal dialogue.

In order to give every employee the best chance to progress their career, Conrad employees are able to sit down with their line manager to discuss their development. The uptake of this option varies between one percent and 100 percent of employees depending on the company. No formal performance assessments are carried out; any profit-sharing bonuses are based on the overall economic performance of the Group.

## Occupational health and safety

Ensuring occupational health and safety is a material concern for the Conrad Group both in its own establishments and in its supply chain, as far as this is possible. During the reporting period, we laid the groundwork so that we can in future systematically collect data on our [direct suppliers'](#) own occupational health and safety management system, as well as their policy for monitoring their suppliers.

We ensure compliance with local occupational health and safety regulations at our own establishments. To the extent it is required by law, we organise mandatory safety training for our local employees. In general, there is a low risk of injuries or workplace accidents occurring at our local subsidiaries outside of Germany because these establishments only carry out office activities. The focus of our occupational safety management is therefore on our German locations in Wernberg-Köblitz (logistics) and Hirschau (headquarters). The processes described below apply to both of these locations.

### Relevant legislative provisions in Germany

Conrad bases its occupational health and safety management on a hierarchy of laws, regulations and provisions which are mostly derived from European Union Directives. Germany's Basic Law (Grundgesetz) is also applicable inasmuch as it establishes the right to freedom from bodily harm. The Safety and Health at Work Act (ArbSchG), the Occupational Safety Act (ASiG) and social security legislation set out further legal provisions to protect workers in Germany. In addition, the statutory accident insurance institutions in Germany, in their role as public bodies, set out legally binding accident prevention regulations (DGUV regulations published by the German Social Accident Insurance umbrella association). Below the level of provisions with legal force, technical rules for framing national legislation, such as the Technical Rules for Workplace Safety (TRBS), also play an important role for Conrad.

### Occupational safety management in Germany

As an employer, Conrad fulfils its primary obligation to carry out regular risk assessments for all of its workplaces. Once risks have been recognised and evaluated, Conrad defines appropriate protective measures and checks that they are implemented.

Based on the Safety and Health at Work Act (ArbSchG) and/or other regulations and rules, over thirty operating instructions have been issued in the German and Czech languages to inform employees in brief and written form about the risks and protective measures that are relevant to their workplace. These instructions present the results of the risk assessment in a clearly structured manner. The purpose of the operating instructions is to minimise any accidents resulting from working with materials/equipment or substances.

All employees, including those from external companies, are obliged to comply with the operating instructions issued by Conrad to avoid putting themselves or others at risk. This management system covers every single employee and all workplaces.

Compliance with the law ensures that a continuous improvement process is in place. The effectiveness of this process is reviewed and documented on a regular basis, but it must be pointed out that no third-party audit or certification has been carried out to date. Regular inspections are carried out on site by the trade supervisory authorities and statutory accident insurance providers to check compliance with all the legal requirements.

### Responsibilities and training

During the reporting period, Conrad Electronic SE appointed an employee to the role of Expert of Security & Loss Prevention. Their responsibilities include coordination of the activities of an external occupational safety specialist for the Wernberg-Köblitz logistics centre and an external occupational safety officer for the Group's headquarters in Hirschau.

The occupational safety specialist and the occupational safety officer for Hirschau carried out safety inspections in every work area in 2022. The logistics centre additionally appointed 22 safety officers for the various work areas. The safety specialist (Wernberg) or the safety officer (Hirschau) were responsible for arranging continuous further training and ensuring that every employee in the respective locations undertook the prescribed annual safety training. The topics covered in the annual safety instruction at the logistics centre included the following: Emergency procedures, hazardous materials and safe handling of industrial trucks.

Other duties include the amendment of operating instructions if possible improvements have been identified. The workplace accidents or near misses, which nevertheless occurred, were discussed in one of the quarterly meetings of the occupational safety committee held in 2022. The committee determines remedial and preventive measures with a view to preventing future accidents. With members representing employees and the employer, an occupational safety committee is mandatory for businesses with more than 20 employees in accordance with Section 11 of the Occupational Safety Act (ASiG).

In accordance with the Safety and Health at Work Act (ArbSchG), Conrad Electronic SE ensured that measures were in place for first aid, fire fighting and evacuation. The operating instructions are supplemented by occupational health and safety information in the German and Czech languages on topics like lifting and carrying loads, using box cutters or recognising safety marks. During the reporting year, Conrad implemented the SARS-CoV-2 Occupational Health and Safety Ordinance (Corona-ArbSchV), which was introduced in Germany in September 2022 and repealed in February 2023.



