

## 3. Corporate Governance

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## 3. Consolidated Corporate Governance Report 2023/24

The management of the Zumtobel Group sees the basis for lasting economic success in responsible business activities that are focused on the sustainable, long-term creation of added value and transparent corporate governance. The Austrian Code of Corporate Governance (ACCG) is designed to ensure a high degree of transparency for all stakeholders and serve as an important orientation guide for investors. The code defines a regulatory framework for the management and monitoring of Austrian stock corporations. Its foundation is formed by Austrian stock corporation, stock exchange, and capital market law. This framework is based on EU recommendations for the responsibilities of supervisory board members and the remuneration of directors as well as the principles set forth in the OECD guidelines for corporate governance.

### 3.1 Commitment to the Austrian Code of Corporate Governance

As a listed international company, the Zumtobel Group is committed, without limitation, to compliance with the guidelines defined by the Austrian Code of Corporate Governance (ACCG) in the version issued in January 2023. The version applicable to the 2023/24 financial year is available for review and download on the website *corporate-governance.at*. This commitment represents a voluntary obligation of the Zumtobel Group which is intended to strengthen the confidence of shareholders and to support the continuous optimisation of internal legal, conduct and ethics standards.

#### 3.1.1 Comply or Explain

The Zumtobel Group met all rules of the ACCG in full during the 2023/24 financial year.

#### 3.1.2 External evaluation of the consolidated corporate governance report

In accordance with C-Rule 62 of the ACCG, the company arranges for an external evaluation of compliance with the code regulations on a regular basis, i.e. at least every three years. Zumtobel Group AG commissioned PwC Wirtschaftsprüfung GmbH, Vienna, to evaluate the corporate governance report for 2022/23, with the exception of Rules 77 to 83. Compliance with Rules 77 to 83 was evaluated by Schönherr Rechtsanwälte GmbH, Vienna.

The results of the evaluations confirmed that the Zumtobel Group complied with all rules defined by the Austrian Code of Corporate Governance in the version issued in January 2023. The report on the independent evaluation and the corporate governance report are available to the general public on the Zumtobel Group's website under <https://z.lighting>.

#### 3.1.3 Compliance management at Zumtobel Group AG

Compliance is a central element of good corporate management and a basic requirement for a company's sustainable success. The compliance management system in the Zumtobel Group is the subject of continuous development to protect the ability to meet current and future responsibilities. The related activities are carried out in close cooperation between corporate audit & compliance, the legal department, risk management, the human resources department and corporate IT. The senior director of corporate audit & compliance reports on current compliance issues as well as planning and progress on the development and expansion of the compliance management system at the scheduled meetings of the Audit Committee. Regular one-on-one meetings are also held with the chairman of the Audit Committee. The compliance

management system used by Zumtobel Group AG is described in the non-financial statement which is part of the management report.

### Data protection

The Zumtobel Group takes the protection of personal data very seriously. In addition to the implementation of various technical and organisational measures for the protection of our data, the Zumtobel Group is also required to comply with the latest measures defined by the EU's General Data Protection Regulation (GDPR; "Datenschutz-Grundverordnung").

National law contains more stringent rules than the above-mentioned General Data Protection Regulation (GDPR). Consequently, the Group not only complies with the GDPR, but also with all relevant local laws. The Zumtobel Group works continuously to maintain conformity with the GDPR, and the related documents and processes are supplemented and revised as required. The Zumtobel Group's corporate functions contribute to the principal issues and prepare drafts for other legal entities to coordinate their data documentation. The functional leads defined in the data protection agreement are in charge of corporate issues, while the individual legal entities are responsible for the technical and organisational implementation of measures.

### Cybersecurity

Cybersecurity incidents are on the rise in countries throughout the world. Consequently, the Zumtobel Group must expect not only thousands of daily malware and spam attacks as well as complex and professional cyberattacks at any time. A strong cyber security strategy is required to adequately address these threats.

The Zumtobel Group's security concept is based prevention, protection, identification and reaction.

- >> The chief information security officer (CISO) and his team, which were installed during the 2023/24 financial year, are responsible for the further development and protection of information security in the Zumtobel Group.
- >> The Zumtobel Group also relies on good practice standards for the development of its data and cybersecurity strategy, e.g. ISO 27001. That allows us to react even stronger to customer requirements.
- >> Legal and regulatory requirements are integrated in the strategy, e.g. the EU NIS-2 Directive or the EU Cyber Resilience Act.
- >> The goal is to achieve and maintain a coordinated information security and data protection management system.
- >> Our users receive regular training on cybersecurity.
- >> IT process and procedures are regularly reviewed and upgraded.
- >> The new information security team and the CISO work closely with management, the security engineers, compliance managers, our external cybersecurity partners and all other organisational units that are involved in cybersecurity issues.

### 3.1.4 Shareholders and the annual general meeting

Shareholders protect their interests and exercise their voting rights at the annual general meeting. The shares of Zumtobel Group AG are issued in accordance with the "one share - one vote" principle.

The annual general meeting is announced at least 28 days in advance and is held at the headquarters of the company, in Vienna or in another Austrian provincial capital. The information required by Austrian Stock Corporation Act is published on the company's registered website at the latest 21 days prior to the annual general meeting.

The shares issued by Zumtobel Group AG are bearer shares. Therefore, information on the shareholder structure can only be compiled when shareholders deposit their shares prior to an annual general meeting or when Zumtobel Group AG collects information on these shareholdings. The available information on the shareholder structure is provided in the section "The Zumtobel Group AG share".

The Zumtobel Group places high priority on a comprehensive, timely information policy that is based on equal treatment for all shareholders. In addition to meeting all legal requirements (e.g. the annual financial report, half-year report, interim reports and ad-hoc announcements), information on the latest company developments is provided through press releases, telephone conferences and investor events. All reports, announcements and key presentations are published on the Zumtobel Group website under <https://z.lighting>. A detailed financial calendar and other share-related information can be found on this website under the menu point "Investor Relations".

### **3.1.5 The corporate bodies of Zumtobel Group AG**

The Management Board, the Supervisory Board, and the annual general meeting form the corporate bodies of Zumtobel Group AG. These three independent corporate bodies met their obligations with the greatest diligence during the 2023/24 financial year in accordance with the relevant legal regulations, the articles of association, and the rules of procedure for the Management and Supervisory Boards.

