We know

our responsibility.

Fronius

Sustainability Report

Samuel,
born 2011,
son of Clemens,
employee in research and development
at our site in Thalheim.

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Employee development:

7,927 training participants attended **training and development measures**.

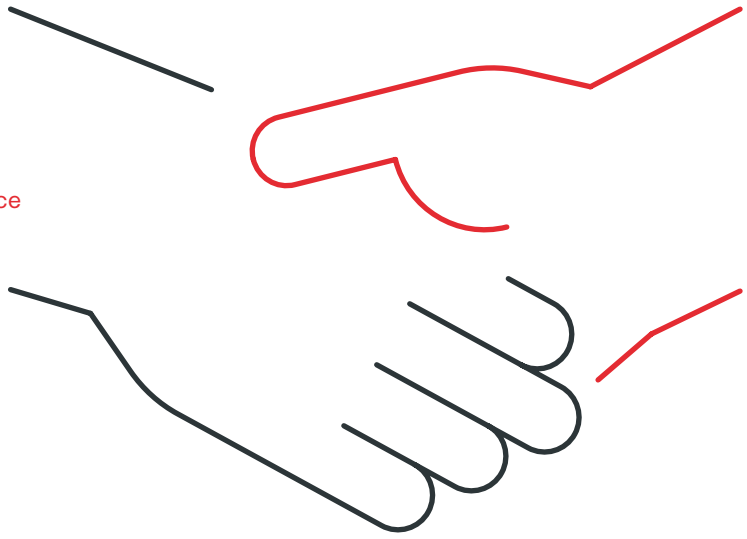
Average of **10.1** hours invested in training and development per employee.

Of these **1,958** completed a total of **154** training courses from the Fronius training program.

Supplier verification:

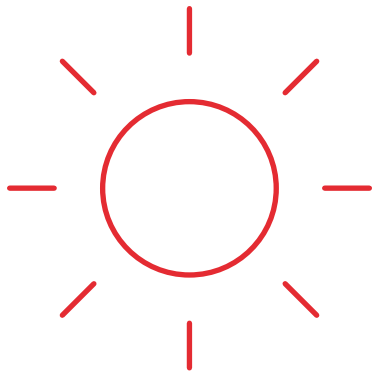
100%

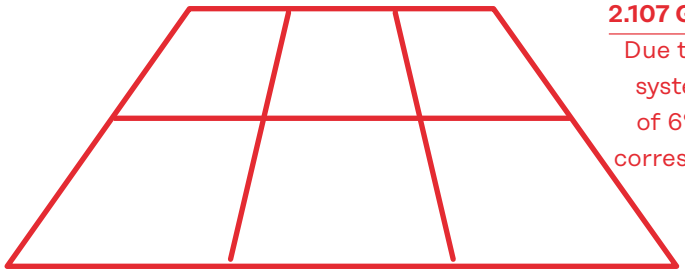
of new **suppliers** have been audited against environmental and social criteria.



Equal opportunities:

38% **women** in the total workforce





88%

of the energy used comes from sustainable sources.

2.107 GWh from self-generated power

Due to the expansion of photovoltaic systems at Fronius sites an increase of 6% could be accomplished – this corresponds to more than 6% of total electricity demand.

Decarbonization:

Fronius manufacturing sites in Austria fully switched to renewable energies

292%

more train kilometers compared to 2021

Business Travel:

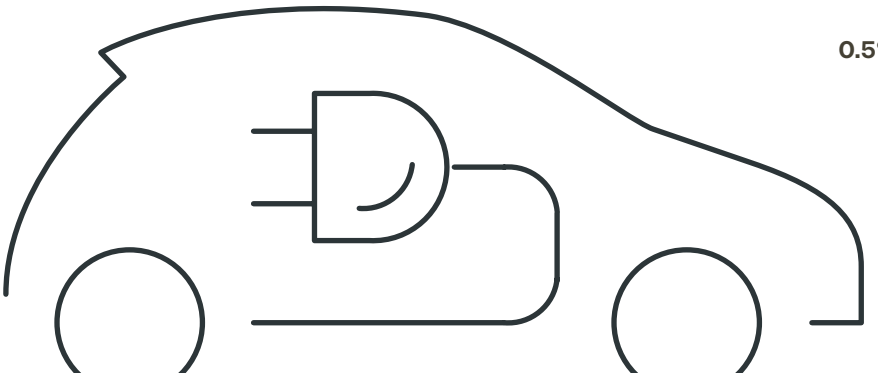
63%

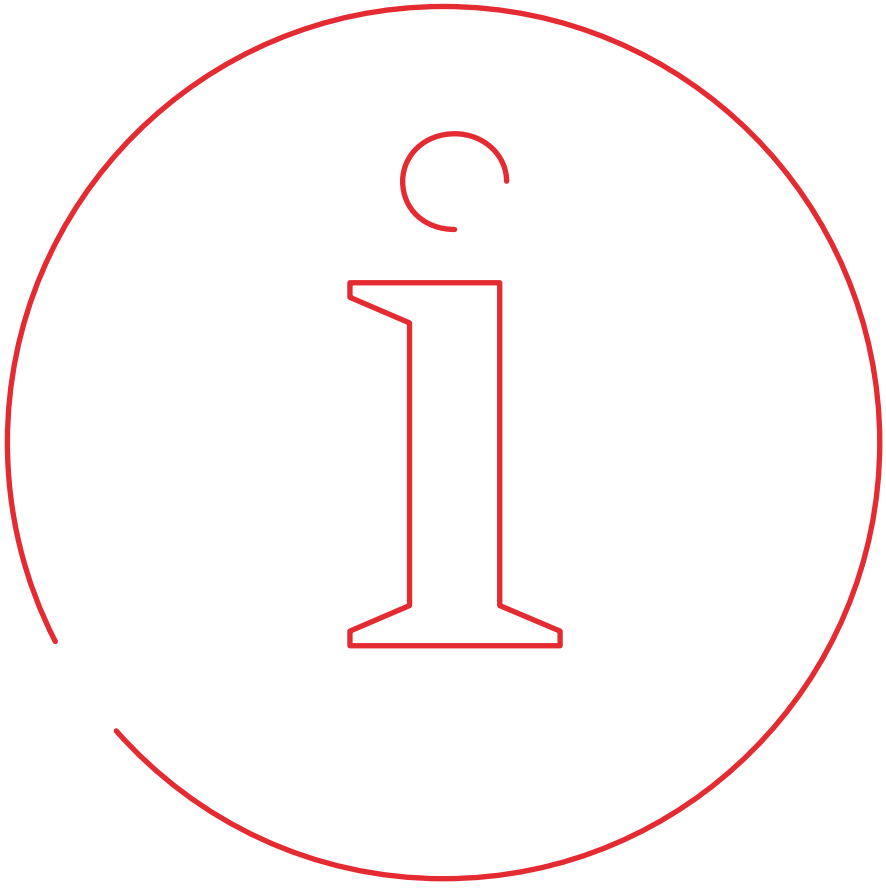
of the **vehicle fleet** is alternatively powered, including electric, hybrid and hydrogen vehicles. More than **315 e-charging points** for cars are available at the Austrian sites.

Waste:

3,778 t

Of which **73.0%** **was recycled, 26.4% reused, 0.5% composted and 0.1% disposed**





About the report

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Reporting framework

With this report, Fronius International GmbH and its 37 subsidiaries inform stakeholders about sustainability activities and progress in 2022. The information relates to the period from January 1 to December 31, 2022. We have already been publishing an annual sustainability report since 2015, most recently in April 2022.

The current edition was prepared on the basis of the GRI Standards Option "Core". The GRI Index in the Appendix provides an overview of the GRI Standards covered in the report as well as the chapters in which the respective information can be found.

Unless otherwise stated, the following information and key figures refer to Fronius International GmbH with its 37 subsidiaries. The key figures are not broken down to our individual companies. Key figures that do not relate to the entire Group are marked accordingly in the body text or in the tables.

No additional external verification by independent third parties was carried out for the Sustainability Report. However, the entire sustainability management is externally certified according to ONR 192500.

In 2022, we were also awarded the Silver Medal by EcoVadis, an independent ESG rating agency that has now established itself as one of the best-known platforms for sustainability rating of global supply chains.

Significant changes

There were no significant changes in terms of size, property and supply chain compared to 2021.

Reporting has once again been expanded and improved compared to the previous year. For the first time, we are also reporting the following key figures in a largely consolidated form for the entire Group. In addition, the interests of Fronius' internal and external stakeholders were evaluated in a comprehensive online survey in 2022, and the materiality analysis was updated accordingly based on the results.

We have made minor adjustments to the structure of the report based on the results of the materiality analysis. In addition, the overview of all key figures can now be found in the appendix of the report.

Dear Readers,

The past fiscal year was associated with many challenges, and some of these still remain. While in previous years we were primarily concerned about the global Corona pandemic and the associated uncertainties, last year we were mainly occupied by the situation in Ukraine and the direct and indirect effects associated with it. Whether it was the difficult situation on the market for components, the energy crisis or the challenge of finding enough employees: 2022 kept us in suspense. However, it also brought many opportunities that we at Fronius have best used. In this sustainability report, we will present the progress and measures of the past fiscal year in detail.

First things first: our holistic, responsible corporate policy means that sustainability programs are pursued and implemented in the appropriate departments.

The defined targets and derived measures are continuously evaluated and accompanied by the sustainability management system. We had this externally audited in 2021 as part of an elaborate process involving numerous audits and interviews, and had it then certified by LRQA, an international certification service provider, in accordance with the ONR 192500 standard. We have been paving the way to this important step since our founding, building on the stable foundation of previous generations.

For example, it was decided a long time ago to completely discontinue the use of fossil fuels at our Austrian sites and to switch to renewable energy sources – entirely in the spirit of decarbonization. We have now succeeded in completely phasing out

gas at our Austrian manufacturing sites, largely by converting the powder-coating facility from natural gas to electricity. The expansion of our innovative energy concepts, such as a thermal ice storage tank at the Sattledt site or the steady expansion of our PV systems, is also progressing. In addition to the ecological pillar of sustainability, we also focus on economic and societal developments. Supply bottlenecks also challenged us in 2022. We have accepted this challenge and focus the cohesion as family business. Together, we have managed to continue growing despite the crises, expand our sites and grow economically. This allows us to look optimistic into the future.

Hopefully, this optimism will also take hold of you while reading the Sustainability Report 2022 – enjoy.

Elisabeth
Engelbrechtsmüller-Strauß
CEO / CFO / CSO

Thomas
Herndler
COO

Harald
Langeder
CTO

Volker
Lenzeder
CIO

About Fronius

Company profile

More than 7,000 employees worldwide, a current export share of 87 percent and 1,446 active patents: that's us, that's Fronius. Founded in 1945 as a regional one-man operation, we are now a global player, as our 37 international subsidiaries and our network of sales partners in more than 60 countries impressively prove. And yet, basically we are still a family-owned company from Austria, active in photovoltaics, welding and battery charging technology. We have always been developing products and solutions for a livable future, offering our customers an all-in-one package in the process: from advance planning and consulting to ongoing monitoring and a repair service tailored to their needs.

We are innovative.

We are curious.

We are Fronius.

Perfect Welding

In the business unit Perfect Welding our focus is on generating the perfect arc for consistently high welding quality. We are the innovation leader in arc welding, global market leader in robotic welding, and offer welding solutions for various industries such as the automotive industry and its suppliers as well as so-called yellow goods and commercial transport. We implement customer-specific, automated complete welding solutions – for example in tank construction or for cladding in the offshore sector. Welding systems for manual applications, welding and protective accessories and a wide range of services complete our portfolio.

Digitization and automation have a lasting impact on our industry. Nevertheless, human creativity and innovative strength will never lose their importance for us. We focus on customer proximity and thus find the right solution for every welding challenge. With solutions for sustainable business in the context of welding as well as for the health of the users, we support our customers in developing their full welding potential.

Solar Energy

For more than 30 years, we have been developing innovative products and solutions in the business unit Solar Energy to generate, store, distribute and consume solar energy cost-effectively and intelligently. We use the power of the sun for a future worth living with 100% renewable energies – for us and for future generations.

Whether for electricity, mobility or heating and cooling: as a provider of holistic solar energy systems, we support our customers in their individual energy transition and promote the efficient interaction of energy generation and consumption. Our portfolio includes inverters for residential and commercial photovoltaic systems, charging solutions for electromobility, and premium-quality digital tools and services. Our scalable solutions are thought and made to be sustainable and meet future requirements and trends. This is how we make our vision of 24 hours of sun a reality.

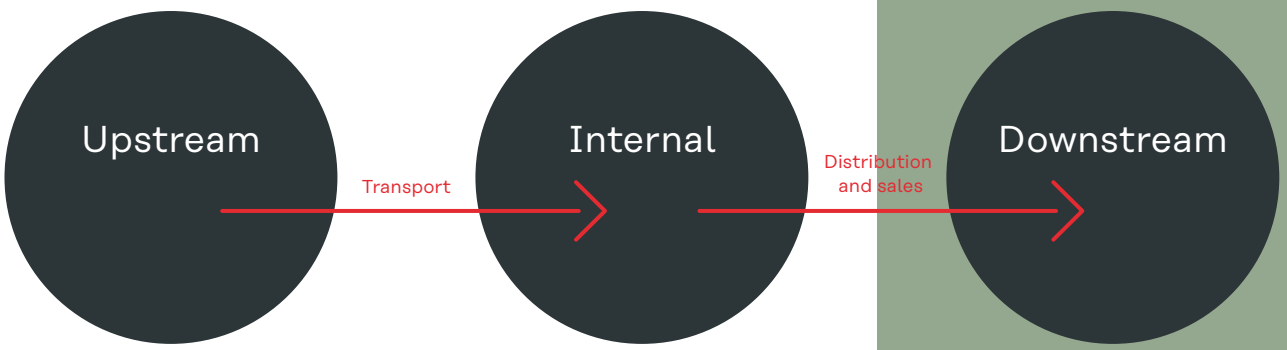
Perfect Charging

For over 75 years, the business unit Perfect Charging has been creating innovative solutions for advanced and sustainable charging of traction and starter batteries. Together with our customers, we face the daily challenge of shaping the future of intralogistics with sustainable and efficient solutions.

In doing so, we focus on the highest quality, reliability and smart products. The goal: customized charging solutions with added value.

From high-quality charging technology for lead-acid and lithium-ion batteries to a comprehensive range of services and consulting, we offer everything from a single source. We help our customers reduce their electricity demand and thus their costs and improve their greenhouse gas balance with customized overall systems.

Value chain



Direct services

Raw materials
e.g. semi-finished products, plastics

Components and systems
e.g. electronics, electrical engineering, mechanics

Indirect services

Equipment

Infrastructure
e.g. buildings, production facilities, software

Services
e.g. personnel services, marketing services, waste disposal

Research and development

Production
Mechanics, electronics, assembly

Intralogistics

Management
Finance, IT, Purchasing, HR Management etc.

Products, projects and services
Perfect Welding, Solar Energy, Perfect Charging

Pre- and after-sales services
e.g. product demonstrations, commissioning, customer service, trainings, maintenance, repair

At Fronius, we take a holistic view of the value chain: starting with the extraction of raw materials, through the refinement stages, all the way to the end user. This is where the responsibility and active operation of mechanisms, organizational units and processes lie, in order to supply customers and markets with products and services in a sustainable manner.

Sustainability is an integral component within our value network. Based on our strategic alignment, we take into account economic, ecological and social factors in the operational design of our activities.

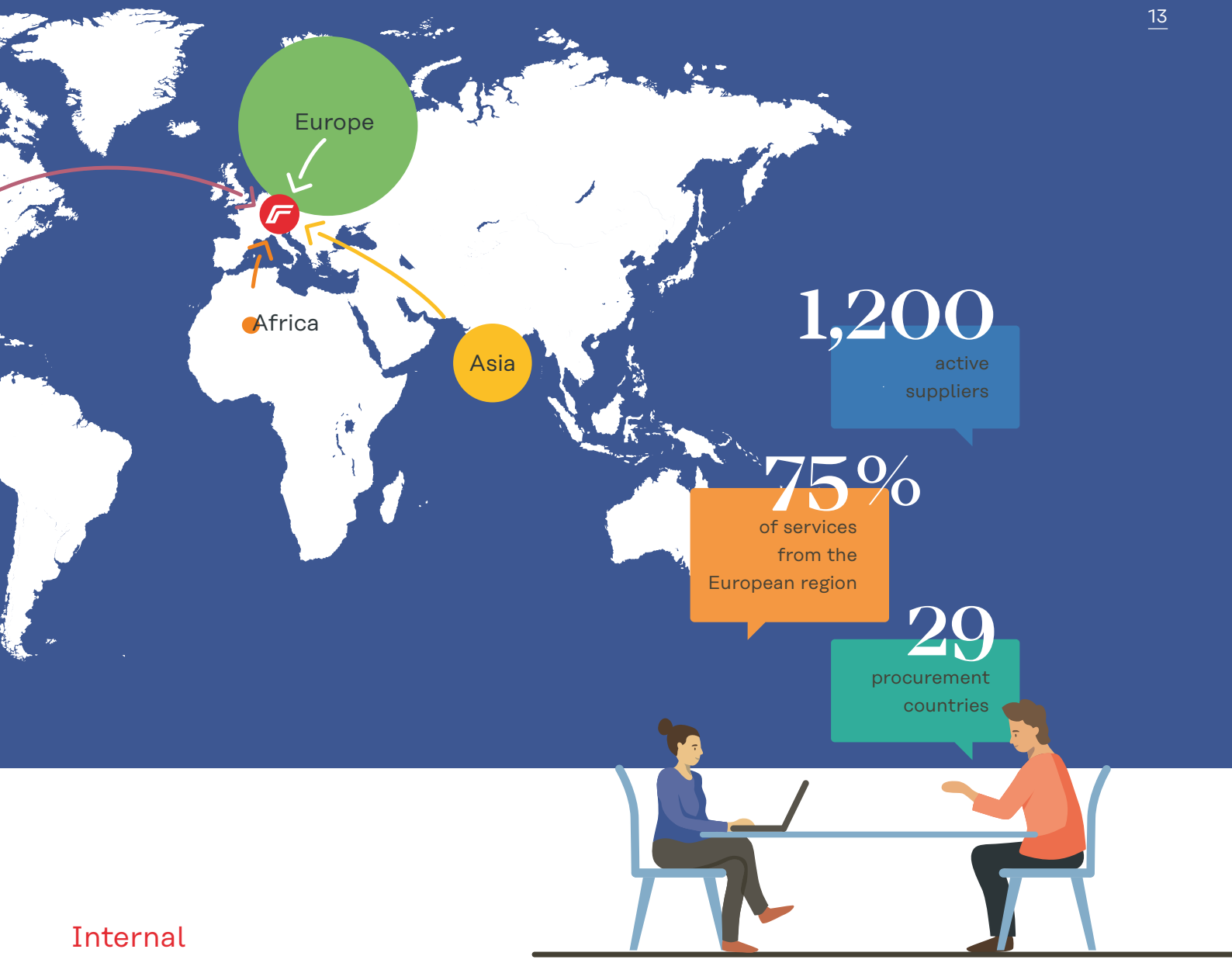
Distribution of countries of origin (CoO) of direct materials

Upstream value creation

The upstream value chain for direct materials currently comprises around 1,200 active suppliers from 29 countries, with the majority of contractors located in Europe. Specifically, raw materials, components and systems as well as services are procured along a wide range of commodity groups. Due to the regionally controlled manufacturing structure with factories in Austria and the Czech Republic, the control of the flow of goods for the procurement of all direct materials is concentrated on these two countries.

