SYLVANIA
Group

Sustainability Report 2024

Letter from our CEO

I am pleased to address you all after such a significant year for our company, a year that marked our centenary in the electrical equipment industry. Turning 100 is a monumental achievement that reflects our adaptability, innovation and constant dedication to quality and service. This milestone fills us with pride and propels us to continue pushing ourselves day by day.

And what better way to celebrate that achievement, if not with the publication of our first sustainability report, a reflection of our firm commitment to environmental and social responsibility. It not only highlights our initiatives and achievements to date but also sets out a clear roadmap for our future goals. We are proud to have received the Silver (top 15%) rating from EcoVadis, a recognition of our effort, which motivates us to continue improving and to aspire to even higher levels of excellence.

We are at a crucial moment for the planet, facing unprecedented climate challenges that require an urgent and effective response. Unfortunately, this year we have all witnessed alarming climate records, underscoring the critical importance of collective action.

In this context, the commitment reached at COP28 in Dubai to double the rate of improvement of energy efficiency by 2030 remains a fundamental step towards the future that Sylvania envisions. As new climate negotiations continue to unfold, we reaffirm our dedication to these goals and emphasize the need for continuous progress in energy efficiency.

On the other hand, I would like to highlight the redesign that we have carried out in some of our best-selling product lines, making a firm commitment to circularity. These innovations are designed to minimize resource use and maximize efficiency, with the ultimate goal of making our consumers' lives easier while protecting our environment.

Our centenary serves as a reminder of our responsibility to future generations, and we are committed to leaving a lasting legacy of innovation and sustainability. As part of this commitment, we have officially joined the Science Based Targets initiative to set long-term climate goals aligned with global decarbonization effort.

I thank each of our stakeholders for their trust, effort and passion. Together, we will continue to make history and build a bright and sustainable future for all.

With gratitude and optimism,

Tom Qi

Global CEO, Sylvania Group

Our Path Towards Net Zero 2030

1.1. Our commitment and values

Sustainability is one of those terms that seem indisputable. However, its indiscriminate use has begun to wear it down, turning it into a vague, sometimes hollow concept. Yet, far from being an exhausted idea, sustainability remains the greatest challenge of our time: mitigating and reversing the environmental impact of our actions while redefining how we interact with the planet.

At Sylvania Group, sustainability is not just a corporate commitment—it is deeply embedded in our heritage. The very name Sylvania was born in the heart of the Pennsylvania woodlands, a region whose name carries ancient Welsh, French, and Latin roots: Pen (head), Sylvain (of the woods), and Silvanus (woodland). This connection to nature is not only symbolic; it is a guiding principle that has shaped our company for over a century.

From the very beginning, our identity has been intertwined with the natural world. Our original logo, inspired by an oak leaf, reflected this bond—its veins forming a distinct ‘S’, a nod to our name. The colour green, chosen then, remains our corporate signature today, representing our ongoing commitment to regeneration, efficiency, and environmental responsibility.

Looking ahead to 2030, we have a clear mission: to become a Net Zero company, minimizing our carbon footprint across the entire value chain and driving meaningful change in our industry. But our role goes beyond emission reductions—we aim to inspire, innovate, and lead by example, proving that sustainability is not just a promise but an achievable reality.

The world is changing, and we choose to be part of the solution. With every decision, every innovation, and every step on our path to Net Zero, we reaffirm our dedication to building a future where businesses and the environment thrive together.

1.2. Materiality Matrix

At the heart of our sustainability strategy lies a comprehensive double materiality assessment that guides our reporting and strategic priorities. Double materiality recognizes that sustainability matters should be viewed through two essential lenses: how environmental and social issues impact our business, and how our business impacts society and the environment.

Think of it as a two-way street. On one hand, we need to understand how things like climate change or social trends might impact our bottom line. On the other hand, we need to be honest about how our operations affect the world around us, because there is always an impact.

- When we look at financial materiality (the "outside-in" view), we're asking: "How do these sustainability issues affect our success as a business?" This helps us spot risks and opportunities we shouldn't ignore.
- For impact materiality (the "inside-out" view), we're asking: "What mark are we leaving on people and the planet?" This keeps us accountable for our footprint.

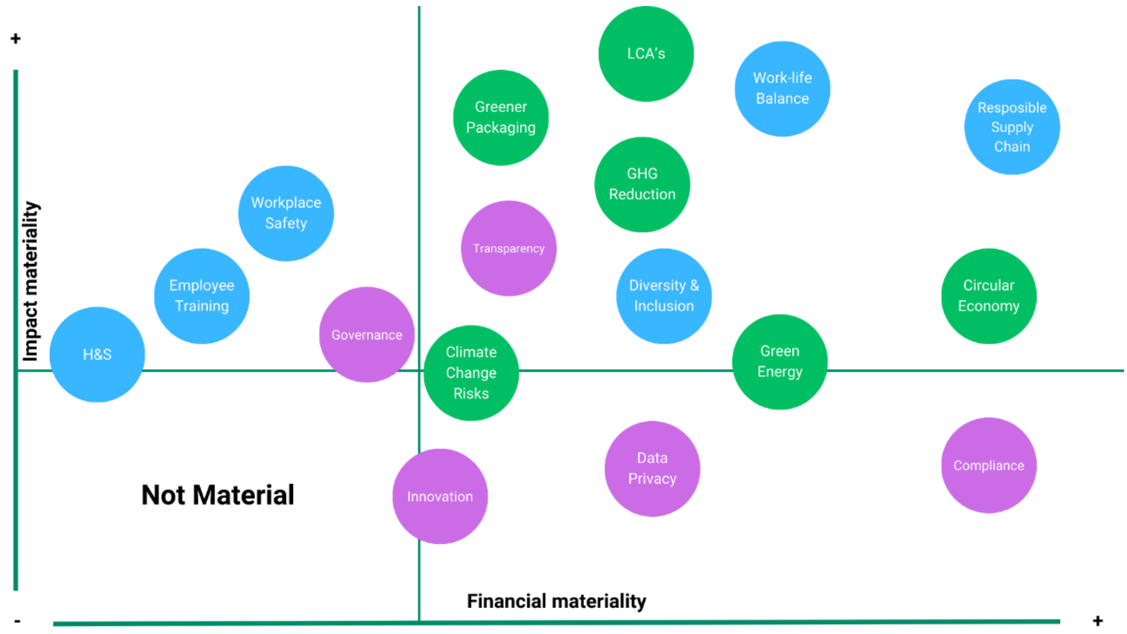
By mapping these issues in our matrix, we've been able to zero in on what really matters - both to us and to the people who care about our business. This helps us focus our efforts where they'll make the biggest difference, rather than trying to tackle everything at once.

To identify the material topics, we have employed the services of a consulting firm specialized in carrying out double materiality analysis. In the process, several people, key to the success of our organization, have been contacted about it, and surveys have also been launched to all our employees, as well as to relevant stakeholders.

The first step in determining which material aspects has been followed by the recommendations proposed by EFRAG in its "Implementation Guidance 1: Materiality Assessment". The scope of the analysis covers the entirety of our business, in all our geographies. To this end, once each aspect has been analysed and scored based on its relative severity and probability, it has been weighted, to obtain a list in which all aspects are ordered according to both factors. This process has considered financial aspects on the one hand, and impact aspects on the other.

In terms of decision-making processes and related internal control procedures, the entire process has been supervised by our Sustainability Manager, as well as by the Sustainability Committee, where material risks and opportunities are regularly reviewed, and measures are taken to prevent and mitigate them.

The double materiality matrix is shown below:



The results of the matrix give the following ESRS as non-material:

- ESRS E2 Pollution
- ESRS E3 Water and marine resources
- ESRS E4 Biodiversity and ecosystems
- ESRS S3 Affected Communities

In addition, to improve the granularity of the results, we conducted a second analysis, assessing all the topics and sub-topics of the ESRS that were initially material. As a result, we have been able to identify which ESRS are partially material:

- ESRS S2 Workers in the value chain
- ESRS S4 Consumers and End-users

Following EFRAG's recommendations, we will proceed to report on those topics that have been material, this year by reporting on topics that have been fully material, and in future exercises also those that are partially material.

The materiality assessment highlights the following significant impacts across our business model, own operations, and value chain:

- Use of Green Energy and Resource Consumption (ESRS E1): The company's operations contribute to resource consumption and carbon emissions, making the transition to renewable energy and efficient resource use critical to reducing its environmental footprint.
- Waste Generation and Circular Economy (ESRS E5): Waste and resource use impact the environment, emphasizing the importance of sustainable production, waste management, and responsible final disposal to promote circularity.
- Employee Well-being and Working Conditions (ESRS S1): The company impacts its workforce through policies on fair working hours and work-life balance, directly influencing productivity, retention, and social performance.
- Responsible Practices in the Value Chain (ESRS S2): Supply chain activities impact sustainability through the sourcing of materials and labour practices, requiring upstream suppliers to adhere to responsible production methods.
- Consumer Data Privacy and Information Access (ESRS S4): The impact of Sylvania's services on consumers is centred on ensuring transparent and secure handling of customer data while maintaining free access to relevant product information.
- Compliance and Business Conduct (ESRS G1): Sylvania's governance practices directly impact its regulatory compliance and reputation through responsible business conduct and adherence to ethical practices across the supply chain.

These material impacts are distributed across:

- Own Operations: Energy use, emissions, and workplace well-being are central within Sylvania's production and administrative operations.
- Upstream Value Chain: Responsible sourcing and supplier adherence to sustainability standards are key impact areas.
- Downstream Value Chain: Consumer privacy, product disposal, and data transparency shape impacts on end-users and customers.

Our material impacts have driven key strategic actions to enhance environmental and social performance. On the environmental side, the company is prioritizing product efficiency and digitalization by developing energy-saving technologies and implementing digital monitoring systems to optimize resource use and guide sustainability-driven decisions, as now it is not only enough that our products are LED to offer maximum efficiency. Simultaneously, circularity is at the core of its innovation strategy, with a focus on sustainable material use, extended product lifecycles, and recycling initiatives, both in production and end-of-life product recovery.

Socially, the workforce is central to our strategy, with investments in development programs, training, and upskilling to foster long-term employee growth and retention. The group is also promoting volunteer programs and community engagement initiatives, ensuring its workforce contributes to broader societal well-being. These efforts position Sylvania to address material challenges while creating long-term sustainable value.

1.3. Strategy, business model and value chain

During the current financial year, Sylvania Group has continued to operate along its established business lines, which include the design, production, installation, and maintenance of professional lighting systems. In parallel, we have maintained our commitment to advancing the digitalisation of the lighting sector through connected solutions and associated services.

A relevant development compared to the previous year is the expansion of our offering to include solar energy services. This step reflects our strategic move towards integrated energy solutions that align with market demand for more sustainable technologies.

On the other hand, we do not see significant changes in the main markets and customers on which we focus our products and services, these being:

- Engineering and architecture
- Facility managers
- Professional installers
- Construction companies, promoters, and real estate companies
- Electrical material distributor
- End users

Our activity is focused on three regions, namely LATAM, with 402 employees, EMEA, with 774, and APAC, the smallest, with 95[1]. Each of these regions manage their products and services independently, but share the same key values and activities.

1.3.1. Interests and views of stakeholders

A robust strategy cannot thrive without integrating the perspectives of our key stakeholders. At Sylvania Group, stakeholder engagement plays a fundamental role in shaping our sustainability

[1] Data referring to the end of the reporting period.

commitments and strategic direction. We have identified five primary stakeholder groups and established clear channels for continuous interaction:

- Shareholders: They play a key role in shaping the strategic direction and corporate culture of Sylvania Group, acting as the ultimate sponsors of day-to-day operations. Communication with the wider organisation is maintained through the annual conference, the kick-off meeting at the start of the year, and regular town hall updates.
- Workers: Engagement with employees is structured through periodic evaluations, feedback mechanisms, and various platforms where they can express concerns and ideas. Key points of contact include human resources and management representatives.
- Clients: Customer engagement is managed through the Customer Service Department, ensuring consistent communication and feedback on product performance, and service effectiveness.
- Suppliers: Our collaboration with suppliers is guided by regular performance reviews conducted by our planners and through daily interactions with product managers.
- Industry Associations: We actively engage with associations such as LIA and LightingEurope, maintaining continuous dialogue through meetings, workshops, and training sessions.

The purpose of our stakeholder engagement is to foster trust, improve operational efficiency, and demonstrate our commitment to long-term sustainable growth. We aim to create meaningful relationships where stakeholders feel valued and see the Group as a company with purpose and empathy. The outcomes of our engagement contribute to key improvements, including optimizing resource use, developing modular and easily reparable luminaires, and strengthening partnerships with suppliers and clients.

This process is dynamic, and we are committed to further enhancing stakeholder engagement as we continue to improve our sustainability performance. All feedback received is directed either to our Compliance Team or to the respective department heads responsible for addressing the concerns. Additionally, we plan to integrate this process into our Sustainability Committee, where each department will bring forward its considerations, allowing us to act collectively and effectively with the expertise of all participants.

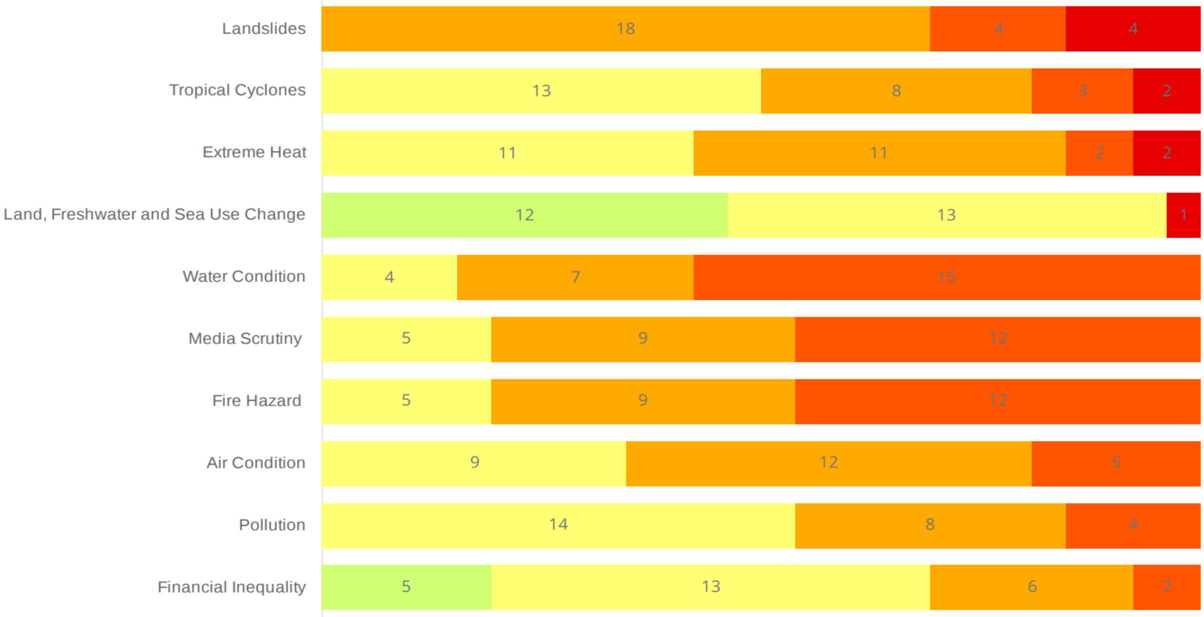
1.4. Time intervals and climate scenarios

For the definition of the scenarios and time ranges, we will adopt the ESRS recommendations, with a small adjustment, as follows:

- Short term: we will refer to the fiscal year after the publication of this report.
- Medium term: from the end of the short term until 2030.
- Long term: from 2030 to 2050.

The scope of the following analysis includes our worldwide operations, and has been carried out in September 2024, using a bunch of different tools such as the NGFS phase 4 scenario portal[2].

The resilience analysis considered multiple factors assessed based on their potential impact on our operations and value chain, explained ahead.



The chart illustrates the exposure level of our global facilities to a range of physical and transitional climate-related risks. Among the physical risks, landslides, tropical cyclones, and extreme heat stand out, with a notable number of sites falling under high and very high-risk categories. These risks are particularly relevant for facilities located in tropical or mountainous regions, where the combination of topography and increasingly severe weather patterns amplifies vulnerability.