## 3.2 The Management Board

### 3.2.1 Composition of the Management Board of Zumtobel Group AG as of 30 April 2024

The members of the Management Board are appointed by the Supervisory Board for a maximal term of five years, whereby reappointment is permitted. The following persons served as members of the Management Board of Zumtobel Group AG in 2023/24.



**Alfred Felder**  
 Chief Executive Officer (CEO)  
 Born in: 1963  
 Nationality: Italy  
 Initially appointed in: 2016  
 End of current term: 2025

Alfred Felder has been a member of the Management Board since 2016 and CEO of the Zumtobel Group since 2018. He has extensive, international professional and management experience. Er studied electrical engineering at the Vienna University of Technology, where he also received his doctorate.

**Strategic and profit-oriented management for the entire Group and, above all, for the following areas:**

- >> Corporate strategy, M&A
- >> Business divisions
- >> Sales
- >> Marketing & corporate communications, product marketing
- >> Human resources
- >> Technology & development
- >> Group sustainability

**Supervisory board positions in other domestic and foreign (listed) companies:**  
 None



**Thomas Erath**  
 Chief Financial Officer (CFO)  
 Born in: 1971  
 Nationality: Austria  
 Initially appointed in: 2021  
 End of current term: 2027

Thomas Erath has served as CFO of Zumtobel Group AG since 1 August 2021. Prior to joining the Zumtobel Group, he studied business management at the Vienna University of Economics and Business and worked for a leading international accounting firm.

**Strategic and profit-oriented management for the entire Group and, above all, for the following areas:**

- >> Accounting & taxes, finance & controlling
- >> Treasury
- >> Risk management
- >> Compliance and internal audit
- >> Insurance
- >> Facility management
- >> Legal
- >> Investor relations

**Supervisory board positions in other domestic and foreign (listed) companies:**  
 None



**Bernard Motzko**

Chief Operating Officer (COO)

Born in: 1962

Nationality: Germany

Initially appointed in: 2018

End of current term: 2026

Bernard Motzko was appointed to the Management Board of the Zumtobel Group as Chief Operating Officer (COO) on 1 February 2018. He studied mechanical engineering and business management at Paderborn University, where he received his doctorate.

**Strategic and profit-oriented management for the entire Group and, above all, for the following areas:**

- >> Plants (operations)
- >> Supply chain & logistics
- >> Quality
- >> Procurement

**Supervisory board positions in other domestic and foreign (listed) companies:**

- Schwering & Hasse Elektrodraht GmbH, member of the advisory board
- Warespace GmbH & Co. KG, member of the advisory board



**Marcus Frantz**

Chief Digital Transformation Officer (CDTO)

Born in: 1964

Nationality: Germany

Initially appointed in: 2022

End of current term: 2025

Marcus Frantz has served as Chief Digital Transformation Officer (CDTO) of the Zumtobel Group since 1 November 2022 where he is responsible for IT & digitalisation. He studied economics and management at the Universities of Constance and Trier.

**Strategic and profit-oriented management for the entire Group and, above all, for the following areas:**

- >> Business processes & digital transformation
- >> IT
- >> Information security & data protection
- >> Information & data management

**Supervisory board positions in other domestic and foreign (listed) companies:**

None

### 3.2.2 Working procedures of the Management Board

The members of the Management Board carry joint responsibility for the direction of the company and exchange information on all important operations and transactions. The full Management Board takes decisions on matters of fundamental nature or importance which are assigned to this corporate body by legal regulations, the articles of association and the rules of procedure defined by the Supervisory Board. The Management Board defines the company's goals and basic strategic orientation as well as the corporate policies and organisation.

Resolutions by the Management Board are generally adopted in meetings which are held twice each month. The board members also meet regularly outside these meetings to discuss developments on the markets and in the company's broader environment as well as important issues involving the company and upcoming decisions and subsequently prepare the necessary actions. In addition, there is a continuous exchange of information on relevant activities and events with the responsible managers.

The Management Board reports regularly to the Supervisory Board. Information on the development of the Zumtobel Group is provided at least four times each year at the Supervisory Board meetings. The CEO also informs the chairwoman and the full Supervisory Board of important events between these meetings. The Management Board submits regular reports to the Supervisory Board which cover major business developments as well as quarterly financial reporting.



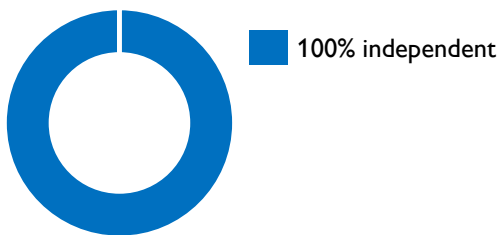
### 3.3 The Supervisory Board – Experienced, Diverse, Independent

The Supervisory Board of Zumtobel Group AG consists of nine members – six shareholder representatives elected by the annual general meeting and three members delegated by the Employees' Council for an unlimited period. The Supervisory Board and Management Board follow a policy of open and transparent communication with all stakeholders. The Supervisory Board has established committees to effectively carry out its advising and control functions in the following areas: Audit Committee, Strategy Committee, Committee for Board Matters and Digitalisation Committee. The Austrian Labour Constitutional Act entitles the employee representatives to delegate one member to the Supervisory Board and its committees for every two members (shareholder representatives) elected by the annual general meeting.

#### Overview – Corporate Governance

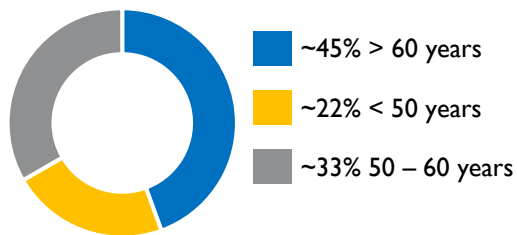
Our commitment to international governance standards:

#### Independence<sup>1</sup>

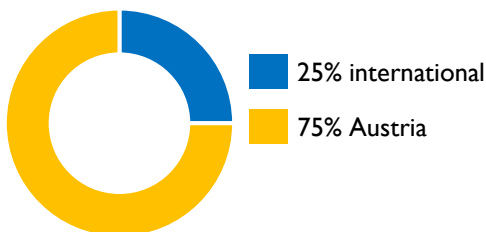


<sup>1</sup> In the sense of the Austrian Code of Corporate Governance (Rule 53)

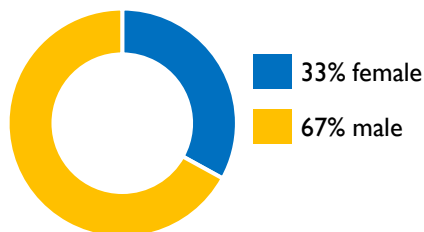
#### Age structure



#### Nationality



#### Diversity



### 3.3.1 Composition of the Supervisory Board

As of 30 April 2024, the Supervisory Board of Zumtobel Group AG had six shareholder representatives elected by the annual general meeting and three members delegated by the Employees' Council. The legally required 30% quota for women on supervisory boards which was introduced in 2018 is, therefore, met. The annual general meeting on 28 July 2023 elected Karin Zumtobel-Chammah and Eva Kienle to the Supervisory Board for a further three years. There were no changes among the employee representatives during the reporting year.