In addition to the country of delivery (CoD), the country of origin of the goods (CoO), i.e. the country in which the goods are produced, is also very important. In terms of the country of origin of the goods (CoO), around 75% of all services were procured from the European region, of which in turn around 20% were procured directly from Austria. We collect all data centrally to ensure the greatest possible transparency in the supply chain.

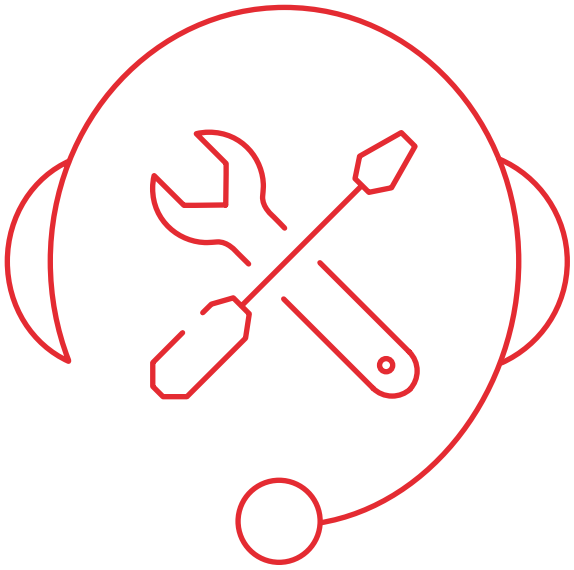
In addition to our procurement activities for direct services, we maintain intensive cooperation with suppliers who offer us products for internal use, in particular operating supplies, infrastructure services and other services. The proven criteria for supplier selection and management also apply in these areas. Individual consumables are also procured nationally at the respective subsidiaries. This enables us to achieve short transport distances and promote regional value creation.

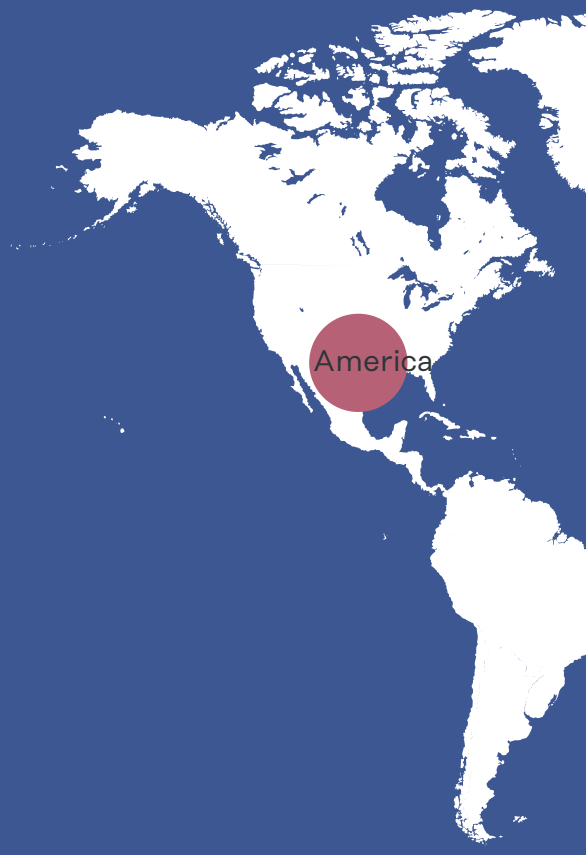


Internal value creation

Maximum efficiency and sustainable solutions characterize our internal value creation processes, which we design and optimize 100% by ourselves. It is also important for us to maximize internal value creation at the level of our end products. The main activities here focus on the mechanical and electronic manufacturing of individual components and systems, the assembly to finished products, and the internal logistics processes required for this. These activities are bundled at the sites in Austria and the Czech Republic. In general, our sites are developed based on sales, labor and procurement markets, as well as taking logistics into account.

Manufacturing works hand in hand with other departments (such as research and development, sales, logistics, procurement, and IT) to offer our customers innovative and sustainable products and services.



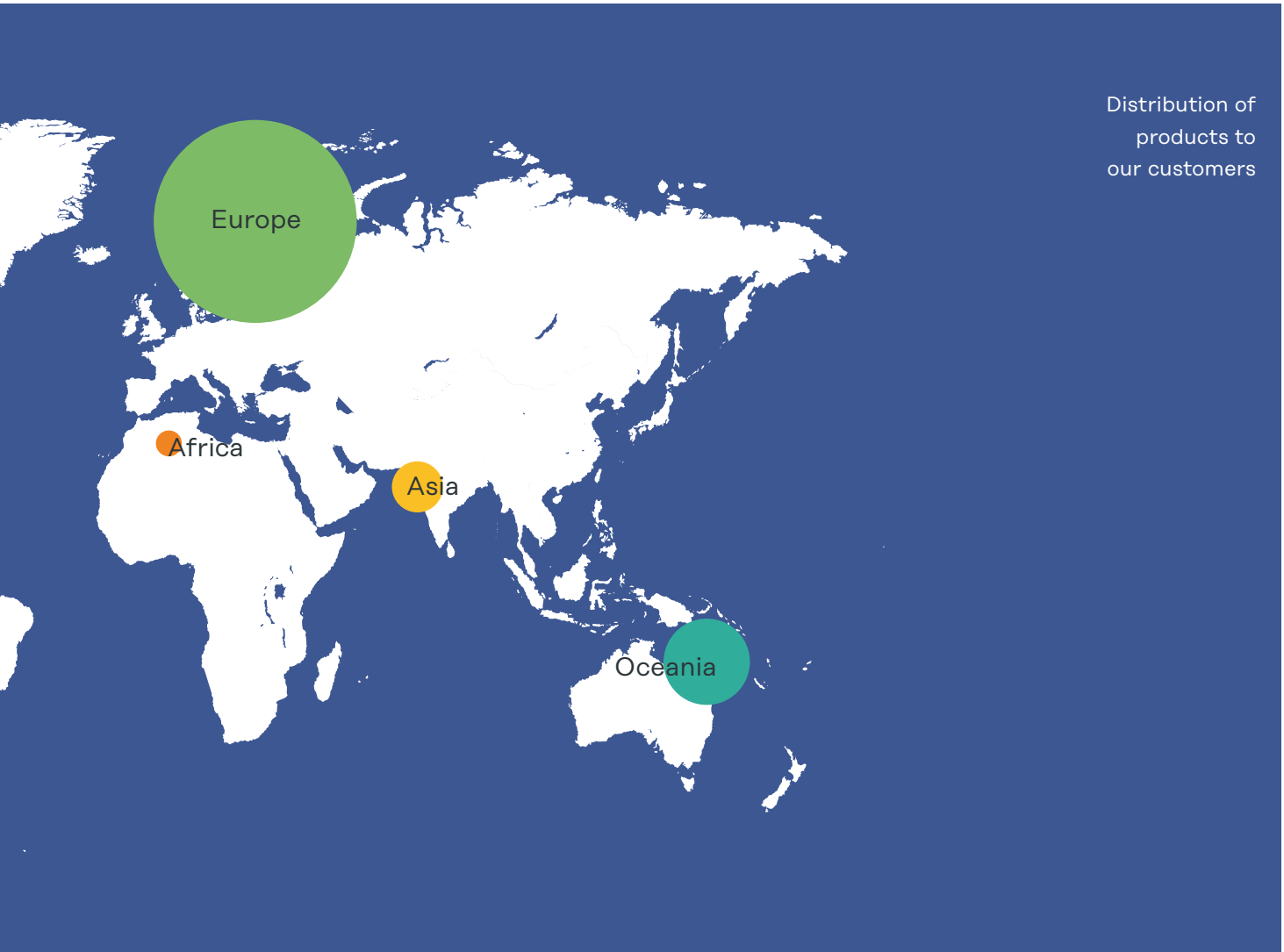


30,520

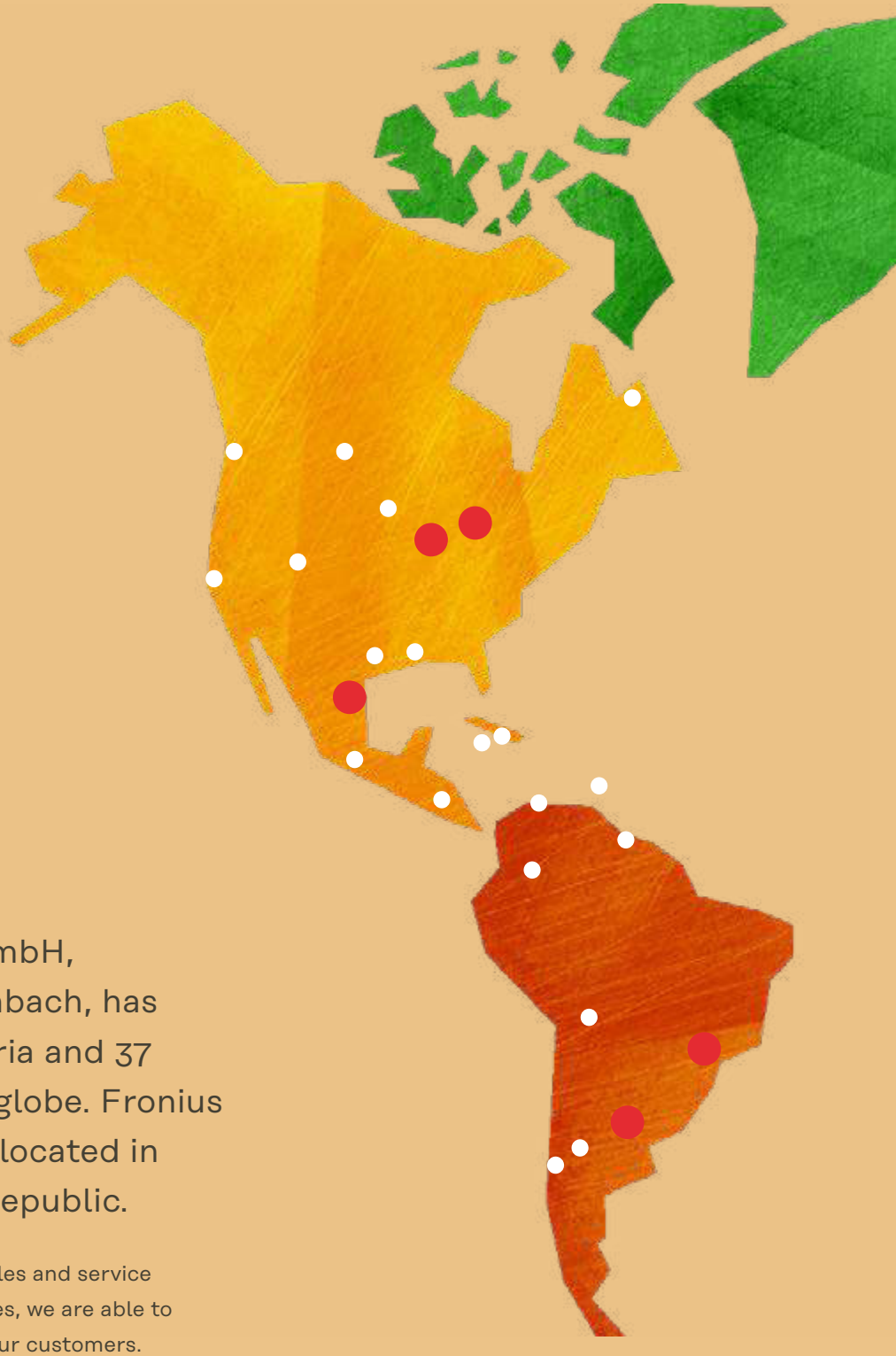
tons total weight of goods shipped
from manufacturing sites

Downstream value creation

Thanks to our global sales and service network and our internationally oriented customer service and support, we are always close to our customers. Even before making a purchase decision, they benefit from product demonstrations and testing opportunities. After the purchase, Fronius provides support in the form of, among other things, professional installation and commissioning of the devices, instruction, initial production support, as well as product training and webinars. Since maximum product service life is important to us, we carry out any necessary maintenance and service work at our globally established repair centers or at certified service partners.



Distribution of products to our customers



Fronius sites

Fronius International GmbH, headquartered in Pettenbach, has eleven branches in Austria and 37 subsidiaries around the globe. Fronius manufacturing sites are located in Austria and the Czech Republic.

Thanks to an additional network of sales and service partnerships in more than 60 countries, we are able to respond specifically to the needs of our customers.

37

subsidiaries

Sustainability

Sustainability shapes our actions. We make socially, ecologically and economically balanced decisions that have the best possible long-term effect for all stakeholders and the environment.

Material sustainability issues

The materiality analysis presents the relevant economic, social and ecological aspects of Fronius, which are determined in a comprehensive process at regular intervals and with the involvement of internal and external stakeholders. In 2022, the analysis was updated regarding stakeholder interests.

As part of the materiality analysis, a list of topics was first drawn up based on relevant sustainability standards and regulations. Members of the internal sustainability network (see also chapter "Organization of sustainability management") then checked the list for completeness and relevance. By means of an online survey, the sustainability network finally prioritized the selected topics according to their impact on the environment, society and the economy as well as their relevance for long-term business success (business relevance).

In 2022, the relevance of the topics was surveyed in the course of a comprehensive online survey of relevant stakeholders (see also the "Stakeholder engagement" section) and Fronius' performance in these topics was evaluated. A total of 512 internal and external stakeholders took part in the survey over a period of two weeks. As a result, 13 topics were classified as material. The topic "Community engagement" is no longer included as a separate chapter in the report, as it is of less relevance to stakeholders compared to other topics. Instead, we report on our social engagement in other chapters, depending on the topic.

The topics are divided into the three dimensions of sustainability: responsible business, social responsibility and ecological responsibility. For all these topics, qualitative and quantitative information is presented in this report in accordance with the GRI standards.

The materiality matrix consists of three dimensions:
- the **social, economic, and environmental** impact of our business activities, including the **upstream and downstream value chain** (see x-axis),
- the **importance to stakeholders** (see y-axis) and
- of **business relevance** (mapped by the bubble size).

Materiality matrix

Responsible business practices	Social responsability	Ecological responsability
1. Economic performance	6. Employment and working conditions	11. Decarbonization and climate protection
2. Business ethics & compliance	7. Employee development	12. Resource conservation and cycles
3. Sustainable products & services	8. Diversity and equal opportunities	13. Biodiversity and ecosystems
4. Research & development, innovation	9. Occupational health and safety	
5. Sustainable procurement	10. Customer health and safety	

Our sustainability program

Derived from our mission statement and values, the company-wide sustainability program was redefined in 2021. The focus areas are based on the results of the materiality analysis and the topics that make the greatest contribution to sustainable development.

The company-wide sustainability program is implemented by sustainability management in accordance with the defined targets and measures, of which the development is continuously evaluated.

The following priority areas were defined:

Priority area	*Key figures*	Years *2021*	*2022*	*Development*
Decarbonization	Company facilities	1,070 tCO_2e	754 tCO_2e	↓
Diversity	Percentage of women in relation to the total workforce	37%	38%	↑
	Percentage of women in leadership positions	13%	14%	↑
Human Rights	Proportion of preferred suppliers audited against sustainability criteria	-	35%	
Environment	Specific waste produced	0.23 t	0.22 t	↓

In addition to these key performance indicators, we track the development of numerous other key performance indicators to evaluate and manage our sustainability performance on an ongoing basis. With this published selection, we are showing which developments have a high priority. We are continuously working on improvements and we would like to share this step with our stakeholders and provide further insights into our efforts and approaches.

Goals for sustainable development

On September 25, 2015, the "Agenda 2030 for Sustainable Development" was adopted by all 193 Member States at the United Nations Summit in New York.

The agenda with its 17 goals (Sustainable Development Goals – SDGs) is a universal call to action to fight poverty, inequality and climate change.

Fronius is aware of the economic, social and environmental impacts caused by its own business activities and by the upstream and downstream value chain. With our measures and programs, we make an important contribution to achieving 7 of the 17 Sustainable Development Goals. Their relevance was determined based on the results of the materiality analysis.

SDG 3: Good health and well-being

The health and safety of its employees is very important to Fronius. To promote physical and mental health, employees can take advantage of medical examinations and consultations with the occupational medical service as well as consultations with an in-house company psychologist. We also make an active contribution to raising awareness among our employees with various campaigns and information materials.
(For more information, see the chapter "Occupational health and safety").

SDG 4: Quality education

The training and further education of our employees is a high priority at Fronius. We promote the development of each staff member with individual programs. This range from specialized training and online courses to personal development seminars and exciting keynotes on current topics. At Fronius, we also offer comprehensive apprenticeship training in 16 apprenticeships for a growing number of young people. Semi-skilled Fronius employees can also complete an apprenticeship to become an electrical engineer as part of a program to upgrade qualifications. (For more details, see the chapter "Employee development").

SDG 7: Affordable and clean energy

Fronius is in a position to make a major positive contribution to this goal. The Business Unit Solar Energy develops products and solutions for smart and efficient generation, storage, distribution, and use of solar energy for home and industrial applications. We have the vision of 24 hours of sun, a world in which the entire energy demand is covered by 100% of renewable sources. This requires an efficient coupling of power, heat and mobility. (See also the "Solar Energy" section in the chapter "Sustainable Products and Services").