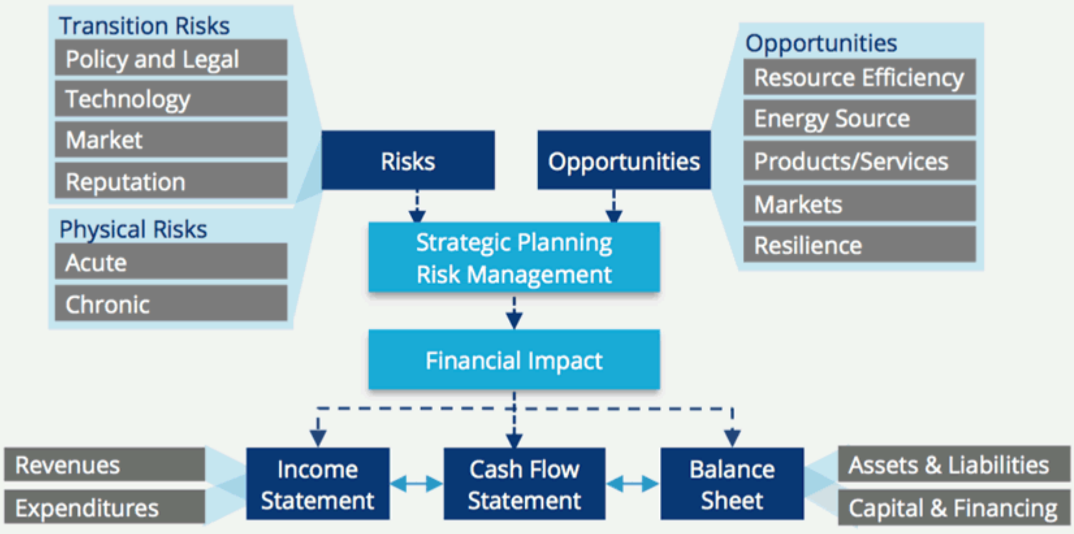
Water condition and fire hazard also emerge as significant concerns, with over a dozen sites exposed to high levels of risk in each case, reflecting global trends in water stress and rising temperatures. Transitional risks such as media scrutiny, pollution, and financial inequality show a wide range of exposure across our operations, highlighting the growing importance of social and reputational dimensions in sustainability-related risk assessments.

This mapping helps prioritise the development of location-specific risk mitigation strategies, feeding directly into our broader climate and ESG risk management plans.

2 https://www.ngfs.net/ngfs-scenarios-portal/use

Figure 1

Climate-Related Risks, Opportunities, and Financial Impact



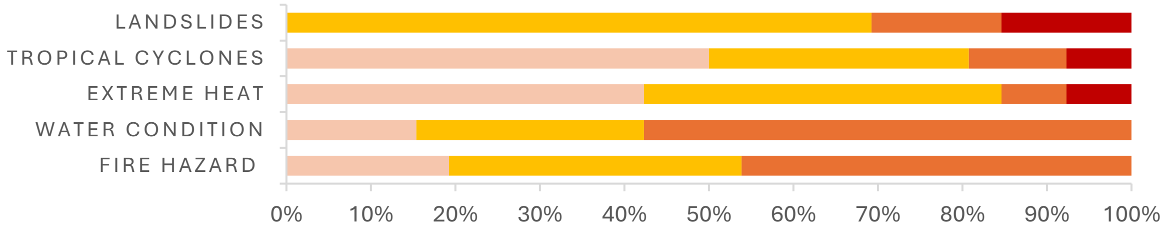
The Task Force on Climate-related Financial Disclosures proposes a structured approach to identify and assess how climate change may affect an organisation. It distinguishes between two main types of climate-related risks—physical and transition—and highlights the importance of also identifying potential opportunities. This classification helps organisations understand the channels through which climate change may have financial impacts, and how these risks and opportunities can be integrated into strategic planning and risk management.

- Physical risks refer to risks induced by changes in frequency, magnitude and/or duration of climate change driven natural hazards (for example storms, inundation, droughts or sea level rise) or more generally climate impacts.
  Furthermore, among physical risks one distinguishes between chronic and acute risks:
  - Chronic risks refer to long term incremental changes, for example in the average state of climate variables rainfall or temperature, or linked to slow processes such as sea level rise, the expansion of pests and diseases into new regions, etc.
  - Acute risks arise from changes in event-driven hazards, such as an increased frequency and/or severity of cyclones, hurricanes or floods.
- Transition risks refer to potential losses arising from societal and economic shifts toward a low-carbon economy. For example, a coal ban in a region whose economy strongly relies on coal mining could lead to increased unemployment until the respective workforce has been retrained and reemployed.

1.4.1. Physical Risks

Whether we like it or not, the damage we have caused to our planet's ecosystems has consequences that in many aspects are still unexplored, however, we are able to estimate the physical risk involved in carrying out our activity depending on the location of the facilities. For the analysis, we have included all the facilities we have around the globe, a total of 26. The methodology we have used is that provided by WWF thanks to its Risk Filter Suite tool. As this is the first time, we have carried out this type of analysis, we have considered it more relevant to focus on the present, leaving the comparison between scenarios for statements in the coming years. This approach allows us to determine more precisely where we should focus our current efforts, which in turn will serve to mitigate future risks.

From the huge list of physical risks assessed, we will highlight five acute physical risks:



	Fire Hazard	Water Condition	Extreme Heat	Tropical Cyclones	Landslides
No risk	0	0	0	0	0
Low	5	4	11	13	0
Medium	9	7	11	8	18
High	12	15	2	3	4
Very High	0	0	2	2	4

No risk   Low   Medium   High   Very High

As shown in the chart, landslides represent the most significant physical climate-related risk across our operations. This is particularly relevant for facilities located in tropical latitudes—such as Colombia, Guatemala, and Thailand—where the combination of steep terrain and intense rainfall increases vulnerability. Tropical cyclones are similarly concentrated in these regions and present a high level of exposure. Both risks are considered long-term in nature, as their likelihood and intensity are expected to grow progressively with climate change. In addition, water-related risks—linked to drought, water stress, or excess precipitation—also emerge as an area of concern over the long run, particularly given the number of facilities rated in the high-risk category.

In the short and medium term, two risk categories stand out due to their increasing severity in recent years: extreme heat and fire hazard. These hazards have shown a marked upward trend, both in frequency and intensity, and are already affecting our operational continuity and workforce safety. Extreme temperatures, in particular, have been identified as a risk in over half of our sites, posing a direct threat to employee health and requiring targeted mitigation measures.

For this assessment, we have included all facilities globally, as analysing the full scope of our operational footprint allows us to better align our risk response with the actual conditions of our business. An action plan is currently under development to address each of the identified risk categories, with special attention given to those already impacting our operations today, such as heatwaves and wildfires.

1.4.2. Transitional Risks

To identify and assess the different transitional risks and opportunities, whose classification is inspired by the TCFD recommendations, we have used the scenarios[3] proposed by the NGFS in its 'Phase 4', focusing on:

- Net Zero 2050, which we take as an optimistic scenario, and uses as assumptions that ambitious climate policies are introduced immediately. It assumes that CO2 emissions are reduced to zero by 2050, which implies at least a 50% chance of limiting global warming to below 1.5°C by the end of the century. While the physical risks are relatively low, the transition risks are high. New technologies will have a rapid uptake, which will promote and drive decarbonisation.
- Current policies, where it is assumed that no significant new mitigation measures are implemented, retaining current policies, which entails high physical risks. Emissions continue to increase until 2080, implying a warming of about 3°C and severe physical risks. This scenario can help us consider the long-term physical risks if we continue our current path to a 'hot world'. There will be little rate of adoption of new technologies to drive decarbonisation.
- Delayed transition, which we take as the most realistic scenario, assumes that global annual emissions will not start to decline until 2030. It also estimates that no new climate policies will be implemented until 2030 and that the level of action will differ between countries and regions depending on the policies currently in place. The availability of CDR technologies is assumed to be low, resulting in higher carbon prices than in the 2050 net zero emissions target. As a result, emissions will temporarily exceed the carbon budget and then decline rapidly after 2030, offering a 67% chance of limiting global warming to below 2°C. This leads to both a further transition and a further reduction in emissions. This leads to both a larger transition and greater physical risks than the Net Zero 2050 scenario. The speed of adoption of new technologies that drive decarbonisation will be slow until 2030, and rapid thereafter.

We have identified the following risks for the business as a whole, taking into consideration present and future business activities that may be exposed and are sensitive to transition events:

[3] All scenarios used have a sound scientific basis, which can be verified at https://www.ngfs.net/ngfs-scenarios-portal/explore

Category	Scenario	Time Frame	Description	Occurrence	Financial Impact	Impact and risk management
Policy and Legal	NGFS Phase 4: Net Zero 2050	2050	Mandates on and regulation of existing products and services	High	Moderate (<15%)	If anything has characterised the last few years, it is the 'boom' of sustainability regulations that have been passed. The latest being CSDDD and PPwR. We work with agility to adapt our solutions to the new regulations, trying to get ahead of the mandatory compliance date, to demonstrate to other market players our firm leadership in this regard.
Policy and Legal	NGFS Phase 4: Delayed Transition	2050	Increased carbon pricing: This scenario sets prices close to $600/tnCO2, which will undoubtedly accelerate decarbonisation due to the high cost of not doing so.	Medium	Significant (>30%)	Direct emissions from our operations are not high enough for a rise in the price of emissions to alter our financial figures. To manage this, we have set zero net emissions targets and actions for direct emissions, aiming to accelerate their achievement by 2030.
Policy and Legal	Own	2030	Failure to meet decarbonisation targets, and public commitment to SBTi	Medium	Insignificant (<1%)	Due to the complexity of our operations, we have detected that meeting decarbonisation targets may not be a priority in some of our geographies. We have therefore established a Sustainability Committee to periodically assess and manage compliance, as well as to specify new measures and actions aligned with compliance.
Technology	NGFS Phase 4: Net Zero 2050	2050	Substitution of existing products and services with lower emissions options	High	Moderate (<15%)	We are witnessing how different markets are tightening their efficiency standards. In the lighting market in particular, we have seen a shift from extremely inefficient technologies such as halogen, to intelligent luminaires that are able to automate their consumption according to environmental conditions in real time. Who knows what the future holds?
Technology	NGFS Phase 4: Net Zero 2050	2050	Research and development expenditures in new and alternative technologies, the scenario foresees the world investing $350 trillion by 2050.	Medium	Moderate (<15%)	If there is one thing that has characterised us over time, it is the continuous innovation of our products. However, given the urgent need to move towards a greener economy, it is necessary to increase our efforts to develop more efficient technologies.
Technology	NGFS Phase 4: Net Zero 2050	2030	Costs to transition to lower emissions technology	Medium	Moderate (<15%)	As different industries decarbonise, the cost, not only economic but also reputational, will increase, being directly proportional to the opportunity cost. Sylvania faces this risk as a challenge and seeks to be a key player in the market, leading the decarbonisation of our industry.

Market	NGFS Phase 4: Delayed Transition	2050	Increased production costs due to changing input prices and output requirements	High	Significant (>30%)	The world economy is beginning to show signs of the end of the linear production model that has been in place until now. Resources are not as plentiful as they used to be, which is causing prices to rise steadily. Our Sustainability Committee, with the support of our purchasing managers, is actively working to strengthen relations with our suppliers in order to improve the conditions of our supply contracts, always looking for the most responsible raw materials for our planet.
Market	NGFS Phase 4: Net Zero 2050	2040	Abrupt and unexpected shifts in energy costs	High	Moderate (<15%)	As the world transitions to a greener economy, the cost of energy is expected to rise up to $47.38/GJ by 2040, which can be a great opportunity to raise awareness of our most efficient products, offering them as a great alternative to a large increase in electricity prices. Of course, we expect consumers and businesses will be looking to improve the efficiency of their installations as much as possible.
Reputation	NGFS Phase 4: Net Zero 2050	2050	Increased stakeholder concern	Medium	Minor (<5%)	Given the complexity of our corporate structure and given the increasing expectations and varying priorities for our social responsibility and environmental sustainability, failure to meet these standards could lead to loss of trust, pressure to improve our practices, and possible divestment. To mitigate this risk, we must maintain open and continuous communication, demonstrate our commitment with concrete actions, and ensure that our policies are aligned with the expectations and ethical standards of our stakeholders.
Reputation	NGFS Phase 4: Current Policies	2050	Financial Inequality	High	Moderate (<15%)	The financial instability in some of the geographies where we operate represents a significant risk to our operations and financial performance. Factors such as economic volatility, currency fluctuations, inflation, and political crises can negatively impact our sales, operating costs and profitability in those regions. To mitigate this risk, it is crucial to develop geographic and financial diversification strategies, establishing continuous risk monitoring mechanisms, and maintaining flexible and prudent financial management that allows us to adapt quickly to changing market conditions.

Reputation	NGFS Phase 4: Current Policies	2050	Media Scrutiny	Medium	Minor (<5%)	In the digital era, any action or inaction by our company can be quickly exposed and amplified on social media and other communication channels. Negative coverage of aspects such as our environmental, labour or business practices can damage our brand image, affect the trust of customers and partners, and result in significant financial losses. In addition, we are exposed to misinformation and possible unfair practices by our competitors, who may disseminate incorrect or misleading information to discredit us.

On the other hand, we have as well identified the following opportunities:

Category	Scenario	Time Frame	Description	Occurrence	Financial Impact	Impact and risk management
Resource Efficiency	NGFS Phase 4: Net Zero 2050	2050	Use of recycling	High	Significant (>30%)	Circular economy can cause a major revolution in the world of lighting. Not just recycling but reusing those parts of the most wear-resistant luminaires that are regularly discarded with the rest of the luminaires opens up a world of possibilities in the industry, which we are exploring.
Resource Efficiency	NGFS Phase 4: Net Zero 2050	2030	Move to more efficient buildings	Low	Minor (<5%)	Increasing the energy and thermal efficiency of buildings can lead to savings in the day-to-day consumption of our operations. We will undoubtedly be vigilant in those countries where our consumption is highest.
Resource Efficiency	NGFS Phase 4: Net Zero 2050	2040	Better talent attraction due to increase in sustainable commitment	High	Minor (<5%)	Increasing our sustainability efforts not only benefits the environment but also positions us as an employer of choice for talent committed to socially and environmentally responsible values. In a job market where professionals, especially younger ones, increasingly value sustainable business practices, our green initiatives positively differentiate us. By demonstrating our commitment to sustainability, we attract highly skilled individuals who are passionate about working for a company that shares their values. This committed talent not only contributes to our sustainability goals, but also brings innovation and dedication, thereby enhancing our competitiveness and long-term success.
Energy Source	NGFS Phase 4: Net Zero 2050	2040	Use of lower-emission sources of energy	High	Minor (<5%)	By integrating renewable energy into our operations, we not only reduce our greenhouse gas emissions, but also reap long-term economic benefits, such as reduced operating costs and mitigation of risks associated with volatile fossil fuel prices.

Products and Services	NGFS Phase 4: Net Zero 2050	2030	Development and/or expansion of low emission goods and services	High	Significant (>30%)	The launch of new products, adapted to the new reality, is one of our strategic priorities, which we have already started to explore, and we expect to launch these new products and services during the year. In addition, we are working on redesigning some of our best products to adapt to a world based on the circular economy, and in the future, we expect to be able to place our products within the nine planetary boundaries.
Products and Services	NGFS Phase 4: Net Zero 2050	2040	Ability to diversify business activities	High	Significant (>30%)	This is key to increasing our resilience and adaptability in an ever-changing market. By expanding into new business areas and developing a broader range of products and services, we can reduce our dependence on specific market segments and mitigate risks associated with economic fluctuations or regulatory changes. This diversification not only improves our financial stability but also allows us to take advantage of new growth opportunities and maintain our long-term competitiveness.
Markets	NGFS Phase 4: Net Zero 2050	2040	Access to new markets	High	Significant (>30%)	Explore and enter emerging markets or regions where we do not yet have a presence, an approach that allows us to diversify our customer base, reduce geographic and cultural risks, and benefit from growth trends in different areas. In addition, by tailoring our market strategies to meet local needs, we can build strong relationships with new customers and establish a more robust global presence.

Sylvania uses climate scenarios aligned with the Paris Agreement targets (limiting warming to 1.5°C or 2°C) to assess climate-related risks and impacts. These scenarios are compatible with the critical assumptions in the financial statements, which consider future energy costs, investments in low-carbon technologies, and asset resilience to extreme weather events. This alignment ensures that projected financial impacts and asset valuations accurately reflect potential climate-related effects, supporting coherent integration of climate considerations into Sylvania's financial planning.

1.5. Sector alignment plans

"At The LIA, we are committed to accelerating environmental innovation across the lighting sector. As reporting frameworks like the CSRD drive greater accountability, we are working with members like Sylvania to support credible sustainability benchmarks, informed decision-making, and shared responsibility. Through collaboration across the UK and Europe, we are helping our industry go beyond compliance towards a future where lighting is truly sustainable by design."

Ayça Donaghy, Chief Executive Officer, LIA

In the European lighting sector, two key bodies stand out in the climate transition of the main producers of lighting equipment. On the one hand, LightingEurope, that is the industry association representing leading European lighting manufacturers and national lighting associations. It focuses on promoting efficient and sustainable lighting practices while supporting regulations and standards that foster innovation and environmental responsibility. The organization engages in policy advocacy, providing expertise on energy efficiency, product safety, and circular economy initiatives.