#### Supervisory Board | Shareholder Representatives



**Karin Zumtobel-Chammah**

**Born in:** 1963

Independent

**Function:**  
Chairwoman

**Term of office:**  
Initially appointed: 26 July 2019,  
appointed to AGM 2026

**Nationality:**  
Austria

**Education:**  
Business management

**Supervisory board positions in other domestic and foreign (listed) companies:**  
None



**Georg Pachta-Reyhofen**

**Born in:** 1955

Independent

**Function:**  
First Vice-Chairman

**Term of office:**  
Initially appointed: 18 May 2020,  
appointed to AGM 2024

**Nationality:**  
Austria

**Education:**  
Engineering

**Supervisory board positions in other domestic and foreign (listed) companies:**  
- SAG Motion GmbH, member of the supervisory board, until Dec. 2023  
- Benteler International AG, member of the supervisory board  
- SJP Holding GmbH, member of the supervisory board, as of Oct. 2023



**Volkhard Hofmann**

**Born in:** 1952

Independent

**Function:**  
Second Vice-Chairman

**Term of office:**  
Initially appointed: 21 July 2017,  
appointed to AGM 2025

**Nationality:**  
Germany

**Education:**  
Business management

**Supervisory board positions in other domestic and foreign (listed) companies:**  
None



**Eva Kienle**

**Born in:** 1967

Independent

**Function:**  
Member

**Term of office:**

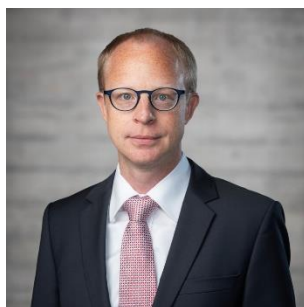
Initially appointed: 26 July 2019,  
appointed to AGM 2026

**Nationality:**  
Germany

**Education:**  
Business management

**Supervisory board positions in  
other domestic and foreign  
(listed) companies:**

- Schott Pharma AG & Co.  
KGaA, member of the  
supervisory board



**Thorsten Staake**

**Born in:** 1978

Independent

**Function:**  
Member

**Term of office:**

Initially appointed: 18 May 2020,  
appointed to AGM 2024

**Nationality:**  
Germany

**Education:**  
Information systems &  
technology management

**Supervisory board positions in  
other domestic and foreign  
(listed) companies:**

- Hoval AG, member of the  
administrative board  
- BEN Energy AG, member of  
the administrative board



**Christian Beer**

**Born in:** 1961

Independent

**Function:**  
Member

**Term of office:**

Initially appointed: 24 July 2020,  
appointed to AGM 2025

**Nationality:**  
Austria

**Education:**  
Engineering

**Supervisory board positions in  
other domestic and foreign  
(listed) companies:**

- pester pac automation GmbH,  
member of the advisory board

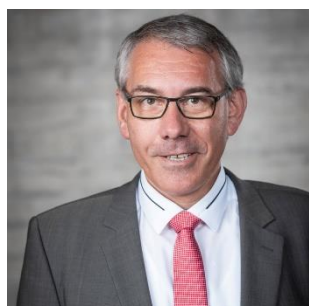
### Expertise and specialist knowledge

The members of the Supervisory Board, in total, are required to have the knowledge, skills and professional experience to correctly discharge the responsibilities of a supervisory board in a listed international company in the lighting industry. The individual supervisory board members are not expected to cover the full scope of necessary skills and experience.

The composition of the Supervisory Board, as a whole, includes persons with different, complementary technical profiles as well as the following special areas of competence which are considered important for the Zumtobel Group. In these areas, at least one Supervisory Board member should be available as a competent contact partner:

Competence area	Karin Zumtobel- Chammah	Georg Pachta- Reyhofen	Volkhard Hofmann	Eva Kienle	Thorsten Staake	Christian Beer
Management / leadership	X	X	X	X	X	X
Corporate development and organisation / M&A transactions	X	X	X	X	X	X
Finance and accounting	X	X	X	X		X
Compliance / corporate governance		X		X	X	X
Capital market	X	X		X	X	X
Branch experience	X	X	X		X	X
Sustainability (ESG)	X	X		X	X	X
Digitalisation / IT				X	X	X

## Supervisory Board | Employee Representatives



**Dietmar Dünser**

**Born in:** 1966

**Function:**  
 Delegated by the Employees' Council

**Term of office:**  
 Initially appointed: 24 July 2015  
 End of current term: n/a

**Nationality:**  
 Austria

**Education:**  
 Telecommunications & electronics

**Supervisory board positions in other domestic and foreign (listed) companies:**  
 None



**Richard Apnar**

**Born in:** 1974

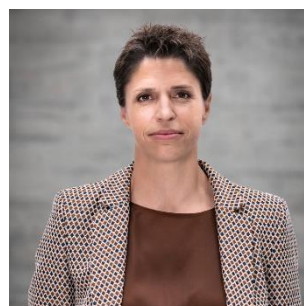
**Function:**  
 Delegated by the Employees' Council

**Term of office:**  
 Initially appointed: 26 June 2012  
 End of current term: n/a

**Nationality:**  
 Austria

**Education:**  
 Plastics technology

**Supervisory board positions in other domestic and foreign (listed) companies:**  
 None



**Isabel Kreilhuber**

**Born in:** 1977

**Function:**  
 Delegated by the Employees' Council

**Term of office:**  
 Initially appointed in 1. April 2021  
 End of current term: n/a

**Nationality:**  
 Austria

**Education:**  
 Business management

**Supervisory board positions in other domestic and foreign (listed) companies:**  
 None

### 3.3.2 Working procedures of the Supervisory Board

The Supervisory Board appoints the Management Board members and regularly advises and oversees the board on the direction and development of the Zumtobel Group. It is involved in decisions of fundamental importance for the company. This involvement is guaranteed by the definition of issues requiring the approval of the Supervisory Board and through voting on the strategic orientation of the company. The work of the Supervisory Board is regulated by rules of procedure. To specifically define the submission requirements of the Management Board, the Supervisory Board has prepared a catalogue of transactions and actions requiring its approval. This catalogue represents an integral part of the rules of procedure for the Supervisory and Management Boards.