SDG 8: Decent work and economic growth

Fronius' steady growth is reflected in increasing production volumes, the expansion of manufacturing facilities and the creation of new jobs. We are committed to creating attractive jobs which focus on our corporate values. We are committed to uphold human rights, secure essential working conditions and safe working environments, pay a fair wage, and support the right to freedom of association and collective bargaining. We value the personality of all employees, treat each other with respect, and embrace diversity in a conscious and appreciative manner. These and other behaviors are laid down in our Fronius Code of Conduct and are also expected of our business partners. New suppliers are screened against social and environmental criteria, while existing suppliers are monitored on an ongoing basis.

SDG 9: Industry, innovation and infrastructure

We are a major player in the regional economy and source most of our goods from Austria and Europe. Innovation is an important key driver for Fronius, enabling us to offer our customers even more efficient and resource-saving products and services. Product durability, material and energy efficiency, reparability and recyclability are very important to us. This results in more sustainable electronic devices, from which not least the environment benefits. Our goal is to make our products ecofriendly, beyond the legal requirements. Therefore, we develop methods and technologies for measuring and reducing our ecological footprint.

SDG 12: Responsible consumption and production

Fronius aims to minimize the environmental impact of its products and services. When selecting materials and components, we consciously pay attention to origin, environmental compatibility, and recyclability. We also use insights from the life cycle assessments. To ensure a long service life, our products run through a wide range of tests and inspections. So we can ensure that they can withstand harsh conditions. If necessary, all products can be repaired in our repair centers and individual components replaced with original spare parts. If a device can no longer be repaired, it is handed over to waste management companies that will prepare its materials for recycling. Wherever possible, we already use secondary materials in the manufacture of our products. (More on this in the chapter "Sustainable products and services").

SDG 13: Climate action

Fronius takes its corporate responsibility seriously and has defined the reduction of its direct and indirect CO_2 emissions as a priority to help combat climate change. As part of the decarbonization roadmap, we are pushing the use of renewable energy sources (geothermal, biomass and photovoltaics) to meet our heating and electricity needs, increasing our own energy generation by expanding our PV systems and improving the energy efficiency of buildings and processes. We are countering transport as the largest emitter of greenhouse gases by continuously converting our vehicle fleet to lower-emission drive systems, promoting the use of public transport, and pushing the transport of goods by rail. (For more details, see the chapter "Decarbonization and climate protection").

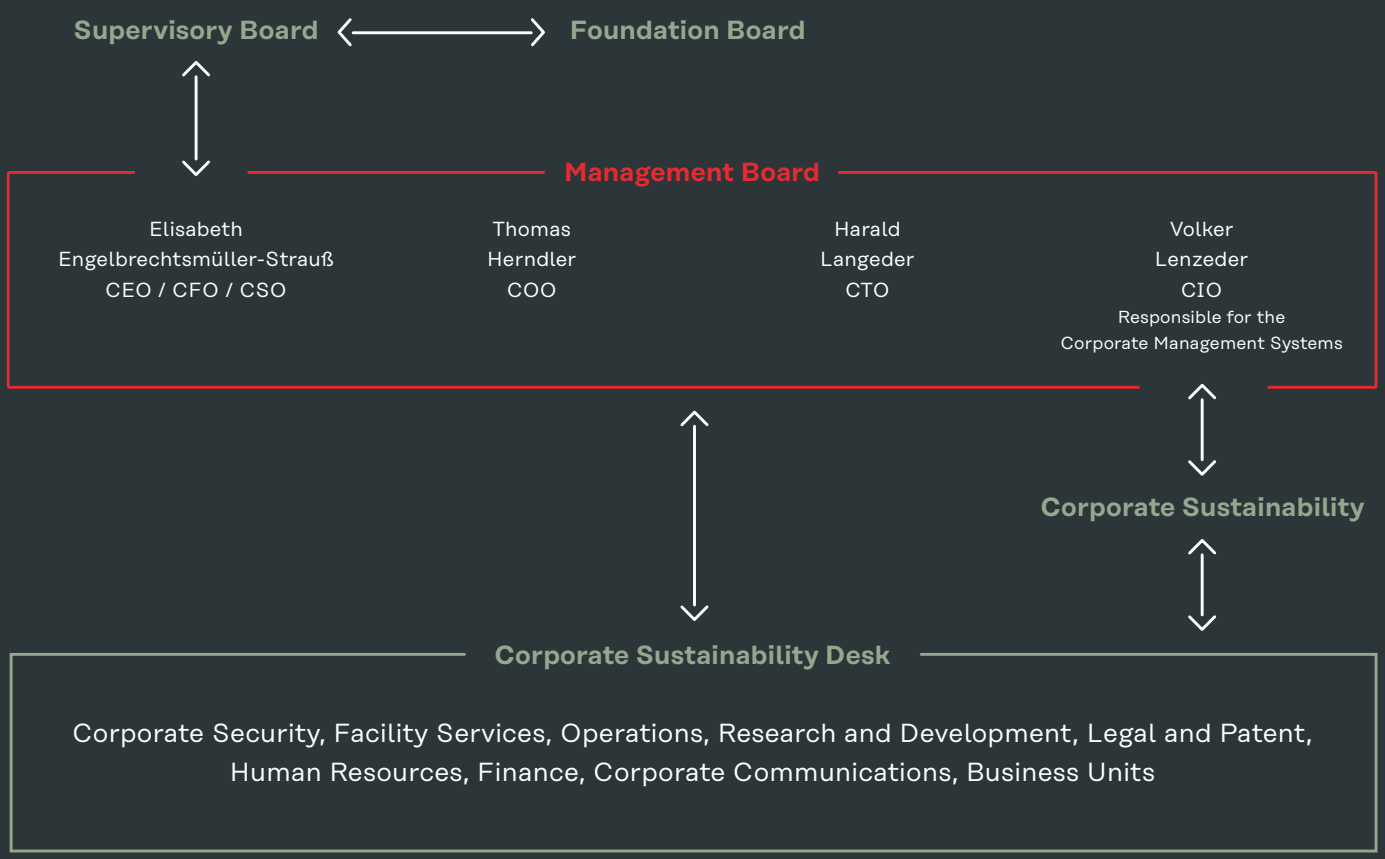
Organization of sustainability management

Responsibility for sustainability

Since sustainability is an important matter for Fronius it is a key responsibility of the management board. The management board in turn regularly updates the supervisory board and the foundation's board of directors about the progress in implementing the sustainability program.

The sustainability management system is part of the "Corporate Management Systems" of the CIO's corporate services department. The Corporate Sustainability team is responsible for developing strategy, managing activities, and implementing measures. It considers sustainability to be a cross-cutting issue that is relevant to all areas of the company.

A company-wide sustainability network, the Corporate Sustainability Desk (CSD), was set up in 2020 with 17 members from various departments with the goal to put sustainability matters into action. In addition, there are three sub-networks, including the area of research & development.



The individual stakeholders engage in regular exchange on sustainability-related topics.

The CSD members are responsible for the knowledge of legal requirements, stakeholder needs, and market trends, reviewing them in terms of their significance to Fronius, introducing them to the network, and if necessary, initiating their implementation. They keep in close contact with the decisionmakers in their departments. The members report on their progress in monthly network meetings and set out the next steps together.

The CSD members also take part in interdepartmental working groups to work on sustainability-related topics, draw up company-wide sustainability goals, and define the corresponding measures. The members have identified the following areas for action:

Sustainable products and services

Our innovations and research activities enable us to develop sustainable solutions for our customers. As a manufacturing company, we must take into account the entire value chain if we are to improve our sustainability performance (more details in the Chapter on "Research and development, innovation"). The social conditions our suppliers are operating in have a huge impact on both society and the local economy. We have strict requirements and work closely with our partners (see also "Sustainable procurement").

Decarbonization

Climate change continues to progress, the average global temperature is rising, and extreme weather events are becoming more frequent. The Paris Agreement was adopted during the 2015 UN Climate Change Conference with the objective of mitigating climate change. Its goal is to keep the increase in global warming to below 1.5 °C. To achieve this, CO_2 emissions caused by humans must be reduced. Fronius takes its responsibility seriously and has made the reduction of direct and indirect CO_2 emissions a priority to make a contribution to combating climate change (more details in the Chapter on "Decarbonization and climate protection").

Infrastructure development and investment

We take all three dimensions of sustainability into account to ensure that decisions are made responsibly and with foresight. Defined processes support us in understanding how our social, ecological, and economic impact affects infrastructure development and investments and enable us to act accordingly.

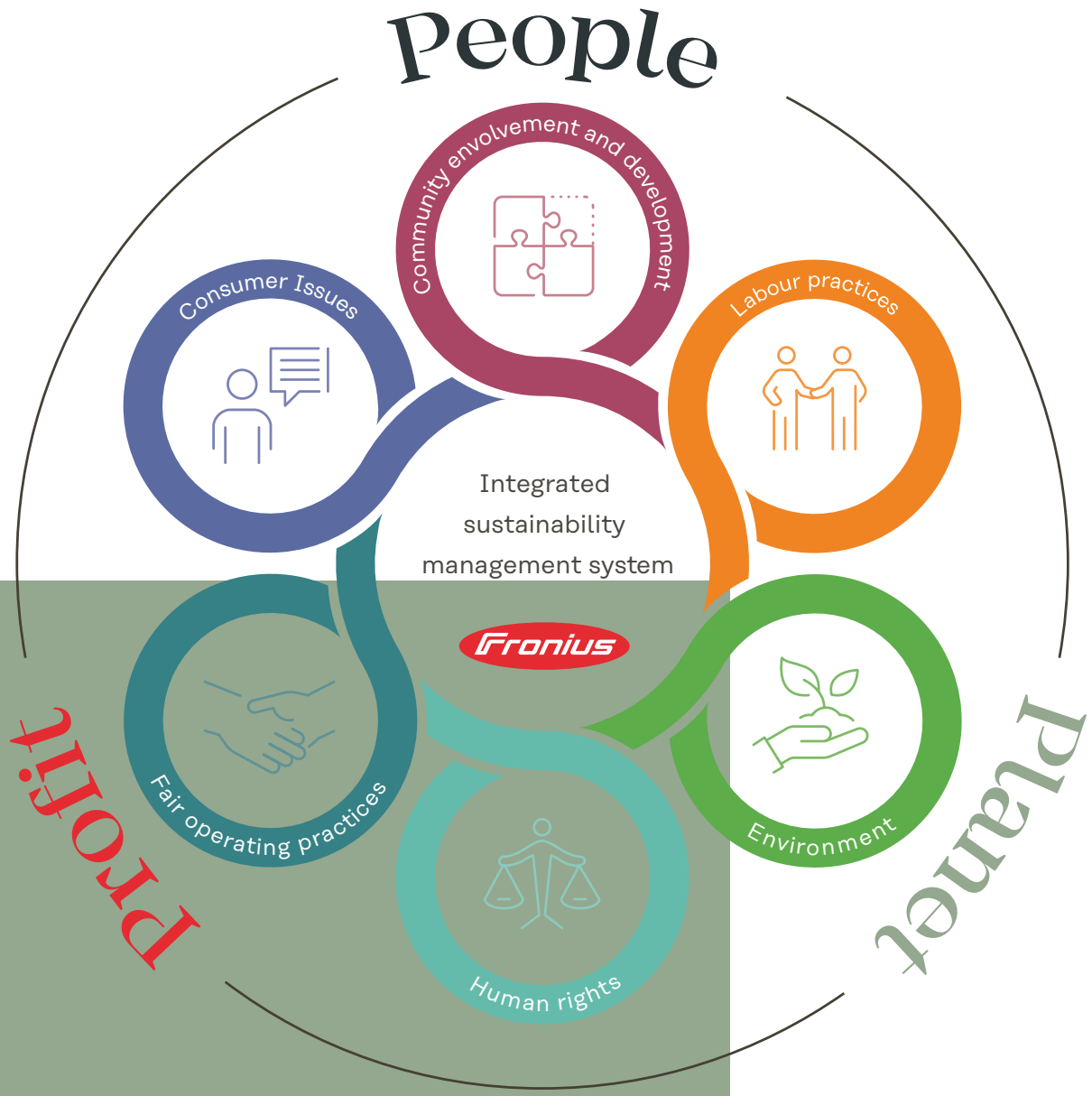
Creating awareness

Fronius' contribution to sustainability can only be as great as the sum of the contributions of all our employees. We therefore have many ways of creating awareness to ensure we are working together to consciously make a difference.

The overarching goal of the management system is to continuously improve sustainability performance in these areas along the entire value chain.

Sustainability management system

Our Corporate Social Responsibility (CSR) management system is certified in accordance with ONR 192500 (based on ISO 26000). This required Fronius to define the focus of its social responsibility, identify stakeholder needs, identify the relevant areas for action, and set priorities in this regard. Fronius focuses on the following areas for action as part of its CSR management system:



Stakeholder Engagement

Holding an open and constructive dialog with our internal and external stakeholders is of central importance to Fronius.

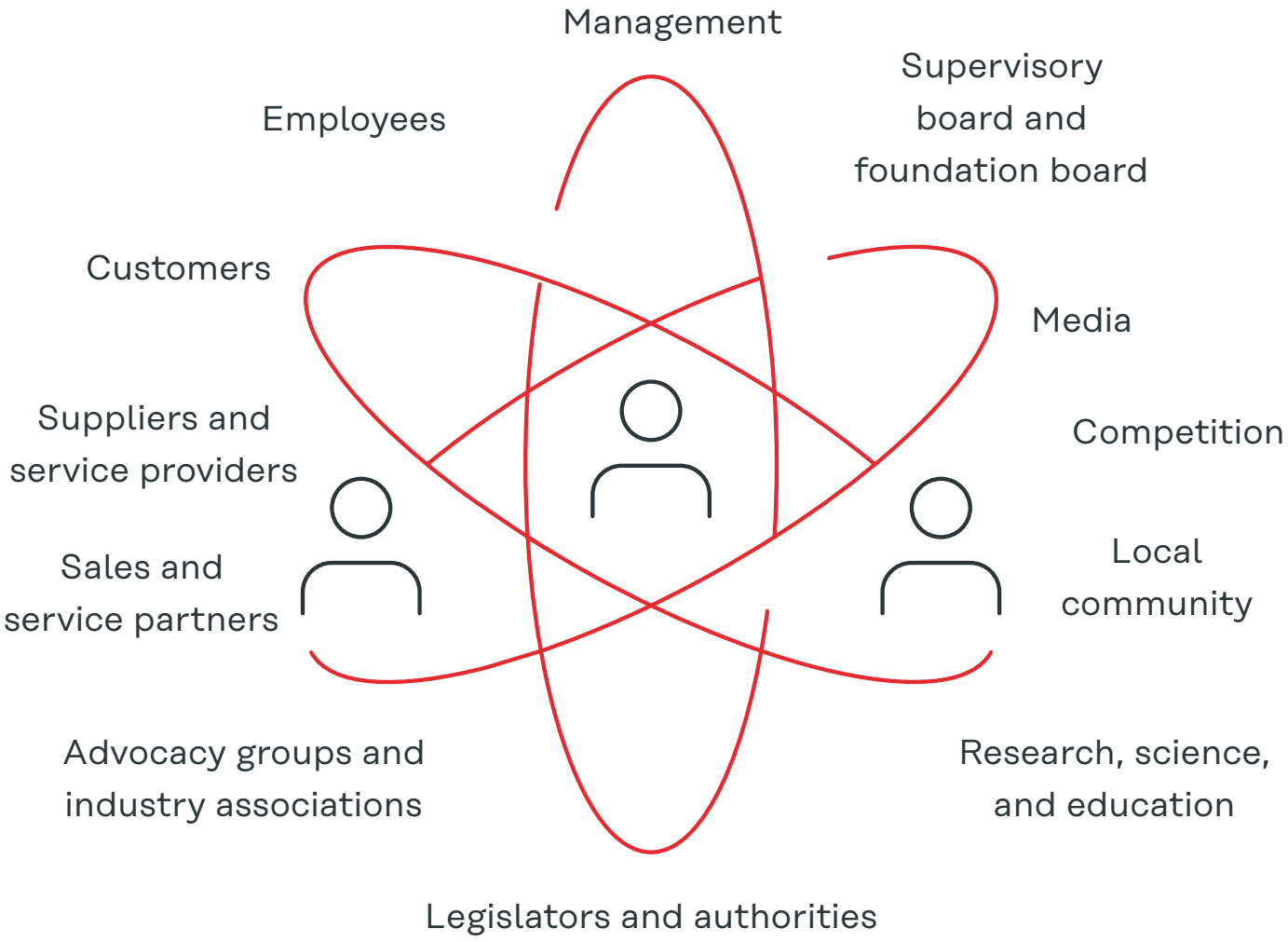
It is crucial to understand and consider stakeholders' interests and expectations when making assessments and decisions. By engaging in dialog, we can identify relevant and sensitive topics from which we can draw key conclusions for our activities.

The relevance of the individual stakeholder groups is regularly reviewed, most recently as part of a workshop held with the Corporate Sustainability Desk in 2021. This involved checking the existing list of stakeholder groups for completeness and assessing relevance according to the dimensions "Impact of Fronius on stakeholder groups" and "Influence of stakeholder groups on Fronius". A total of 12 stakeholder groups were identified, and their interests and expectations are now represented in various forms of dialog.

In dialog with our stakeholders

Our stakeholders are informed and involved in various ways.

Last year, the interests and expectations of our stakeholders were collected in a comprehensive online survey. The results have been incorporated into the materiality analysis. Workshops are planned for next year to derive measures from the results of the survey. In addition to the online survey, there are many other formats of engagement, collaboration and dialog. The interest and dialog formats are excerpted below.