### Occupational healthcare

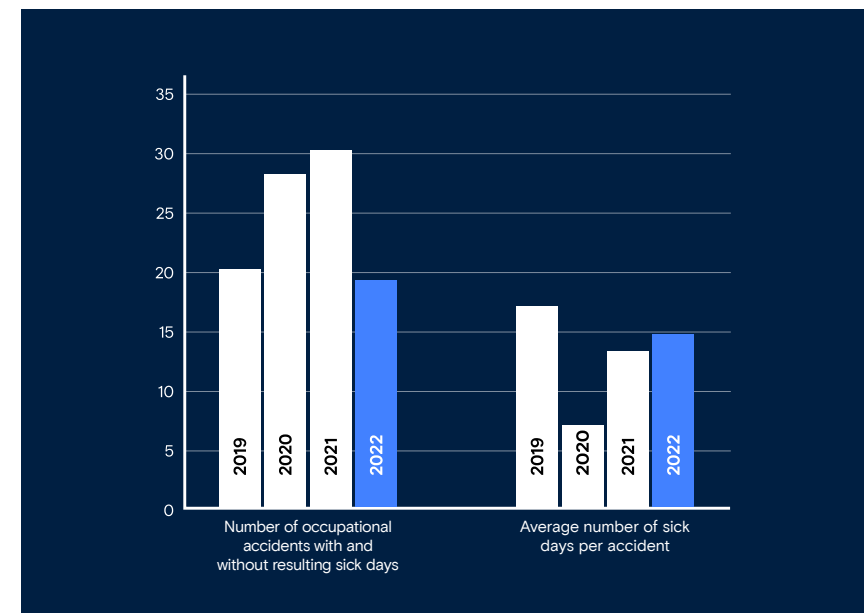
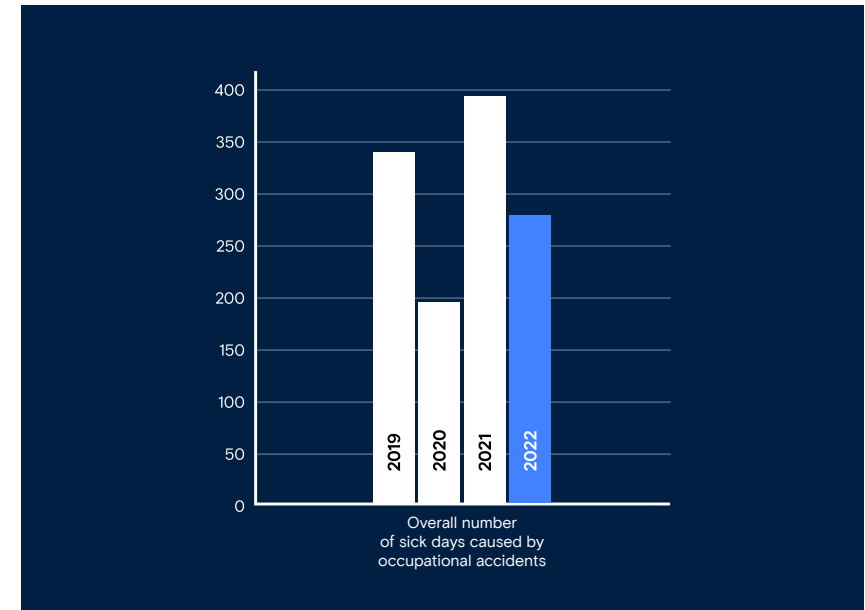
In Germany, Conrad Electronic SE is obliged in accordance with the Ordinance on Preventive Occupational Healthcare (ArbMedVV), which substantiates the Safety and Health at Work Act, to provide appropriate preventive occupational healthcare measures for its employees. The objective of preventive occupational healthcare is to detect work-related stresses and risks and identify and prevent work-related illnesses. It also contributes to maintaining employability and further developing occupational health protection. Fitness tests and preventive occupational healthcare are strictly separated. This is because the purpose of the former is to protect Conrad as an employer, whereas preventive healthcare is meant to provide advisory support for Conrad's employees. The findings from the preventive measures are only provided to the employees for data and privacy protection reasons. By appointing a company doctor for occupational medical care, Conrad is compliant with the provisions of the Occupational Safety Act (ASiG). During the 2022 reporting year, no work-related illnesses resulting in death occurred at Conrad Electronic's sites in Hirschau and Wernberg-Köblitz.

Based on the workplace-specific risk assessments, Conrad provides its employees with suitable personal protective equipment (PPE). Gloves, ear protection, safety boots and safety equipment for preventing falls and rescuing employees at a height are mandatory for certain activities or workplaces. Employees are for example obliged to use hand guards when handling safety knives, cardboard boxes or objects with sharp edges. The PPE requirements are an integral component of Conrad's occupational health and safety management system. Defective PPE must be replaced.

Ongoing workplace inspections are carried out at the Wernberg logistics centre with a view to making continuous ergonomic improvements. Conrad promotes the health and well-being of its employees in a number of ways. These include a company sports club, numerous campaigns to promote a healthy lifestyle (e.g. steps challenges, company-organised runs, seminars to help employees quit smoking), opportunities to get the flu jab and the option to lease a bike via the "JobRad" program. In addition, Conrad actively supports its employees when it comes to their work-life balance, for example by providing a company day-care centre, offering flexitime models, and allowing remote working on a wide scale.

### Occupational accidents

Conrad recorded a total of 19 occupational accidents in the 2022 reporting year (previous year: 30). Of this number, three were commuting accidents on the way to or from work (previous year: three). Seven (previous year: thirteen) occupational accidents resulted in more than ten days off work. The main causes of the accidents were incidents involving warehouse activities, traffic routes within the logistics centre, commuting accidents and industrial trucks. There were no deaths involved. The number of accident-related days off work decreased by 41 percent in 2022 to 276 days (previous year: 391 days). One occupational accident with serious consequences had resulted in the average number of accident-related days off work almost doubling in 2021 relative to the previous year). Investigations to uncover any work-related risks are carried out at all workplaces as part of the annual safety inspections. This ensures that risks are minimised to the greatest possible extent. Conrad aims to reduce work-related accidents to the smallest possible number by maintaining this continuous inspection and formulating appropriate safety measures.



07

# Contribution to society



## Contribution to society



The Conrad Group believes that business success is inextricably linked to good corporate citizenship. Anchored in our [company values](#), our sense of corporate social responsibility is firmly embedded throughout our entire organisation. We step up to this responsibility through [sound corporate governance](#), [fair working conditions for our employees](#), and [due diligence across our supply chains](#). Through our [investments](#), payment of [trade taxes](#) and creation of jobs, we contribute to the prosperity and positive regional development of the communities we live and work in around the world.

We are also aware that our product portfolio acts as a lever in driving progress around key challenges facing society today. These include the need to power digitalisation and automation and to protect the climate by increasing the share of renewable energy sources and energy efficiency. We therefore carefully curate our range of products with a firm focus on [quality and the safety](#) of our customers.

In addition, we aim to make a proactive and positive contribution to civil society through sponsoring and donations to selected community projects, thus supporting numerous charitable causes. We select our community engagement projects based on three key criteria:

## Regional engagement

We believe that we can make the biggest impact in the places where we and our employees live and work. This means that we tend to favour projects which we can help to implement ourselves and where we can offer the greatest possible practical support.

One example is “Conrad Sportförderung”, which was founded back in 1985 to promote the participation in sports in the areas of Amberg-Sulzbach and Wernberg-Köblitz. Committed employees have also set up other initiatives all around Europe supported by the Conrad Group.

In 2022, the good work was continued with initiatives like “Tekkies zeigen Herz”, where employees fulfilled the Christmas wishes of kids and youngsters in local children’s homes, or financial donations by management to causes like “Kinderpalliativteam Ostbayern”, which supports children receiving palliative care.