On the other hand, the Lighting Industry Association (LIA), based in the UK, is the largest trade association for lighting equipment manufacturers and suppliers in Europe. The LIA emphasizes product quality, safety, and the promotion of sustainable development in the lighting sector. It offers training, certifications, and testing services to ensure compliance with industry standards and supports its members in adopting eco-friendly technologies and practices.

Both organizations have strategic plans and objectives aligned with sustainability. Lighting Europe focuses on reducing the environmental impact of lighting products through initiatives like eco-design requirements, energy labelling, and promoting the use of sustainable materials. Their plans also encourage innovation in LED technologies and intelligent lighting systems to minimize energy consumption and carbon footprints.

The LIA supports sustainability through its guidance on best practices for product lifecycle management, which includes designing products for durability, repairability, and recyclability. The association's objectives include fostering a circular economy in the lighting sector, supporting energy-efficient product development, and aligning industry practices with the goals of carbon neutrality.

This coordinated industry approach addresses a critical environmental challenge, as lighting remains an essential element of our daily lives—from homes and workplaces to public spaces and infrastructure—yet its cumulative environmental impact is far from negligible. The electricity required to illuminate our world represents a substantial portion of global energy consumption, with corresponding carbon emissions that significantly contribute to climate change. Without strategic intervention and technological advancement, these environmental pressures will only intensify as global populations grow and urbanization accelerates. The lighting industry's transition toward efficiency and sustainability thus represents not merely a business evolution, but a necessary response to one of our era's most pressing environmental imperatives.

Our Impact on the Planet

2.1. Climate change (E1)

"Climate change is no longer a future threat; it is a present crisis. We are crossing critical tipping points: irreversible polar ice melt, ocean acidification, and the disruption of global climate patterns. Every fraction of a degree matters, and the science is clear—exceeding planetary boundaries not only compromises ecological stability but also the viability of our societies and economies. Climate action is not optional; it is a matter of survival."

Enrique Castaño, Sustainability Manager

2.1.1. Transition plan for climate change mitigation

In 2020 we began to act to mitigate the effects of the climate crisis, and in 2023, given the need to apply a common sense to all the actions that were being carried out, we took a step forward by creating a Sustainability Department. Since then, the team has been working to give a structure to all the actions we were carrying out, and to merge them in a strategy to face this problem. As a 2024 milestone, due to the changes taking place at Sylvania, we have committed our decarbonization targets to the SBTi, which is an initiative that seeks to certify that companies' decarbonization targets are indeed science-based and aligned with the Paris Agreement. To achieve this target, global emissions must be halved by 2030 and reach near net zero by 2050.

In addition, we are also developing a Transition Plan to decarbonize our operations, which we will publish along 2025, and subsequently include and update in future Sustainability Reports. Following its publication, the plan will be formally adopted and implemented across our organization.

This plan will be reviewed and approved by our Sustainability Committee, and will be readily available on our website, which we just transformed to focus on our sustainable commitment and brand values. On the other hand, to make sure it is aligned with our business strategy and financial planning, relevant departments of Sylvania will be invited to participate in its development. All the related actions fall under the Sustainability Department budget, which is assigned ad-hoc, depending on the need and urgency of the given action.

This plan will include actions such as:

- Purchasing renewable electricity, which would help us significantly reduce our scope 2 emissions.
- In line with our internal policies, and with the targets set out in the European Taxonomy, company cars will be converted to Zero Emissions as current contracts come to an end.

- When designing and producing a new fixture, we will prioritize high efficiency levels, which will result in a progressive improvement in the efficiency of our products, significantly reducing our Scope 3 category 11 emissions.

Subsequent chapters will detail the policies, actions, and goals we are pursuing to fulfil this commitment. However, although they are largely designed to be implemented globally, we have identified difficulties in realizing some of them in some of the geographies in which we operate. In these cases, when it is not possible to avoid emissions, we will resort to offsetting methods, always opting for those with a solid scientific basis, working with highly reputable partners.

Due to the nature of our activity, Sylvania Group is not excluded from EU Paris-Aligned Benchmarks.

2.1.2. Policies related to climate change mitigation and adaptation

Given that the Climate Change ESRS is one of our main priorities, we can highlight several policies:

Our Emissions and GHG Policy serves as the cornerstone of our climate strategy. This policy outlines the specific methodologies we employ to measure greenhouse gas emissions across our operations and supply chain. More importantly, it establishes clear, science-based decarbonization targets that align with global climate goals and provide a roadmap for our transition to a low-carbon business model.

The Energy Policy focuses on two critical aspects of climate action. First, it establishes detailed guidelines for enhancing energy efficiency throughout our facilities and operations. Second, it sets ambitious targets for increasing our use of renewable energy sources, helping us reduce our carbon footprint while also building resilience against energy market volatility.

Recognizing the significant impact of business travel, our Sustainable Business Travel Policy provides clear direction on transportation choices. The policy specifies conditions under which different modes of transportation may be utilized and sets stringent emission limits for our company vehicle fleet. This approach helps us minimize travel-related emissions while maintaining necessary business operations.

Our Sustainable Events Policy offers comprehensive recommendations for reducing the environmental impact of Sylvania-organized events. While this policy does not currently include specific targets, it provides a framework that can be enhanced with quantifiable objectives in the future as we gather more data on event-related impacts.

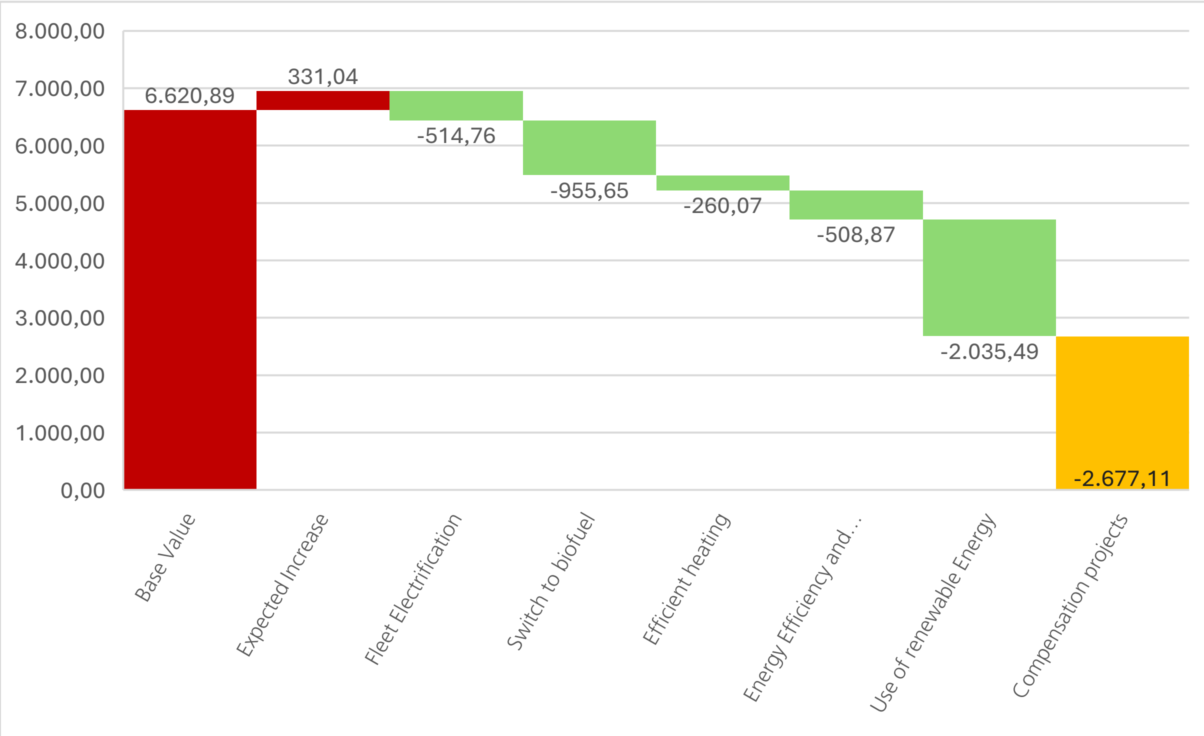
The Greenwashing and Environmental Claims Policy aligns with the homonymous European Regulation, ensuring that all our environmental communications are accurate, transparent, and substantiated. This commitment to integrity in our sustainability messaging, though not associated with direct numerical targets, is essential for maintaining stakeholder trust.

It is worth noting that all these policies, while diverse in their specific focus areas, share a common purpose of climate change mitigation. Additionally, each has been carefully crafted to ensure compliance with the CSRD and other relevant European Directives, demonstrating our commitment to meeting both regulatory requirements and stakeholder expectations in our climate action efforts.

2.1.3. Actions and resources in relation to climate change policies

We are gradually starting to put in place a multitude of actions to reduce our impact, which will be published in the coming months in our Transition Plan, with a great level of detail, and the calculation of their expected impact reduction.

To preview these actions, in 2023, our baseline year for Scopes 1&2, we identified the following levers as key elements of our decarbonization strategy:



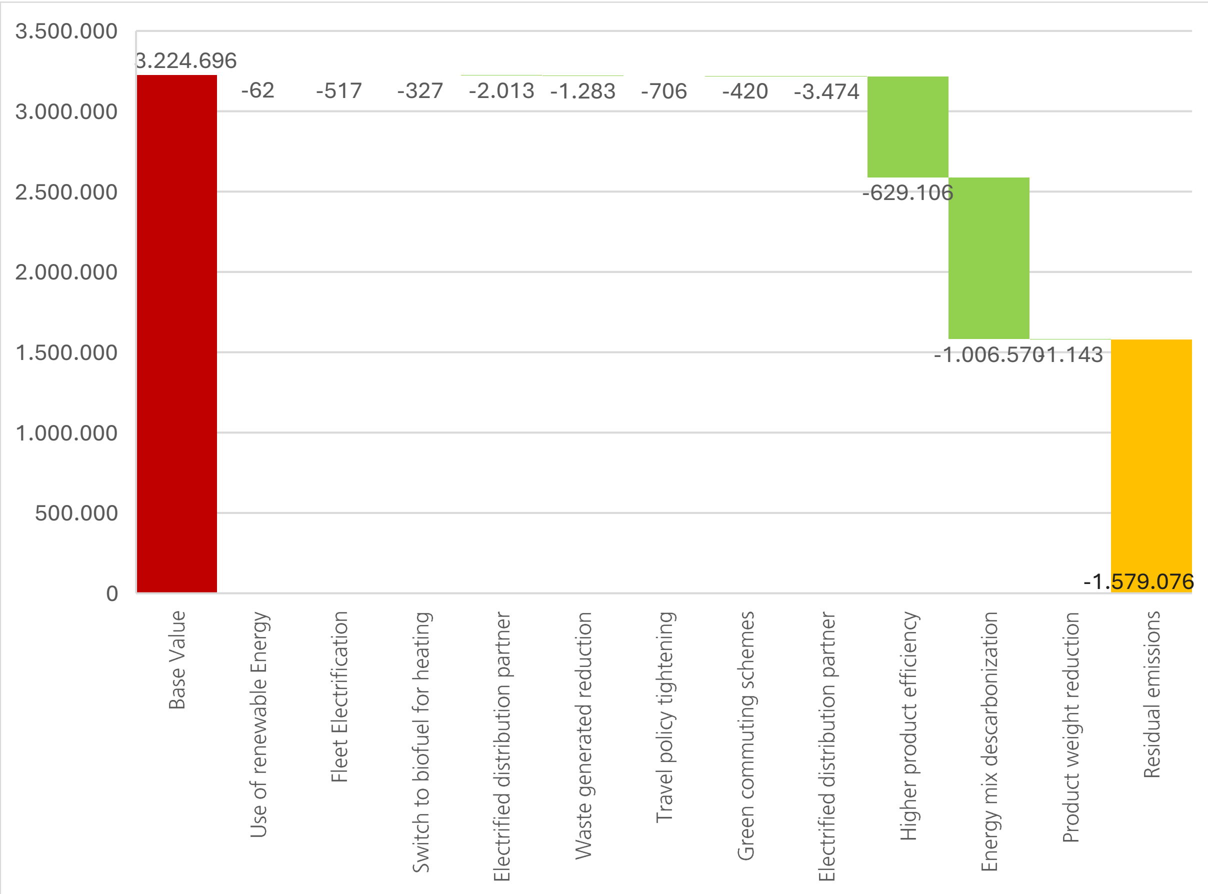
Where the following technology-based solutions stand out:

- The installation of renewable energy in those of our facilities where it is economically and environmentally viable, as in the case of Olarte, Colombia, which has offered notable reductions in energy consumption, and has the potential both reduce our emissions, and the money spent in energy.
- The electrification of our vehicle fleet, which although it cannot happen overnight, will be key to eliminating Scope 1 emissions, nowadays just 20% of our global fleet is pure electric.

- The installation of a heat pump at our Erlangen factory, Germany, to avoid emissions related to heating the building. It has the potential to avoid approximately 600 tn CO2eq, a figure that could be increased by installing renewable energy on the roof of the building.

On the other hand, in the coming years we will start to include nature-based solutions, such as planting native forests in places where it can favour local biodiversity, as well as other simpler actions such as installing insect hotels, or composting organic waste from offices.

And for Scope 3:



The chart outlines the estimated impact of the key actions we have identified to reduce our Scope 3 greenhouse gas emissions by 2030. Starting from a baseline of over 3.2 million tonnes of CO_2e, we have modelled the potential of each initiative in terms of avoided emissions.

While several smaller initiatives contribute modest reductions—such as the use of renewable energy in the value chain, fleet electrification, switch to biofuel for heating, and waste reduction efforts—we have identified two key levers that will drive the most significant impact:

Improving the energy efficiency of our products, which alone could reduce over 1 million tonnes of CO_2e. This reflects the importance of addressing emissions from the use phase of our products, which accounts for a substantial share of our total Scope 3 footprint.

Supporting our customers' decarbonisation through energy mix optimisation, enabled by our new Power business line. This solution allows clients to transition toward cleaner electricity sources, with an estimated reduction potential of over 1.1 million tonnes of CO_2e.

Together, these two actions account for the majority of the expected reductions. Additional initiatives such as product weight reduction, greener logistics partners, tightening travel policies, and green commuting schemes further contribute to the overall reduction path.

After implementing all identified measures, we estimate residual Scope 3 emissions of approximately 1.58 million tonnes of CO_2e by 2030. These remaining emissions will be the focus of future reduction strategies and, where appropriate, credible neutralisation mechanisms.

2.1.4. Targets related to climate change mitigation and adaptation

In addition to having aligned our objectives with climate science thanks to SBTi, we want to go one step further and achieve neutrality of our Scope 1 & 2 emissions by 2030. We consider this important, as our goals seek to limit warming to +1.5ºC. It should be noted that when we refer to Scope 2, we always refer to the market-based calculation, unless otherwise specified.

Target	Base Year Value (2023)	2030 Target
GHG emissions reduction Scope 1	4.074,99 tCO2eq	0 tCO2eq
Scope 1 GHG emissions intensity reduction (FTE)	3,20 tCO2eq/ FTE	0 tCO2eq
Scope 1 reduction (%)	0,00	100%
GHG emissions reduction Scope 2	2.544,36 tCO2eq	0 tCO2eq
Scope 2 GHG emissions intensity reduction (FTE)	2.00 tCO2eq/ FTE	0 tCO2eq
Scope 2 reduction (%)	0,00	100%

Regarding Scope 3 emissions, it is in 2024 when we have carried out a complete calculation of all its categories. For the intensity metric, we consider to be more representative to use the economic benefit of the year, since Scope 3 emissions are so high, it wouldn't make sense to compare them to the number of employees or FTE.

Target	Base Year Value (2024)	2030 Target
GHG emissions reduction Scope 3 (tCO2eq)	3.220.628,45	1.867.964,50
Scope 3 GHG emissions intensity reduction (FTE)	2.525,98	1.465,07
Scope 3 reduction (%)	-	-42%
Total GHG emissions reduction (tCO2eq)	3.227.247,80	1.871.803,72
Total GHG emissions intensity reduction (million €)	12.224,42	7.090,17

Total GHG emissions reduction (%)	-	-42%

The organizational boundaries used in the GHG inventory are based on the operational control approach, meaning that Sylvania accounts for all GHG emissions from facilities and activities over which we have operational control. This approach aligns with the boundaries set for our GHG reduction targets, ensuring that all relevant sources of emissions are included both in the inventory and in the scope of the reduction targets. The GHG reduction targets encompass all emissions sources within these operational boundaries. By setting targets across Scopes 1, 2, and 3, we ensure that its targets are consistent with the inventory's boundaries, covering direct emissions from our operations as well as key indirect emissions in the value chain.

We have been acting for years to reduce our impact, prior to the dates established as base year, however, we have considered it convenient to use current dates, as the lighting market has had several revolutions in recent years, and it wouldn't make as much sense as using data from the halogen-lamps era.

