

Sustainable Tridonic: Frequently Asked Questions

1. About the Program

What is the “Sustainable Tridonic” program?

The Sustainable Tridonic program has five pillars which are shown in the following graphic.



Why does Tridonic have a sustainability program?

Tridonic is convinced that the lighting industry has to develop solutions for the most challenging project to date, namely safeguarding our planet and its natural resources. We at Tridonic believe that products and the way we produce them must be questioned and rethought. As a technology company, we see the consistent orientation of our processes and products towards sustainability as the only way forward. This is a big step and a great challenge. For us, for our customers and for our partners.

Is management fully committed to the strategy?

The answer to this question is a clear “yes”. In today’s world, we face many challenges in combating climate change. It is not enough to treat sustainability as a minor issue, so top management has made the Sustainable Tridonic program an important part of Tridonic’s strategy. The management team is constantly monitoring the current activities and is giving the strategy its full support. Last but not least, it must be emphasised that Tridonic’s CEO Hugo Rohner is a long-standing board member of the corporate platform respACT which is committed to sustainable development.

2. About Cradle to Cradle® (C2C)

What is Cradle to Cradle®?

Cradle to Cradle Certified® is a global standard for products that are safe, circular and responsibly made. The design concept was developed by the German chemist Michael Braungart and the American architect William McDonough. The C2C design concept is inspired by nature. The goal is not only to minimise negative effects but also to leave a positive environmental footprint. C2C is about seeing waste as a nutrient for new products. It is about making community and product development function in the same way as a healthy ecological system in which all resources are used effectively and cyclically.

C2C is a holistic approach that evaluates products and processes in five categories. Products can be C2C certified if they meet certain criteria. The five categories are:

- Material Health
- Product Circularity
- Clean Air & Climate Protection Requirements
- Water & Soil Stewardship
- Social Fairness

For detailed information about the standard and its criteria go to <https://www.c2ccertified.org/>

Why is Cradle to Cradle® the main pillar of the strategy?

The special characteristic of the C2C approach is that it differs from conventional approaches in that it does not aim simply to minimise the CO₂ footprint but to implement a perfect circular economy so that end products leave a positive footprint. For Tridonic, this means rethinking the entire production process. We are focusing on C2C because there is great awareness in our organisation that the current way of doing business needs to be reconsidered and because C2C combines all relevant aspects. We want to be a reliable partner for all our stakeholders and help our customers achieve their own sustainability goals.

What do Cradle to Cradle® and the circular economy have in common?

The circular economy is part of the C2C concept. The goal of the circular economy is to optimise the use of resources and drastically reduce the amount of waste in manufacturing processes. However, the C2C principle is more ambitious and pursues a perfect cycle. This means that raw materials should be added back to the cycle after use. The aim is to achieve a production process that is 100% regenerative.

Who manages the Cradle to Cradle® certification system?

The C2C certification system is managed by the C2C Products Innovation Institute (C2CPII), a non-profit organisation that certifies products after auditing. To meet C2C requirements Tridonic cooperates with specialists from external consultancy EPEA GmbH (Environmental Protection Encouragement Agency) – Part of Drees and Sommer. EPEA is an innovation partner and C2C assessment body.

What is the Tridonic target regarding Cradle to Cradle®?

The long-term target is to build up an entire C2C portfolio. The first C2C-certified products will be our LED modules, for which we are adopting a systematic approach. The target is to achieve certification in summer 2022. Tridonic will also launch the first Generation 4 drivers with an EMC (Externally Managed Component) declaration. These drivers are VOC-tested (Volatile Organic Compound tested) to ensure that our products will be suitable for C2C luminaire projects. Additional C2C projects are planned to extend Tridonic's C2C portfolio.

What is an Externally Managed Component declaration?

The EMC declaration covers the first two categories of the C2C standard, which are Material Health and Product Circularity. The EMC concept is intended to encourage manufacturers to design complex components that are completely managed after use. This methodology allows for the use of product components that do not need to be assessed in the same way as the rest of the product. The EMC concept is relevant for B2B business.

The requirements can be summarised as follows:

- The product/product group can be used by other producers seeking C2C certification
- The purchaser knows that the product does not adversely influence air quality during or after use
- The products/product groups have a take-back option
- Not every supplier of the product/product group has to be contacted

How can the OEM certify the luminaire?

On the website of the Cradle to Cradle® Product Innovation Institute you will find a guide to certification. It explains the six steps needed to obtain certification.

<https://www.c2ccertified.org/get-certified/product-certification-process>

What are the requirements for each certification level?