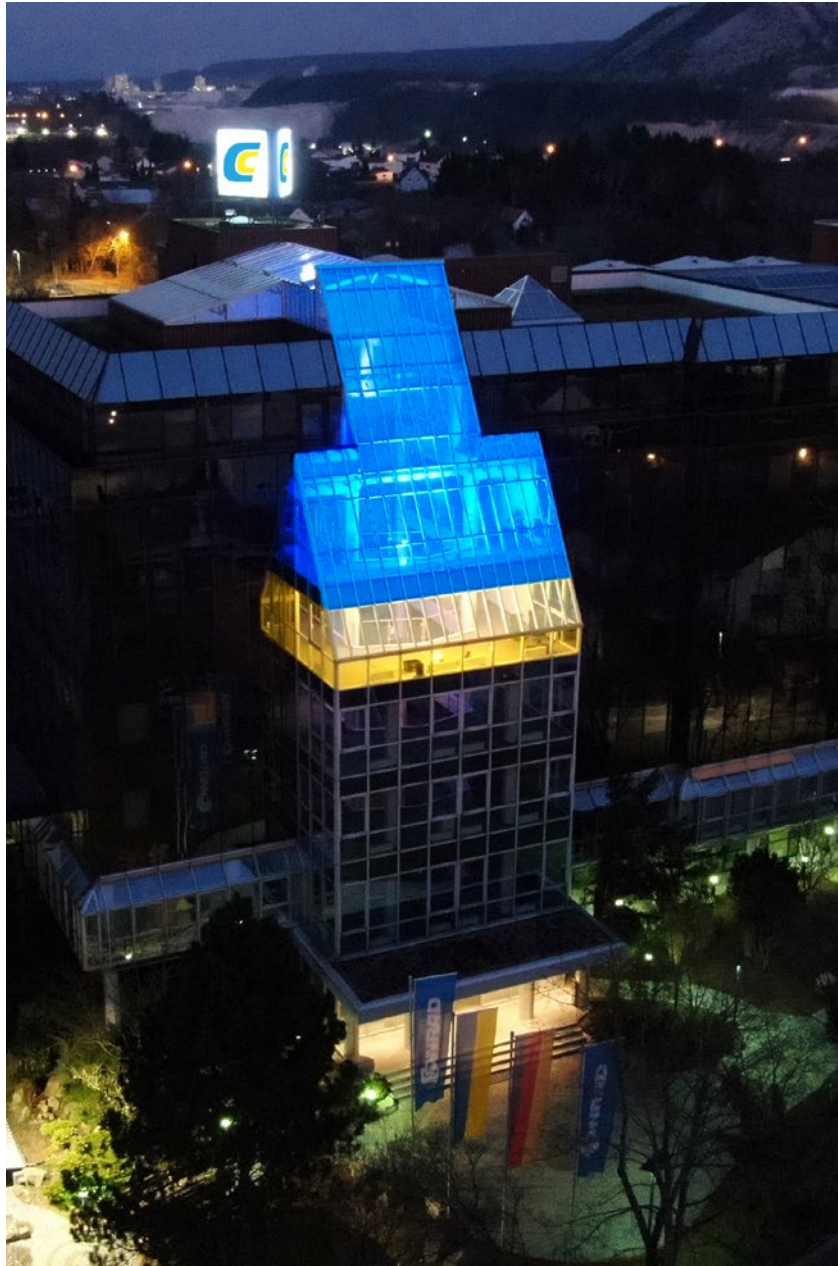
During the reporting year, Conrad Sportförderung supported around 80 club sport initiatives to the tune of over EUR 50,000 – ranging from jersey sponsorship to supporting Bavaria-wide youth volleyball tournaments. The focus here is on assisting young people and encouraging the next generation of talent.

## Support for education

We are big fans of technology and want to pass this enthusiasm on to the next generation. That is why the Conrad Group supports better-quality STEM teaching and greater use of digitalisation in education. We support this through Conrad Education, which brings know-how and partnership-based advice to actively shape teaching structures, through financial support for associations like Verband zur Förderung des MINT-Unterrichts, which promotes the teaching of STEM subjects, as well as through participation in events like Girls' & Boys' Days or the BMW MakerDay, which uses fun activities to get school kids interested in a skilled technical profession.

For several years, we have also been supporting university project teams to develop their pioneering ideas and inspire others with the innovative results of their exciting experiments. Examples from the reporting year include the Hyperloop and Eco-Runner teams from Delft University of Technology (the Netherlands), the Electric Superbike team from the University of Twente (the Netherlands), the UniBo Motorsport team from the University of Bologna (Italy) and seventeen Formula Student teams from several universities in Germany.





## Guided by values

The Conrad Group stands for democracy, open-mindedness, social justice and ethical practices. To this end, we support through our membership the UN Global Compact as well as two German associations for protection against unfair competition – Zentrale zur Bekämpfung unlauteren Wettbewerbs and Verein gegen Unwesen in Handel und Gewerbe Köln e.V.. We also support people in need and disaster relief on an ad-hoc basis.

In 2022, we were profoundly shaken by the events in Ukraine, which prompted us to provide assistance through a number of actions to help the people affected as quickly and directly as possible. As well as raising donations, this also involved the provision of accommodation to refugees in Germany as well as follow-up support.

With donations from employees combined with a EUR 10,000 contribution from management, the company was able to hand over a total of EUR 17,500 to local emergency relief organisations. The efforts were co-ordinated by Conrad's subsidiary in Poland.

An additional company donation of EUR 30,000 was given to Round Table 235 Amberg-Sulzbach, which organised the transport of medical supplies to a drop-off point close to the Ukrainian border in cooperation with aid agencies.

Further assistance was provided in the form of accommodation for around 30 refugees in the districts of Amberg-Sulzbach and Wernberg-Köblitz. The company actively supported an employee initiative of pairing refugees with mentors. This was facilitated by granting special leave to the mentor employees.