On the other hand, all targets have been established on the basis of measurements made in all our geographies, to ensure the consistency of the data, different estimates have been carried out with great care and attention. For those readers interested in these, more information is available in the last section of this report About this Report. The targets have been pre-established by our sustainability department, and subsequently consulted with stakeholders, as well as the Sustainability Committee, ensuring that they are sufficiently ambitious, and aligned with the strategic direction of the company.

In addition to the emission reduction targets, we have established a set of energy-focused targets, these are:

Target	Base Year Value (2023)	2030 Target
Improve the energy efficiency of company operations to reduce kWh/FTE	6739,05 kWh/FTE	-33%
Increase the proportion of electricity used from renewable sources	0,00	100%
Increase Zero Emissions vehicles share in our fleet	16%	100%
Every luminaire sold in EMEA should be controllable by 2030	TBD	TBD
Increase the revenue of A & B energy efficiency labelled products as a % of the total revenue	TBD	TBD

2.1.5. Energy consumption and mix

As Sylvania is a Group whose mission is to illuminate and improve the lives of our consumers, when it comes to the energy consumption of our products, we take it very seriously, and therefore this chapter is something special.

Thanks to our energy monitor and control system, Sylsmart Energy, which we have installed in a large part of our facilities, we manage our electricity consumption responsibly, which give us the right tools to achieve significant savings. In addition to this, we have an energy policy and are constantly striving to improve the energy efficiency of our lamps and luminaires.

Energy consumption and mix (MWh)	Base Year (2023)	Comparative	FY24
Total fossil energy consumption	17.814,24	-27,03%	12.999,21
Share of fossil sources in total energy consumption	77,30%	6,82%	82,57%
Total renewable energy consumption	5.231,51	-47,57%	2.743,12
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	5.231,51	-50,88%	2.569,52
Renewable energy production	5,38	3126,77%	173,60
Share of renewable sources in total energy consumption	22,70%	-23,24%	17,43%
Total energy consumption	23.045,76	-31,69%	15.742,33

For the above table, it is worth mentioning that those ESRS requirements whose value was 0, or not relevant, will not be shown in the above table to improve readability. In addition, since most of our facilities are rented, we do not have the possibility to generate as much own electricity through sources such as photovoltaic as we would desire. With the exception of our offices in Bogotá, Colombia, where in 2022 we decided to install PV panels, which produced a remarkable 173.6 MWh in 2024.

To calculate the figures shown in the table, our consumption in each of the countries has been weighted by the number of renewables in their national mix, to obtain the total figure by adding what is produced in our Colombian offices just mentioned.

2.1.6. Emissions

2.1.6.1. *Gross Scopes 1, 2, 3 and Total GHG emissions - GHG emissions per scope*

It is essential to measure emissions from all company activities in order to know how and where to act, and although we have been doing partial measurements for many years, it was not until 2023 that we took a step forward and started measuring our direct emissions, and 2024 for scope 3.

We have a GHG inventory at the corporate level in accordance with GHG protocol, that includes a complete overview of our operations worldwide, which is updated every year.

For readability, the base year for Scopes 1 and 2 is 2023, and for Scope 3 is 2024. In addition, the quantities will be expressed in tCO2eq. Finally, it should be clarified that categories 2, 10, 13, 14 and 15 of scope 3, due to the nature of our activity, are not relevant, and therefore will not be shown in the table for easier reading.

	FY24 Emissions	Annual variation	Base Year emissions	Base year variation	2030 Target
Total GHG emissions	3.224.696,41	-0,20%	3.231.044,10	-0,20%	-42%
Total GHG emissions per net revenue (tCO2eq/million €)	12.214,76	-0,05%	12.220,99	-0,05%	-42%
Scope 1 GHG emissions					
Gross scope 1	2.541,85	-37,62%	4.074,99	-37,62%	-100%
Scope 2 GHG emissions					
Location Based	1.526,11	-40,02%	2.544,36	-40,02%	-100%
Scope 3 GHG emissions					
Total Gross Scope 3 emissions	3.220.682,45	0%	3.220.682,45	0%	-42%
1 Purchased goods and services	41.402,43	0%	41.402,43	0%	-42%
3 Fuel and energy-related activities	905,89	0%	905,89	0%	-42%
4 Upstream transportation and distribution	10.065,31	0%	10.065,31	0%	-42%
5 Waste generated in operations	6.415,15	0%	6.415,15	0%	-42%
6 Business traveling	1.765,08	0%	1.765,08	0%	-42%
7 Employee commuting	1.400,19	0%	1.400,19	0%	-42%
8 Upstream leased assets	481,87	0%	481,87	0%	-42%
9 Downstream transportation	6.947,84	0%	6.947,84	0%	-42%
11 Use of sold products	3.145.530,64	0%	3.145.530,64	0%	-42%
12 End-of-life treatment of sold products	5.714,06	0%	5.714,06	0%	-42%

Here is more information on our carbon footprint, this time based in the main countries where we operate.

FY24 consumptions by country	Scope 1	Scope 2	Scope 3	Total
APAC				
China	0	19,73	259.286,82	259.306,55
Thailand	0	15,43	200.768,47	200.783,90
EMEA				
Belgium	131,38	109,22	39.097,39	39.337,99
Finland	19,49	4,02	20.762,27	20.785,78
France	913,35	127,33	78.241,65	79.282,33

Germany	904,66	884,68	264.697,39	266.486,73
Greece	28,55	13,60	90.841,99	90.884,14
Hungary	13,05	13,16	203.450,22	203.476,43
Italy	18,35	3,88	161.766,28	161.788,51
Netherlands	26,82	N/A	56.436,08	56.462,90
Portugal	8,44	0,20	5.242,01	5.250,65
Spain	51,89	7,70	81.990,63	82.050,22
Türkiye	10,80	0	1.827,10	1.837,90
United Arab Emirates	38,38	6,31	49.787,36	49.832,05
United Kingdom	137,63	205,87	137.288,32	137.631,82
LATAM				
Colombia	20,09	26,36	553.882,67	553.929,12
Costa Rica	12,65	33,76	32.648,30	32.694,71
Ecuador	29,94	8,52	256.999,63	257.038,09
El Salvador	146,48	18,32	64.452,02	64.616,82
Guatemala	22,65	10,70	138.178,89	138.212,24
Mexico	0	11,32	489.024,24	489.035,56
Panama	7,24	6,00	33.687,05	33.700,29

While there have been no significant changes in the consolidation perimeter of the data used compared to the base year, we have considerably improved the accuracy of the measurements, so that the emission reductions have been slightly inflated. In addition, it is important to mention that each entity can include the consumption of several countries that consolidate in them, as for example Feilo Sylvania International Group KFt., where several Eastern European countries are consolidated.

To calculate our carbon footprint, we have used a well-known SaaS software, where each entity's financial controller uploads the necessary data for the measurement. The methodology followed is the one proposed by the GHG Protocol, and the conversion factors are updated year by year to ensure maximum accuracy, so there may be small changes in the values provided when comparing to previous years. Regarding the conversion factors, we have mainly use high quality ones, from trustable sources such as Ecoinvent and Ember. These conversion factors are managed by the SaaS's team of experts, who shall be consulted in case of any question.

Although we are in the early years of reporting our carbon footprint, 2024 has already seen a significant reduction compared to the 2023 measurement, showing that the Group is already ahead of the given GHG emissions reduction action plan. One of the main reasons for this is the positive reception of the energy efficiency and responsible use policy launched at the beginning of FY24. Another important point is the progressive decarbonisation of commercial vehicles, which, although it cannot be achieved overnight, is progressing at a good pace.

Currently, due to the differences between our geographic locations, we are not able to correctly measure both Scope 2 market based, and location based, and while we are already working on it, we do not expect to obtain an accurate estimate before 2030, so we will limit ourselves to using location based.

For the calculation of the Scope 3 categories, we have used invoices and other primary source data, also directly asking to our workforce when required. Currently, we have been able to measure around 36% of Scope 3 with primary source data, and we are currently working to improve this figure.

Finally, it is worth mentioning the different proxies we have made to make up for that data not available. Due to the enormous heterogeneity of the data between countries, we have measured with maximum detail Spain and Portugal footprint, and we have estimated all the non-available data from it. In the coming years we expect to be able to refine this figure as we implement changes to facilitate measurement.

For several of our facilities, such as those in Thailand and Panama, since the only data we had available was the monetary cost of the different consumptions, we have used the average prices of the respective years and consumptions for the total calculation.

On the other hand, for others like Finland, due to the lack of individual meters, we have taken the total consumption of the building, which was provided to us by the tenant, and we have used the % of our office over the total m2 that the meter consolidates.

In addition, below is a brief explanation of the assumptions made for each category of the third scope:

- Category 1, Purchased goods and services: For the measurement we have accurately taken the total economic value of the internal purchases of luminaires for all countries. In addition, the expenditure on purchases of servers and digital service providers are included in the Hungarian FSIG entity. Finally, and given the tremendous difficulty of accurately compiling the rest of the purchases, we have calculated the footprint of the Spanish company with maximum detail, and made estimates for the rest, using the ratio of the internal purchases of luminaires, with respect to the rest of the purchases made from other suppliers. Only the most significant accounting items have been used for this calculation.
- Category 3, Fuel and energy-related activities: For the calculation of this category, we have used the conversion factors for WTT offered by UNFCCC in its emissions calculator published at the beginning of 2024. We have used this emission factor to calculate the indirect emissions from the energy we have consumed for electricity, heating, and vehicle fuel.
- Category 4, Upstream transportation and distribution: We have made precise calculations for Spain, thanks to which, based on the Cat 1 value of each country, which is a solid data

for all countries, we have obtained a ratio of the emissions of this category for each euro spent on luminaires.

- Category 5, Waste generated in operations: This is perhaps the most complex of all categories, and we have found it impossible to establish a precise method of data collection, mainly because there are many different facilities, and it is difficult to make employees understand the need to weigh the waste. For this reason, we have taken a standard figure of two kilograms of waste per day produced by each of our employees, even though we believe that this figure does not reflect the reality of the situation in our offices.
- Category 6, Business traveling: As a basis for the estimate, an average air ticket price of €200 has been used, given that the data available to us are economic. With this, and with the help of emission factors from Climatiq and Ecoinvent, we have determined the impact of this category in Spain and then extrapolated according to the number of employees to the rest of the countries.
- Category 7, Employee commuting: We have conducted interviews with all employees in Spain and, based on the results obtained, we have calculated the rest of the countries. Thanks to the fact that Spain has a sufficiently significant number of employees, which helps the estimates made to be consistent with reality. In future years we will try to make this calculation more precise, although due to the large size of the Group, it is possible that we will not obtain enough responses.
- Category 8, Upstream leased assets: For this category we have obtained the cost of leasing each of the facilities we use across all geographies, these include offices, warehouses, and any other real estate necessary to carry out our business with normality. And with this, as for category 1, the NACE is used to carry out the calculation.
- Category 9, Downstream transportation: We have repeated the methodology used for the calculation of category 4.
- Category 11, Use of sold products: We take the consumption of each of the products sold, and multiply by the number of hours of life, to multiply the result by the emission factor of the energy mix of the country where the sale took place. This data is available for EMEA countries, and estimates have been made for the rest of the countries.
- Category 12, End-of-life treatment of sold products: In this category we have used the weight of products placed on the market in 2024, which is available for most countries in Europe and the Middle East. For the rest of the countries, we have calculated a ratio based on all other countries, based on the weight placed on the market, and the average emissions that this implies.

2.1.6.2. GHG removals and GHG mitigation projects financed through carbon credits

We are not currently offsetting our emissions, as we believe that, despite their potential usefulness, it is a priority to try to reduce them as much as possible before opting for carbon credits.

2.1.6.3. Internal carbon pricing

As with the previous section, we do not currently have an internal carbon price, however, it will begin to be implemented in the 2025 exercise.

2.2. Resource use and circular economy (E5)

Anuj Vasu, Product B2C Director

"Improving the efficiency of our luminaires is only one part of the equation. To truly reduce our environmental impact, we also need to rethink the materials we use and how we use them. That's why we're investing in material innovation, actively working to increase the percentage of recycled content in our products without compromising performance. Circularity, for us, means designing lighting solutions that are efficient, durable, and responsible — from start to finish."

To determine the material topics regarding circular economy, Sylvania has initiated a systematic screening of its operations, value chain, and product life cycle to identify material IROs related to resource use and circular economy. The screening is being deployed as part of a structured plan to measure and evaluate our main product families, followed by comprehensive assessments for all other product categories.

- Own Operations: Focused on assessing resource inflows such as raw materials (virgin and recycled content) and resource outflows, including production waste at manufacturing facilities.
- Upstream Value Chain: Conducted initial evaluations of suppliers' resource use efficiency and their ability to supply materials aligned with circular economy principles.
- Downstream Value Chain: Analysed the potential for product recyclability and the generation of waste post-consumption to align with a circular product life cycle.

The assessment process is supported by the use of Environmental Product Declarations (EPDs) for the main product families to provide transparent and comparable data on resource use and life cycle impacts. Additionally, Life Cycle Assessments (LCAs) are planned for subsequent deployment across the remaining product categories to provide a holistic understanding of impacts throughout the value chain.

On the other hand, we have actively engaged with key stakeholders to ensure a thorough understanding of the potential impacts, risks, and opportunities associated with our operations and products.

Consultations were conducted with employees across various levels of the organization, including department directors, to capture internal expertise on resource management and circular economy potential. External stakeholders, including clients and suppliers, were also engaged to identify value chain-wide opportunities and address challenges related to resource use and waste management. These consultations have mainly been made through deep interviews and surveys to collect both qualitative and quantitative feedback.

Feedback was analysed and quantified using an impact scoring methodology, with scores assigned to key areas based on stakeholder priorities and perceived importance. The outcomes included:

- Packaging Policies: Scored 8.75, reflecting a high priority for stakeholders to improve sustainable packaging solutions, reduce packaging waste, and optimize material efficiency.
- Waste Management: Scored 6.00, highlighting the importance of addressing waste across operations, including recycling initiatives and improved disposal practices.
- Product Life: Scored 10.00, indicating the highest priority for extending product life cycles, improving durability, and designing products for repairability and recyclability.

2.2.1. Policies related to resource use and circular economy

Our commitment to the circular economy is not just a material topic; it's a fundamental principle that shapes our thinking and actions across the entire organization. We have implemented a suite of policies that aim to minimize resource use, maximize recyclability, and prioritize renewable resources. Here's an overview of our key circular economy policies:

Our Responsible Resource Use Policy establishes guidelines for the efficient use of everyday resources in our facilities. It covers items such as paper, bags, and water bottles, promoting sustainable alternatives like paper tapes. By focusing on these seemingly small details, we're creating a culture of mindful consumption throughout our operations.

Our approach to waste management is comprehensive and data driven. The Waste Generation Management Policy outlines specific procedures for waste handling, particularly in office environments. It clearly defines responsibilities for tracking waste data, including weight and type. Additionally, it provides guidelines for managing obsolete sample luminaires, ensuring that even our product demonstrations contribute to our circular economy goals.

Recognizing the critical role of certain minerals in our industry, our Conflict Mineral Policy ensures responsible sourcing practices. We've set clear principles that extend to our supply chain, requiring our suppliers to adopt similar policies and adhere to the standards set by responsiblemineralsinitiative.org. This approach helps us address the environmental and social impacts of mineral extraction and processing.

Sustainable Projects Policy: perhaps, it is one of our most ambitious policies, and establishes four key lines of action for circularity:

- Product design, which demands that certain sustainability parameters be considered when designing a new project.
- Product recyclability, to offer customers a solution for recycling their old luminaires.
- Transport and logistics, so that the project uses the most efficient means of transport.
- Packaging and pallets, establishes systems to reduce the amount of waste generated in transportation and storage.

Finally, our Sustainable Packaging Policy sets high sustainability standards for our packaging, providing a detailed roadmap from design to compliance verification. It ensures that our packaging solutions align with our circular economy principles, minimizing waste while maintaining product protection.

Through these interconnected policies, we're building a robust framework for circular economy practices. Our approach goes beyond mere compliance, aiming to create lasting positive impact and drive industry-wide change towards more sustainable practices.

2.2.2. Actions and resources in relation to resource use and circular economy

At Sylvania Group, we strongly believe that the future is circular, and we want to become its living reflection. Since the last changes, we have been implementing a change of model from the foundations of the organization, and we are changing our strategy to allow us to become the circularity champions we want to be.

It was in 2021 when we decided to flip the script, and implement a major change from product design, which would allow us to reduce the number of elements we needed to produce each unit. Thanks to this, we have been able to reduce the number of references we have, making it easier for our consumers to make decisions, and of course reducing waste, since until now one of the problems we had encountered was that, having so many different elements for each luminaire, when updating the different models, year after year there were elements that we stopped using, wasting the remaining stock.