The Supervisory Board met in six sessions during the 2023/24 financial year: four scheduled meetings, one unscheduled meeting and one constituent meeting. The central issue at these meetings involved the challenging macroeconomic environment and its effects on the Zumtobel Group's business field.

Other focal points at the Supervisory Board meetings in 2023/24 were:

- >> Evaluation and approval of the separate and consolidated financial statements as of 30 April 2023 which were submitted by the Management Board
- >> Proposed resolutions for the annual general meeting
- >> Recommendation for the distribution of profit in accordance with § 96 (1) of the Austrian Stock Corporation Act
- >> Remuneration report for the 2022/23 financial year
- >> Amendment of the distribution of responsibilities for the Management Board of Zumtobel Group AG
- >> Definition of targets for the variable remuneration components of the Management Board
- >> Assignment of the audit mandate to the auditor
- >> Elections of supervisory board members for direct subsidiaries
- >> Appointment of managing directors for subsidiaries
- >> Evaluation, discussion and approval of the budget for the 2024/25 financial year
- >> Share buyback for Zumtobel Group AG
- >> Approval of business relations with Supervisory Board member Christian Beer
- >> Efficiency and potential for improvement on the Supervisory Board and cooperation between the Supervisory and Management Boards
- >> Measures to reduce costs and capital employed as well as integration, restructuring and expansion projects
- >> Risk management and the internal control system
- >> Measures to fight corruption
- >> Sustainability focal points
- >> Strategic orientation of the Zumtobel Group over the coming years

Participation in the meetings of the Supervisory Board and its committees in 2023/24:

Participation in FY 2023/24	SB	AC	CMB	SC	DC
<b>Shareholder representatives</b>					
Karin Zumtobel-Chammah	6/6	5/5	5/5	2/2	-
Georg Pachta-Reyhofen	6/6	5/5	5/5	2/2	-
Volkhard Hofmann	6/6	5/5	5/5	2/2	2/2
Eva Kienle	5/6	5/5	-	-	2/2
Thorsten Staake	6/6	-	-	2/2	2/2
Christian Beer	6/6	-	5/5	-	2/2
<b>Employee representatives</b>					
Dietmar Dünser	6/6	5/5	-	2/2	-
Richard Apnar	6/6	-	-	-	2/2
Isabel Kreilhuber	6/6	5/5	-	2/2	2/2

Abbreviations: SB = Supervisory Board, AC = Audit Committee, CMB = Committee for Management Board Matters, SC = Strategy Committee, DC = Digitalisation Committee

### 3.3.3 Contracts with Supervisory Board members which require approval

The following contracts and business transactions between Zumtobel Lighting GmbH and individual Supervisory Board members required approval and were submitted to the Supervisory Board of Zumtobel Group AG during 2023/24 in accordance with the Austrian Stock Corporation Act and the Austrian Code of Corporate Governance (Rule 49):

A contract was concluded between Servus Intralogistics GmbH, Dornbirn, a company attributable to the economic ownership of Supervisory Board member Christian Beer, and Zumtobel Lighting GmbH and approved by the Supervisory Board on 22 April 2022. The object of the contract is the expansion of the existing "Servus Kleinteilelogistik-System" to connect with the system "Wareneingang & Produktionslogistik", for a total volume of TEUR 930.

In addition, maintenance costs of TEUR 68 were charged based on the existing contract between Zumtobel Lighting GmbH and Servus Intralogistics GmbH, Dornbirn, a company attributable to the economic ownership of Supervisory Board member Christian Beer.

Both business relationships are subject to standard market conditions.

### 3.3.4 Independence of the Supervisory Board members

All members of the Supervisory Board have declared their independence in the sense of these criteria, and C-Rule 53 is therefore met in full. The following Supervisory Board members have declared their independence and confirmed that they are neither shareholders nor representatives of shareholders with an investment of more than 10%: Volkhard Hofmann, Georg Pachta-Reyhofen, Thorsten Staake, Eva Kienle and Christian Beer. C-Rule 54 is therefore also met in full. The criteria for determining the independence of the Supervisory Board members are available for review on the Zumtobel Group's website at <https://z.lighting> under "Investor Relations/Corporate Governance & Compliance".

### 3.3.5 Measures to avoid conflicts of interest

The Supervisory Board members deal, at least once each year, with the provisions of the ACCG that are related to conflicts of interest. In addition, new members of the Supervisory Board are informed extensively of the need to avoid such conflicts when they join the board. The members of both the Management Board and the Supervisory Board are required to disclose any conflicts of interest. If a Supervisory Board member is involved in a conflict of interest, he/she must report this immediately to the chairwoman of the Supervisory Board. There were no conflicts of interest by a member of the Management Board or Supervisory Board in 2023/24 that would have required immediate disclosure to the Supervisory Board.

### 3.3.6 Evaluation of the Supervisory Board's activities

The Supervisory Board openly discussed the efficiency of its work, in particular its organisation and working procedures as well as cooperation between the Management Board and Supervisory Board, at its meeting on 28 June 2023. Specific recommendations were also made to improve efficiency.

### 3.3.7 Composition and working procedures of the committees

The Supervisory Board of Zumtobel Group AG has established four committees to support the efficient exercise of its responsibilities. These committees deal with specific issues and prepare resolutions for the full Supervisory Board:

## Audit Committee

Members of the Audit Committee:

Name	Function
Eva Kienle	Chairwoman
Karin Zumtobel-Chammah	Vice-Chairwoman
Volkhard Hofmann	Member
Georg Pachta-Reyhofen	Member
Dietmar Dünser	Employee representative
Isabel Kreilhuber	Employee representative

The Audit Committee of Zumtobel Group AG met five times in 2023/24, including one preparatory meeting, in part together with representatives of the auditor. There was full attendance at all meetings of the Audit Committee, in some cases through the use of acoustic and optical communications software.