Management
Supervisory board and foundation board
Employees
Customers
Media
Suppliers and service providers
Competition
Sales and service partners
Local community
Advocacy groups and industry associations
Research, science, and education
Legislators and authorities

Stakeholder groups	Stakeholder interests	Forms of stakeholder dialog
Employees	- Safe and healthy workplaces - Job security - Fair pay - Social security benefits - Development opportunities - Modern working environment incl. work equipment and infrastructure - Respectful corporate culture - Work-life balance	- Internal communication channels (intranet, employee magazine, etc.) - Annual employee appraisals - "Great Place to Work" employee survey - Employee information from the management board - Works council information - Information events for employees
Management	- Regular updates on strategy and target achievements, business development - Corporate culture according to Fronius values - Further development of management systems	- Strategy workshops - Management review - Leadership workshops
Supervisory Board and Foundation Board	- Regular updates on strategy and target achievements, business development - Ensuring legal compliance	- Meetings of the Supervisory Board and Foundation Board
Customers	- High-quality, affordable, innovative, and safe products - Delivery reliability - Quick response to requests - Product training/workshops	- Customer service and support - Organization of (virtual) trade fairs - (Digital) Workshops - Annual meetings on sustainability/carbon footprint - Product trainings and webinars - EcoVadis assessment - Response to supplier self-assessment questionnaires - On-site/remote audits - Providing data and information on products (e.g. life cycle assessments)

Stakeholder groups	Stakeholder interests	Forms of stakeholder dialog
Suppliers and service providers	- Long-term business relationships - Clear terms - Conversations and negotiations on equal terms - Reliability	- Supplier on-site audits - Dialog events (e.g. supplier day) - Annual discussions and regular meetings
Sales and service partners	- Long-term business relationships - Meeting the expectations of installers/end customers - Support from Fronius - Expert after-sales service - Training schemes - Fair pricing - Delivery reliability	- Customer service and support - Organization of (virtual) trade fairs - (Digital) workshops - Product trainings and webinars
Research, science, and education	- Long-term cooperations - Industry insights	- Cooperation with research and educational institutions - Paternities with higher technical colleges - Collaboration in expert advisory boards for the exchange of experience and knowledge
Legislators and authorities	- Compliance with legal/official requirements	- Responsible lobbying work - Management of approval notices - Regular exchange with the mayors of the communities where Fronius has its sites
Advocacy groups and industry associations	- Participation in initiatives and industry associations - Representation of industry interests - Development of industry standards	- Membership in various national and international associations - Proactive collaboration on position papers - Exchange of knowledge and experience in working groups

Stakeholder groups	Stakeholder interests	Forms of stakeholder dialog
Local community	- Transparent communication about activities that impact local communities and taking into account their interests at an early stage - Promotion of the community - Creating jobs in the local area	- Regular exchange with local residents - Open house day - Career fairs
Media	- Prompt information on relevant developments	- Press releases - Interviews - Communication through social media
Competition	- Fair competition	- Informal exchange on current developments and challenges in the industry

Fronius is a member and supporter of numerous initiatives and industry associations, some of which have a sustainability-relevant focus.

A selection:

Involvement in the **Upper Austrian "Energy Transition Leaders Initiative"** as a pioneering company in cooperation with the OÖ Energiesparverband (Upper Austrian Energy Saving Association)

Member of **respACT – Austrian business council for sustainable development**, the leading business platform for CSR and sustainable development

Member of the **expert group "Resource and energy efficiency" of the association Industrie 4.0**, a platform for smart production

Membership of **VÖSI – Association of Austrian Security Experts**, the advocacy group for security, health and safety, environmental protection, and fire safety at work

Partner company involved in the **Cleantech Cluster Upper Austria**, the platform for companies in the field of environmental and energy technology to promote the innovational strength, competitiveness and visibility

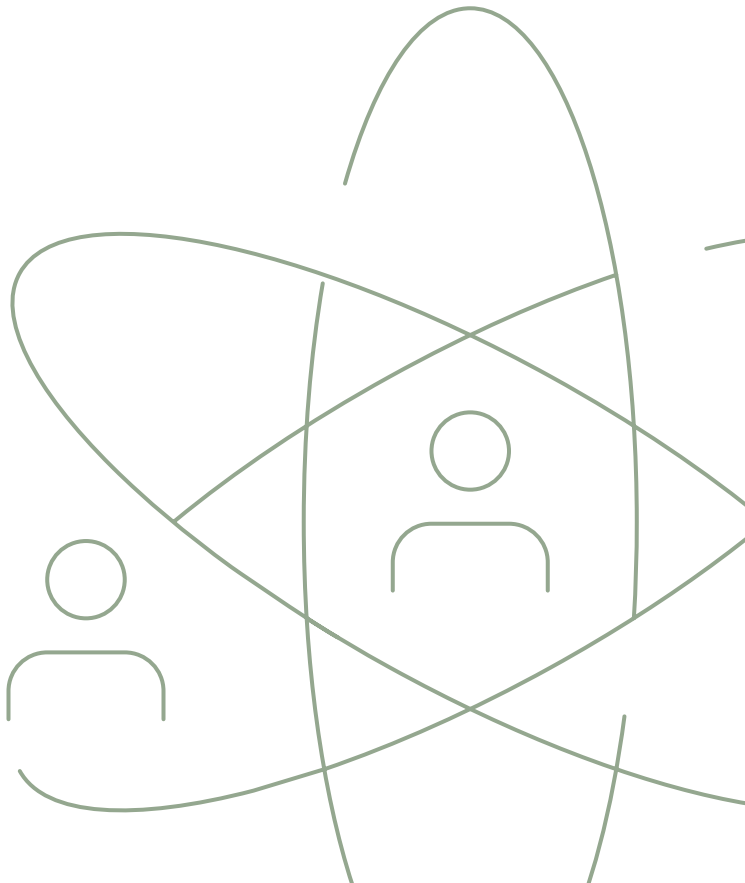
Member of **SolarPower Europe**, a member-led association for the solar PV sector, supporting the latest European sustainability initiatives, such as the development of the eco-design directive and the energy label for PV systems

Member of the **VNL (Association Network Logistics)**, the Austrian logistics business network, sharing experiences and information regarding the challenges of the transport and logistics industry, including its sustainable design

Participation in the **advisory board "Circular Globe"**, a European initiative of Quality Austria and the Swiss Association for Quality and Management Systems (SQS), for the dissemination of an assessment model and labels for the circular economy.

Member of **StEP Up**, a platform for the sustainable increase of the competitiveness of manufacturing companies in Austria

Cooperation with the **Institute for Integrated Quality Design** of the Johannes Kepler University Linz for the exchange of information and experience on the circular economy.



Responsible business practices

... pay off. The prudent use of resources ensures that we invest our resources in a sustainable and independent manner.

Economic performance

Company figures for the entire Fronius Group as of December 31, 2022

37 international Fronius companies

1,446 active patents

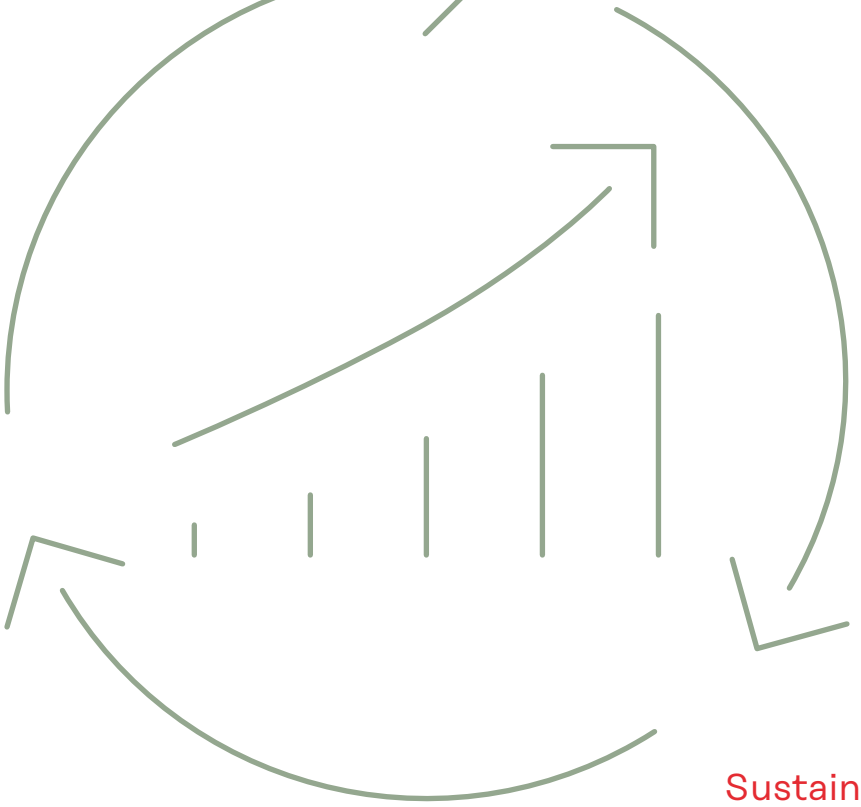
169 apprentices

87% export rate

Sales partners in more than **60** countries

7,004 employees in the company

1,228 EUR million in Group sales



Sustainable company growth

Fronius takes responsibility for the impact of decisions and activities on society, the economy and the environment. Honesty, fairness, and integrity are the basis of our actions.

As we manage our risks over the long term and take a holistic view of the impact on people and the environment, we are more resistant to crises. Although 2022 was a very challenging year, Fronius proved itself to be a stable and reliable partner to its customers and suppliers.

For example, we encountered severe supply bottlenecks that heavily impacted us through problems in the global supply chain. We responded with intensive communication to our customers. Thanks to our long-standing and trusting business relationships, we were able to resolve many challenges quickly and cooperatively. Our supplier structure with numerous local partners and networks provided additional support.

With our sustainable perspective, we support innovation. This makes our high-quality products and services even more cost-efficient. The long service life and repairability not only protect the environment, but also result in greater customer benefits. In this way, we increase performance and competitive advantage, the basic prerequisites for the future viability of our company.

In order to be able to meet the increasing demand for our products in the coming years, extensive investments are being made. With over 7,000 employees worldwide, around 4,700 of them in Upper Austria alone, we are an important local employer and investor. And we are continuing to grow: The production site in Sattledt (Upper Austria) has already been expanded in 2022, which will lead to a significant increase in production capacity, and other sites such as Wels (Upper Austria) are also being expanded again. All of this is directly related to the advancing decarbonization. For example, the Austrian manufacturing sites are already completely fossil-free. The remaining, small subareas where this change has not yet been completed will also become independent of fossil energy sources in the course of this conversion measures.

Business ethics & compliance

A Legal Compliance department was set up at the beginning of 2022. It is headed by the Legal Compliance Officer, who is responsible for the establishment and further development of the Group-wide compliance management system and acts as the central contact for all compliance issues in the company

In the past year, a compliance workshop was organized with external consultants, attended by representatives from various areas. Together, potential risks for Fronius were identified and evaluated, and a common understanding of compliance was developed. The result of this workshop is an international risk map that points to the five main compliance risks for Fronius.

There are also plans to establish a compliance network within Fronius consisting of contact persons from different areas. This network will serve as a communication channel for compliance issues and include both Fronius International GmbH and the subsidiaries. The management teams of the subsidiaries can report compliance issues through the established e-mail address compliance@fronius.com.

Further developments include the establishment of a compliance organizational structure with suitable processes and measures.

Compliance with statutory requirements
Compliance with applicable laws and internal and external regulations is the basis for all corporate activities and decisions. At Fronius, this is ensured by a digitally set-up legal register that covers the laws that are essential to Fronius, especially in the areas of employee protection, environmental protection, and sustainability. The legal register is managed with the help of an external service provider, who also helps maintain it and keeps it up to date. This ensures that the legal provisions that are essential to Fronius are systematically and regularly checked for changes or additions and that the resulting obligations are implemented accordingly. Implementation is carried out by the relevant departments within the company, which receive a request to review and fulfill the respective legal obligations as part of the digital legal register process.

In 2022, Fronius International GmbH recorded no infringements of environmental or social laws and regulations.

Anti-corruption and anti-bribery
Fronius expressly rejects any form of corruption or bribery. Criminal offenses notwithstanding, we examine any benefits accepted or granted to check whether they are appropriate and are not detrimental to our public image.

Comprehensive measures have been defined to prevent corruption and bribery, including raising awareness among our employees by teaching them the Fronius Code of Conduct and requiring them to complete training on compliance relevant matters. In addition, a whistleblower system was introduced in spring 2022.

Our approach to managing risks, including corruption and bribery risks emanating from suppliers and business partners, is described in the section "Sustainable procurement".

No incidents of corruption were reported at Fronius International GmbH in 2022.

Fair competition
Transparent, fair and professional conduct in the market serves to protect our interests in the long term and helps us to achieve secure and sustainable competitiveness.

In 2022, several live training sessions (virtual and face-to-face) on selected antitrust topics were held for employees in the Sales & Marketing departments of Fronius International GmbH and some subsidiaries (within the EU). In addition, training sessions were held for the management levels of all Business Units and Procurement. A general training program for all employees is in preparation.

In addition, an easily comprehensible information sheet on the most important topics of antitrust law was created for the Sales & Marketing departments. This should promote awareness and understanding of antitrust law and fair competition.

Political involvement

Any political involvement is done in a responsible and transparent way. Public political processes are not obstructed by unfair practices or undue influence. Fronius International GmbH made no donations to political parties in the form of financial contributions or benefits in kind in 2022.

Data privacy and information security

Guidelines and work instructions on how to handle personal data regulate compliance with the applicable data protection laws (specifically the EU General Data Protection Regulation) in the company. In addition, procedures have been set up for auditing existing and new data processing operations for the introduction of new software tools, for the conclusion of order processing agreements, and for the fulfillment of data subject rights (such as requests for information, requests for deletion). Data protection issues are handled by representatives of the Information Technology (IT), Risk Management and Legal departments, who work closely with a representative of the Management Board as part of the established core data protection team.

The protection of physical and electronic information as well as the systems required for information processing is regulated in the Information Security Management System (ISMS). Certification of the ISMS in accordance with the international ISO 27001 standard certifies that our customers have a high standard of information security and data protection not only for internal business processes and data processing, but also for our products and digital services. Depending on the protection requirements of the data to be processed and the associated risk, appropriate, state-of-the-art measures are implemented.

Due to the increase in cybercrime, measures have been defined for the early detection, processing and combating of cyber attacks. In addition, employees receive ongoing training on possible threats and preventive measures are shown.

Fronius Code of Conduct

Fronius conducts its business activities in compliance with the highest ethical standards and requires all employees to act in accordance with these standards of personal and professional integrity. We also expect our business partners to act in accordance with this code, in compliance with the law and with integrity, including within the value chain.

The Code of Conduct is available to all stakeholders on the website and is published on internal platforms and notices. The Code has also been adapted for all subsidiaries on a country-specific basis and is available on the national websites.

At Fronius International, all employees are required to complete an online training course on the contents of the Code of Conduct.

In 2022, a total of 2,862 employees of Fronius International GmbH successfully completed the online training. This corresponds to 84% of employees who have an e-mail account. Compared to last year (72%) the percentage of trained employees has increased significantly.

In addition, employees without an email account are trained by their direct manager with the help of a handout.

In some subsidiaries, are also offered online trainings, while others are instructed in person. Accordingly, the proportion of employees in the Fronius Group who have received training on the Code of Conduct is 69%.

Whistleblowing system

The Fronius whistleblowing system was introduced and communicated internally in spring 2022. In addition, a whistleblowing policy was created that describes how reports can be submitted and processed through the whistleblowing channel. The channel can be accessed on our website so that it is accessible to all internal and external stakeholders and complies with the requirements of the EU Whistleblowing Directive. Reports can be submitted with contact details or anonymously, whereupon a process is initiated to assess and investigate the report by legal compliance. Final feedback on the as a result of the report taken measures will be provided to the reporter within 90 days, provided an e-mail address is known.

Employees can also send their concerns about compliance issues to compliance@fronius.com.

Sustainable products and services

Whether custom battery chargers, revolutionary welding processes, or complete solutions for solar energy – we focus on one thing: use energy to create a better world.

We promote innovation with sustainability in mind. For us, developing sustainable products means creating high-quality, repairable, and recyclable solutions that have a long service life and not only protect the environment but also bring greater benefits to our customers.

Quality awareness

At Fronius, quality awareness is not simply a phrase – it's a corporate value we live by. That's why we don't just double or triple check our products, we subject them to a total of 13 different robustness tests during the development phase, including an impact and drop test, a dust and salt spray test, and a test of cold behavior and service life. All tests go far beyond the standard specifications.

To ensure quality, Fronius has relied on a quality management system certified to ISO 9001 for almost 30 years. This standard defines the minimum requirements for our products. This quality awareness is imparted to our employees in regular training sessions.

Long service life & repairability

Nothing lasts forever. Even the best products are susceptible to a certain degree of wear. It is not often that our products no longer work perfectly, if necessary, it is important to us to repair them quickly and to a high standard of quality.

That's why we already develop service concepts during product development to guarantee the future repairability of our products. Thanks to our worldwide network of repair centers and certified service partners, we avoid long travel and transport distances and can guarantee rapid repair. In our Repair Center in Steinhaus (Upper Austria), we offer the optimal conditions for professional and high-quality repairs with original spare parts on more than 4,000 m².
If a device can no longer be repaired, we disassemble it, separate out the components, group them into categories, and forward them over to waste management companies that prepare the materials for recycling.

Recyclability

Already in the selection of materials and in the product development process, we pay attention to the reparability and recyclability of our products at the end of their life cycle. Wherever possible, secondary materials are used in their manufacture. For example, the aluminum components of the Tauro inverter are made from 52% recycled material, which results in 16% fewer greenhouse gas emissions compared to primary aluminum.

In cooperation with waste management companies, we continuously optimize our equipment to promote the use of secondary materials.

Sustainable packaging

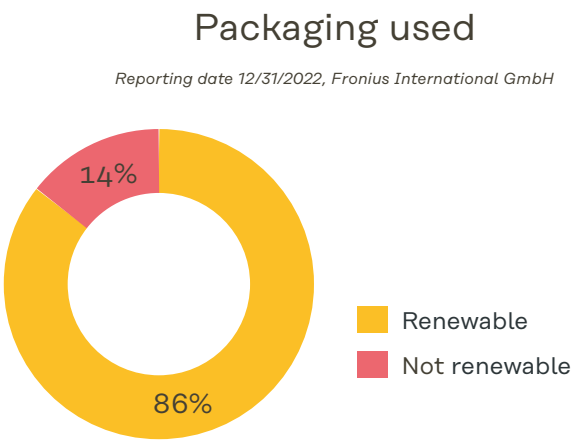
At Fronius we make sure we select suitable packaging materials and use them sparingly, ensuring our products are protected from damage during transport while minimizing our environmental footprint. We take into account the following sustainability-related factors:

- Environmental footprint of the packaging material
- Potential of reuse and recycling of the packaging material
- The amount of packaging needed to offer the device optimum protection and the effect on the volume and weight of the packaging

The decision for a packaging material depends on the product itself and its specifications. In case of doubt, the most appropriate packing material must be selected for each individual series.