As an example, our Start High Bay luminaire allows adjustment with two power levels, 10,000lm and 20,000lm, as well as three levels of colour intensity, 6500k, 4000k, 3000k. We are proud to be able to offer this type of solution, as it embodies our vision, “enabling our customers to focus on what they do best by sustainably transforming their wellbeing”.

With the end of the fiscal year, we said goodbye to our UK factory, one of the first major decisions we made that hasn't just been economic, but also about sustainability. This change aims to centralize production in our factories in France and Germany, to improve efficiency in the use of primary resources, as well as in terms of material shipments and supplier management.

Another key action is the launch of the Terra range of products, consisting of luminaires designed with circularity in mind. One of its main virtues is the total use of raw materials, which has been considerably reduced thanks to the replacement of the traditional metal casings with cellulose-based casings. In addition, they are designed in a modular way, so that if the frame, lamp or any other component is damaged, it can be replaced quickly and easily.

To reduce internal waste, we have a well-structured policy with clear actions to follow. For instance, merchandise that has become obsolete or is no longer suitable for sale is distributed through a raffle among employees or, alternatively, donated to charitable organizations.

In addition, this year 2024 we want to bring circularity also into the heart of our offices, where we feel our employees are looking for more involvement in our mission to create a more sustainable world. This is why we have implemented a new policy that will ease waste management across our EMEA offices, it gives guidelines on how to properly carry out recycling in our facilities, allowing employees to consult them at any time in case of doubt, ensuring that waste is being sorted according to waste streams to facilitate waste disposal.

Finally, regarding our own electronic waste, such as computers and other IT equipment, we are separating electronic waste so they can enter the appropriate treatment process, in accordance with our internal policies. Additionally, whenever possible, we refurbish IT equipment to reduce electronic waste, giving them new uses and extending their lifecycle.

2.2.3. Targets related to resource use and circular economy

One of our broadest packages of objectives has been related to the circular economy. Our sustainability committee has been in charge of approving this first package, which will undoubtedly be complemented in the near future with new objectives also taking into account the packaging of the products, etc.

As a flagship objective, we have set ourselves the goal of reducing the weight of virgin raw materials used per unit of production by at least 25%. As a base value we have taken the value of mid-2024, each product weighing on average, in EMEA, 4.21kg.

To achieve this, it is accompanied by several sub-objectives, for more details, please refer to the Transition Plan in our website:

- Increase the use of recycled materials in our production processes by 40%.
- Recover, recycle and give a second life to 25% of the products that are returned to us.
- Eliminate all single-use plastics from our packaging.
- Achieve zero waste to landfill in the waste generated by our main facilities.
- Reduce waste in our operations by 30%.

Additionally, we are working to offer an extensive range of products covered by a spare parts policy, as this is currently something that is carried out on an ad-hoc basis.

Finally, it is worth mentioning that, at the time of publication of this report, there is no law that obliges us to establish objectives related to the circular economy, although we expect that in the coming years certain regulations will begin to emerge that do so, such as the *Proposal Packaging and Packaging Waste*, and the *Eco-design Sustainable Products Regulation.*

2.2.4. Resource inflows

As a lighting solutions provider, our primary resource inflows consist of a variety of electronic components essential to our products' functionality. These include LED modules, drivers, control systems, and electronic subassemblies. We work closely with our suppliers to ensure these components meet strict quality standards, while gradually integrating sustainability criteria into our procurement practices.

Our manufacturing processes also rely heavily on raw materials such as aluminium (used in heat sinks, housings, and structural elements), steel (for mounting systems and internal structures), copper (for wiring and electrical connections), various polymers (used in optical parts, insulation, and housings), and glass (mainly for lenses and diffusers). We are actively exploring ways to increase the share of recycled content in these materials, with a particular focus on aluminium and steel—two categories that offer significant potential for incorporating post-consumer and post-industrial recycled content without compromising product performance.

Packaging represents another key resource flow, primarily consisting of cardboard, protective films, and cushioning materials. In line with our corporate environmental policy, we exclusively source cardboard from suppliers certified by FSC or equivalent schemes, ensuring that all packaging materials come from responsibly managed forests that support environmental, social, and economic value.

We are aware that moving toward a more circular material model is essential for reducing our environmental footprint. To support this, we have launched several strategic initiatives. These include the development of a centralised resource tracking system, designed to improve visibility across all operations and enable more precise, data-driven decisions. We've also created a cross-functional team tasked with increasing the proportion of recycled content in our products, while maintaining the performance standards expected by our customers.

Our R&D department is actively researching alternative materials with lower environmental impact, assessing their feasibility in terms of durability, technical performance, and compatibility with our designs. In parallel, we're strengthening engagement with suppliers to improve transparency on recycled content and broader material footprints.

One concrete example of this shift is the Terra range, where we're directing specific R&D efforts toward identifying alternatives to traditional materials. This includes trials with polymers derived from renewable sources and recycled aluminium components, with the aim of significantly reducing the use of virgin resources in this product family.

Through these combined efforts, we aim to reduce our reliance on virgin raw materials while maintaining the high-quality standards our client's demand. As our internal data systems evolve, we will be able to share more detailed and quantitative data on our resource inflows in future reports.

At present, each manufacturing site and warehouse still manages its own resource tracking, which presents challenges in consolidating data at a global level. However, we remain committed to building a unified and transparent view of our material use and to driving continuous improvement across the organisation.

2.2.5. Resource outflows

We would like to start by pointing out that the lighting sector is subject to numerous regulations, which standardise quite a few of the points to be reported by the ESRS E5. For example, regarding the efficiency of the products, their durability, and even the minimum duration of the warranty offered to the consumer. In addition, there are other frameworks, such as the IP rating, which standardises the resistance of a product to water and dust.

On the other hand, we launch two main groups of products on the market, lamps, which are devices designed to emit light and serve as a source of illumination in different environments; and luminaires, which are complete equipment that include both the light source (lamp) and the components necessary to direct, distribute and control the lighting efficiently, providing integral solutions for various applications.

As for the durability of these products, as mentioned above, they are subject to many regulations that ensure minimum quality and safety. By law, manufacturers in the European Union have to offer at least a three-year warranty. However, for most of our products, we take this commitment one step further by extending the warranty to five years and offering the possibility to increase it up to ten years. Although this is a common practice in the industry, we could not standardise it as the norm. Furthermore, the durability offered fluctuates between 15,000 and 100,000, depending on various environmental conditions, such as humidity and heat.

However, when coming to product's repairability, there is no clear or specific methodology for assessing the reparability of products within the lighting sector. While industry organizations, such as LightingEurope, are actively working on developing relevant standards, no established system is available yet. For this reason, we have chosen not to adopt any methodology that is not specifically designed for lighting products, as we aim to avoid any risk of greenwashing. However, we are investing significant efforts in reducing the number of components in our luminaires and enhancing their modularity, allowing for easy replacement and repair at any time.

Regarding the recycled content in our products, as detailing the diverse percentage of recyclable content of our products in this report would make it too long and heavy for the reader, we kindly invite you to write to sustainability@sylvania-lighting.com if you have any related questions. However, we can say that the vast majority of our products are mainly made of materials with high recyclability rates, such as aluminium. In addition, our packaging policy seeks to exclude all non-recyclable materials, such as single-use plastics, which brings the percentage of recyclability closer to 100%. As already mentioned in other parts of this report, all qualitative data comes from our internal databases.

Resource outflows (FY24)	Carton	Plastic	E-waste	Mixed
Tons	45.838,87	219,27	11.154,76	899,41

The data has been obtained from our ERP and alike systems, however for our operations in LATAM and APAC, as we do not currently have reliable data, we have made an estimate based on the volume of merchandise purchases during the year, using as a benchmark the EMEA average, where we do have verified data on the annual quantity of luminaires placed on the market. All the waste is considered to be non-hazardous.

We pay the WEEE (Waste Electrical and Electronic Equipment) fee in accordance with the corresponding regulations in each country, which involves working with associations and specialized teams, making it risky for us to offer a specific percentage. Due to the nature of our activity, this is not something we can always do, especially when you are removing products from another manufacturer. The WEEE fee is implemented throughout Europe, so the collection rate will be close to 100%.

Finally, and due to the lack of information available on how our consumers manage their waste, we have chosen not to include this level of detail. However, for more information, please refer to the Global E-waste Monitor 2024 and the Global Waste Management Outlook 2024.

The Changemakers Behind Our Progress

3.1. Own workforce (S1)

"Building a truly inclusive workplace means recognising that diversity goes beyond gender or nationality — it includes how we think, process information and interact with the world. We're working to create an environment where neurodiversity is understood and valued, and where everyone, regardless of their background or abilities, has the same opportunity to grow, contribute and be heard."

Szilvia Bokker, HR Manager

Through our dual materiality analysis, we have identified that the working conditions of our workforce, including temporary and subcontracted workers, are a material issue. From an impact perspective, the company influences their well-being through wages, contractual stability and access to social security. From a financial perspective, the associated risks include potential regulatory non-compliance and loss of talent. As a result, we have decided to include the entire materially affected workforce in our disclosure, aligning with ESRS 2 and ESRS S1.

While we operate in countries identified as having a significant risk of forced or compulsory labour, such as China and Thailand, our workforce in these territories is composed exclusively of administrative and clerical staff, which does not constitute a high-risk activity in terms of labour exploitation. The same goes for child labour.

In certain emerging markets where we operate, social policies are less robust, and we may be exposed to fewer social security guarantees and benefits. To mitigate this, we work to offer all employees benefits aligned with our global welfare and work life balance policies.

3.1.1. Policies related to own workforce

The Group has established a set of comprehensive social policies designed to ensure ethical, fair, and inclusive working conditions across our operations, including:

- Human Rights Compliance: We are committed to upholding international human rights standards and ensuring that all employees and stakeholders within our operations and value chain are treated with dignity and respect. Our policies align with international frameworks such as the United Nations Guiding Principles on Business and Human Rights and the International Labour Organization (ILO) conventions.
- Non-Discrimination and Equal Opportunity: Our policies explicitly prohibit any form of discrimination based on gender, race, ethnicity, religion, disability, sexual orientation, or any other protected characteristic. We promote diversity and inclusion through

recruitment, career development, and leadership programs to foster a fair and equitable workplace.

- Employee Training and Development: We invest in continuous training programs to enhance employees' professional skills, leadership capabilities, and awareness of ethical business conduct. Our training policies cover key areas such as sustainability, compliance, and workplace safety.
- Occupational Health and Safety: Ensuring the health, safety, and well-being of our employees is a core priority. We have a structured Health & Safety Policy that outlines risk assessment processes, emergency response protocols, and employee well-being initiatives. This policy is aligned with ISO 45001 standards and includes regular safety training, workplace inspections, and access to mental health support programs.

In addition, as part of our ongoing diversity, equity, and inclusion efforts, in 2024, we launched the Women Development Program Policy. This initiative is specifically designed to:

- Promote female leadership within our organization by providing targeted training, mentorship, and career advancement opportunities.
- Ensure equal opportunities for women at all levels, particularly in leadership and decision-making roles, addressing gender gaps in historically underrepresented areas.
- Foster an inclusive work environment, reinforcing our commitment to gender equality and aligning with global standards such as the United Nations Sustainable Development Goal 5 (Gender Equality).

This policy is integrated into our broader workforce management strategy, additionally, we actively monitor the effectiveness of our policies through key performance indicators such as:

- Gender diversity ratios across all levels of the organization.
- Employee participation rates in training and leadership programs.
- Employee engagement and satisfaction surveys to assess the impact of inclusion initiatives.

3.1.2. Processes to engage and remediate potential impacts

At Sylvania, we actively engage with our employees to ensure their perspectives are integrated into decision-making processes, and make sure we are able to remediate the potential negative impacts at various levels of the organization. Our approach combines direct collaboration with employees and engagement with employee representatives, always respecting local labour laws and best practices.

We foster open communication through multiple channels. On the one hand, employees can share their opinions directly in monthly team meetings with their managers, where they are encouraged to express concerns and propose improvements. Additionally, we maintain an open-door policy to facilitate transparent dialogue at all organizational levels. On the other hand, in countries where labour laws encourage or require employee representation, we collaborate with employee unions and committees, ensuring their voices are heard in key decision-making processes.

Beyond these direct interactions, we have also implemented an anonymous suggestion box, which is always available and provides a confidential space for employees to share feedback. Furthermore, we conduct annual performance and satisfaction reviews, where employees are asked about various aspects of their work experience, allowing us to gather insights into engagement levels. These are complemented by regular check-ins, which help us continuously assess employee well-being and professional development needs.

Team meetings take place monthly, allowing for regular feedback exchange. Additionally, quarterly surveys provide a deeper analysis of employee concerns, while annual performance reviews offer a formal setting to integrate employee perspectives into long-term decision-making.

At the governance level, the Human Resources Manager EMEA holds the highest operational responsibility for ensuring that employee engagement remains effective and aligned with our corporate values. This role oversees the development and implementation of engagement strategies, monitors compliance with labour standards, and ensures that feedback mechanisms function efficiently across all locations.

When it comes to human rights, we are committed to maintaining the highest standards in our workforce policies. While agreements with employee representatives vary according to national regulations, we consistently uphold fundamental human rights principles across all operations. In line with international frameworks such as the ILO conventions and the UN Guiding Principles on Business and Human Rights, we ensure respect for freedom of association, collective bargaining rights, and non-retaliation policies, providing employees with a safe environment to voice their concerns.

To measure the effectiveness of our engagement efforts, we rely on key performance indicators (KPIs) that reflect employee well-being and organizational climate. We track employee satisfaction trends, particularly regarding work-life balance, and ensure that resignation rates remain below our established targets, indicating a healthy and engaged workforce. These metrics enable us to continuously assess whether our engagement initiatives are achieving their intended impact.

At the same time, we recognize that some employees may face greater challenges in the workplace due to their contract type, job role, or personal circumstances. To ensure that all perspectives are represented, we organize focus groups and structured interviews, allowing us to understand the specific concerns of more vulnerable employees. Moreover, our Diversity & Inclusion Committees work proactively to identify and address any barriers to equal opportunity, while our well-being programs provide additional support for employees facing personal or professional difficulties.

While we have already established a robust engagement framework, we are continuously exploring ways to enhance communication and collaboration. In this regard, we are evaluating new digital tools to strengthen real-time feedback mechanisms and further improve the interaction between employees and leadership. Through these efforts, we reaffirm our commitment to fostering a workplace culture where every employee feels valued, heard, and empowered.

3.1.3. Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

In 2024 we have implemented a series of structured actions to support and enhance the well-being, development, and equal opportunities of our workforce. Our commitment is reflected in targeted initiatives that address key aspects of employee experience, career growth, and workplace equity.

One of our most significant initiatives is the Women Development Program, which was introduced this year as part of our broader diversity, equity, and inclusion strategy. This program aims to foster female leadership, promote equal opportunities, and eliminate gender-related barriers within our organization. Through mentorship, leadership training, and targeted career development initiatives, we ensure that women have the necessary tools and support to progress into leadership roles. The program also strengthens our long-term commitment to achieving a more balanced gender representation across all levels of the company.

In addition to our gender-focused initiatives, we have refreshed our formerly introduced Sylvania Group Academy, a dedicated learning and development platform that provides employees with access to a wide range of technical and professional training programs. Sylvania Group Academy plays a critical role in mastering the knowledge of internal processes, systems, products, solutions, ensuring that employees have the resources needed to excel in their careers. A more detailed description of Sylvania Group Academy and its impact will be included in the training and development section of this report.

Last but not least, in 2024, we introduced the GoodHabitz e-learning platform, reinforcing our commitment to continuous learning and employee development. This digital learning tool empowers our people with flexible, high-quality training opportunities, helping them build new skills and grow professionally. By fostering a culture of learning, we not only support personal and career growth but also enhance our company's innovation and competitiveness. Investing in learning is investing in our future—strengthening our workforce and ensuring long-term sustainability.

Moreover, the reporting process itself is helping us refine our action plan to further enhance workforce-related initiatives. As part of our sustainability strategy, this report provides an opportunity to analyse existing gaps, define areas for improvement, and establish clear remediation plans where necessary. The insights gathered through this assessment will allow us to better align our workforce policies with sustainability goals, ensuring that all employees benefit from fair, safe, and inclusive working conditions.

3.1.4. Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Under ESRS S1-5, our workforce-related targets focus on improving employee satisfaction, gender equality, and professional development, ensuring that key aspects of the employee experience are continuously measured and enhanced.

Work-life balance and job stability are prioritized through specific objectives:

- Keeping resignation rates below 12,5%, serving as a key indicator of employee retention.
- Increasing participation in engagement initiatives and volunteering activities to foster a strong workplace culture.
- Expanding access to flexible working arrangements, ensuring employees can adapt their schedules to personal and professional needs.
- Strengthening emergency preparedness by implementing response plans for climate-related risks and workplace emergencies.

Creating equal opportunities across the organization is supported by:

- Ensuring all employees receive a living wage, aligned with ethical labour standards.
- Implementing performance-based compensation systems to promote transparency and fairness.
- Guaranteeing that career development, leadership positions, and professional growth opportunities are accessible regardless of gender.