The focal points of the committee's activities included the monitoring of the accounting process, the review of the half-year and quarterly financial statements, a preliminary review of the consolidated and separate financial statements together with the management report, and a discussion of the auditor's report. The committee also evaluated the quality of the auditor and reviewed financial and investment planning. Regular information was provided on the internal control and audit system, the risk management system and the compliance management system, which was accompanied by an evaluation of the appropriateness and effectiveness of these systems. Among others, the committee also dealt with the remuneration report and the consolidated non-financial report and, in this connection, with additional sustainability issues. The recommendations of the Audit Committee to the Supervisory Board were based on a statement of independence issued by PwC Wirtschaftsprüfung GmbH and an analysis of the non-audit services provided by this firm. The Audit Committee repeatedly addressed the effects of the challenging economic situation, the risk situation – and here, above all, cybersecurity – as well as refinancing and liquidity planning and the equity situation.

## Committee for Management Board Matters

Members of the Committee for Management Board Matters:

Name	Function
Volkhard Hofmann	Chairman
Georg Pachta-Reyhofen	Vice-Chairman
Karin Zumtobel-Chammah	Member
Christian Beer	Member

The Committee for Management Board Matters is responsible for issues involving the members of the Management and Supervisory Boards, in particular succession planning, and prepares recommendations for the Supervisory Board concerning appointments to positions on the Management Board. It also prepares recommendations for the remuneration policy which must be submitted to the Annual General Meeting at least every four years, monitors compliance with these recommendations, deals with the content of employment contracts for the members of the Management Board and issues related to the remuneration structure for the Supervisory Board. In accordance with C-Rules 42 and 43 of the ACGC, the Supervisory



Board must establish a nominating committee and a remuneration committee; these committees may be identical as permitted by this C-Rule.

The Committee for Management Board Matters held five meetings in 2023/24. The main issues involved preparations for a recommendation to the Supervisory Board on the determination of variable remuneration for the Management Board. Specific points included the determination of the STI target attainment for the 2022/23 financial year and the definition of new targets for the STI and LTI for the 2023/24 financial year. The committee also addressed the extension of the Management Board contracts with Thomas Erath as Chief Financial Officer (CFO) and Bernard Motzko as Chief Operating Officer (COO).

### Strategy Committee

Members of the Strategy Committee:

Name	Function
Georg Pachta-Reyhofen	Chairman
Volkhard Hofmann	Vice-Chairman
Karin Zumtobel-Chammah	Member
Thorsten Staake	Member
Dietmar Dünser	Employee representative
Isabel Kreilhuber	Employee representative

The members of the Strategy Committee held two meetings in 2023/24, independent of concrete strategic projects, and dealt with various aspects of the corporate strategy. Discussions centred on strategic basics, portfolio management, the framework conditions for organic and inorganic growth, geopolitical issues, financial goals and, last but not least, the sustainability strategy of the Zumtobel Group. In these meetings, the committee examined the development of business, the position and strategic orientation of the company with the Management Board. An update to implement the approved concept for the company's further strategic focus was prepared by the Strategy Committee and reviewed by the Supervisory Board.

### Digitalisation Committee

Members of the Digitalisation Committee:

Name	Function
Thorsten Staake	Chairman
Christian Beer	Vice-Chairman
Eva Kienle	Member
Volkhard Hofmann	Member
Isabel Kreilhuber	Employee representative
Richard Apnar	Employee representative

The Digitalisation Committee met twice in 2023/24. Its work involved preparations and decisions for the continuous optimisation of business processes, the most important digitalisation projects, service orientation and the development of digital products and services.

The committee members also addressed the issues of cyber-resilience security and information & data management as cornerstones for the digital transformation. Issues to increase operational efficiency (Fit for future DC, Digital Factory) were also discussed as were initiatives to optimise the customer experience and expand the IoT portfolio. Through the implementation of the digital agenda, the Zumtobel Group is continuously expanding its competitive position – also in the digital world.

### **3.4 Measures to Support Women and Diversity Concept**

Diversity is of major importance for the Zumtobel Group as an international company. A diverse workforce that reflects society creates numerous opportunities: innovative strength, creativity, economic power and social cohesion. As a company, the Zumtobel Group can contribute to a fairer and more inclusive society.

The Zumtobel Group is an equal opportunity employer and, as such, rejects any form of discrimination based on social or ethnic origin, gender, sexual orientation, religious conviction or ideology, age, physical or mental abilities, or other characteristics. All people are unique, valuable and have individual capabilities. This belief is also manifested in the Zumtobel Group's code of conduct, which prohibits all forms of discrimination.

The Zumtobel Group values every employee's uniqueness and addresses all genders in the recruiting process and job advertisements. Personnel decisions are independent of gender, sexual orientation and other characteristics. Personal skills, experience, qualifications and performance form the basis for personnel decisions in all corporate areas and at all management levels.

The Zumtobel Group has not set a specific target for the appointment of women to management positions, but internal and external recruiting and personnel development measures are increasingly aimed in this direction. Job vacancies, also including positions with management responsibility are also posted as part-time positions where possible to create entry opportunities and management functions on a part-time basis.

The work-life balance is supported by the design of more flexible working structures. For example: Various part-time models are available for employees who re-enter working life after parental leave or are unable to work full-time due to other personal situations. The Zumtobel Group accommodates individual wishes to find the best solution for the employees, the team and the managers.

The Zumtobel Group follows the recommendations of the Austrian Equal Treatment Act to respect diversity in filling management positions and, above all, to strive for equal treatment with regard to gender, age and skills. The Supervisory Board of Zumtobel Group AG currently includes three women and six men, which represents a one-third share of women. There are no women on the Management Board of Zumtobel Group AG at the present time. Women hold management positions in the first and second reporting levels, especially in human resources, legal, marketing & corporate communications, information technology, supply chain and finance.

The Zumtobel Group recognises that the continuation of existing initiatives and an open approach to new initiatives require a greater share of women in higher qualified positions. In order to safeguard its competitive ability and benefit from a wide range of different viewpoints, the Zumtobel Group has set a goal to increase the share of women and, accordingly, their representation in the Group each year. The share of women in key management positions equalled 22.4% in 2023/24 and represents an increase over the previous financial year (22.2%). The share of women in the Group's workforce was 36% in the 2023/24 financial year and remained almost unchanged compared to the previous year (2022/23: 36.6%).