In the future, we will rely on even more flexible packaging in order to adapt it optimally to the size of the devices. Instead of several different packaging sizes, we use one format that can be flexibly adapted to the individual device size. In this way, we save packaging formats and filling material.

We also make sure to reduce our external packaging. Carton sizes are even better matched to the products and, where possible, cartons are reused for shipping. Reusable systems are currently used mainly for internal transport to the subsidiaries and for exchange goods.



Perfect Welding

Our welding systems are of the highest quality and can be dismantled, repaired and recycled if necessary. With all our products and services, we want to help our customers optimize their processes, and save energy, material and time.

Focus on inverter technology
Fronius welding system is particularly characterized by high energy efficiency: We are the first manufacturer to integrate inverter technology based on transistors, which reduces power consumption by around a third and results in a raw material saving of approximately 80%.

iWave device series
With the launch of the iWave device series, we have expanded our portfolio with an intelligent high-end welding system. The Multiprocess PRO option allows to bundle all arc welding processes in one device and offers superior quality in TIG (tungsten inert gas) welding, MIG/MAG gas-shielded arc welding, and electrode welding.

With new technologies, the iWave series has a positive impact on people and the planet. It was designed and developed in accordance with the requirements of the Ecodesign Directive. It combines ease of use and ergonomics in one housing and connects to the welding helmet via Bluetooth, providing optimal occupational safety. With new TIG cold wire components and the Welding Package TIG DynamicWire, cold wire supply in TIG welding is easier than ever before. Automatic, dynamic wire control always selects the right feed rate. The process adapts to the welder, not the other way around.

Plasma cleaning technology as a sustainable and efficient alternative

With Acerios hot active plasma technology, we enable a resource-saving alternative to chemical cleaning processes such as bathing entire components in chemicals. The technology we have developed removes impurities with pinpoint accuracy, quickly and effectively. The application range of hot active plasma extends from aluminum and steel to plastics, glass and ceramics. The Acerios system generates a plasma flame of up to 1,000 degrees Celsius. Depending on the requirements, entire surfaces or specific areas can be treated.

Cobot welding cell for fully automated welding

Manual welding is labor- and time-intensive. Many companies therefore want to automate welding as far as possible. With our cobot welding cells, skilled workers can be freed up from routine welding jobs to devote themselves to more specialized tasks. Our cobots are also well suited for small- and medium-sized companies and pay off even with small quantities.

If special knowledge is required, for example for feasibility studies or complex welding challenges, our Fronius experts in the Prototype Center will support the customer with long term welding know-how. So investment risk and deadline pressure can be reduced.

Fronius GEN24 Plus
With our Fronius GEN24 Plus hybrid inverter, our customers get 24 hours of sun. By connecting a battery storage unit, it offers numerous options for flexible and direct use of self-generated solar energy – from e-mobility to heating or cooling. Thanks to the integrated emergency power function, our GEN24 Plus ensures a reliable and secure energy supply even in the worst case scenario.

Fronius Wattpilot
Electric vehicles always drive at the lowest cost with our Fronius Wattpilot charging solution. The charging box for home and on the road charges electric cars with available surplus power from your own PV system or at the cheapest grid electricity rate. This is our answer to the emission-free mobility of the future.

Solar Energy

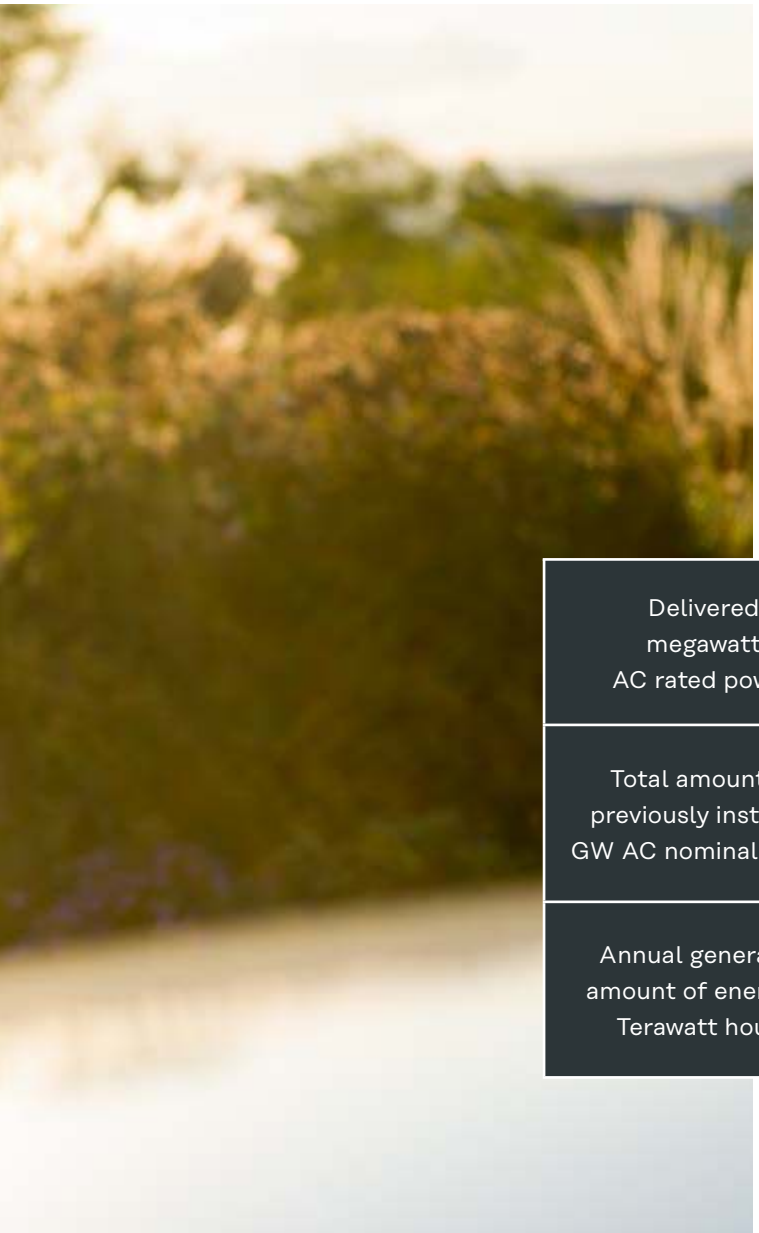
For 30 years, we have been developing innovative products, solutions and digital tools to generate, distribute, store and consume solar energy cost-effectively and intelligently – around the clock and regardless of the season. Whether it's your own home or a large-scale system, we support our customers in their personal energy transition and offer them holistic energy systems for a sustainable and emission-free future.

Fronius EMIL

Fronius EMIL is the smart charging management system for company electric vehicles. With just one charging solution, the entire company fleet is supplied with power fully automatically – user-based and precisely matched to the company's power consumption. Our flexible cloud software does not require any additional hardware and enables convenient monitoring of an unlimited number of charging points – anytime and anywhere.

Fronius Ohmpilot

The Fronius Ohmpilot allows self-generated electricity to be used to heat water smartly and efficiently. Our consumption regulator ensures that the excess energy from the PV system goes straight into heating water by intelligently and directly controlling household consumers such as boilers or heat pumps.



Fronius Tauro

Large-scale PV systems and commercial applications are not only operated sustainably and emission-free with the Fronius Tauro, but also economically. Our robust inverter impresses with great flexibility in system design and delivers unrestricted full power even under the most adverse environmental conditions.

Fronius Digital Tools

Whether at home or on the road – all Fronius products can be conveniently monitored, controlled and serviced via smartphone or desktop PC. Our apps Solar.start and Solar.SOS provide fast and reliable support during commissioning and when servicing is required, for example when troubleshooting or ordering spare parts. Our customers always have their system in view with Fronius Solar.web, while Fronius Solar.web Business allows them to manage several PV systems with Fronius inverters centrally and clearly with just one tool. Our digital tools are versatile and contribute to the optimal use of our products and solutions in everyday life, in line with our motto "Energize your life".

Facts Solar Energy

	2021	2022
Delivered megawatt AC rated power	3,414	4,146
Total amount of previously installed GW AC nominal power	25	29
Annual generated amount of energy in Terawatt hours	33.3	38.6

Perfect Charging

Our vision is CO_2-neutral intralogistics. In 2022, we made a significant contribution to this with over 60,000 delivered chargers from the Selectiva, SelectION and Acctiva product families.

Reliable technology with long service life
Our battery chargers are particularly efficient, compact and durable. Proof of the high-quality manufacturing of our products is the average error rate of less than 0.3%. Thanks to well thought-out and high-quality design, the loading solutions can be reused many times and can be easily assembled and disassembled. Users are thus extremely flexible when designing their intralogistics and can save resources.

Technological edge with Selectiva 4.0 chargers
Selectiva 4.0 battery chargers use our proprietary Ri charging process, guaranteeing extra cool and efficient charging. This can extend battery life by up to 15% and reduce power consumption for the charging process by up to 30%.

Flexible charging solutions for individual requirements
At Perfect Charging, sustainability means more than just efficient and durable charging solutions: We see ourselves as a solution provider for intralogistics. From consulting and planning to the implementation of customer-specific charging infrastructure. We offer our customers everything from a single source. Our flexible solutions also grow with customer needs. They are easy to set up and dismantle and thus represent a sustainable and future-proof investment.

Digital solutions for greater efficiency and sustainability
Charge & Connect – the cloud-based software solution offers unprecedented transparency across all charging stations. Connected directly to the charging infrastructure, it provides real-time data on its availability and status. In 2022, we were able to integrate two more innovative features into the Charge & Connect portal: Load Balancing and PV Connect.

Charge & Connect Load Balancing is an effective tool for reducing continuous peak loads. A special algorithm ensures that the maximum peak load of our customers is reduced while maintaining the same operational capability. In addition to cost savings for our customers, this also makes a positive contribution to grid stability.

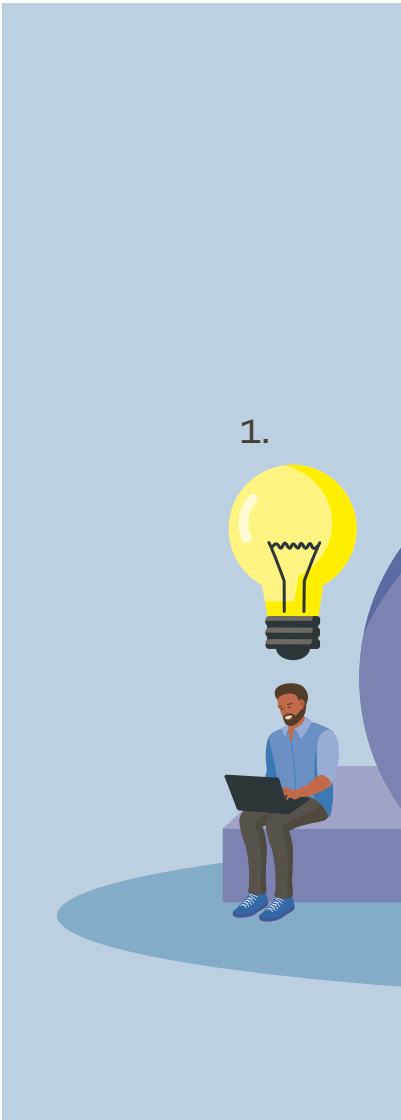
Using PV Connect, our customers can operate their own forklift fleets cost-efficiently and sustainable, thanks to optimal use of their own solar energy. The charging times for the traction batteries are set at times with high yields. This unique solution for intralogistics applications does not require the use of intermediate storage.

Research& development, innovation

At Fronius, we develop the solutions of tomorrow and beyond. Innovation and creativity are core corporate values that we put into action with our extensive research and development work: from the idea, to development, all the way through to series production.

Our innovative strength is reflected not only in the total of 1,446 patents, but also in the number of R&D employees. As of the end of December 2022, 828 people were employed in our research and development department.

The development of sustainable products and services is an important part of our sustainability goals. We place particular focus on durability, material and energy efficiency, repairability and recyclability of products, and the use of sustainable components and recyclates in manufacturing. This results in more efficient equipment, which benefits not only our customers but also the environment. Examples include the Exento HighVac mobile fume extraction system, which extracts more than 99.9% of the welding fume particles captured thanks to its high filter quality, or the Fronius WireSense assistance system, which makes robot welding more efficient, largely eliminating rework and component scrap.



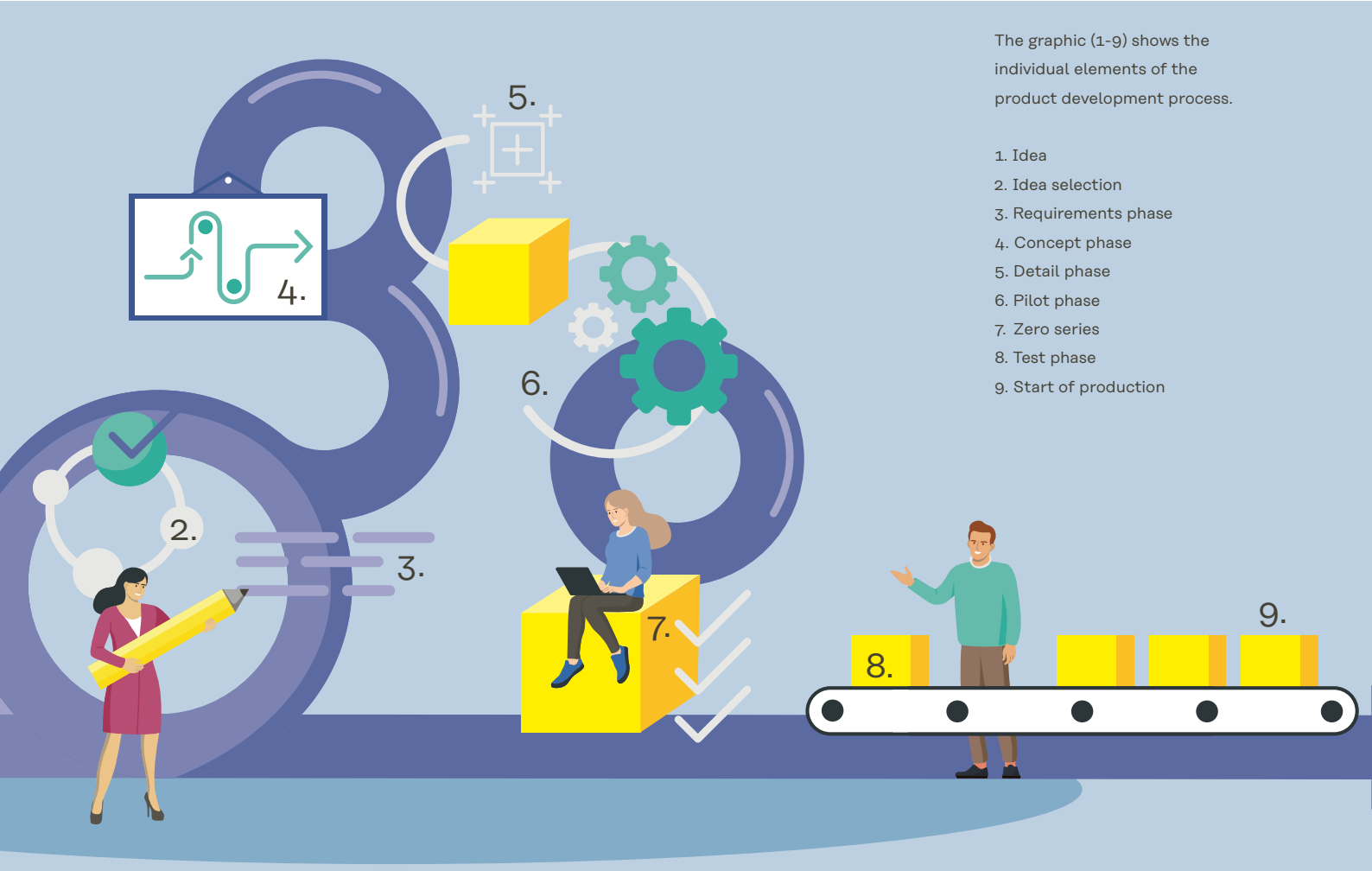
Sustainability by Design

Fronius is committed to contribute to a high-quality circular economy with products that have a particularly long service life, focusing on continued efforts to optimize their repairability and recyclability.

With the "Sustainability by Design" program, we pursue the goal of ensuring that our products are designed in an environmentally compatible manner, over and above the legal requirements. To this end, we are developing methods and technologies to measure and reduce the ecological footprint of our products.

We take the following steps to achieve our goals:

1. We generate, collect and analyze data about our products.
2. We create further life cycle assessments of our products.
3. We use data-based analyses to optimize the sustainability and circularity of product-service systems
4. We cooperate with upstream and downstream companies and customers.



The graphic (1-9) shows the individual elements of the product development process.

1. Idea
2. Idea selection
3. Requirements phase
4. Concept phase
5. Detail phase
6. Pilot phase
7. Zero series
8. Test phase
9. Start of production

Life cycle assessment Tauro ECO

The project team behind the "Sustainability by Design" program examined the sustainability of Fronius products. Following the life cycle assessment for the Fronius GEN24 Plus inverter, one has now also been prepared for the Fronius Tauro ECO, an inverter for large-scale PV systems.

The results of the life cycle assessment were verified by the renowned Fraunhofer Institute for Reliability and Microintegration (IZM) in accordance with the ISO standards for life cycle assessment (ISO 14040/44).

The results were summarized in a white paper and are available here.

https://www.fronius.com/~/downloads/Solar%20Energy/Whitepaper/SE_WP_LCA_Tauro_EN.pdf

The main results of the life cycle assessment for a reference scenario in Germany* are:

Manufacturing components accounts for a significant share (29.2%) of the CO_2 footprint of the inverter. By using recyclates for aluminum components, the environmental impact can be significantly reduced compared to virgin material.

The Tauro has a high efficiency rate of 97.5% during operation. Even with this high level of efficiency, losses of 2.5% are responsible for a significant share of the CO_2 footprint (about 52.8%) throughout the entire 20-year lifetime. Another relevant impact (17.4%) results from nighttime consumption where the inverter draws power from the grid at night. A green power contract can reduce the CO_2 footprint of the inverter by 16%.

Compared to replacing the whole inverter early on, every repair process modeled creates major environmental benefits.