For detailed information please see the Cradle to Cradle® Product Standard and the Cradle to Cradle® User Guideline which can be found on the Cradle to Cradle® Product Innovation Institute website:

<https://www.c2ccertified.org/get-certified/cradle-to-cradle-certified-version-4>

How can Tridonic's suppliers support the Cradle to Cradle® projects?

For a project to be successful we depend on the cooperation and support of our suppliers. The information we need relates to Material Health as the first category. We therefore need a full material declaration that defines the raw material up to a limit of 100 ppm. Confirmation of compliance with the restricted substances list is also needed.

3. About Climate Neutrality

Does Tridonic have a target for climate neutrality?

Yes. CO₂ reduction is central to Tridonic's and the Zumtobel Group's sustainability efforts. The target is to achieve climate neutrality by 2025 (SCOPE 1 and SCOPE 2 according to GHGP), where the focus is on reduction. Beyond that, we will analyse impacts in all areas as a basis for reducing emissions as much as possible.

What is the basis of the carbon emission measurement system?

Tridonic supports the Zumtobel Group Sustainability Report in accordance with the GRI Standard, which is based on the GHG Protocol. Our KPIs, which we measure monthly, are also based on the standards of the GHG Protocol. Carbon reporting is developing from a niche topic to an essential part of corporate reporting. It is therefore an important lever for underpinning the change process within the company towards greater sustainability with measurable indicators.

What is currently being measured?

Tridonic has been using a measurement system since 2015. It covers all production sites worldwide and has been continually revised and expanded. At the start of the 2021/2022 business year, it is based on the GRI reporting standard and covers:

- Energy (GRI-302 Energy)
- Water (GRI-303 Water and Effluents)
- Greenhouse Gas Emissions (GRI-305 Emission)
- Waste Disposal (GRI-306 waste)

and also the share of renewable energy. In total, the report contains 79 rows.

Are reduction targets in place?

Four targets have been defined for the 2021/2022 business year:

- (1) 50% CO₂ reduction compared to the previous business year
- (2) 50% share of renewable energy
- (3) 15% waste reduction compared to the previous business year
- (4) 3% increase in the recycling rate at production sites compared to the previous business year

What CO₂ reduction measures have been implemented in the 2021/2022 business year?

- (1) Introduction of an internal report to monitor progress in achieving the KPIs
- (2) Switch to renewable energy at all European production sites
- (3) Installation of a photovoltaic system on the headquarters roof
- (4) Increasing electrification of the company vehicle fleet

Is an emissions overview currently available?

We are working on a detailed overview of SCOPE 1 and SCOPE 2 (GHG). It will be available soon on the Tridonic website. We are also working on additional measurements for SCOPE 3 (GHG).

4. About Sustainable Packaging

Packaging is like the signature of our product. Right from the start of the Sustainable Tridonic program the focus has been on the customer, which is why we want to reduce packaging waste at our customers. Additionally, we will switch to fully recyclable packaging materials. As a first project, we are currently working on a new packaging design for the LED modules.

5. About Social Responsibility

Social responsibility is an essential part of the Sustainable Tridonic program. Tridonic distinguishes between social fairness in the company and social fairness in the sourcing strategy. It is important to us that our products are sourced from responsible partners. We therefore demand that our suppliers comply with our Code of Conduct. In addition, regular supplier audits are carried out. A sustainability assessment is mandatory for suppliers in high-risk regions. Tridonic is a member of the UN Global Compact, respects human rights and does not support processes or projects in which child or forced labour is suspected. Our approach is to do more for the sustainability of our products and their upstream processes than is required by law.

Employee satisfaction is another important factor for any company. After all, the success of our company depends to a great extent on our employees. That's why we regularly conduct employee surveys to identify areas for improvement. At Tridonic, special performance is rewarded. Further education and training as well as fair remuneration are important for the long-term success of the company and for employee motivation. Our corporate culture is designed to give every employee the

same opportunities regardless of gender, sexual orientation, religion or ethnic background. Since our employees are our capital, special benefits are made available to them. These include canteens, public transport tickets, sabbaticals, flexible working hours and home working. Tridonic is renowned as a family-friendly company.

6. About Communication & Training

Tridonic has set up an interdisciplinary team to implement the Sustainable Tridonic program. But it is not this team alone that “makes” Tridonic sustainable. Since the program and its implementation are major steps in the history of our company, we are convinced that we can only be successful if the whole organisation unites behind the concept and supports the activities. It is crucial that all employees understand that sustainability is key to the future of the company. Employee training and communication are therefore vital parts of the program. Employees from all departments are invited to share their ideas about any aspect of sustainability. The team will issue regular updates on project results and progress. All colleagues with customer contact will receive mandatory training about the program and how customers can benefit from it.