The inclusion of employees with physical or mental impairment has high priority for the Zumtobel Group as an employer, and these employees are actively supported in their everyday work routine. The plant in Dornbirn, as an example, has operated a career support programme for over 30 years that helps young people with physical or mental impairment take their first steps on the employment market. This two year training course is designed to make the participants fit for the labour market. The Zumtobel Group also employs men and women with physical, mental or cognitive limitations in other areas, administration as well as production, who make an important contribution in their respective functions.

Appropriate adjustments are made wherever possible (e.g. additional breaks, seated activities etc.) to support employees with special needs. Managers receive special awareness training and preparation for these situations and are supported by external persons – for example at the Spennymoor plant, where the Zumtobel Group also employs persons with autism.

To optimise the integration of diversity in the Zumtobel Group, a global strategy (Diversity, Equity & Inclusion Strategy) is currently in preparation. Work in recent months has covered an extensive evaluation of the status quo together with a survey of the entire workforce. The results of the evaluation will flow into the development of the strategy. The overriding goal is to design and implement a global diversity strategy for the Zumtobel Group in the coming financial year. It will form the basis for a clearly defined schedule to develop and carry out specific measures and actions.

The Zumtobel Group has implemented various measures to support women, diversity and inclusion. Following are a few examples:

- >> Personal skills, experience, know-how and capabilities form the basis for evaluating qualifications during the recruiting process and in personnel decisions. The equal treatment of genders is strictly observed.
- >> The Zumtobel Group uses a standardised remuneration structure that is based on job descriptions and appraisals to ensure transparent and performance-based remuneration in line with equal opportunity (equal opportunity employer).
- >> The Zumtobel Group puts measures in place to support the work-life balance. Part-time employment, educational leave, sabbaticals, parental leave for fathers, home office options or other models are arranged where needed.
- >> The Zumtobel Group received the quality seal as a family friendly company ("Ausgezeichneter familienfreundlicher Betrieb 2024–2025") from the province of Vorarlberg and ZG Lighting Austria was re-certified as a family-friendly employer.
- >> The headquarters has organised cooperation programmes with local day-care centres in Dornbirn which give preference to the children of Zumtobel Group employees.
- >> The Zumtobel Group creates a greater awareness for gender equality with campaigns on International Women's Day.
- >> A global Group Policy on Human Rights underscores the Zumtobel Group's strong commitment to respect and support for human rights in all business activities.
- >> The first steps were taken in the past year as part of management training to analyse the gender pay gap and create an awareness for bias.

Additional measures are also planned for the 2024/25 financial year:

- >> Roll out of a global diversity, equity & inclusion strategy
- >> Definition and implementation of the first measures and actions related to diversity and inclusion in the Zumtobel Group
- >> Further development of the gender pay gap analysis
- >> Development of structures and guidelines to anchor diversity throughout the company (e.g. initiation of employee networks)

### **3.5 Diversity on the Supervisory Board and Management Board**

The members of the Supervisory and Management Boards are selected on the basis of their professional qualifications and personal expertise in order to achieve a balance of educational and professional backgrounds. Support for diversity with regard to generations and genders is included in selecting new appointments.

#### **3.5.1 Diversity in the composition of the Management Board and Supervisory Board of Zumtobel Group AG**

The Zumtobel Group, as a listed company, complies with diversity requirements, especially the requirements defined by the Austrian Stock Corporation Act and the Austrian Code of Corporate Governance (ACCG). These regulations define different requirements for the composition of management and supervisory boards. The relevant aspects for the diverse composition of a management board are a balanced educational and professional background, internationality and a consistent composition.

#### **3.5.2 Management Board**

The qualification profile defined by the Supervisory Board for the selection of Management Board candidates is based, above all, on personality, integrity, convincing management qualities, technical qualifications for the intended function, previous performance, knowledge of the company and the ability to adapt business models and processes in a changing world.

Diversity is an additional factor considered by the Supervisory Board. As a decision criterion, the Supervisory Board sees diversity, above all, as different mutually complementary profiles and professional experience, also in the international area, as well as different personalities, the appropriate representation of both genders and an appropriate age mix.

The Supervisory Board selects Management Board appointees in the interest of the company and in consideration of all relevant factors. The following aspects are incorporated in the Supervisory Board's decisions:

- >> The members of the Management Board should have long-standing management experience, also in the international area.
- >> The Management Board, in its entirety, should have long-standing management experience in development, production, sales and finance.
- >> At least two members of the Management Board should have a technical education and/or many years of technical working experience.
- >> The age and gender of a person do not play a role in the decision over an appointment to the Management Board and do not lead to preferential treatment or discrimination in the selection process.
- >> A target has not been set for the share of women on the Management Board. The Committee for Management Board Matters decides in the company's interest and exclusively based on the evaluation of professional and personal qualifications when making appointments to the Management Board.
- >> The Supervisory Board has set an age limit for the members of the Management Board which reflects the current retirement age in Austria, i.e. 65 years.

### 3.5.3 Supervisory Board

The goal is to find qualified personalities for the Supervisory Board to strengthen this body, in total, as best as possible through the members' professional and management expertise. Diversity represents an additional focal point. The men and women appointed to the Supervisory Board should complement each other with different professional and life experience and ensure the appropriate representation of both genders. It must be ensured that the Supervisory Board, as a whole, has a maximum of experience and technical qualifications to critically monitor the business activities of the Zumtobel Group from the widest possible range of perspectives.

This concept is reflected in connection with the election of members to the Supervisory Board. Recommendations to the annual general meeting of Zumtobel Group AG must meet the legal requirements for the composition of the Supervisory Board with women and men; they must meet the defined goals; and, at the same time, fulfil the competence profile for the entire corporate body. This also applies to the subsequent appointment of candidates to the Supervisory Board.

**Education and professional background:** The personalities on the Supervisory Board should have international experience in the areas of business, science, technology or research of a nature that is important for the Zumtobel Group. The Supervisory Board must have at least one financial expert.