Recycling yields CO_2 credits for replaced primary production or replaced fossil fuels. The higher the quality of the recycling process, the greater the credits for waste recovery.

**Tauro-D inverter, Germany, Waste scenario "Metal recycling with waste incineration"*

Depending on the scenario in question, the results of the life cycle assessment indicate that buying a Tauro inverter offers the following sustainability benefits:

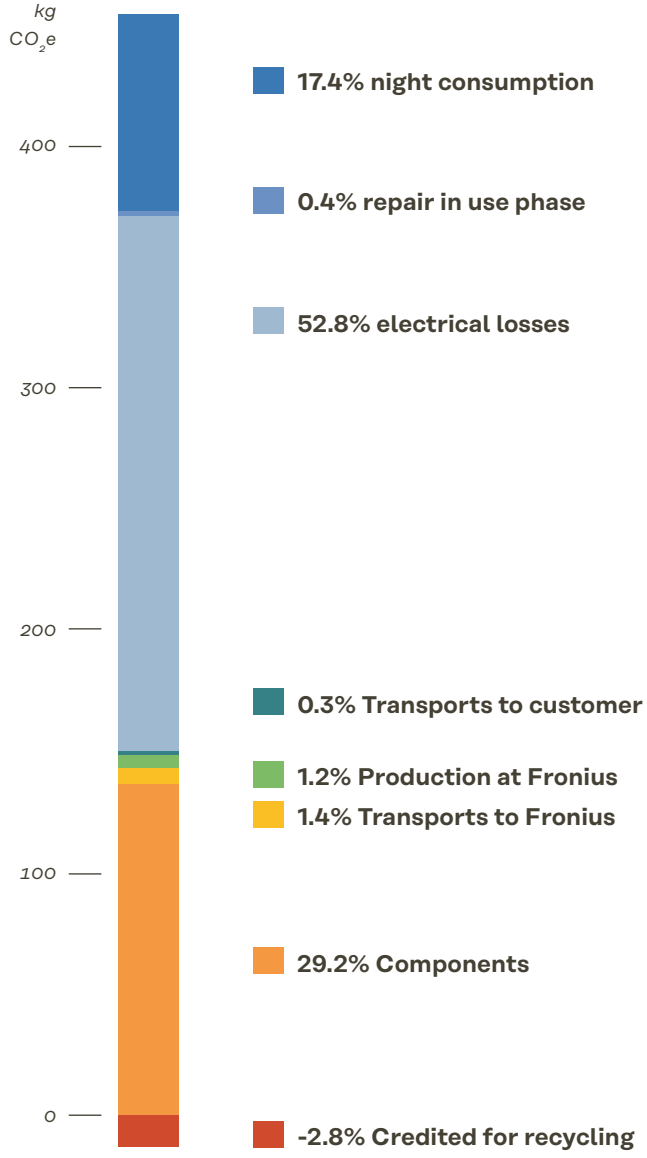
It allows up to 233 tons of CO_2-equivalent (CO_2e) to be offset. This corresponds to up to 200 flights from Vienna to New York.

The climatic payback time (CO_2e payback time) is between 0.4 and 2.0 years. After this time, the inverter is climate positive.

The environmental benefits exceed the environmental efforts by a factor of between 10 and 52.

The energy payback time is between 0.3 to 0.8 years.

Environmental impact of the Tauro ECO 100 D
20-year service life, Germany, by product phase (raw materials and materials, production, use, end-of-life metal recycling with downstream waste incineration), shown as CO_2e kg



Perfect Welding

We aim to be the innovation leader with our products and services, including the area of sustainability. Thus we continually optimize Fronius power sources and welding systems focusing on a resource-saving operation.

Innovative software solutions
In many respects, digitization influences joining technology and represents an important aspect in terms of sustainability. We are continuously developing suitable software solutions that improve the performance of welding systems in terms of ease of use, weld seam quality and speed. Special documentation software records welding parameters and software-supported analyses of filler wire and shielding gas enable economical use of materials.

With the Weldcube Navigator, we also want to support our customers in standardizing their manufacturing processes. The aim is to avoid errors and increase the quality of production. Predefined step-by-step instructions guide welding specialists through their tasks. This makes it easier to familiarize themselves with new or infrequently commissioned components and supports the training of new welders. The Weldcube Navigator is easy to use, saves time, prevents faulty production and helps with knowledge transfer.

Solar Energy

For 30 years, we at Fronius Solar Energy have been developing innovative products, solutions and digital tools to cost-effectively and intelligently generate, store, distribute and consume solar energy – around the clock and regardless of the season. Whether it is a private home or a large-scale plant, we accompany our customers in their personal energy transition and offer them holistic energy systems for a sustainable and emission-free future. This is how our vision of 24-hours of sun for all becomes reality.

More efficient, more compact, and a longer service life
Our experts in research and development are constantly working on making our devices more material-efficient, using alternative materials, extending their service life, and optimizing their performance. We are working with our partners to research the use of new semiconductor materials that can significantly reduce losses from the battery, especially during off-peak load periods such as nighttime, and achieve fewer losses than technologies currently on the market.

With intelligent design concepts, we also reduce the size and weight of the equipment. This has a direct impact on the materials used in our equipment.

Together with the Polymer Competence Center Leoben, we are working on the durability of our devices in outdoor applications. Studies, simulations and test series of the housing parts should help to make inverters and other system components (e.g. Fronius Wattpilot) even more durable and hard-wearing. We aim at giving mechanical parts the same 20-year service life that we aim for when designing the electronics. The goal is to achieve this durability with demanding cases of application too.

Perfect Charging

Shaping the future means thinking ahead and helping to make CO_2 neutral intralogistics a reality. Together with our customers, we want to break new ground. Our experts in research and development are therefore working intensively on innovative charging concepts for intralogistics. The focus here is on the use of sustainable energy sources and overall cost optimization.

Leveraging digitization – enabling optimization

New technologies and progressive digitization present challenges and opportunities for our industry. Systems are becoming increasingly interconnected, while the Internet of Things (IoT) and artificial intelligence (AI) are leading the way. Our goal is to offer our customers future-proof solutions with added value. With the digital networking solution Charge & Connect, we have laid the foundation for this. Charge & Connect makes the energy consumption of forklift fleets visible and enables optimization potential to be identified at an early stage. The insights gained from the data subsequently serve as the basis for the next development steps. This enables us to support our customers in operating even more efficiently, economically and sustainably in the future.

Sustainable procurement

As an international company, we harness the opportunities of global procurement while upholding our corporate due diligence. This is ensured by complying with the legal regulations and voluntary social and environmental standards applicable to Fronius, and by continuously developing our internal processes.

Within the framework of our European value creation structure with manufacturing locations in Austria and the Czech Republic, 100% of the procurement volume of direct services is covered by the existing supplier management system described in this report. In terms of the Fronius Group's total global procurement of direct and indirect services, over 90% of the volume is covered by the supplier management processes described below. Therefore, the key figures in this chapter refer to this share of suppliers.

Direct procurement services comprise all raw materials, parts, components and systems used in our end products. Indirect services, in contrast, are products and solutions for internal use, in particular equipment and infrastructure.

The life cycle analysis carried out (see also chapter "Research and development, innovation") shows that a large part of our environmental impact comes from upstream value creation (extracting raw materials and processing them into precursors and components) and is therefore significantly influenced by our suppliers. Therefore, our focus is on the ongoing assessment, monitoring and mitigation of environmental and also social impacts throughout the supply chain.

As part of our supplier management, both new and existing suppliers are continuously evaluated, monitored and further developed using standardized methods.

Supplier evaluation/qualification
New suppliers undergo a comprehensive evaluation process at Fronius.
They register via a platform and disclose information about their company
and the product portfolio they offer.

In addition, new suppliers are subjected to a review based on defined criteria.
These also include environmental and social criteria, which include the following

- Existing certifications and management systems
- Existing Code of Conduct and acceptance of the Fronius Code of Conduct
- Existing Sustainability Report
- Material compliance requirements
- Compliance with environmental and social legislation and corresponding international standards

From initial contact to final approval of a supplier, data is systematically collected and
checked for criteria relevant to Fronius.

Suppliers (direct services): Review 2022

Percentage of new suppliers that were screened using environmental criteria

100%

Percentage of new suppliers that were screened using social criteria

100%

Compliance with the Code of Conduct
As part of the evaluation process, business partners are also required to confirm compliance with the Code of Conduct, which subsequently becomes an integral part of the contract.

Supplier Risk Monitoring
In 2021, we started to set up a systematic risk management system for the early identification and assessment of risks in the supply chain. Through our cooperation with Prewave GmbH and the associated system-supported mapping of supplier structures, sustainability risks and violations along our international supply chains can be identified immediately and dealt with in line with our due diligence obligations.

With our focus on European markets and the associated stable political framework conditions, we also reduce the risk of social and environmental violations.

Comprehensive assessment of logistics partners
We subject all our logistics partners with current contracts to a structured, regular assessment based on defined criteria. This supplements the classic supplier evaluation procedures that were created explicitly for logistics partners. In addition to measuring general performance, sustainability efforts are also evaluated. In the event of deviations from the standards required by Fronius, we derive improvement measures together with the partners concerned. This enables us to continuously develop our transport processes in terms of sustainability.

Supplier review/audit

Fronius also regularly reviews existing suppliers. As part of a supplier self-assessment, sustainability information, such as existing certifications, is requested and subsequently subjected to a review. This shows that more than half of our major suppliers, i.e. those who account for more than 80% of the procurement volume for direct services, have already implemented certified management systems (e.g. ISO 14001) that promote environmentally and socially responsible production.

Compliance with environmental and social criteria is additionally checked in on-site audits for suppliers with increased relevance. By the end of 2022, 35% of preferred suppliers had been audited. The deviations and improvement potential identified in these audits will be systematically followed up together with the suppliers in the form of corrective measures.

Material compliance processes

To ensure even more consistent and transparent compliance with all material compliance regulations relevant to our products, internal product development processes are being continuously refined. A software platform for the central collection and evaluation of pollutant information at product level serves as a core element. This ensures the implementation of the constantly increasing requirements of national and international environmental legislation (REACH, RoHS, etc.). The aim is to successively replace substances of concern and filter them out of the cycle.

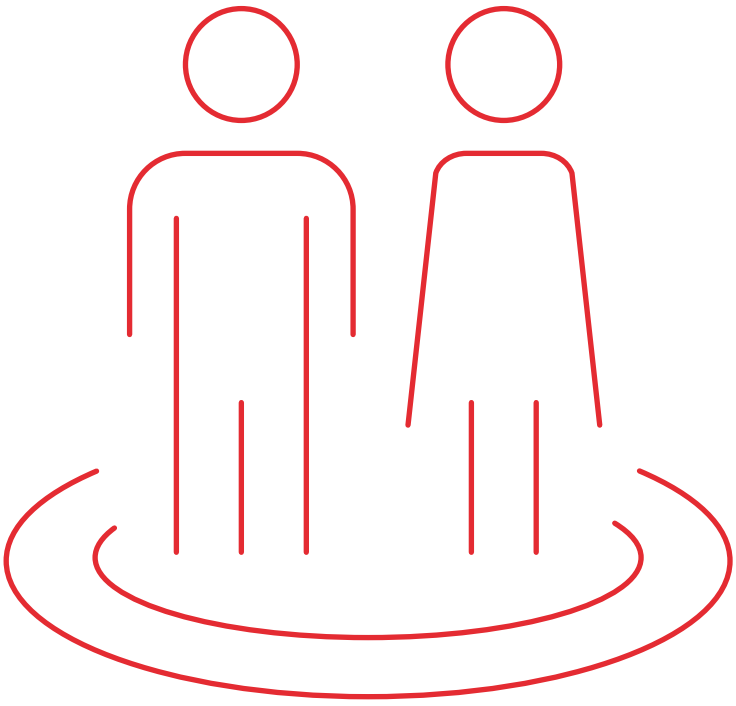
Awareness

Comprehensive sensitization of our employees in the respective procurement areas with regard to the relevant supplier management processes as well as sustainability requirements and activities is an essential building block for the long-term sustainable orientation of our supply chain.

To this end, a training program is being developed on topics such as sustainable procurement and corporate due diligence in supply chains. The first training courses will be offered in the coming year and are mandatory.

Social responsibility

Community connects us, is a core value and thus a key success factor for the entire organization. Every employee is an important part of Fronius and is valued as such. The new HR campaign "We are Fronius" shows exactly who Fronius is, namely a multitude of employees who together make up the spirit and success of the company.



Employment and working conditions

Employment structure

As of December 31, 2022, Fronius International GmbH had 4,817 employees (including apprentices and temporary staff such as interns and seasonal workers). This corresponds to an increase of 14% compared to 2021. A further 2,187 people are employed by the subsidiaries.

In addition, we employed 176 contract workers (95 of them at Fronius International GmbH) in the Fronius Group. These are primarily employed in the areas of manufacturing and logistics.

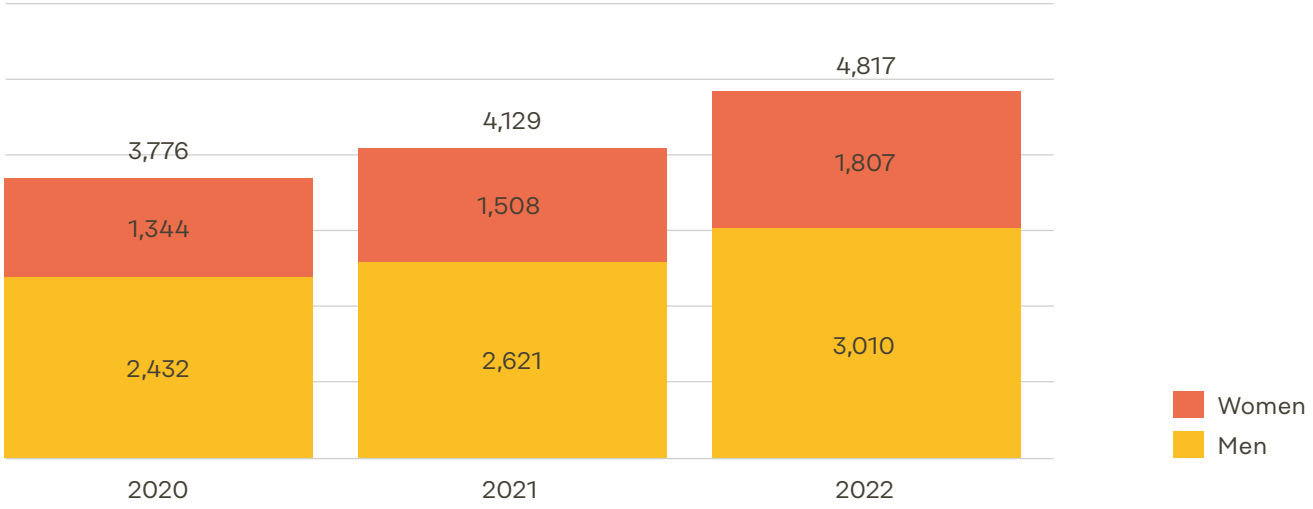
Across the Group, only 10% of employees work part-time. At 74%, the proportion of women among part-time employees is significantly higher than that of men.

The strong growth course is also reflected in the number of new entrants. In 2022, 1,704 new entrants were recorded at Fronius International GmbH, of which 60% are male and 40% are female. Across the Fronius Group, 2,160 new employees started (39% of them women and 61% men). By age group, over 50% of the new employees are under 25 years old. Just under 47% of new entrants are between 25 and 54 years old. Only 1.5% of employees are over 55 years old when they join the company.

The fluctuation rate of 12.4% increased by 2.7% compared to the previous year. The calculation of the rate does not include temporary workers.

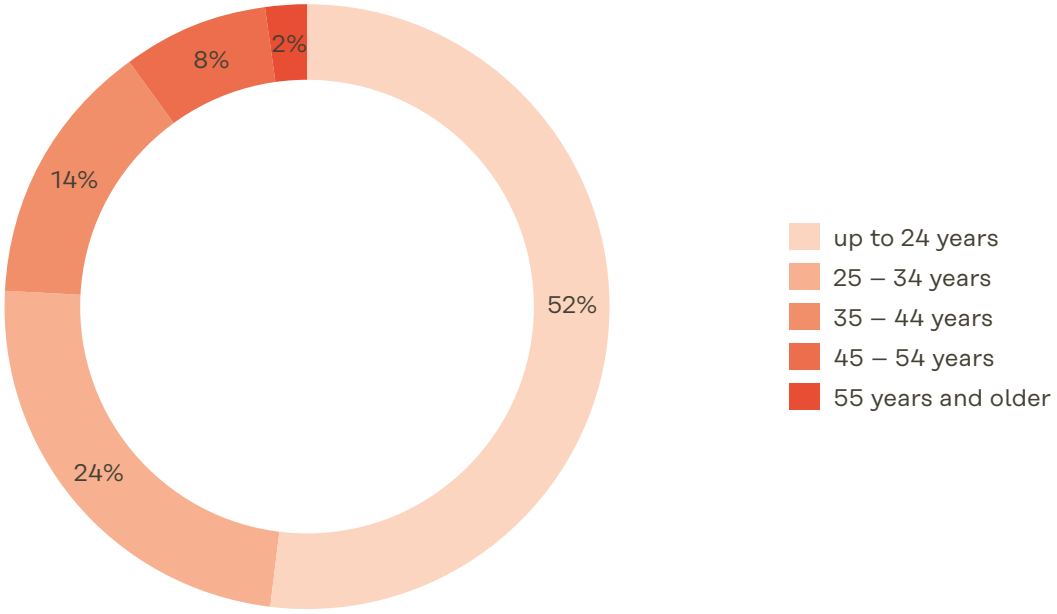
Employees by gender [1,2]

Reporting date 12/31/2022, Fronius International GmbH



New entries by age group[1, 2]

Reporting date 12/31/2022, Fronius International GmbH



[1] *Figures incl. temporary wokers and apprentices*
[2] *Employees per capita*

Respect for human rights

At Fronius, we place a premium on respecting human rights, and it is a guiding principle in what we do. Fronius is committed to ensuring decent and safe working conditions, to paying appropriate remuneration, to respecting freedom of association and the right to collective bargaining, and taking a zero-tolerance approach to child labor, forced labor, and discrimination.

Flexible working models

We design our working conditions to meet the needs of our target groups and achieve the best possible balance between the expectations of our employees and the requirements of the company. In addition to established working models (e.g. flextime, shift work), increasingly more flexible forms of work are offered. For example, Fronius has over 100 part-time models, including part-time models within multi shift working hours.