Independently from the engagement of the Conrad Group, the family that owns the company has been providing humanitarian assistance to crisis zones around the world for twenty years through the Klaus-und-Gertrud-Conrad-Stiftung foundation. One example worthy of particular mention is a donation of four million euros to Deutsche Welthungerhilfe (German World Hunger Relief), as well as the Foundation's support for Ukraine, through which one million euros were distributed during the reporting period.

## Association memberships

In pursuit of the three principles outlined above – regional roots, support for education, and guided by values – the Conrad Group is an active member of the following trade associations and representative bodies:

- Amberger Freunde der Ostbayerischen Hochschule Amberg-Weiden e.V.
- BDEF – Bundesverband Deutscher Eisenbahnfreunde e.V.
- bevh – Bundesverband eCommerce und Versandhandel Deutschland e.V.
- Bund der Steuerzahler e.V.
- DARC – Deutsche Amateur Radio-Club e.V.
- DGFP – Die Deutsche Gesellschaft für Personalführung e.V.
- DGTB – Deutsche Gesellschaft für Technische Bildung e.V.
- DSAG – Deutschsprachige SAP Anwendergruppe e.V.
- EK ServiceGroup eG
- FBDi – Fachverband Bauelemente Distribution e.V.
- Förderverein der OTH-Weiden e.V.
- IDO – Interessenverband für Rechts- und Finanzconsulting deutscher Online-Unternehmen e.V.
- IHK München und Oberbayern GmbH
- MHI – Wissenschaftliche Gesellschaft für Montage, Handhabung und Industrierobotik e.V.
- MNU – Verband zur Förderung des MINT-Unterrichts e.V.
- MOBA – Modellbahnverband in Deutschland e.V.
- NIM – Nürnberg Institut für Marktentscheidungen e.V.
- Obst und Gartenbauverein Hirschau e.V.
- Trusted Shops AG
- UN Global Compact
- VFAALE e.V. – Verein für Angewandte Automatisierungstechnik in Lehre und Entwicklung in Hochschulen
- VEA – Bundesverband der Energie-Abnehmer e.V.
- Verein für deutsche Schäferhunde e.V.
- Verein gegen Unwesen in Handel und Gewerbe Köln e.V.
- Warenzeichenverband Edelstahl Rostfrei e.V.
- Wirtschaftsclub Nordoberpfalz
- Zentrale zur Bekämpfung unlauteren Wettbewerbs e.V.

No political donations were made in 2022 as the Conrad Group regards itself as a politically neutral company.

## Application of the GRI Universal Standards 2021

This report was drawn up in accordance with the GRI Universal Standards 2021. The editorial deadline was 31 August 2023. The United Nations Sustainable Development Goals (SDGs) were used as an additional reference. Any disclosures on how the companies of the Conrad Group consolidated in this report contributed to these global sustainable development goals are made in line with the “Business Reporting on the SDGs” guide. This also applies to the ten principles of the United Nations Global Compact, which Conrad Electronic SE signed up to in August 2022. The table of contents indicates where we have reported on our progress in the areas of human rights, labour standards, environmental protection and anti-corruption. Since this document is the second sustainability report of Conrad Electronic SE and the first report in which other Group companies are also consolidated, only limited comparison with the material topics of the 2021 sustainability report of Conrad Electronic SE is possible. In future, we plan to publish a sustainability report on an annual basis.

For any questions about this sustainability report, please contact Lena Stöckl ([nachhaltigkeit@conrad.de](mailto:nachhaltigkeit@conrad.de)).

## External audit

An external audit was not commissioned for this report. Reference is only made to the economic indicators that were published before the sustainability report’s editorial deadline. Environmental indicators (GRI 301-2 to GRI 306-5) of Conrad Electronic SE were verified and validated by an accredited independent expert in accordance with EMAS (Eco-Management and Audit Scheme).

## Legal notice

This report was published on 30 September 2023. German and English versions of the report are available. The report contains forward-looking statements based on assumptions and estimates made by the corporate management of Conrad Electronic SE and the managers of the consolidated companies. Even though we assume that the expectations underlying these forward-looking statements are realistic, we cannot guarantee that the expectations will prove to be correct. The assumptions may be subject to risks and uncertainties which could lead to a situation where the actual results differ materially from the forward-looking statements. The factors that could cause such deviations include changes in general economic and business conditions, changes in exchange rates and interest rates, lack of acceptance of new products or services, and changes in business strategy. Conrad Electronic SE and/or the managers of the consolidated Group companies does not/do not plan to update the forward-looking statements, nor is any obligation to do so assumed by Conrad Electronic SE and/or the consolidated companies.



## A

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**ArbSchG: Safety and Health at Work Act**

The German Safety and Health at Work Act sets out provisions, covering all sectors of activity, on the employer's basic occupational health and safety obligations, the obligations and rights of employees, and the supervision of occupational health and safety in accordance with this Act.

**AsiG: Occupational Safety Act**

The German Occupational Safety Act sets out provisions for the use of occupational physicians, safety engineers and other occupational safety specialists in establishments.

**AÜG: Act on Temporary Agency Work**

The German Act on Temporary Agency Work sets out provisions for the temporary hiring out of employees by their employer (hiring-out firm) to perform work for a third party (hirer).

## B

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**Battery Act (BattG)**

The German Battery Act transposes the EU Battery Directive 2006/66/EC into German law. It sets out provisions for the placing on the market, collection and environmentally friendly disposal of batteries and accumulators.

**Blue Angel (Blauer Engel)**

The Blue Angel is a "Type I" environmental label based on the international standard DIN EN ISO 14024 "Environmental labels and declarations – Type I environmental labelling – Principles and procedures (ISO 14024:2018)". It is an independent label that certifies the better products in a product group based on a comprehensive range of criteria and thus differs from those product labels that only pay attention to one criterion or which are issued by the manufacturers themselves; for more information, visit [www.blauer-engel.de/en](http://www.blauer-engel.de/en).

**Bundesverband E-Commerce und Versandhandel (bevh) e.V.**

This industry association of German e-commerce and mail order businesses represents the interests of its members vis-à-vis the legislator and political and business institutions.

**B2B**

B2B stands for "Business-to-Business" and refers to the commercial relationship between businesses.

## C

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**CE marking**

The letters CE stand for "Conformité Européenne" (European conformity). The CE mark indicates that the product conforms to the European Union's requirements placed on the manufacturer.