And finally, building workforce skills remains a priority, with the following objectives:

- Ensuring that all relevant employees receive training on safe handling practices.
- Providing comprehensive health & safety training across all departments.
- Encouraging participation in volunteering initiatives as part of professional development.
- Strengthening sustainability-related training, equipping employees with the knowledge to integrate responsible practices into daily operations.

Each of these targets is tracked through KPIs, allowing for data-driven assessments and continuous adjustments. The reporting process will further clarify our action plan for remediation where necessary, ensuring that progress remains aligned with both workforce priorities and business objectives.

3.1.5. Characteristics of the undertaking's employees

In recent years, the total number of employees has decreased as we have adapted to market conditions and optimized our operations. Despite these adjustments, the majority of our workforce remains in permanent positions and works full-time, reflecting our commitment to job stability and long-term employment.

The following table provides a consolidated view of our workforce, detailing employee distribution by gender, employment type (permanent or temporary), and working arrangement (full-time or part-time). The data shows that most of our employees hold permanent contracts and work full-time.

Head Count by gender	No. of employees	No. of permanent	No. of temporary	No. of full-time	No. of part-time
Male	805,57	799,41	6,16	790,06	14,51
Female	464,975	441,80	23,18	449,88	15,1
Total	1270,55	1241,21	29,34	1239,94	29,61

In addition, a country-by-country breakdown offers further insights into the regional distribution of our workforce, highlighting local employment trends and structural differences.

Head Count by gender	No. of employees	No. of permanent	No. of temporary	No. of full-time	No. of part-time
APAC					
China (Male)	34	34	-	34	-
China (Female)	23	23	-	23	-
Thailand (Male)	20	20	-	20	-
Thailand (Female)	18	16	2	18	-
EMEA					
Belgium (Male)	47	46	1	35	12
Belgium (Female)	14	14	-	12	2
Finland (Male)	10	10	-	10	-
Finland (Female)	3	3	-	3	-
France (Male)	149	148	1	148	1
France (Female)	93	88	5	88	5
Germany (Male)	95	91	4	95	-
Germany (Female)	63	47	16	59	4
Greece (Male)	7	7	-	7	-
Greece (Female)	3	3	-	3	-
Hungary (Male)	38,93	38,93	-	38,93	-
Hungary (Female)	23,55	23,55	-	23,55	-
Italy (Male)	6	6	-	6	-
Italy (Female)	8	8	-	8	-
Netherlands (Male)	14	14	-	13	1
Netherlands (Female)	1	1	-	-	1
Portugal (Male)	1	1	-	-	-
Portugal (Female)	2,13	2,13	-	2	0,13
Spain (Male)	24,61	24,45	0,16	24,1	0,51
Spain (Female)	9,82	9,64	0,18	7,85	1,97
Switzerland (Male)	3	3	-	3	-

Switzerland (Female)	-	-	-	-	-
Türkiye (Male)	-	-	-	-	-
Türkiye (Female)	2	2	-	2	-
UAE (Male)	11	11	-	11	-
UAE (Female)	3	3	-	3	-
UK (Male)	116,03	116,03	-	116,03	-
UK (Female)	25,48	25,48	-	25,48	-
LATAM					
Colombia (Male)	54	54	-	54	-
Colombia (Female)	64	64	-	64	-
Costa Rica (Male)	93	93	-	93	-
Costa Rica (Female)	47	47	-	47	-
Ecuador (Male)	30	30	-	30	-
Ecuador (Female)	16	16	-	16	-
El Salvador (Male)	10	10	-	10	-
El Salvador (Female)	16	16	-	16	-
Guatemala (Male)	16	16	-	16	-
Guatemala (Female)	14	14	-	13	1
Mexico (Male)	20	20	-	20	-
Mexico (Female)	11	11	-	11	-
Panama (Male)	6	6	-	6	-
Panama (Female)	5	5	-	5	-

The data collection was carried out with the support of the Human Resources department in each country, along with digital tools specialized in talent management. The reported data is presented in Headcount, providing an accurate and comprehensive representation of the fiscal year. The majority of our workforce is concentrated in EMEA and LATAM, reflecting the core regions of our operations. Additionally, in countries where we have, or have previously had, manufacturing facilities or logistics centres, a higher number of employees can be observed due to the operational needs of these sites.

Our compensation approach is tailored to each country's specific market conditions and cultural expectations, ensuring competitiveness while maintaining internal equity across our global operations. While the exact components vary by region, our EMEA compensation packages typically include several benefits beyond base salary.

In most EMEA countries, employees receive meal vouchers that provide tax-efficient support for daily nutrition needs. Additionally, we offer comprehensive health insurance that often extends beyond the standard national healthcare provisions, ensuring our team members have access to quality medical care with reduced waiting times and expanded coverage options.

We understand the importance of work-life balance and offer flexible working arrangements where operationally feasible, including options for remote work and flexible start and end times.

Professional development remains a cornerstone of our employee value proposition, with educational assistance programs, professional certification support, and internal mobility opportunities available across our operations. These investments in our people not only enhance individual career growth but strengthen our organizational capabilities.

Through regular benchmarking and employee feedback, we continuously refine our compensation and benefits offerings to ensure they remain relevant, competitive, and supportive of our diverse workforce's evolving needs.

3.1.6. Characteristics of non-employee workers in the undertaking's own workforce

In addition to our direct employees, we also collaborate with a limited number of non-employees for specific projects where their expertise is particularly valuable. Currently, there are five non-employees working with us across Belgium, Spain, and the UK. These professionals support highly specialized initiatives, allowing us to remain agile and efficient in addressing specific business needs.

Head Count by gender	Male	Female	Total
Belgium	2	-	2
Spain	-	1	1
United Kingdom	2	-	2
Total	4	1	5

3.1.7. Collective bargaining coverage and social dialogue

Collective bargaining plays an important role in ensuring fair working conditions and fostering social dialogue within our organization. Currently, 44,74% of our employees are covered by collective bargaining agreements, we continuously work to improve this coverage year by year, ensuring alignment with local labour regulations and industry practices.

Head Count by gender	Collective Bargaining Coverage - EEA	Collective Bargaining Coverage - Non-EEA	Workplace representation - EEA
0-19%	Hungary	Costa Rica, UK, China	Hungary
20-39%		Colombia	
40-59%			
60-79%			
80-100%	Germany, Belgium, France		Germany, Belgium, France

The table above provides an overview of collective bargaining coverage across different regions, categorized by the percentage of employees covered.

- In the EEA, Hungary has the lowest coverage (0-19%), while Germany, Belgium, and France have the highest (80-100%).

- In non-EEA countries, Costa Rica, the UK, and China fall within the lowest coverage range (0-19%), whereas Colombia has moderate coverage (20-39%).
- Workplace representation follows a similar pattern, with Hungary having the lowest presence and Germany, Belgium, and France maintaining structured representation frameworks.

This distribution reflects regional differences in labour relations and regulatory environments, and we continue working towards improving coverage and representation where applicable.

3.1.8. Diversity metrics

Diversity within our workforce is essential to fostering an inclusive and dynamic work environment. We monitor key diversity indicators to understand the composition of our employees and leadership teams, ensuring transparency and informed decision-making.

Distribution of employees by age groups	Male	Female	Total
<30	110	70	180
30-50	406	221	627
>50	292	151	442
Total	809	441	1250

The table above how the largest portion of our workforce falls within the 30-50 age group, reflecting a strong base of experienced professionals. On the other hand, while male employees represent the majority across all age categories, we remain committed to fostering greater gender balance in our workforce.

The composition of our management team reflects the current gender distribution within leadership roles. Out of a total of 26 managers, 5 are female (19.23%), while 21 are male (80.77%). While male representation remains predominant, we continue working towards greater gender balance in leadership, fostering an inclusive environment that promotes equal opportunities for professional growth.

Gender distribution at top management	Male	Female	Total
No.	21	5	26
%	81%	19%	100%

3.1.9. Adequate wages

In all the countries where we operate, employees receive wages that meet or exceed the applicable benchmark indices, ensuring compliance with local standards for fair compensation.

Beyond merely meeting minimum wage requirements, we have established a firm commitment to provide all our employees with a living wage by 2030, aligned with the specific characteristics and responsibilities that each position entails. This commitment reflects our understanding that fair compensation is essential for employee wellbeing and sustainable business practices.

In this matter, we are proud to report that 100% of our direct employees are covered by a comprehensive living wage benchmarking analysis. This analysis helps us identify gaps and develop strategies to ensure fair compensation across our entire workforce.

Currently, 92,71% of our workforce receives compensation above the living wage standards in their respective countries, despite full compliance with local salary regulations. This gap primarily exists in positions with minimal responsibility or qualification requirements, including internship programs and entry-level roles designed as stepping stones for career development. In addition is it worth noting that the average wage gap between direct employees paid below living wage against a living wage benchmark is under 20%.

For our living wage assessments, we utilize the methodology established by the Global Living Wage Coalition, a recognized authority that provides reliable benchmarks based on the cost of decent living in different geographic locations. This approach ensures that our compensation strategies are based on credible, third-party standards that reflect actual living costs in the communities where we operate, which will help us diligently close the remaining gaps and achieve our 2030 goal.

3.1.10. Social protection

Currently, 77% of our employees are covered by social protection schemes. The remaining 23% of employees are not fully covered under these schemes, and the countries where social protection is not universally provided to all employees include Hungary, Italy, the Netherlands, Portugal, Turkey, the United Kingdom, and China.

3.1.11. Persons with disabilities

We recognize the importance of providing equal opportunities to all individuals. Ensuring an inclusive workplace allows us to benefit from diverse perspectives and talents while fostering a culture of respect and accessibility. We remain committed to supporting employees with disabilities by promoting fair hiring practices and providing the necessary resources for their professional development.

Disabilities	Male	Female	Total
%	1,73%	3,17%	2,24%

3.1.12. Training and skills development metrics

Sylvania Group recognizes and appreciates outstanding performance and exceptional contributions of its employees. And that is why we have created the *Excellence and Green Awards,* which are designed to acknowledge and celebrate individuals/teams who consistently demonstrate excellence in their work, embody the company's values, and make a significant impact on the organization.

There are four main categories:

Green Award (Individual): It recognizes individuals who exhibit exemplary dedication to environmental sustainability and stewardship. This prestigious accolade celebrates individuals who demonstrate a profound commitment to promoting eco-friendly practices, implementing innovative solutions to environmental challenges, and advocating for a greener future. Recipients of this award serve as inspiring role models, demonstrating how individual actions can make a significant positive impact on the environment and inspire others to follow suit.

Green Award (Team): It celebrates outstanding collective efforts towards environmental sustainability and conservation. This esteemed recognition honours teams that demonstrate a shared commitment to implementing eco-conscious practices, fostering innovation in green initiatives, and achieving tangible results in reducing environmental impact. Recipients of this award exemplify effective teamwork, collaboration, and leadership in promoting sustainable practices within their organization or community. Their dedication to environmental stewardship serves as an inspiration to others, showcasing the collective power of teamwork in creating a more sustainable future.

Excellence Award (Individuals): It recognizes outstanding individuals who demonstrate exemplary performance, leadership, and dedication in their respective fields. Recipients of this prestigious award exhibit exceptional skills, innovative thinking, and a commitment to excellence, serving as role models for their peers and inspiring others to strive for greatness.

Excellence Award (Team): It celebrates exceptional teamwork, collaboration, and achievement within an organization or community. This esteemed accolade honours teams that demonstrate outstanding performance, effective communication, and a shared commitment to success. Recipients of this award exemplify synergy, innovation, and a collective drive towards excellence, setting a high standard for collaboration and accomplishment.

Average training hours	% workforce receiving evaluations reviews
20	77,72%

On average, each employee receives almost 20 hours of training per year. However, we recognize that this figure may not fully capture the actual learning time, as tracking training hours with complete accuracy remains a challenge. In addition, approximately 50% of our workforce has now received training on environmental topics, and we plan to expand this number to 100%. This training includes around 6 hours of training on compliance and bribery, and DEI.

This year, we have significantly expanded our commitment to professional development by launching a wide range of courses through Sylvania Group Academy and GoodHabitz E-Learning Platform. Our offering includes both pre-recorded courses and live training sessions, ensuring that employees have access to diverse learning opportunities tailored to their needs.

Given this expansion, we expect that the actual training hours per employee will increase considerably, even if this growth is not immediately reflected in reported metrics. Additionally, we do not provide a gender-based breakdown of training hours, as gender does not influence access to Sylvania Group Academy, GoodHabitz or participation in learning programs. Our focus remains on fostering continuous learning and equipping our teams with the necessary skills to thrive.

3.1.13. Health and safety metrics

Ensuring a safe and healthy work environment is a priority across all our operations. We continuously monitor key health and safety indicators to minimize risks and improve workplace conditions.

The table below provides an overview of our occupational health and safety performance, including accident rates, absenteeism, and overall coverage under our health and safety management system. 97.5% of our employees are covered by a formal Health & Safety system, reinforcing our commitment to workplace well-being.

Health & Safety	Male	Female	Total
No. of employees	806	465	1.271
% employees covered by a H&S system	98,0%	96,9%	97,5%
No. of occupational accidents without medical leave	3	3	6
No. of occupational accidents with medical leave	6	5	11
No. of in-itinere accidents	1	1	2
Working days lost due to work-related accidents	147	242	389
Total worked hours	1.491.319	859.997	2.351.316
Total hours of absenteeism	29.429	15.444	44.873
Deaths	0	0	0
Incidence rate	6,21	8,60	7,08
Frequency rate	3,35	4,65	3,83
Severity rate	0,10	0,28	0,17

Employees receive workplace safety training tailored to their specific roles, ensuring they are equipped with the necessary knowledge to perform their tasks safely. These training programs are designed in compliance with local regulations in each country, aligning with industry standards and legal requirements to maintain a safe and secure work environment.

In addition to health and safety data, we also report on workforce changes. This year has been marked by a significant restructuring, including the closure of one of our European manufacturing facilities. As a result, employee terminations have been notably impacted.

Terminations	Male	Female	Total
<30	14	12	26
30-50	35	41	76
>50	40	18	58
Total	89	71	160

Following this, we present data on parental leave, reflecting our approach to work-life balance and support for employees during key life events.

Parental leaves	Male	Female	Total
Employees taking parental leave in FY24	6	18	24
Employees returning to work in the reporting period after the end of parental leave in FY24	5	8	13

3.1.14. Work-life balance metrics

Work-life balance remains an important aspect of employee well-being, though its implementation varies significantly depending on local labour regulations, cultural expectations, and company policies in each country.

These measures include flexible working arrangements, parental leave, and other initiatives aimed at supporting employees in managing their professional and personal responsibilities. We continue to adapt our approach in line with regional requirements and evolving workplace trends.

	% employees eligible for family leave	% of entitled employees that took family-related leave
Male	61,46%	6,23%
Female	60,18%	7,19%
Total	61,00%	6,58%

3.1.15. Compensation metrics

We ensure that there is no gender pay gap for employees performing the same work within our organization. Our compensation policies are designed to provide fair and equal remuneration based on role, experience, and performance, regardless of gender.

Given the nature of our company structure, reporting a gender pay gap based on broad job categories is not meaningful. Unlike organizations with rigidly defined job classifications, our roles encompass a wide range of responsibilities within each category. As a result, a straightforward category-based comparison does not accurately reflect pay equity within our workforce.

The following metrics should be interpreted within the context of our broad international presence, as we operate in multiple countries with varying economic conditions and purchasing power. Differences in local salary structures and living costs naturally influence these figures, making direct comparisons more complex.