Employee representatives

At Fronius International GmbH, 99% of Fronius employees are represented by a works council or trade union. There are also employee representatives at the subsidiaries in France, Brazil and Mexico. The coverage at Group level is around 73%.

Company benefits

Working at Fronius is so much more than just performing daily tasks. We aim to promote the satisfaction of each individual and the entire team, social networking, and the health and well-being of all employees.

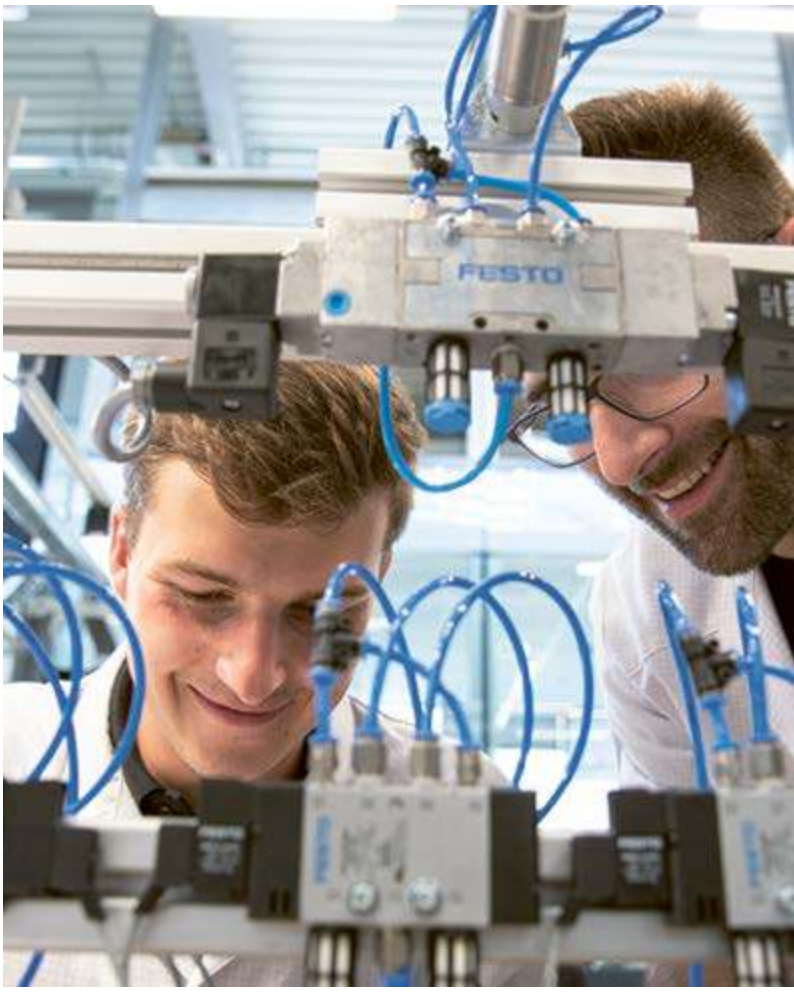
In the respective chapters and listed below you will find a small excerpt of our company benefits:

Extensive opportunities for training and further education
(see also chapter "Employee development")

Discounts and special offers for employees
Fronius offers its employees numerous discounts and special offers. For example, everyone receives a meal subsidy of 40% in the Fronius company restaurants. To encourage the use of public transport to get to work, Fronius covers the cost of tickets (see also the chapter on "Decarbonization and climate protection"). In addition, there are regular employee campaigns to purchase Fronius equipment at attractive conditions.

Events for employees
To strengthen the community outside the immediate working environment, Fronius supports, among other things, field trips of departments and team building activities, and organizes celebrations such as employee anniversaries or retirement parties.

In 2022, a number of events were again offered, such as:



Long Night of Research: In mid-May, the Long Night of Research was organized at the research and development site in Thalheim bei Wels. For one night, the doors were open to external visitors to offer insights into applied technology at 18 different experience stations.

Summer party: At the end of June, the Fronius summer party was held with more than 5,500 employees and their families at the Steinhaus location.

Movie Night: In October, a movie night was held for all employees and their families. The documentary "Into the Ice", which shows the devastating consequences of climate change, and the children's film "Lyle – the singing crocodile" were shown.

Child-care facilities
(see chapter "Diversity and equal opportunities")

Health promotion measures
(see chapter "Occupational health and safety")

Well-balanced meals:
Eating good, healthy food has a positive impact on well-being, and this requires high-quality ingredients. Fronius attaches great importance to the quality, freshness and origin of the food used in our company restaurants.

"The Fronius company restaurants are supplied by handpicked suppliers, meaning we can ensure that we receive high-quality food instead of ready-made products. We focus our efforts on providing well-balanced, flexitarian, and highly nutritious meals." (Thomas Weinberger, Head of Company Catering)

Time and again, we invite chefs to share tips & tricks with the Fronius company kitchen. For example, cross-over chef Daniela Balhasi, owner of the restaurant "Mundwerkstatt" in Linz, worked with the Fronius kitchen team to conjure up a wonderful lunch menu for our employees.

Employee satisfaction

We have been a certified "Great Place to Work" company since December 2021. This is the result of the Trust Index© employee survey by Great Place to Work®.

In May, the awards for the best employers in Austria were presented in Vienna. Fronius achieved the 3rd place among the best employers in the XXL category (companies with over 500 employees). Fronius also received a special award for integrated sustainability.

In September, “Great Place to Work” also presented the award for the best employers in Europe. Fronius achieved the 14th place in the Manufacturing & Production division in the category Multinational. The trophy was handed over at a gala event in Venice. A total of 3,000 European companies were nominated.

Employee development

The range of opportunities for personal and professional development is large and varied. It ranges from internal and external specialist training courses to leadership and personality seminars and customized Fronius programs. In addition to professional external training partners, many internal trainers also successfully support the transfer of knowledge to various target groups.

The Human Resources Development department accompanies these learning processes, drives the topic of learning forward and supports the transfer of what has been learned into everyday working life.

Further development of skills

Depending on the occasion and the need, each employee or group of employees is given the opportunity to take part in further education in internal or external online or classroom courses.

Fronius education program

The Fronius education program is one of the most important instruments in training and further education. In 2022, it provided impetus and answers to topics such as flexibility, resilience and sustainability in the company and promotes the further development of each and every individual. It also includes classic training courses such as project management or business moderation. Expert talks, sports sessions and keynotes are also part of the program.

In 2022, we were pleased to welcome neurobiologist Dr. Bernd Hufnagl and Paraolympic champion Thomas Geierspichler, among others, as speakers. The keynote address by a Fronius employee and head of the "Sustainability by Design" program, David Schönmayr, revolved around the topic "Recycling saves our world. Not." It was all about evidence-based sustainability. Sustainability myths were dispelled and the personal contribution to climate protection was addressed.

The education program was well frequented by employees in 2022: There were a total of 1,958 participations in 154 trainings.

71% classroom training, 29% online training
Basis: 154 training courses from the Fronius education program

Trainings and workshops on sustainability

Fronius Italy

Fronius Italy has developed an internal training program to raise employee awareness of sustainability, Agenda 2030 and the ESG approach. In addition, a series of events are offered to external partners and interested parties on topics such as energy communities, collective self-consumption, agrivoltaics, etc.

Program to upgrade qualifications

In order to tackle the shortage of skilled workers, a program for upgrading the qualifications of semi-skilled employees was established in 2021. The training program, which is fully funded by Fronius, is aimed at driven employees who want to complete an apprenticeship in electrical engineering in twelve months. By the end of 2022, 20 participants had already successfully completed the program. Further apprenticeships and new courses are already being planned for 2023.

Leadership training

Fronius trains its managers as part of a multi-day program and strengthens them in the perception of their (new) role. Managers also take part in internal workshops, training sessions focusing on managerial issues, and individual coaching sessions.

Our aim with all of these measures is to help develop strong leaders and shape the management culture of Fronius globally.

In terms of all training and development courses held in 2022, a total of 7,927 participants took part in personality, leadership, specialist, process and strategy training courses as well as expert lectures.

In the year under review, the average number of training hours in relation to the average number of employees was 10.1 hours. This figure also includes the hours of training and further education for temporary employees (interns, temporary workers, etc.) and apprentices. This represents an increase of 9% compared to the previous year. Of these, an average of 13 hours were spent by managers and 9.7 hours by employees.
The subsidiaries invested an average of 13.6 hours per employee in training and development. Thus, the average amount of hours spent on training was 11.2 across the Fronius Group.

Apprentice training

The best way to counter the shortage of skilled workers is to train young people within the company's own ranks. Fronius has been pursuing this strategy for many years, and in 2022 welcomed 54 new Future Talents at the start of their apprenticeships. As of fall 2022, there were already 167 apprentices in training and a further increase is planned for 2023.

The post-baccalaureate apprenticeship is also growing in popularity. Five of the 54 apprentices started the program in 2022, which is aimed primarily at high school graduates from grammar school. This means that Fronius has a total of 10 Dual Academy apprentices in training for the professions of mechatronics, operational logistics and electrical engineering. In 2023, another profession will be offered: Application Development – Coding.

In 2022, a dedicated training and networking concept was launched for the more than 400 dedicated managers and apprentice trainers. In addition to basic training, apprentice-specific didactic and mixed methods training is offered to improve the quality of knowledge transfer to future skilled workers.

At the first Upper Austrian Apprentice Hackathon 2022, the Fronius Future Team took first place with its app prototype "Where is my meeting again", which is designed to make it easier for employees to navigate to seminar rooms.

156 total apprentices
(as of 12/31/2022)
16 teaching profession
in 13 groups

Profession	F	M
Electronics engineer	6	39
Electrical engineer		20
Mechatronics engineer	3	25
Metal worker	3	16
Design engineer		2
Media specialist	1	
IT technician	1	6
Application developer – Coding		3
Industrial business management assistant	11	3
Purchaser	2	
Finance and accounting assistant	3	1
Company logistics specialist	4	4
Chef	3	

Figures refer exclusively to Fronius International GmbH. A further 13 trainees are employed at the subsidiaries.

Annual employee appraisals

The Fronius employee appraisals take place once a year between the manager and the employee, whereby they both set aside time to discuss how they work together, reflect on their performance, and set new goals. To ensure quality discussions, we invite Fronius managers to take part in the training course "Leadership tool: appraisal interviews". The provided guideline forms the framework, stimulates questions from different perspectives and provides space for an assessment of performance. Personal strengths are discussed, development potential is identified and measures for personal training and professional development are determined.

Cooperation with educational institutions

Fronius maintains a variety of forms of cooperation with educational institutions in Austria. We are very keen to encourage and support pupils and students, as well as to build up a comprehensive network and forge ties with our company at an early stage. We link theory and practice and make an active contribution to the future of young people.

Fronius **sponsors** a business informatics class at the polytechnic college in Vöcklabruck and a infomatics class at the polytechnic college in Grieskirchen. Since 2022, the commercial college in Lambach and the polytechnic college in Leonding have also been included. We accompany the students on their way to the matriculation and diploma exams. With the help of joint focal points, we contribute to making the next generation fit for the demands of the economy.

Also new is the partnership with **Ecole 42 Vienna**, an internationally renowned programming school with an innovative learning concept. The aim is to show new ways in training, but also to counteract the many vacant IT positions.

Diversity and equal opportunities

At Fronius, we see diversity as an opportunity and promote the different perspectives, experiences and competencies of our employees.

We welcome people regardless of gender, age, cultural, national or ethnic background and foster their development in a targeted manner.

Supporting people with special needs

At Fronius, we take special account of our employees with special needs. These include, for example, reintegration after long-term sick leave, the design of part-time working models and the implementation of specific requirements concerning the working environment. We have no age restrictions regarding our training and development or qualification programs.

Fronius also offers the option of continuous partial retirement in accordance with the statutory framework.

Supporting gender equality

At Fronius, we are committed to inspiring more women to join our company.

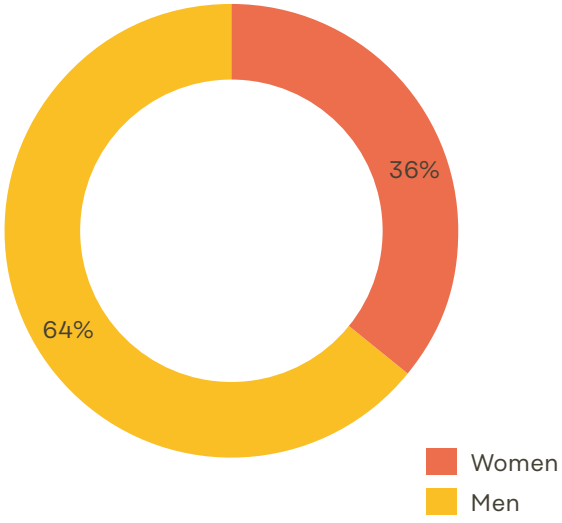
In 2022, around 38% of the positions at Fronius International GmbH were already held by women. The proportion of women at Group level is 36%.

In management positions, the proportion of women is almost 14%. We take targeted measures to offer women equal opportunities in the recruitment process and thus promote the proportion of women in the entire workforce and in management positions.

Here are some of our measures for the advancement of women:

Employees by gender

Reporting date 12/31/2022, Fronius Group



Training "To Yourself“
Strengthening self-awareness, self-management, and self-confidence of women are at the center of the "To Yourself" training in the Fronius education program. In this workshop women were given targeted encouragement to apply their skills and potential more effectively. Three training sessions were held in 2022, and demand is rising steadily.

"This was a great women's seminar. I 100% recommend it to every woman."

Participant Barbara Hellein

MINTality
Fronius is actively involved in the MINTality foundation as a founding member. The aim is to inspire women to take up technical professions, make teams more diverse and counteract the shortage of skilled workers. Fronius Managing Director Elisabeth Engelbrechtsmüller-Strauß is also Chairwoman of the Supervisory Board of the MINTality Foundation.

Future Convent
The Future Convent is a congress on topics related to the Sustainable Development Goals for pupils of the higher technical college, which took place in November in Gmunden. As an SDG partner company, Fronius was represented with an interactive stand where pupils could try out programming games or examine the inner workings of an inverter, among other things. In addition, four female Fronius technicians were on site. In a side workshop, they told the pupils about their successful career in technology, including the hurdles and challenges, gave tips and answered questions.

Fronius Türkiye

TWRE - Turkish Women in Renewables and Energy
TWRE is a network of women established under the name "Turkish Women in Renewables and Energy" to create an exchange for women working in the energy sector, especially in the field of renewable energies. The goal of this network is to achieve gender equality in professional life and to support women in the energy sector. Fronius Turkey is a member of this network and supports these goals.

Supporting young women
When it comes to apprenticeship guidance, we encourage young women to start an apprenticeship in a technical or commercial field. Women are welcome to join any teaching profession here at Fronius. We are particularly delighted by the strong increase in women in technical jobs. Of our current 156 apprentices at Fronius International GmbH, we employ 37 female apprentices, 13 of whom are in technical professions (as of December 31, 2022).
The campaign days organized at Fronius, such as Girls Day and PowerGirls, as well as individual seminars to get more insight in specific professions, are received with interest by young women and support them in their professional orientation process. There are no boundaries, and we are constantly trying to break down those in the minds of society. Countless good experiences in the development of young people prove us right and motivate us to continue to promote this openness among our youngest employees.

Supporting work-life balance

Home office
Home office is very popular: since May 2020, this new form of working has also been possible at Fronius. Home office brings many advantages: improved work-life balance and less impact on the environment and climate (fewer commuter kilometers lead to fewer pollutants and greenhouse gas emissions).

At Fronius, we place particular emphasis on finding the right balance between home office and office work and developing individual solutions together with our employees. Community and teamwork define us. We value the ongoing exchange between our employees, which is sometimes neglected in the home office. The ergonomic design of the workplace is also not always given at home. To ensure the right balance between remote and in-office work, up to 50% of the weekly working time can be completed from home, depending on the tasks and responsibilities involved.

Kindergarten care
Children are in the best hands at Fronius. In the company kindergarten, which is open all year round, children aged 15 months and older are cared for in two toddler groups and one kindergarten group. In addition, parents can bridge the vacation period in August with the help of the summer kindergarten.

School break program for elementary school children
It is often a challenge for parents to find suitable childcare for their children in the summer or to share holiday time between both parents.
Together with the educators of the Upper Austrian Hilfswerk charity, an excellent school break program was organized again in 2022. There were fun barbecue afternoons, lots of games and an exciting workshop on climate change.

Managing periods of leave
The individual situation surrounding temporary career breaks (e.g. for children, education) is realized as good as possible at Fronius through various parental leave models and, if necessary, supported by different working time models, such as in the form of part-time models. At the end of the reporting year, 127 employees were on parental leave and another 158 were taking advantage of part-time parental leave. A further 32 employees took advantage of the option of partial retirement.

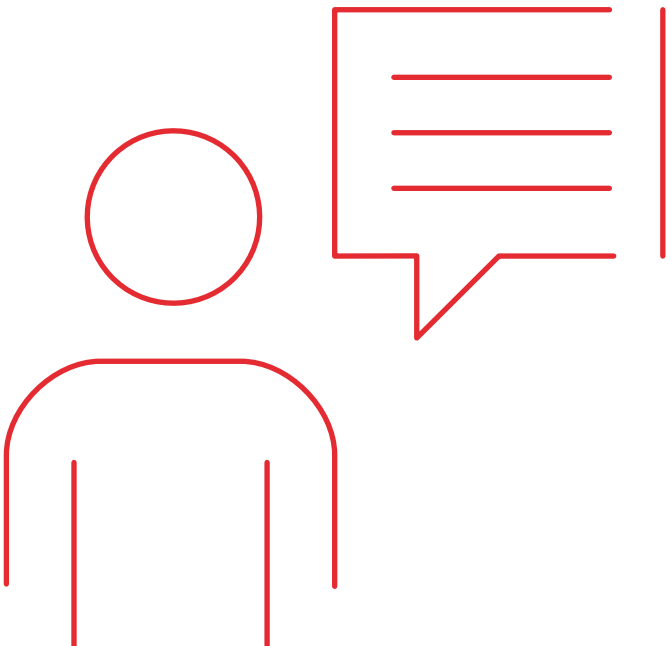
Anti-discrimination

Because of our fundamental values, discrimination has no place at Fronius.