**Conrad Marketplace**

The Conrad Marketplace is an integral component of the Conrad Sourcing Platform comprising more than seven million products. Conrad Marketplace transactions are governed by contracts entered into by buyers and sellers. Conrad simply provides the sourcing platform as a means to fulfil the contractual obligation; it is a mere mediator, and not one of the contractual parties.

**Conrad whistleblower system**

A confidential and secure communication channel provided by Conrad Electronic SE to report any grievances, irregularities or breaches of Conrad's Code of Conduct.

**Corporate Sustainability Reporting Directive (CSRD)**

EU law requires all large companies and all listed companies to publish regular reports on the social and environmental risks they face, and on the impact of their activities on people and the environment (reporting obligation).

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

CO<sub>2</sub> equivalent (CO<sub>2</sub>e) is a unit of measurement that is used to standardise the climate effects of various greenhouse gases. In addition to the main greenhouse gas emitted as a result of human activity, carbon dioxide (CO<sub>2</sub>), there are other greenhouse gases such as methane and nitrous oxide.

## **E**

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### **“ECO” labelling**

This is how Conrad marks products that outperform other products in the same material class in terms of environmental benefits.

### **ElektroG: Electrical and Electronic Equipment Act**

Germany’s Electrical and Electronic Equipment Act sets out provisions for the placing on the market, collection and environmentally friendly disposal of electrical and electronic equipment. It transposes the EU’s WEEE Directive 2012/19/EU into German law and was most recently amended in 2022 (ElektroG3).

### **E-procurement**

The purchase of goods and services through the internet or other information and communication systems.

### **ESG**

ESG stands for environmental, social and governance and it provides an extensive set of criteria to capture the sustainable and ethical behaviour of an enterprise. ESG is sometimes used interchangeably with sustainability in economic contexts.

### **European Sustainability Reporting Standards (ESRS)**

In July 2023, the European Commission adopted the European Sustainability Reporting Standards (ESRS), which must be applied by all companies subject to the Corporate Sustainability Reporting Directive (CSRD). The standards cover the whole spectrum of environmental, social and governance topics, including climate change, biodiversity and human rights. They contain information that helps readers understand the sustainability impacts of companies.

### **EU Ecodesign Directive**

The objective of the Ecodesign Directive is to reduce the environmental impacts of energy-related products across their entire life cycle. To this end, it sets out minimum requirements for product design. The Energy-related Products Act (EVPG) transposes the Directive into German law.

### **EU Ecolabel**

The EU Ecolabel was introduced by the European Commission in 1992. It is awarded to products and services that have a lower environmental impact compared to similar products.

## **G**

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### **Global Reporting Initiative (GRI)**

The Global Reporting Initiative is an independent international organisation that provides businesses and other organisations with standards and support products to guide sustainability reporting. This report was drawn up in accordance with the current GRI standards.

### **Grading**

Job grading involves a systematic evaluation of the roles and functions in a business across all divisions and hierarchy levels so that they can be ordered systematically, analysed and generally contextualised.

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

The Greenhouse Gas Protocol sets out accounting and reporting standards, sectoral guidelines, calculation tools and training measures to allow companies and local and national authorities to account for the emissions that contribute to global warming in a standardised manner.

## **L**

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### **LkSG: Supply Chain Due Diligence Act**

The German Supply Chain Due Diligence Act (LkSG) was passed by the German Parliament on 11 June 2021. The Act seeks to improve the international human rights situation by setting out requirements for responsible management of supply chains. The due diligence obligations are graded depending on the power of influence of the companies or branch offices. From 1 January 2024, businesses with at least 1,000 employees in Germany will be subject to the Act, i.e. including Conrad Electronic SE.

## **P**

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### **Personal protective equipment (PPE)**

Personal protective equipment (PPE) describes the special equipment (e.g. clothing, devices or other items for self-protection) which workers are required to use by law when carrying out an activity that may put their health at risk.

### **Plastic-free**

No plastic is used in the packaging of Conrad's own-brand products.

### **Private Label range**

The name used to describe products sold under the Conrad brand (own-brand products).

## **R**

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### **REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals)**

The REACH Regulation applies to all industrial chemicals. It is based on the precautionary principle: All manufacturers, importers and downstream users have to ensure that the substances that they manufacture, place on the market and use do not adversely affect human health or the environment. Manufacturers and importers are obliged to register their chemicals before placing them on the market. They must provide a wide range of information for this purpose.

### **RoHS (Restriction of Hazardous Substances in Electrical and Electronic Equipment)**

The RoHS Directive is an EU law that restricts the use of certain hazardous substances in electrical and electronic equipment. In parallel to this, the WEEE Directive encourages the collection and recycling of such equipment. The RoHS Directive currently restricts the use of ten substances: lead, cadmium, mercury, hexavalent chromium, polybrominated biphenyls (PBB) and polybrominated diphenyl ethers (PBDE), bis(2-ethylhexyl) phthalate (DEHP), butyl benzyl phthalate (BBP), dibutyl phthalate (DBP) and diisobutyl phthalate (DIBP).

## **S**

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### **Seller**

Term used to describe anyone who has been approved to sell their products on the Conrad Marketplace.

### **Sourcing Platform**

Term encompassing all products and all means of procurement from Conrad Electronic.

## **Stiftung Elektro-Altgeräte Register (EAR)**

The German national register for waste electrical equipment foundation (Stiftung EAR) is the “clearing house for manufacturers” as defined by the Electrical and Electronic Equipment Act (ElektroG). The German Environment Agency has entrusted it with tasks of public authority under the Electrical and Electronic Equipment Act. The EAR Foundation performs tasks provided for in both the Electrical and Electronic Equipment Act and the Battery Act.

## **T**

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### **TCO Certified**

TCO Certified is the world-leading sustainability certification for IT products. The TCO seal is awarded by the Swedish Confederation of Professional Employees (Tjänstemännens Centralorganisation – TCO). The objective of this NGO is to award the TCO Certified label to sustainable IT products used in offices. The comprehensive set of criteria used promote social and environmental responsibility throughout the product life cycle. The certification covers twelve product categories, including computers, mobile devices, displays, imaging equipment and data centre products. Compliance with the criteria is independently verified, both pre- and post-certification; for more information, visit [www.tcocertified.com](http://www.tcocertified.com).