Relationship between best paid person and average of other employees (%)	Relationship between best paid person and lowest paid one
889,67%	111,97

3.1.16. Incidents, complaints and severe human rights impacts

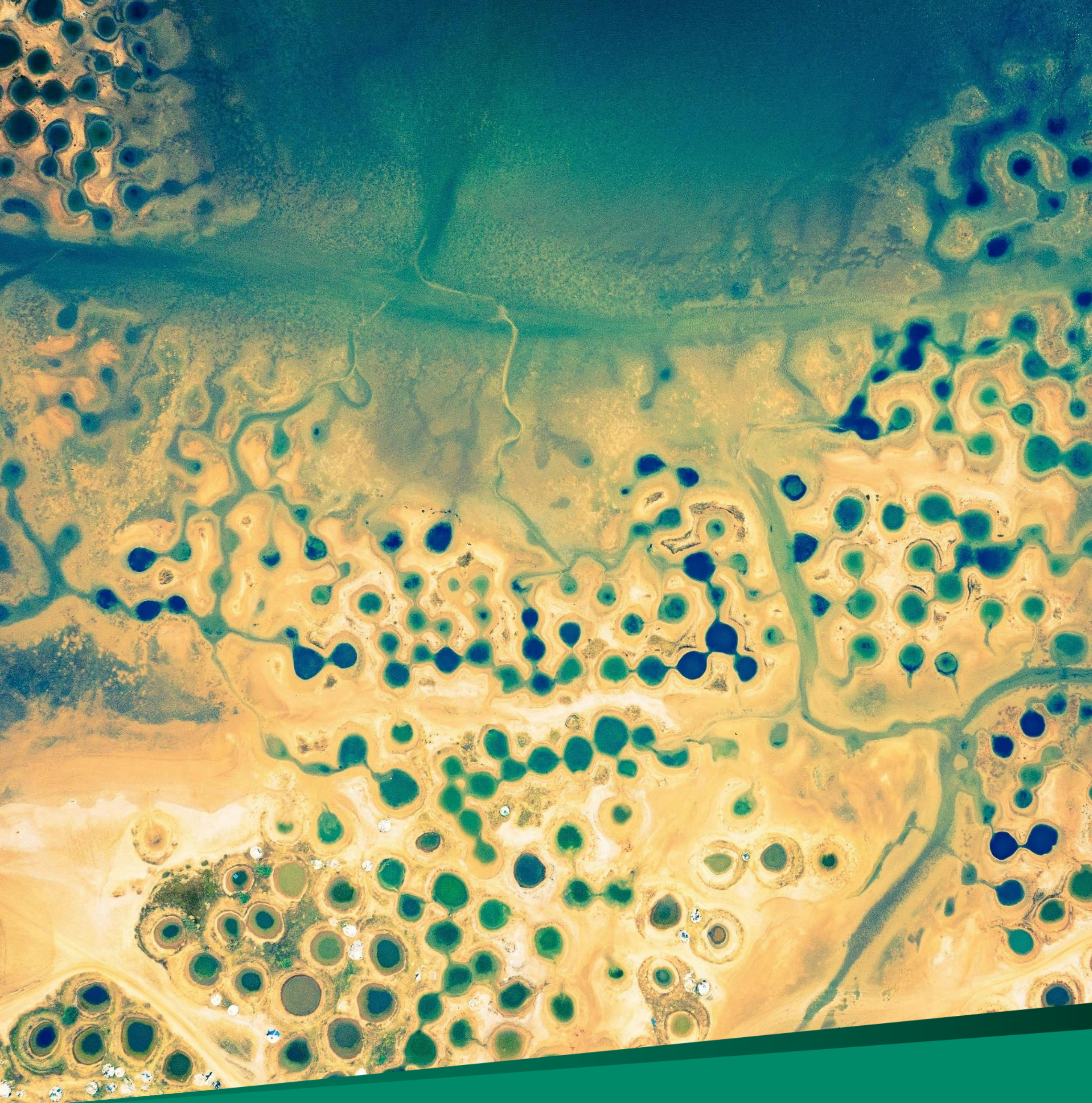
During the reporting period, no cases of discrimination, including harassment, were reported, nor were any complaints submitted through internal grievance mechanisms or external bodies such as the OECD National Contact Points.

Additionally, there were no severe human rights incidents related to our workforce, and no fines, sanctions, or compensation payments were issued in connection with such matters.

Our commitment to human rights is firmly grounded in the principles established by the United Nations Global Compact (UNGC), which we have integrated into our corporate policies and daily operations. These principles guide our approach to ethical business conduct and inform our decision-making processes at all levels of the organization.

We maintain a strict zero-tolerance policy regarding child labour, forced labour, and human trafficking throughout our operations and supply chain. Our comprehensive due diligence processes include assessments and audits to ensure compliance with international standards and local regulations concerning minimum working age and voluntary employment. We require suppliers to adhere to these same standards through our Supplier Code of Conduct.

We remain committed to upholding high ethical standards and providing clear, accessible channels for employees to raise concerns. Our internal monitoring processes and compliance frameworks ensure that any potential issues are addressed proactively, with remediation plans developed and implemented where necessary. Through these comprehensive measures, we strive to create a workplace environment that respects and upholds the dignity and rights of all individuals associated with our business..



Building Trust for the Future

SYLVANIA Group

4.1. Business conduct (G1)

István Jószi, Head of Legal

"Dedicated to driving genuine sustainability through thoughtful by-laws, transparent corporate governance, and meaningful accountability. I focus on ensuring that regulations create lasting, positive change – real impact, not just words."

The company operates under a multi-tiered governance structure, ensuring strategic oversight and alignment between regional and global leadership teams. This structure allows for efficient decision-making, localized governance, and compliance with both regional and corporate sustainability objectives.

At the regional level, each of the three primary operating regions—APAC, LATAM, and EMEA—has its own governance council. These regional councils oversee business operations, financial performance, risk management, and sustainability initiatives within their respective territories. They are responsible for ensuring that corporate policies are implemented in a way that reflects local regulatory environments, market conditions, and stakeholder expectations.

For EMEA, governance is managed through the European Management Team, which follows a structured hierarchy. The CEO for Europe leads the region, supported by the CFO and an executive team responsible for sales, strategic operations, support functions, and compliance. The EMT also includes a European Support Committee, which provides expertise in legal matters, supply chain management, and specialized business segments. This ensures that decision-making integrates financial, operational, legal, and sustainability perspectives.

Above the regional councils, a Global Governance Council provides top-level oversight and ensures that all regional governance structures operate in alignment with the company's global objectives. This council sets the overall corporate vision, sustainability strategy, and ethical governance framework, ensuring consistency across markets while allowing for regional flexibility.

Furthermore, board composition and governance structures vary by country, adapting to specific regulatory and operational needs. However, across all regions, governance bodies share a common commitment to ethical leadership, transparency, and accountability, ensuring that the company operates in a sustainable and responsible manner.

The highest governance body plays a critical role in overseeing the management of sustainability impacts, ensuring that ESG considerations are integrated into corporate decision-making. The Sustainability Manager, as the highest-ranking sustainability officer, is responsible for leading these efforts, supported by the Sustainability Committee. This committee, composed of representatives from key departments, provides cross-functional expertise and ensures that sustainability-related risks and opportunities are effectively managed across business operations.

The delegation of responsibility follows a structured approach where the Sustainability Manager, in collaboration with the committee, develops and implements strategies to mitigate negative impacts and enhance sustainability performance. This framework fosters collective accountability, ensuring that relevant departments contribute actively to impact management and that sustainability goals align with broader corporate objectives.

Regarding sustainability reporting, the highest governance body maintains oversight to ensure compliance, transparency, and alignment with global standards such as ESRS and GRI. The Sustainability Manager, with the support of the committee, is responsible for data collection, performance analysis, and reporting, ensuring that disclosures accurately reflect the company's sustainability commitments and progress.

4.1.1. The role of the administrative, supervisory and management bodies

According to the Global Business Standards, violations can be reported to the immediate manager as the first point of contact. However, employees also have the option to escalate concerns to senior management, the Human Resources department, or the Legal Department.

In addition, a whistleblowing policy operates in parallel with the standard reporting process, allowing reporters to approach the Compliance Manager, who is part of the Legal Department, ensuring a structured and secure channel for handling misconduct reports.

The administrative, management, and supervisory bodies responsible for overseeing business conduct possess the following qualifications and expertise:

- The EMEA HR Manager holds a certification in human resources management, ensuring a comprehensive understanding of labour regulations and corporate compliance.
- The Legal Department, including the Compliance Manager, is staffed with professionals holding legal degrees. In addition, the Head of Legal is a Doctor of Laws, and is Bar qualified, providing the necessary legal expertise to oversee business conduct, ethics, and compliance matters effectively.

4.1.2. Corporate culture and business conduct policies

The Human Resources Department takes the lead in developing, promoting, and evaluating the corporate culture, while the Legal Department is not directly involved in this process. To ensure ethical conduct and compliance, the company has established a Whistleblowing Policy that allows both internal and external individuals working with the organization to report concerns through a dedicated helpline managed by the Compliance Manager. This policy outlines clear procedural rules, including responsibilities, deadlines, and protections for both the reporter and the accused, ensuring no retaliation and upholding the presumption of innocence.

Investigations are conducted independently by the Head of Legal, who has full autonomy in the process, meaning that senior management, including the CEO, cannot interfere. Once the investigation is completed, a formal report and recommendations are issued, and any necessary corrective actions are implemented by the relevant entity director.

To strengthen its ethical framework, the company has implemented a separate Anti-Bribery Policy and has identified functions that are most exposed to corruption risks. The procurement, IT, and sales departments are classified as the highest-risk areas due to their involvement in purchases and rebate agreements. Marketing, HR, quality assurance, and plant management follow as moderate-risk functions, particularly where they liaise with authorities. Finance teams, responsible for payment controls and processes, are also considered a relevant area in mitigating corruption risks.

The company is committed to protecting whistleblowers and ensuring a zero-tolerance policy for retaliation. Employees who report misconduct cannot face dismissal, disciplinary actions, or any disadvantageous measures without the explicit approval of both the EMEA CEO and the Head of Legal during the investigation process. Furthermore, this protection extends for one year after the case is closed, requiring continued approval from the EMEA CEO for any employment-related decisions affecting the whistleblower.

As part of its commitment to legal compliance, the company adheres to EU whistleblower protection regulations, particularly in FSIG, FS France, and FS Germany, where organizations with more than 50 employees must meet strict reporting and protection requirements. Internal whistleblower reporting channels are accessible through the Global Policy Portal ("The Green" intranet), and awareness is reinforced through circular emails, compliance training, Sylvania Academy sessions, billboards, and an intranet shortcut for easy access.

The company also mandates compliance training for all employees, which is delivered online by an external provider. This training is a compulsory part of the onboarding process and must be completed annually to ensure ongoing awareness and adherence to ethical business conduct.

4.1.3. Management of relationships with suppliers

The company is committed to ensuring that its supply chain operates in accordance with high ethical, environmental, and social standards. To achieve this, we have established a Supplier Onboarding process that integrates Environmental, Social, and Governance (ESG) criteria into supplier selection and evaluation.

As part of this process, all new suppliers are required to either sign our Supplier Code of Conduct, which explicitly outlines ESG expectations, and complete a SEDEX Self-Assessment Questionnaire (SAQ) to evaluate their inherent risks, or they must provide an internal Code of Conduct that meets comparable standards. Additionally, we accept approved third-party ESG assessments such as Integrity Next or EcoVadis as an alternative means of demonstrating compliance.

To ensure ongoing compliance and mitigate risks, we conduct further due diligence on suppliers if any concerns arise, whether with new partners or existing ones. In such cases, we initiate SMETA

(SEDEX Members Ethical Trade Audit) audits, a widely recognized ethical trade audit methodology designed to identify social, labour, and environmental risks within supply chains. These audits provide a detailed assessment of suppliers' practices, allowing us to detect any shortfalls or non-compliances that may pose risks to our operations or values.

If non-compliances are identified, we engage directly with the supplier to implement corrective action plans aimed at addressing the deficiencies. Our expectation is that suppliers take proactive measures to rectify any issues and align their operations with our ESG standards. Failure to comply with these corrective actions may lead to more severe consequences, including sourcing products from alternative suppliers or, if necessary, removing the supplier from our supply chain.

4.1.4. Prevention and detection of corruption and bribery

The company has established a comprehensive compliance framework to prevent, detect, and address incidents of corruption and bribery. A mandatory online compliance training program is in place to educate employees on ethical business practices, whistleblowing procedures, and the Code of Conduct (CoC), ensuring the timely detection of potential violations.

To uphold investigative independence, all corruption and bribery cases are handled by an investigation committee that operates separately from the management chain responsible for prevention and detection. This approach guarantees impartiality in assessing and resolving reported concerns. When an issue arises, the Head of Legal is responsible for conducting the investigation and reporting outcomes to the CEO, the relevant director, and the HR department, providing a final conclusion and recommendations for corrective action.

As part of its commitment to transparency and continuous improvement, the organization plans to extend its whistleblowing policy globally, ensuring that employees across all regions have access to a standardized, secure reporting mechanism. To reinforce awareness, all anti-corruption and bribery policies are communicated through circular emails, placement on the Global Policy Portal ("The Green" intranet), and employee sign-off, subject to local employment laws.

Employees are required to complete online anti-bribery training as a mandatory part of the onboarding process, with annual re-certification to ensure continued compliance. The program covers 100% of at-risk functions, focusing on departments and roles most exposed to corruption risks. Training is overseen by senior leadership, including the Head of Legal (EMEA), Compliance Manager, HR Manager (EMEA), and the EMEA CEO.

The company also conducts a structured analysis of its training activities, ensuring targeted delivery based on region and job function. Compliance training includes modules on the Code of Conduct, data privacy, anti-bribery measures, and competition law. The program is accessible to all employees with computer access, with blue-collar workers being the only exception. The global attendance rate currently stands at 85%, reflecting strong participation across the organization.

To maintain ongoing awareness and vigilance, anti-corruption and bribery training courses are rolled out continuously every month. Employees must complete their initial training within one month of their hire date, followed by annual refresher courses to reinforce ethical conduct and regulatory compliance.

4.1.5. Confirmed incidents of corruption or bribery

The organization maintains a strong anti-corruption and anti-bribery framework, ensuring compliance with international legal standards and corporate ethics. As a result of these robust measures, there have been no convictions for violations of anti-corruption and anti-bribery laws.

Additionally, the company has not incurred any fines related to such violations, reflecting its effective prevention strategies and adherence to regulatory requirements. There have been no confirmed incidents of corruption or bribery, making any case-specific analysis or investigation reports not applicable.

Furthermore, the company has not recorded any dismissals or disciplinary actions against employees for corruption or bribery-related offenses. Similarly, there have been no instances where contracts with business partners were terminated or not renewed due to violations of anti-corruption policies.

No public legal cases have been brought against the company or its employees concerning corruption or bribery, and therefore, there are no reported legal outcomes related to such matters.

4.1.6. Political influence and lobbying activities

The organization does not engage in political influence or lobbying activities, as these matters are not relevant to the group's operations. The company maintains a neutral stance on political affairs and does not allocate resources to activities aimed at influencing governmental policies, legislation, or regulatory decisions.

4.1.7. Integration of sustainability-related performance in incentive schemes

Currently, sustainability performance is taken into account in the calculation of the EMT bonus, reinforcing the role of sustainable business practices at the leadership level.

However, we acknowledge that climate performance should be an integral part of our broader incentive structure, ensuring that other employees across different levels of the organization feel actively involved in our sustainability strategy. To this end, we are actively working on a plan to integrate sustainability-related performance indicators into our compensation and incentive schemes, aiming to create a direct link between individual and collective contributions toward our climate goals, fostering a stronger culture of sustainability ownership within the company.

About This Report

SYLVANIA Group

This report was initiated with the intention of anticipating compliance with Directive (EU) 2022/2464 on corporate sustainability reporting, adopted by the European Union. However, recent developments have led to a relaxation of the initial obligations, thus diluting the level of ambition of the regulation. We consider transparency and accountability in sustainability to be fundamental principles guiding our business strategy and therefore, irrespective of these regulatory changes, we reaffirm our commitment to the implementation of the ESRS standards issued by EFRAG. We will move forward with the implementation and publication of this report under these standards, maintaining our commitment to full disclosure aligned with the principles of dual materiality and long-term sustainability.

5.1. Scope of information

This Annual Sustainability Report, covering the financial year from 1st January 2024 to 31st December 2024, hereinafter referred to as 'financial year 2024 or FY24, and forming an integral part of the consolidated Annual Accounts of Feilo Malta Limited, and its Subsidiary Companies, is published in compliance with the European Union Delegated Regulation 2023/2772 of 31st July 2023 and shall only be valid as long as it accompanies the aforementioned annual accounts. The report is published pursuant to the European Union Delegated Regulation 2023/2772 of 31st July 2023 and shall only be valid as long as it accompanies the aforementioned annual accounts.

This document refers to the activity of the Feilo Malta Group Limited, hereinafter 'the Group', 'Sylvania Group', or 'Sylvania' interchangeably, engaged in the production and marketing of electronic equipment, namely professional lighting.

For the elaboration of this Sustainability Report, a selection of indicators, or at least part of its content, established in the ESRS Sustainability Reporting Guidelines, as well as the Global Reporting Initiative, have been taken as standard, being these standards widely recognised internationally. An index is available in the following sections to facilitate the identification of the different information points to which they refer.

Likewise, the context and regulation of the sector has also been taken into account, as well as the main demands of stakeholders, including customers, employees, regulatory bodies, society and suppliers.

The scope of the current Sustainability Report is the same as that used in the Annual Accounts, and the following companies are included within the scope of consolidation[4]:

Country	Entity
APAC	
China	Guangzhou Feilo Sylvania Enterprises Limited
Thailand	Feilo Sylvania (Thailand) Ltd.
EMEA	

[4] Not all the entities consolidating in the financial statement have relevant consumption, such as water, electricity, etc. Moreover, to facilitate the reading of the report, the consumption of these companies has been integrated in those companies to which they consolidate, as in the case of Eastern Europe in Hungary.