**Age:** The goal is to achieve a balanced age structure among the members to permit the contribution of various generation perspectives. Consequently, there is no specific age limit for the Supervisory Board members. Supervisory Board members are elected for a term of office up to the end of the annual general meeting which votes on the release from likability for the fourth financial year after election unless they are elected for a shorter term.

**Internationality:** The Supervisory Board should include members with international experience or special expertise in one or more key markets for the Zumtobel Group.

**Gender representation:** An appropriate representation of women on the Supervisory Board is targeted, independent of legal requirements. The ratio of genders on the Supervisory Board reflects, as a minimum, the legal requirement of at least 30% women and men.

### **3.6 Changes after the Closing Date**

There were no changes in reportable issues between the closing date on 30 April 2024 and the preparation of this corporate governance report.

Dornbirn, 26 June 2024

The Management Board

Alfred Felder  
Chief Executive Officer (CEO)

Thomas Erath  
Chief Financial Officer (CFO)

Bernard Motzko  
Chief Operating Officer (COO)

Marcus Frantz  
Chief Digital Transformation Officer (CDTO)

# Report by the Supervisory Board of Zumtobel Group AG for the 2023/24 Financial Year

Dear Shareholders,

On behalf of the Supervisory Board of Zumtobel Group AG, I would like to thank the employees and the Management Board of the Zumtobel Group for their commitment and performance during the past financial year. As the chairwoman of the Supervisory Board of Zumtobel Group AG, I look back on a year in which we made good progress in spite of ongoing global challenges. Our world is in a state of continuous change – influenced by technological innovation, geopolitical tensions and a growing awareness for the importance of sustainability. These changes not only require an ability to adapt, but also call for proactive planning and the readiness to explore new directions.

We, the members of the Supervisory Board, actively accompanied the development of the Zumtobel Group throughout the 2023/24 financial year and performed the duties required by law, the articles of association and the rules of procedure with the greatest possible diligence. The Supervisory Board was involved in decisions of material importance for the future of the Zumtobel Group, monitored and accompanied the Management Board, and provided support in an advisory capacity. I was also in regular contact with the chairman of the Management Board and the other members of this corporate body to discuss the development of business under the current economic conditions and to evaluate the effects of the risk situation on the company. Cooperation within the Supervisory Board and its committees and with the Management Board was trustful, respectful and constructive.



The Management Board reported on the development of business and the general economic situation, financial and investment planning, the risk position, and issues related to risk management and compliance at all meetings of the Supervisory Board in 2023/24. A particular focus was placed on the development of Group revenues and earnings and on the development of business in the individual segments. Extensive information was provided on the development of the Zumtobel Group, including forecasts and variances between the actual and forecast results.

The Supervisory Board of Zumtobel Group AG included the following six shareholder representatives as of 30 April 2024: Karin Zumtobel-Chammah (chairwoman), Georg Pachta-Reyhofen (1<sup>st</sup> vice-chairman), Christian Beer, Volkhard Hofmann (2<sup>nd</sup> vice-chairman), Eva Kienle and Thorsten Staake.

## Meetings of the Supervisory Board

The Supervisory Board held six meetings during the 2023/24 financial year (four scheduled, one unscheduled and one constituent). One member was absent at one meeting.

The issues handled by the Supervisory Board at the 28 June 2023 meeting included, among others, status reports on the development of business and the economic climate and measures to support the company's further strategic orientation and the optimisation of business in all segments. The Supervisory Board also discussed the audited separate and consolidated financial statements and the consolidated management report, including the consolidated non-financial statement for the Group, the consolidated corporate governance report and the remuneration report as of 30 April 2023. The auditor, PwC Wirtschaftsprüfung GmbH, confirmed that there were no divergent audit conclusions and reported that the separate and consolidated financial statements for the 2022/23 financial year received an unqualified opinion. The auditor also reported that the review of the consolidated non-financial statement for the Group and the remuneration report did not lead to any objections. The Supervisory Board then approved the audited separate and consolidated financial statements for the 2022/23 financial year.

We also prepared the agenda and proposed resolutions for the 47<sup>th</sup> Annual General Meeting of Zumtobel Group AG. The Supervisory Board – based on a recommendation by the Audit Committee – approved a proposal to the General Meeting for the appointment of PwC Wirtschaftsprüfung GmbH as the auditor of the separate and consolidated financial statements for the 2023/24 financial year.

The target attainment by the members of the Management Board was discussed, and variable remuneration was determined in line with the remuneration report for the 2023/24, subject to the approval of the annual financial statements.

The effectiveness and efficiency of the Supervisory Board's activities was evaluated as part of the routine annual procedure. The resulting recommendations for improvement were discussed and developed.

An externe evaluation of compliance with the C-Rules of the Austrian Code of Corporate Governance is required at least every three years. The last evaluation covered the 2022/23 financial year. No facts or circumstances were identified that would have led to the assumption that the company's consolidated corporate governance report deviated from the Austrian Code of Corporate Governance in material respects.

The 47<sup>th</sup> Annual General Meeting of Zumtobel Group AG elected Eva Kienle and myself to the Supervisory Board for a further three-year term. At the constituent meeting of the Supervisory Board on 28 July 2023 which followed the election, I was re-elected chairwoman of the Supervisory Board and Georg Pachta-Reyhofen was re-elected vice-chairman of the Supervisory Board.

The central issue of the virtual unscheduled Supervisory Board meeting on 31 August 2023 was the future strategic orientation of a subsidiary.

In the Supervisory Board meeting on 13 October 2023, we dealt with the management report on the first quarter of the 2023/24 financial year and discussed status reports on individual projects and the development of business in both segments. Transactions requiring the approval of the Supervisory Board included the restructuring measures in the Austrian plants in Dornbirn (Färbergasse and Schweizer Strasse). Other issues involved the strategic focus of subsidiaries and the introduction of an employee pension fund for the Austrian companies which was approved by the Supervisory Board.



On 29 November 2023, a majority of the Supervisory Board members approved a decision by the Management Board – in accordance with an authorisation by the Annual General Meeting on 28 July 2023 – to repurchase shares of Zumtobel Group AG at fixed conditions and to withdraw 353,343 treasury shares.

Discussions at the Supervisory Board meeting on 26 January 2024 covered an update on the financial indicators at the end of December 2023 and the development of business and the outlook for both segments. The Supervisory Board also approved a partnership between Siemens/Enlighted and the Zumtobel Group.