## **U**

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### **UN Global Compact**

The United Nations Global Compact is a non-binding United Nations pact to get businesses and firms worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. The UN Global Compact is the world's largest corporate sustainability and corporate social responsibility initiative, with 13,000 corporate participants and other stakeholders across 170 countries.

## Proof of application

Conrad Electronic SE has submitted a report for the period from 1 January to 31 December 2022 in accordance with GRI standards.

## Applicable GRI Sector Standard(s)

At the time of publication of this report, there was no applicable GRI Sector Standard in place.

## Application of GRI 1

GRI 1: Foundation 2021

Labor/management relations	UNGC	Page	Omissions incl. reason and explanation
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## GRI 2: General Disclosures 2021

### GRI 2, Section 1: The organization and its reporting practices

GRI 2-1	Organizational details	n.a.	13
GRI 2-2	Entities included in the organization's sustainability reporting	n.a.	13
GRI 2-3	Reporting period, frequency and contact point	n.a.	13, 64
GRI 2-4	Restatements of information	n.a.	64
GRI 2-5	External assurance	n.a.	64

### GRI 2, Section 2: Activities and workers

GRI 2-6	Activities, value chain and other business relationships	n.a.	4
GRI 2-7	Employees	UNGC 3, 6	45
GRI 2-8	Workers who are not employees	UNGC 3, 6	45

### GRI 2, Section 3: Governance

GRI 2-9	Governance structure and composition	UNGC 6	14
GRI 2-10	Nomination and selection of the highest governance body	UNGC 6	14

Labor/management relations		UNGC	Page	Omissions incl. reason and explanation
GRI 2-11	Chair of the highest governance body	UNGC 6, 10	14	
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	UNGC 6, 10	14	
GRI 2-13	Delegation of responsibility for managing impacts	n.a.	10	
GRI 2-14	Role of the highest governance body in sustainability reporting	n.a.	13	
GRI 2-15	Conflicts of interest	UNGC 6, 10	14	
GRI 2-16	Communication of critical concerns	n.a.	14	
GRI 2-17	Collective knowledge of the highest governance body	n.a.	14	
GRI 2-18	Evaluation of the performance of the highest governance body	n.a.	14	
GRI 2-19	Remuneration policies	n.a.	14	
GRI 2-20	Process to determine remuneration	UNGC 6, 10	50	
GRI 2-21	Annual total compensation ratio	n.a.	49	
<b>GRI 2, Section 4: Strategy, policies and practices</b>				
GRI 2-22	Statement on sustainable development strategy	n.a.	3	
GRI 2-23	Policy commitments	UNGC 1, 2, 3, 4, 5, 6, 10	7	
GRI 2-24	Embedding policy commitments	UNGC 1, 2, 3, 4, 5, 6, 10	7, 12	
GRI 2-25	Processes to remediate negative impacts	UNGC 1, 2, 3, 4, 5, 6, 10	12	
GRI 2-26	Mechanisms for seeking advice and raising concerns	UNGC 1, 2, 3, 4, 5, 6, 10	18	

Labor/management relations		UNGC	Page	Omissions incl. reason and explanation
GRI 2-27	Compliance with laws and regulations	n.a.	17	
GRI 2-28	Membership associations	n.a.	63	
<b>GRI 2, Section 5: Stakeholder engagement</b>				
GRI 2-29	Approach to stakeholder engagement	n.a.	15	
GRI 2-30	Collective bargaining agreements	UNGC 3	50	
<b>Material Topics</b>				
<b>GRI 3, Section 2: Material Topics 2021</b>				
GRI 3-1	Process to determine material topics	n.a.	8	
GRI 3-2	List of material topics	n.a.	8 f.	
<b>Economic performance</b>				
<b>GRI 3, Material Topics 2021</b>				
GRI 3-3	Management of material topics	n.a.		
<b>GRI 201: Economic Performance 2016</b>				
GRI 201-1	Direct economic value generated and distributed	UNGC 9	4	
GRI 201-2	Financial implications and other risks and opportunities due to climate change	UNGC 7, 8, 9	27	

Labor/management relations		UNGC	Page	Omissions incl. reason and explanation
GRI 201-3	Defined benefit plan obligations and other retirement plans	n.a.	51	
GRI 201-4	Financial assistance received from government	n.a.	16	

## Market presence

### GRI 3, Material Topics 2021

GRI 3-3	Management of material topics	n.a.		
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### GRI 202: Market Presence 2016

GRI 202-1	Ratios of standard entry level wage by gender compared to local minimum wage	UNGC 3, 4, 5, 6	50	
GRI 202-2	Proportion of senior management hired from the local community	n.a.	48	

## Indirect economic impacts

### GRI 3, Material Topics 2021

GRI 3-3	Management of material topics	n.a.		
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### GRI 203: Indirect Economic Impacts 2016

GRI 203-1	Infrastructure investments and services supported	UNGC 9	16	
GRI 203-2	Significant indirect economic impacts	UNGC 9	15 f.	



Labor/management relations		UNGC	Page	Omissions incl. reason and explanation
<b>Procurement practices</b>				
<b>GRI 3, Material Topics 2021</b>				
GRI 3-3	Management of material topics	n.a.		
<b>GRI 204: Procurement Practices 2016</b>				
GRI 204-1	Proportion of spending on local suppliers	UNGC 3, 4, 5, 6, 10	21	
<b>Anti-corruption</b>				
<b>GRI 3, Material Topics 2021</b>				
GRI 3-3	Management of material topics	n.a.		
<b>GRI 205: Anti-corruption 2016</b>				
GRI 205-1	Operations assessed for risks related to corruption	UNGC 10	18	
GRI 205-2	Communication and training about anti-corruption policies and procedures	UNGC 10	18	
GRI 205-3	Confirmed incidents of corruption and actions taken	UNGC 10	18	
<b>Anti-competitive behaviour</b>				
<b>GRI 3, Material Topics 2021</b>				
GRI 3-3	Management of material topics	n.a.		