Belgium	Feilo Sylvania Belgium BV
Belgium	Feilo Sylvania Lighting Belgium NV
Finland	Feilo Sylvania Finland OY
France	Feilo Sylvania Lighting France SAS
Germany	Feilo Sylvania Germany GmbH
Greece	Feilo Sylvania Greece A.E.E.E.
Hungary	Feilo Sylvania International Group KFt.
Italy	Feilo Sylvania Italy S.p.A.
Netherlands	Feilo Sylvania Fixtures Netherlands B.V.
Portugal	Feilo Sylvania Portugal Lda.
Spain	Feilo Sylvania Spain, S.A.U.
Türkiye	Feilo Sylvania TR Elektrik Ürünleri Ltd.
United Arab Emirates	Feilo Sylvania Dubai FZCO
United Kingdom	Feilo Sylvania UK Limited
United Kingdom	Feilo Sylvania Fixtures UK Limited
LATAM	
Colombia	Feilo Sylvania Colombia S.A.
Costa Rica	Feilo Sylvania Costa Rica S.A.
Ecuador	Feilo Sylvania N.V. (Ecuador Sales Branch)
El Salvador	Feilo Sylvania El Salvador S.A. de C.V.
Guatemala	Feilo Sylvania Guatemala S.A.
Mexico	Feilo Mexico S.A. de C.V.
Panama	Feilo Sylvania Panama, S.A.

The present report includes information on both the upstream and downstream activities of our value chain, focusing on material impacts, risks, and opportunities as identified through our materiality assessment.

Throughout the report, in order to be able to provide a comprehensive measurement, different estimates and proxies have been used, for example, for the calculation of our carbon footprint scope 3, we have relied on several approximations and estimates, particularly for entities where direct data is not yet available. Our approach involves detailed measurement of the carbon footprint for a select number of key entities, and we extrapolate this data to other entities based on their respective purchase volumes, a metric we consistently track across all entities. This method ensures a reasonably high level of fidelity in the estimates, as the volume of purchases serves as a reliable proxy for carbon-intensive activities.

We are committed to continuously improving the accuracy of our data collection and management processes. Significant progress has already been made compared to the previous reporting period, as we have enhanced our data collection systems and expanded the coverage of primary data sources. Moving forward, we plan to further refine our data collection processes and work towards minimizing the reliance on estimates.

In addition, several of our operational sites have been certified under international ISO standards, demonstrating our commitment to quality, environmental performance, energy efficiency, and occupational health and safety. Based on our current structure, we consider six main operational sites across manufacturing, R&D and logistics. Among these:

- ISO 9001 (Quality Management) is implemented in 3 of our 6 operational sites, with additional certification at our Chinese subsidiary.
- ISO 14001 (Environmental Management) covers all three manufacturing sites representing 50% of our operational sites.
- ISO 45001 (Health & Safety Management) is in place at 2 of 6 sites, representing 33%.
- ISO 50001 (Energy Management) has been adopted at our energy-intensive sites in Newhaven and Erlangen, so 33% as well.

We continue to work toward extending certification coverage, prioritising high-impact locations and aligning our operational footprint with internationally recognised standards.

On the other hand, this report will start to be audited from next exercise.

All policies referenced throughout this report have a global scope and apply to our entire operations and workforce. If any policy includes specific exceptions, these will be clearly specified in the relevant section.

Regarding accountability, the highest-level responsible persons for the implementation of these policies are the Country Managers and Regional Directors, including those overseeing EMEA and LATAM. In cases where exceptions apply, these will be explicitly indicated within the corresponding policy.

During 2023 and 2024, driven by our ambition to enhance our EcoVadis Assessment performance, we have developed a broad set of relevant policies to support our decarbonization strategy. To improve clarity and alignment, we have unified these policies following the thematic structure proposed by the ESRS framework of EFRAG. This approach ensures that each policy is easily identifiable with its corresponding Impacted Risk and Opportunity.

Furthermore, it is important to note that all policies are living documents. Their content may evolve over time, meaning that the versions included in this or any other Sylvania report may not fully match those published in different years.

The objectives described throughout this report are, unless stated otherwise, set for 2030. Similarly, unless otherwise specified:

- The baseline value is 0.
- The measurement unit is absolute, expressed as a percentage.

For more details on specific targets and decarbonization levers, please refer to our Transition Plan, where progress updates will be published periodically. These updates will also be incorporated into our sustainability report.

Finally, we want to emphasize that all our decarbonization objectives have been established voluntarily, demonstrating our commitment to climate leadership. The 2050 targets will be defined in the coming years, once we achieve our current goals and gain a clearer understanding of emerging challenges. Given our recent baseline year, setting long-term targets at this stage would not be meaningful.

5.2. Content index

5.2.1. GRI index

GRI STANDARD	DISCLOSURE REQUIREMENTS	LOCATION / DIRECT ANSWER
	General disclosures	
GRI 2: General Disclosures 2021	2-1 Organizational details	5.1
	2-2 Entities included in the organization's sustainability reporting	5.1
	2-3 Reporting period, frequency and contact point	5.1
	2-4 Restatements of information	N/A
	2-6 Activities, value chain and other business relationships	1.3
	2-7 Employees	3.1.5
	2-8 Workers who are not employees	3.1.6
	2-9 Governance structure and composition	4.1
	2-11 Chair of the highest governance body	4.1
	2-12 Role of the highest governance body in overseeing the management of impacts	4.1
	2-13 Delegation of responsibility for managing impacts	4.1
	2-14 Role of the highest governance body in sustainability reporting	4.1
	2-16 Communication of critical concerns	3.1.16
	2-19 Remuneration policies	3.1.15
	2-21 Annual total compensation ratio	3.1.15
	2-23 Policy commitments	2.1.2
	2-24 Embedding policy commitments	5.1
	2-27 Compliance with laws and regulations	None
	2-28 Membership associations	1.5
	2-29 Approach to stakeholder engagement	1.3.1
	2-30 Collective bargaining agreements	3.1.7
	Material topics	
GRI 3: Material Topics 2021	3-1 Process to determine material topics	1.2
	3-2 List of material topics	1.2
	Anti-corruption	
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	4.1.4
	205-2 Communication and training about anti-corruption policies and procedures	4.1.4

	205-3 Confirmed incidents of corruption and actions taken	4.1.5
Materials		
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2.2
GRI 301: Materials 2016	301-1 Materials used by weight or volume	2.2.4
	301-2 Recycled input materials used	2.2.4
Energy		
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2
GRI 302: Energy 2016	302-1 Energy consumption within the organization	2.1.5
	302-2 Energy consumption outside of the organization	2.1.5
	302-3 Energy intensity	2.1.5
	302-4 Reduction of energy consumption	2.1.5
	302-5 Reductions in energy requirements of products and services	2.1.5
Water and effluents		
GRI 3: Material Topics 2021	3-3 Management of material topics	N/A
	303-5 Water consumption	22.252,89 m3
Emissions		
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	2.1.6.1
	305-2 Energy indirect (Scope 2) GHG emissions	2.1.6.1
	305-3 Other indirect (Scope 3) GHG emissions	2.1.6.1
	305-4 GHG emissions intensity	2.1.6.1
	305-5 Reduction of GHG emissions	2.1.6.1
Waste		
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	2.2.5
	306-2 Management of significant waste-related impacts	2.2.5
	306-3 Waste generated	2.2.5
Supplier environmental assessment		
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	4.1.3
	308-2 Negative environmental impacts in the supply chain and actions taken	4.1.3
Employment		
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2
	401-3 Parental leave	3.1.13
Occupational health and safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2
	403-5 Worker training on occupational health and safety	3.1.13
	403-8 Workers covered by an occupational health and safety management system	3.1.13
	403-9 Work-related injuries	3.1.13
	403-10 Work-related ill health	3.1.13
Training and education		

GRI 3: Material Topics 2021	3-3 Management of material topics	1.2
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	3.1.12
	404-2 Programs for upgrading employee skills and transition assistance programs	3.1.12
	404-3 Percentage of employees receiving regular performance and career development reviews	3.1.12
	Diversity and equal opportunity	
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	3.1.8
	405-2 Ratio of basic salary and remuneration of women to men	3.1.9
	Non-discrimination	
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	3.1.16
	Child labour	
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	3.1
	Forced or compulsory labour	
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	3.1
	Supplier social assessment	
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	4.1.3
	414-2 Negative social impacts in the supply chain and actions taken	4.1.3
	Public policy	
GRI 3: Material Topics 2021	3-3 Management of material topics	Not material
GRI 415: Public Policy 2016	415-1 Political contributions	4.1.6

5.2.2. CSRD index

DISCLOSURE REQUIREMENTS		CONTENT	LOCATION
		E1 Climate change	
Governance	DR E1 GOV-3	Integration of sustainability-related performance in incentive schemes	4.1.7
Strategy	DR E1-1	Transition plan for climate change mitigation	2.1.1
	DR E1 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	1.4
Impact, risk and opportunity management	DR E1 IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	1.4
	DR E1-2	Policies related to climate change mitigation and adaptation	2.1.2

	DR E1-3	Actions and resources in relation to climate change policies	2.1.3
Metrics and targets	DR E1-4	Targets related to climate change mitigation and adaptation	2.1.4
	DR E1-5	Energy consumption and mix	2.1.5
	DR E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions - GHG emissions per scope	2.1.6.1
	DR E1-7	GHG removals and GHG mitigation projects financed through carbon credits	2.1.6.2
	DR E1-8	Internal carbon pricing	2.1.6.3
E5 Resource use and circular economy			
Impact, risk and opportunity management	DR E5 IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	1.4
	DR E5-1	Policies related to resource use and circular economy	2.2.1
	DR E5-2	Actions and resources in relation to resource use and circular economy	2.2.2
Metrics and targets	DR E5-3	Targets related to resource use and circular economy	2.2.3
	DR E5-4	Resource inflows	2.2.4
	DR E5-5	Resource outflows	2.2.5
S1 Own workforce			
Strategy	DR S1 SBM-2	Interests and views of stakeholders	1.3.1
	DR S1 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	3.1
Impact, risk and opportunity management	DR S1-1	Policies related to own workforce	3.1.1
	DR S1-2	Processes for engaging with own workers and workers' representatives about impacts	3.1.2
	DR S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	3.1.2
	DR S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	3.1.3
Metrics and targets	DR S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3.1.4
	DR S1-6	Characteristics of the undertaking's employees	3.1.5
	DR S1-7	Characteristics of non-employee workers in the undertaking's own workforce	3.1.6
	DR S1-8	Collective bargaining coverage and social dialogue	3.1.7
	DR S1-9	Diversity metrics	3.1.8
	DR S1-10	Adequate wages	3.1.9
	DR S1-11	Social protection	3.1.10
	DR S1-12	Persons with disabilities	3.1.11

	DR S1-13	Training and skills development metrics	3.1.12
	DR S1-14	Health and safety metrics	3.1.13
	DR S1-15	Work-life balance metrics	3.1.14
	DR S1-16	Compensation metrics	3.1.15
	DR S1-17	Incidents, complaints and severe human rights impacts	3.1.16
G1 Business Conduct			
Strategy	DR G1 GOV-1	The role of the administrative, supervisory and management bodies	4.1.1
Impact, risk and opportunity management	DR G1 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	1.4
	DR G1-1	Corporate culture and Business conduct policies and corporate culture	4.1.2
	DR G1-2	Management of relationships with suppliers	4.1.3
	DR G1-3	Prevention and detection of corruption and bribery	4.1.4
Metrics and targets	DR G1-4	Confirmed incidents of corruption or bribery	4.1.5
	DR G1-5	Political influence and lobbying activities	4.1.6
	DR G1-6	Payment practices	4.1.7

5.2.3. TCFD index

Topic	Recommendation	PAGES / DIRECT ANSWER
Governance	Describe the board's oversight of climate-related risks and opportunities.	4.1
	Describe management's role in assessing and managing climate-related risks and opportunities.	4.1
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	1.4
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	1.4
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	1.4
Risk Management	Describe the organization's processes for identifying and assessing climate-related risks.	1.4
	Describe the organization's processes for managing climate-related risks.	1.4
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	1.4

Metrics and targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	1.4
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	2.1.6
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	2.1.4

5.3. Glossary

APAC (Asia-Pacific) – One of the company's three main operating regions, covering business activities in Asia and the Pacific region.

B2B (Business-to-Business) – One of the company's two distinct business lines, focusing on professional customers, including wholesalers, contractors, and businesses. This division operates with a dedicated product range and tailored market strategies.

B2C (Business-to-Consumer) – A separate business line within the company, targeting end consumers with differentiated product offerings and marketing strategies designed specifically for the retail market.

Climate Crisis – The severe and escalating impact of global climate change caused by greenhouse gas emissions, leading to extreme weather events, rising sea levels, biodiversity loss, and socio-economic disruptions. The term emphasizes the urgency of action to mitigate climate change and transition toward sustainable solutions.

CO_2e (Carbon Dioxide Equivalent) – A metric used to compare emissions from various greenhouse gases based on their global warming potential.

Code of Conduct – A set of ethical principles and guidelines that define expected behaviours and responsibilities within the company.

Corporate Sustainability Reporting Directive (CSRD) – A European regulation requiring companies to disclose sustainability-related information to enhance transparency and accountability.

DEI (Diversity, Equity, and Inclusion) – A framework ensuring fair treatment, equal opportunities, and an inclusive environment in the workplace.

EcoVadis – A recognized third-party sustainability rating provider assessing companies' environmental, social, and ethical performance.

EMEA (Europe, Middle East, and Africa) – One of the company's three main operating regions, covering business activities in these geographical areas.

EMT (European Management Team) – The governance body responsible for overseeing operations, strategy, and compliance across the EMEA region.

EPD (Environmental Product Declaration) – Is a standardised document that provides transparent and verified information on the environmental impact of a product throughout its life cycle.

Environmental, Social, and Governance (ESG) – A framework used to evaluate a company's sustainability and ethical impact.

ESRS (European Sustainability Reporting Standards) – A set of sustainability reporting requirements established under the CSRD to standardize corporate sustainability disclosures.

FSIG (Feilo Sylvania International Group) – The parent company of the organization, overseeing global operations, governance, and strategic direction across all regional subsidiaries.

GHG (Greenhouse Gases) – Gases such as CO_2, methane, and nitrous oxide that contribute to global warming and climate change.

Global Governance Council – The highest-level governing body that ensures regional alignment with corporate policies and long-term sustainability objectives.

GRI (Global Reporting Initiative) – A leading international framework for sustainability reporting that aligns with ESRS and CSRD requirements.

Integrity Next – A third-party platform providing sustainability assessments for suppliers and businesses.

IROs (Impacts, Risks, and Opportunities) – A framework used in ESRS reporting to identify and disclose sustainability-related impacts, risks, and opportunities within an organization.

LATAM (Latin America) – One of the company's three main operating regions, covering business activities in Latin America.

LCA (Life Cycle Assessment) – A method used to assess the environmental impact of a product or service throughout its entire life cycle, from raw material extraction to disposal.

LE (Lighting Europe) – A European industry association representing the lighting sector, advocating for sustainable and energy-efficient lighting solutions.

LIA (Lighting Industry Association) – A professional association for the lighting industry, promoting compliance, standards, and sustainability initiatives.

Paris Agreement – A legally binding international treaty adopted in 2015 under the United Nations Framework Convention on Climate Change (UNFCCC), aiming to limit global warming to well below 2°C, preferably to 1.5°C, compared to pre-industrial levels.

SAQ (Self-Assessment Questionnaire) – A tool used to assess supplier risks, particularly regarding ESG compliance and ethical sourcing.

SBTi (Science-Based Targets initiative) – A framework that helps companies set and validate GHG emissions reduction targets in line with the Paris Agreement.

SDGs (Sustainable Development Goals) – A set of 17 global goals established by the United Nations to address global challenges such as climate change, poverty, and inequality.

SEDEX (Supplier Ethical Data Exchange) – A global membership organization that provides a platform for businesses to manage and improve working conditions in global supply chains.

SMETA (SEDEX Members Ethical Trade Audit) – A widely recognized audit methodology used to assess labour rights, health and safety, environmental impact, and business ethics within supply chains.

Sustainability Committee – A cross-functional group composed of representatives from key departments that support the Sustainability Manager in managing impacts and achieving sustainability goals. It oversees the action plan dedicated to GHG emissions reduction.

Sustainability Manager – The highest-ranking sustainability officer responsible for overseeing sustainability strategy, impact management, and reporting.

TCFD (Task Force on Climate-related Financial Disclosures) – A global framework for companies to disclose climate-related financial risks and opportunities.

Third-Party ESG Assessments – External evaluations (e.g., EcoVadis, Integrity Next) used to assess suppliers' environmental, social, and governance performance.

UNGC (United Nations Global Compact) – A voluntary initiative for businesses to adopt sustainable and socially responsible policies aligned with the UN’s SDGs.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