To ensure continuity on the Management Board, the Supervisory Board decided at its meeting on 26 January 2024 to extend the appointment of Thomas Erath for a further three years up to 30 September 2027 and the appointment of Bernard Motzko for a further two years up to 30 September 2026. Thomas Erath and Bernard Motzko were also appointed managing directors of Zumtobel Lighting GmbH.

At the Supervisory Board meeting on 19 April 2024, the budget for the 2024/25 financial year was approved and medium-term planning for the following financial years was accepted. The development of business and outlook for both segments was discussed in detail and the further procedure for M&A activities was evaluated.

## Audit Committee

The Audit Committee of the Supervisory Board fulfilled its monitoring and review responsibilities and met five times during the 2023/24 financial year. In addition to all committee members, the meetings were attended regularly by the full Management Board and on selected occasions by the auditor. Outside these meetings, the committee chairwoman was in regular contact with the auditor. The committee's activities covered the monitoring of accounting processes, the audit of the half-year and quarterly financial statements, pre-audit work on the annual and consolidated financial statements including the management report and the separate financial

statements of Zumtobel Group AG as well as a discussion of the auditor's reports. The committee also evaluated the quality of the audit and reviewed financial and investment planning. Information on the internal control system (ICS), the risk management system and the compliance management system was provided on a regular basis, whereby the committee evaluated the appropriateness and effectiveness of these systems. The committee was regularly informed of any additional risks and material legal proceedings.

In the meeting on 29 November 2023, the Audit Committee directed its attention to the accounting process and review focal points in connection with the half-year financial statements as of 31 October 2023 and accepted the related reports by the auditor and internal staff from the involved departments. The auditor also presented the audit approach and focal points for the audit of the consolidated and separate financial statements for 2023/24 and reviewed any non-audit services.

Two further meetings involved discussions between the Audit Committee and the Management Board on the quarterly reports for the 2023/24 financial year and the examination of these reports prior to publication. Other committee focal points included current developments in data protection and data security, the functional capability of the ICS and the development of the risk profile, especially in view of the geopolitical situation, and the progress on and implementation of sustainability reporting.

## Committee for Management Board Matters

The members of the Committee for Management Board Matters held five meetings during the 2023/24 financial year. The key issues in these meetings covered preparations for a recommendation to the Supervisory Board to establish variable remuneration for the Management Board. Specific topics were the determination of STI target attainment for the 2022/23 financial year and the establishment of new STI and LTI targets for the 2023/24 financial year. The committee also addressed the extension of the Management Board appointments of Thomas Erath as Chief Financial Officer (CFO) and Bernard Motzko as Chief Operating Officer (COO).

Another central point was the analysis of our "corporate culture values". The results of the employee survey carried out during the past financial year on processes and management behaviour were considered and measures were implemented that should make the company faster, leaner and more innovative.

## Digitalisation Committee

The Digitalisation Committee held two meetings during the 2023/24 financial year. Topics included preparations for and decisions on the continuous optimisation of operating processes and major digitalisation projects as well as the service orientation and development of digital products and services.

The committee members also examined the issues of cyber resilience security and information & data management as an essential foundation for the digital transformation. Measures to increase operational efficiency (Fit for future DC, Digital Factory) were considered together with initiatives to optimise the customer experience and expand the IoT portfolio. The implementation of this digital agenda will allow the Zumtobel Group to continuously expand its competitive position, also in the digital world.

## Strategy Committee

The members of the Strategy Committee held two meetings during the 2023/24 financial year. In addition to concrete strategic projects, work also concentrated on various aspects of the corporate strategy. Discussions covered strategic basics, portfolio management, the framework conditions for organic and inorganic growth, geopolitical issues, financial goals and, last but not least, the Zumtobel Group's sustainability strategy.

Another important issue for the Strategy Committee was the partnership with Siemens and Enlighted. This cooperation is focused on the technical integration of Enlighted's industry-leading intelligent sensors in the lighting portfolio of the Zumtobel Group's Zumtobel and Thorn brands.

Other important issues were the necessary restructuring measures in the Färbergasse and Schweizer Strasse plants in Dornbirn and the reorientation of the plant as a centre of production innovation. In addition to the announced cost savings measures in Dornbirn, all other production facilities in the Zumtobel Group were analysed and evaluated. This process identified opportunities for optimisation at several locations that will improve efficiency, productivity and profitability.

## Consolidated and Separate Financial Statements

The separate financial statements and the management report as well as the consolidated financial statements and the group management report, which were prepared in accordance with International Financial Reporting Standards (IFRS), of Zumtobel Group AG for the 2023/24 financial year, were audited by PwC Wirtschaftsprüfung GmbH, Vienna, and awarded an unqualified opinion. The audit indicated that the bookkeeping, the separate financial statements and the management report of Zumtobel Group AG complied with legal requirements and the provisions of the articles of association.

Based on a previous examination and discussion with the auditor in the Audit Committee, the Supervisory Board reviewed and approved the separate financial statements and the consolidated financial statements as prepared by the Management Board together with the management report and the auditor's reports. In accordance with § 96 (1) of the Austrian Stock Corporation Act, the Supervisory Board stated its agreement with the consolidated financial statements, the management report, the consolidated corporate governance report, the remuneration report and the consolidated non-financial statement. The Supervisory Board then approved the separate financial statements and the consolidated financial statements of Zumtobel Group AG for the 2023/24 financial year. The separate financial statements of Zumtobel Group AG for the 2023/24 financial year are therefore considered finalised in accordance with § 96 (4) of the Austrian Stock Corporation Act.

The Supervisory Board supports the recommendation by the Management Board to the Annual General Meeting to distribute a dividend of EUR 0.25 per share from the balance sheet profit recorded by Zumtobel Group AG and to carry forward the remaining amount.

Notwithstanding the continuing uncertainty for the global economy, we look to the future with optimism – due to excellent products and lighting solutions, great innovative strength and the impressive commitment of our employees.

On behalf of my colleagues on the Supervisory Board, but also personally, I would like to thank you, our shareholders, for your continued confidence.

I would also like to thank the many women and men who work for Zumtobel Group AG as well as the Management Board on behalf of my colleagues on the Supervisory Board for their commitment and outstanding performance during the past financial year.

For the Supervisory Board

Karin Zumtobel-Chammah  
Chairwoman of the Supervisory Board

Dornbirn, 28 June 2024