Labor/management relations		UNGC	Page	Omissions incl. reason and explanation
<b>GRI 206: Anti-competitive Behavior 2016</b>				
GRI 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	UNGC 10	18	
<b>Tax</b>				
<b>GRI 3, Material Topics 2021</b>				
GRI 3-3	Management of material topics	n.a.		
<b>GRI 207: Tax 2019</b>				
GRI 207-1	Approach to tax	UNGC 10	15 f.	
GRI 207-2	Tax governance, control, and risk management	n.a.	15	
GRI 207-3	Stakeholder engagement and management of concerns related to tax	n.a.	15 f.	
GRI 207-4	Country-by-country reporting	UNGC 10	15 f.	Information not available.
<b>Materials</b>				
<b>GRI 3, Material Topics 2021</b>				
GRI 3-3	Management of material topics	n.a.		
<b>GRI 301: Materials 2016</b>				
GRI 301-1	Materials used by weight or volume	UNGC 7, 8, 9	35 f., 38 f.	

Labor/management relations		UNGC	Page	Omissions incl. reason and explanation
GRI 301-2	Recycled input materials used	UNGC 7, 8, 9	38 f.	
GRI 301-3	Reclaimed products and their packaging materials	UNGC 7, 8, 9	37 ff., 40	
<b>Energy</b>				
<b>GRI 3, Material Topics 2021</b>				
GRI 3-3	Management of material topics	n.a.		
<b>GRI 302: Energy 2016</b>				
GRI 302-1	Energy consumption within the organization	UNGC 7, 8, 9	24 ff.	
GRI 302-2	Energy consumption outside of the organization	n.a.		Information not available. Survey including suppliers planned for 2023.
GRI 302-3	Energy intensity	UNGC 7, 8, 9	26	
GRI 302-4	Reduction of energy consumption	UNGC 7, 8, 9	26	
GRI 302-5	Reductions in energy requirements of products and services	n.a.		Information not available. Survey including suppliers planned for 2023.
<b>Water and effluents</b>				
<b>GRI 3, Material Topics 2021</b>				
GRI 3-3	Management of material topics	n.a.		

Labor/management relations		UNGC	Page	Omissions incl. reason and explanation
<b>GRI 303: Water and Effluents 2018</b>				
GRI 303-1	Interactions with water as a shared resource	UNGC 7, 8, 9	32	
GRI 303-2	Management of water discharge-related impacts	UNGC 7, 8, 9	32 f.	
GRI 303-3	Water withdrawal	UNGC 7, 8, 9	32 f.	
GRI 303-4	Water discharge	UNGC 7, 8, 9	32 f.	
GRI 303-5	Water consumption	UNGC 7, 8, 9	32 f.	
<b>Biodiversity</b>				
<b>GRI 3, Material Topics 2021</b>				
GRI 3-3	Management of material topics	n.a.		
<b>GRI 304: Biodiversity 2016</b>				
GRI 304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	UNGC 7, 8, 9	33	
GRI 304-2	Significant impacts of activities, products and services on biodiversity	UNGC 7, 8, 9	33	
GRI 304-3	Habitats protected or restored	UNGC 7, 8, 9		Not applicable. Activities at the Hirschau and Wernberg sites have no significant negative impacts on biodiversity.

Labor/management relations		UNGC	Page	Omissions incl. reason and explanation
GRI 304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	UNGC 7, 8, 9		Not applicable. Activities at the Hirschau and Wernberg sites have no significant negative impacts on biodiversity.

## Emissions

### GRI 3, Material Topics 2021

GRI 3-3	Management of material topics	n.a.		
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### GRI 305: Emissions 2016

GRI 305-1	Direct (Scope 1) GHG emissions	UNGC 7, 8, 9	27 f.	
GRI 305-2	Energy indirect (Scope 2) GHG emissions	n.a.	29	
GRI 305-3	Other indirect (Scope 3) GHG emissions	UNGC 7, 8, 9	30	
GRI 305-4	GHG emissions intensity	UNGC 7, 8, 9	30	
GRI 305-5	Reduction of GHG emissions	UNGC 7, 8, 9	31	
GRI 305-6	Emissions of ozone-depleting substances (ODS)	UNGC 7, 8, 9	31	Not applicable.
GRI 305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	UNGC 7, 8, 9	31	Not applicable.

Labor/management relations	UNGC	Page	Omissions incl. reason and explanation
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## Waste

### GRI 3, Material Topics 2021

GRI 3-3	Management of material topics	n.a.	
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### GRI 306: Waste 2020

GRI 306-1	Waste generation and significant waste-related impacts	UNGC 7, 8, 9	40 ff.
GRI 306-2	Management of significant waste-related impacts	UNGC 7, 8, 9	40 ff.
GRI 306-3	Waste generated	UNGC 7, 8, 9	40 ff.
GRI 306-4	Waste diverted from disposal	UNGC 7, 8, 9	40 ff.
GRI 306-5	Waste directed to disposal	n.a.	40 ff.

## Supplier environmental assessment

### GRI 3, Material Topics 2021

GRI 3-3	Management of material topics	n.a.	
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### GRI 308: Supplier Environmental Assessment 2016

GRI 308-1	New suppliers that were screened using environmental criteria	n.a.	20
GRI 308-2	Negative environmental impacts in the supply chain and actions taken	n.a.	20

Labor/management relations	UNGC	Page	Omissions incl. reason and explanation
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## Employment

### GRI 3, Material Topics 2021

GRI 3-3	Management of material topics	n.a.	
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### GRI 401: Employment 2016

GRI 401-1	New employee hires and employee turnover	UNGC 3, 4, 5, 6	46 f.
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	n.a.	52 Not applicable. All benefits are granted regardless of contract length or working hours.
GRI 401-3	Parental leave	n.a.	51

## Labor/management relations

### GRI 3, Material Topics 2021

GRI 3-3	Management of material topics	n.a.	
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### GRI 402: Labor/Management Relations 2016

GRI 402-1	Minimum notice periods regarding operational changes	n.a.	54
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## Occupational Health and Safety

### GRI 3, Material Topics 2021

GRI 3-3	Management of material topics	n.a.	
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Labor/management relations		UNGC	Page	Omissions incl. reason and explanation
<b>GRI 403: Occupational Health and Safety 2018</b>				
GRI 403-1	Occupational health and safety management system	n.a.	56	
GRI 403-2	Hazard identification, risk assessment, and incident investigation	n.a.	56	
GRI 403-3	Occupational health services	n.a.	57	
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	n.a.	56	
GRI 403-5	Worker training on occupational health and safety	n.a.	56	
GRI 403-6	Promotion of worker health	n.a.	57	
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	n.a.		not applicable.
GRI 403-8	Workers covered by an occupational health and safety management system	n.a.	56	
GRI 403-9	Work-related injuries	n.a.	58	
GRI 403-10	Work-related ill health	n.a.	57	

## Training and Education

### GRI 3, Material Topics 2021

GRI 3-3	Management of material topics	n.a.		
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### GRI 404: Training and Education 2016

GRI 404-1	Average hours of training per year per employee	n.a.	53	
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	n.a.	53	



Labor/management relations		UNGC	Page	Omissions incl. reason and explanation
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	n.a.	54	
<b>Diversity and Equal Opportunity</b>				
<b>GRI 3, Material Topics 2021</b>				
GRI 3-3	Management of material topics	n.a.		
<b>GRI 405: Diversity and Equal Opportunity 2016</b>				
GRI 405-1	Diversity of governance bodies and employees	n.a.	48	
GRI 405-2	Ratio of basic salary and remuneration of women to men	n.a.	49	
<b>Non-discrimination</b>				
<b>GRI 3, Material Topics 2021</b>				
GRI 3-3	Management of material topics	n.a.		
<b>GRI 406: Non-discrimination 2016</b>				
GRI 406-1	Incidents of discrimination and corrective actions taken	UNGC 3, 4, 5, 6	18	

Labor/management relations		UNGC	Page	Omissions incl. reason and explanation
<b>Freedom of association and collective bargaining</b>				
<b>GRI 3, Material Topics 2021</b>				
GRI 3-3	Management of material topics	n.a.		
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>				
GRI 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	UNGC 3, 4, 5, 6	48	
<b>Child Labor</b>				
<b>GRI 3, Material Topics 2021</b>				
GRI 3-3	Management of material topics	n.a.		
<b>GRI 408: Child Labor 2016</b>				
GRI 408-1	Operations and suppliers at significant risk for incidents of child labor	UNGC 3, 4, 5, 6	48	
<b>Forced or Compulsory Labor</b>				
<b>GRI 3, Material Topics 2021</b>				
GRI 3-3	Management of material topics	n.a.		
<b>GRI 409: Forced or Compulsory Labor 2016</b>				
GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	UNGC 3, 4, 5, 6	48	

Labor/management relations		UNGC	Page	Omissions incl. reason and explanation
<b>Security practices</b>				
<b>GRI 3, Material Topics 2021</b>				
GRI 3-3	Management of material topics	n.a.		Not applicable. This is not a material topic.
<b>GRI 410: Security Practices 2016</b>				
GRI 410-1	Security personnel trained in human rights policies or procedures	UNGC 3, 4, 5, 6		Not applicable. The security personnel responsible for building protection consists exclusively of direct employees of Conrad Electronic. Pursuant to this, the Conrad Code of Conduct including comprehensive guidelines on behaviour is a regular part of employment contracts.
<b>Rights of indigenous peoples</b>				
<b>GRI 3, Material Topics 2021</b>				
GRI 3-3	Management of material topics	n.a.		Not applicable. This is not a material topic.
<b>GRI 411: Rights of Indigenous Peoples 2016</b>				
GRI 411-1	Incidents of violations involving rights of indigenous peoples	UNGC 3, 4, 5, 6		Not applicable. Violations involving the rights of indigenous peoples is not a material topic relative to other topics at our sites.
<b>Local communities</b>				
<b>GRI 3, Material Topics 2021</b>				
GRI 3-3	Management of material topics	n.a.		Not applicable. This is not a material topic.

Labor/management relations		UNGC	Page	Omissions incl. reason and explanation
<b>GRI 413: Local Communities 2016</b>				
GRI 413-1	Operations with local community engagement, impact assessments, and development programs	UNGC 3, 4, 5, 6		Not applicable. See GRI 203.
GRI 413-2	Operations with significant actual and potential negative impacts on local communities	n.a.		Not applicable. See GRI 203.
<b>Supplier social assessment</b>				
<b>GRI 3, Material Topics 2021</b>				
GRI 3-3	Management of material topics	n.a.		
<b>GRI 414: Supplier Social Assessment 2016</b>				
GRI 414-1	New suppliers that were screened using social criteria	UNGC 3, 4, 5, 6	20	
GRI 414-2	Negative social impacts in the supply chain and actions taken	UNGC 3, 4, 5, 6	20	
<b>Public Policy</b>				
<b>GRI 3, Material Topics 2021</b>				
GRI 3-3	Management of material topics	n.a.		
<b>GRI 415: Public Policy 2016</b>				
GRI 415-1	Political contributions	UNGC 10	63	

Labor/management relations	UNGC	Page	Omissions incl. reason and explanation
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## Customer Health and Safety

### GRI 3, Material Topics 2021

GRI 3-3	Management of material topics	n.a.	
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### GRI 416: Customer Health and Safety 2016

GRI 416-1	Assessment of the health and safety impacts of product and service categories	n.a.	21
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	n.a.	17

## Marketing and Labeling

### GRI 3, Material Topics 2021

GRI 3-3	Management of material topics	n.a.	
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### GRI 417: Marketing and Labeling 2016

GRI 417-1	Requirements for product and service information and labeling	n.a.	21
GRI 417-2	Incidents of non-compliance concerning product and service information and labeling		17
GRI 417-3	Incidents of non-compliance concerning marketing communications		17

Labor/management relations		UNGC	Page	Omissions incl. reason and explanation
<b>Customer Privacy</b>				
<b>GRI 3, Material Topics 2021</b>				
GRI 3-3	Management of material topics	n.a.		
<b>GRI 418: Customer Privacy 2016</b>				
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	n.a.	17	

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