The following options are available to our employees for reporting misconduct, which naturally ensure that cases are handled with the utmost confidentiality and care:

Information to the Legal department, or
Information to the Management Board, or
Information to the direct manager, or
Report on the Fronius Whistleblower System

The whistleblower system can be used by internal employees as well as by third parties associated with Fronius. No cases of discrimination were reported in 2022. In terms of anti-discrimination, Fronius also pays particular attention to fair and market-standard remuneration, which is based on the requirements of the job and individual performance and is, of course, gender-neutral. As an additional safeguard, an annual review process has been established with the Works Council by means of a salary report.



Occupational health and safety

All Fronius sites in Austria are certified in accordance with the ISO 45001 occupational health and safety management system, which regulates occupational health and safety matters. The internal changeover process plays a key role here and is used in various situations, such as relocating employees, changing workplaces, and setting up and switching machines and systems.
We factor in health and safety as early as the planning stage for implementation projects. A workplace evaluation is carried out later in the process, which involves systematically assessing the hazards and devising targeted measures on this basis. Our basic policy is to prevent risks, and we use the so-called “STOP” principle. If hazards cannot be mitigated through technical or organizational measures, we require personal measures to be taken, such as safety instructions or wearing personal protective equipment. When selecting this equipment, we take into consideration its visual appeal in addition to its protective efficacy to ensure greater uptake.

Implementing high standards and continuous improvements helps to prevent workplace accidents. A comparison with the industry as a whole reveals that we have fewer accidents than other companies. However, every accident at work is still one too many, and we are always implementing measures to reduce incidents in the workplace. One particularly successful measure was an awareness-raising initiative among employees to inform them on the proper report of critical situations, which are situations that may pose a health and safety risk. By raising awareness in the departments, we are preventing accidents from occurring.

Accident-free days

The key performance indicator "accident-free days" describes the number of days on which no occupational accidents occurred in manufacturing. We pursue the goal of zero occupational accidents per day. However, if an occupational accident does occur, it is recorded in our deviation list in addition to the internal accident report, in which both a task and a responsible person are defined. Monitoring this indicator helps us to identify patterns, for example if a disproportionately high number of accidents occur on one assembly line compared to others. In addition, an inspection takes place once a week, during which identified potentials and safety-critical deviations are recorded and eliminated.

Accident statistics

In 2022, there were 82 occupational accidents at Fronius International GmbH. Of these, 45 were accidents that resulted in sick leave of more than three days. The accidents at work mainly involved bruises, cuts, contusions and similar injuries when handling machines and tools. Technical or organizational deficiencies can mostly be ruled out as the cause of accidents, since in most cases it is a matter of carelessness on the part of employees.

As in previous years, there were no fatal accidents at work. In addition, commuting accidents are also recorded and analyzed. A total of 31 commuting accidents occurred in the reporting year.

Compared with the previous year, the number of occupational accidents rose from 69 to 82. This increase is mainly due to the strong growth in the number of employees. We have observed that occupational accidents occur more frequently among new employees.

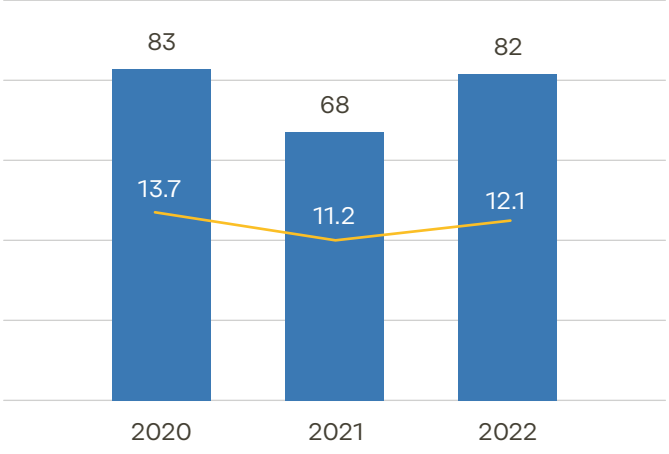
Temporary workers, who are included in the accident statistics, are also often less familiar with the risks of accidents. These target groups are increasingly the focus of the "Occupational Health and Safety" department.

In order to prevent accidents at work, workshops were held with those departments in which an accident frequency was identified. For this purpose, individual evaluations of the causes of accidents were carried out and targeted measures were derived.

Accordingly, the accident frequency rate increased year-on-year to 12.1 accidents per 1 million working hours. The number of lost workdays due to accidents also increased from 19 to 24, and the severity of accidents from 3.1 to 3.6 lost workdays per 1 million hours worked.

Number of occupational accidents[1] and accident rate[2]

Reporting date 12/31/2022, Fronius International GmbH

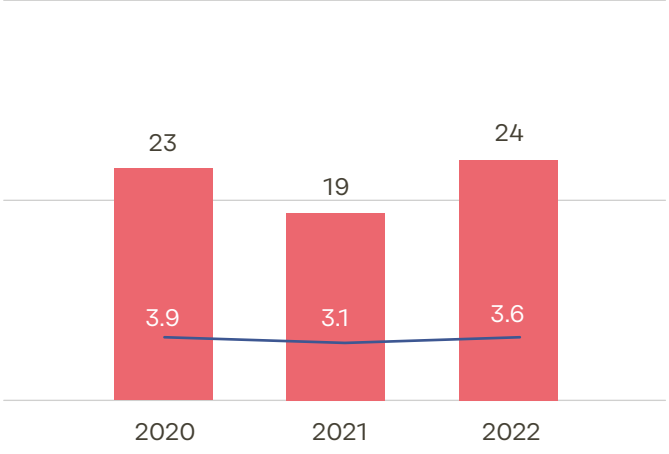


[1] Accidents with at least one working day lost excl. commuting accidents
[2] Accident rate = number of occupational accidents / number of hours worked x 1,000,000

Number of accidents
Accident rate

Number of days lost due to accidents[1] and accident severity [2]

Reporting date 12/31/2022, Fronius International GmbH



[1] Accident days lost calculated on the basis of 250 working days per year
[2] Accident severity = days lost due to accidents / number of hours worked x 1,000,000

Number of days lost due to accidents
Accident severity

A total of 19 occupational accidents were reported at the subsidiaries. Neither fatalities nor occupational accidents with serious consequences or lost work time of more than six months were recorded. A total of 101 occupational accidents occurred in the entire Fronius Group.

Continuous improvement process "Occupational health and safety"

Occupational health and safety is a top priority at Fronius. For this reason, the "Continuous Improvement Process (CIP)" has already been expanded to include the category "Occupational Health and Safety". Employees in Production have the opportunity to contribute to improving health and safety in processes and production workflows through an in-house platform. A total of 65 suggestions for improvements were submitted in 2022, 61 of which have already been implemented in our operations.

Company health management

Guided by the management system, the following objectives are pursued in company health management (CHM for short):

- Maintain and promote the health of all employees
- Secure and increase the company's performance
- Positively influence employer attractiveness

Fronius offers its employees a range of protective and preventive measures as part of safeguarding and promoting health at work.

Occupational medical services
Medical examination and consultation by qualified physicians are available to all employees. The occupational healthcare team is responsible for advising and supporting all employees and managers, including safety representatives and staff representatives, with regard to health protection, promoting health in relation to working conditions, and the fair organization of work.

Vaccinations
In April 2022, 216 tick-borne encephalitis basic immunizations and boosters and 170 flu vaccinations were administered to employees. At the beginning of December, at the start of the seasonal flu epidemic, the workforce was prepared for the upcoming flu epidemic with a targeted information campaign with appropriate measures.

Exercise
Physical and mental well-being are extremely important to health. We therefore encourage employees to keep moving, particularly during activities that involve holding the same posture for prolonged periods. Activities such as yoga, back support exercises and so forth have a positive effect and are offered by Fronius either at a low price or even free of charge. Moreover sessions for amateur runners were organised giving participants advice on how to run efficiently and how to boost their health through running.

Ergonomics consultations
Ergonomics consultations are available to all employees at any time. In the case of health impairments, ergonomic products (e.g. height-adjustable tables) can be purchased. These products are available in a catalog on an internal information platform for occupational health and safety.

COVID-19
In addition to the implemented legal requirements, we continue to offer free antigen and PCR testing to all employees. For all those who wish to be vaccinated, we will assist in finding an appointment and advise on the choice of vaccine.

Mental health

For psychological equilibrium - especially now in times of crisis and stress - an occupational psychologist is available to assist employees as needed. In 2022, direct talks totaling more than 200 hours helped numerous people cope with difficult situations. In addition, we offer biofeedback as an innovative method for treating stress and pain.

In 2022, particular importance was attached to dealing with stress. New training courses on reducing stress were offered as part of the education program. Furthermore, targeted measures were taken in individual departments to reduce stress in the workplace using simple methods.

Customer health and safety

At Fronius, product safety is a top priority. We only sell equipment that is safe for its intended use and complies with the applicable national safety regulations in the sales markets.

Fronius devices undergo a large number of tests and inspections right from the development phase to ensure, among other things, the health and safety of users.

We provide comprehensive information on how to use devices properly and safely in the operating and installation instructions, including warnings about the risks in case the instructions are not followed. We also offer our customers tailored product demonstrations and video instructions on how to commission devices, training sessions and webinars, as well as one-to-one consultations. Fronius also offers after-sales support with annual safety inspections of the devices.

Perfect Welding

It is hard to imagine a future without manual welding. Regulations worldwide are being increasingly strengthened due to welding's link with particular health and safety risks. Welding involves risks such as electric shock, flying sparks, flash burn, and inhalation of harmful welding fumes and gases. There are many aspects to health and safety with welding, ranging from reducing the harmful impact of welding fumes to designing ergonomic equipment.

We are aiming at combatting some thoughtlessness among specialists, firstly at product level and then through greater PR work. Our ultimate goal is to raise awareness about the potential risks associated with welding and provide suitable preventive measures.

We provide answers to the following questions: What measures can be taken to prevent and eliminate risks? How are these measures properly implemented? Welding helmets with a fresh air supply, extraction hoods, and extraction tables reduce exposure to fumes, for instance, and special fume extraction torches neutralize the welding fumes right at the source. All these measures protect workers and others around them. We are striving to make this multi-faceted, highly skilled profession even safer for future generations.

Solar Energy

From development to production to commissioning of our products and, of course, afterwards - the safety concept accompanies us at all times and in all phases of the production and product life cycle. Our products and solutions meet the strictest safety standards and are subject to continuous further development. This enables us not only to minimize all risks during operation, such as electric shock, but also to further increase safety for all involved with forward-looking concepts and technologies. One example: to ensure that there is sufficient space for handling, the connection area of an inverter has been planned and designed accordingly. In addition, swapping or reversing the polarity of plugs is almost impossible thanks to a well thought-out design of the plug connection between the boards. This makes the installation of our products and solutions safe and avoids repair errors.

The topic of safety is also reflected in our extensive range of further training courses: Every year, we teach the proper commissioning and handling of Fronius' holistic energy systems in numerous classroom and online training courses and webinars. In 2022, we welcomed 29,874 participants to a total of 1,426 training courses and seminars.

Perfect Charging

Safety is the number one priority when charging traction batteries. Following all safety requirements minimizes the risk of accidents, such as electric shock or the inhalation of harmful gases and vapors. We inform our customers about the safety measures they need to take, for example we recommend ventilation of charging spaces in line with standards, the implementation of an external start/stop function and to avoid sparks between charging contacts. Our experts continue to offer support after the charging infrastructure has been commissioned by performing regular safety inspections.

Data from our digital solutions (I-SPoT Viewer and Charge & Connect) help to identify application errors and devise specific training measures.

Ecological responsibility

With sustainable visions and innovative developments, we want to consciously set an example and conserve our planet's resources in the best possible way.

Decarbonization and climate protection

We take care not to waste energy and resources in any areas and thus are eager to reduce our greenhouse gas emissions. All manufacturing sites in Austria have already been converted to renewable energies.

Climate risks and opportunities

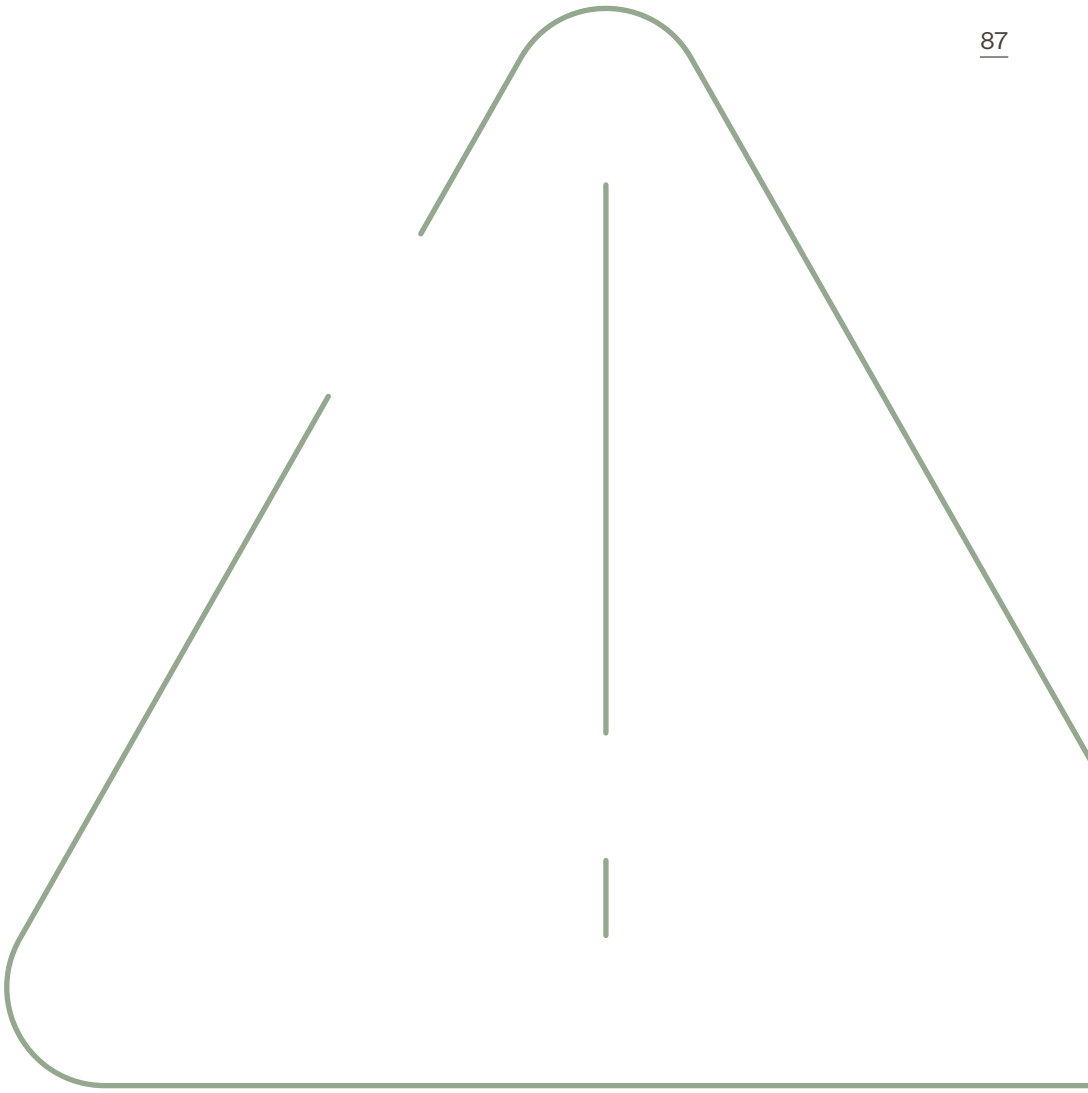
In addition to the environmental impact of our business activities, we are also concerned with the risks and opportunities arising from the climate crisis and the resulting actual and potential impact on business operations, strategy and financial planning. Fronius is expected to be directly affected by the climate crisis.

With regard to climate-related risks, demand for energy-intensive products is expected to decline, energy costs will continue to rise, extreme weather events will cause damage to infrastructure and lead to a more volatile energy supply. These effects may also lead to escalations in some countries that could upset our value chain, as demonstrated for example by the Covid-19 pandemic.

But the path to climate neutrality also brings many opportunities for Fronius. We offer innovative, efficient products that contribute to a more sustainable energy system, demand for which will continue to grow strongly. By investing in energy-saving technologies and making conscious use of our resources, we save energy and material costs.

Energy management

To curb the climate crisis, Fronius has set itself the goal of switching completely from the use of fossil fuels to renewable energy sources at its Austrian sites and implementing further energy efficiency measures. To achieve this goal, it was decided in the year under review to establish a certified energy management system in accordance with ISO 50001. The introduction is planned for 2024 at all Austrian sites.



In detail, we rely on the following measures:

1. Conversion to renewable energy sources
In the meantime, 88% of the energy required comes from renewable sources, of which 15% is from geothermal energy, 9% from biomass and 4% from photovoltaics, and 61% from purchased green electricity. The green electricity meets the strict requirements of the "CMS Standard Erzeugung EE" of TÜV Süd for renewable energies.

In order to gradually phase out the use of fossil fuels, we are pursuing the goal of completely replacing crude oil and natural gas as energy sources with renewable energy sources as part of our decarbonization roadmap. While crude oil as an energy source has already been outsourced, the still low demand for natural gas will be fully replaced by the end of 2025.

2. Expansion of our PV plants
Fronius pursues the goal of generating as much of its own electrical energy as possible using photovoltaic systems. To this end, the PV system at the Steinhaus site was expanded from 136 to 224 kilowatt peaks (kWp) in 2022. With this expansion, we were able to increase our own electricity generation by + 6% to 2.107 gigawatt hours compared to the previous year. Our PV plants at the Austrian sites thus comprise an output of 2.3 megawatt peak (MWp) with the aim of expanding this to over 3 MWp by the end of 2023.

3. Increase energy efficiency

The conscious decision to use new and resource-saving technologies is anchored in all areas of the company. We continuously implement measures to optimize energy consumption.

Young Resources

At the beginning of 2022, the apprentice project "Young Resources" was launched, in which apprentices take a close look at resource consumption in production. This involved looking for compressed air leaks and measuring the energy consumption of small consumers in order to identify potential energy savings, which in total can lead to a significant ecological contribution. The project identified potential energy savings of 157 MWh per year. A continuation of the project is planned for next year at the Pettenbach site.

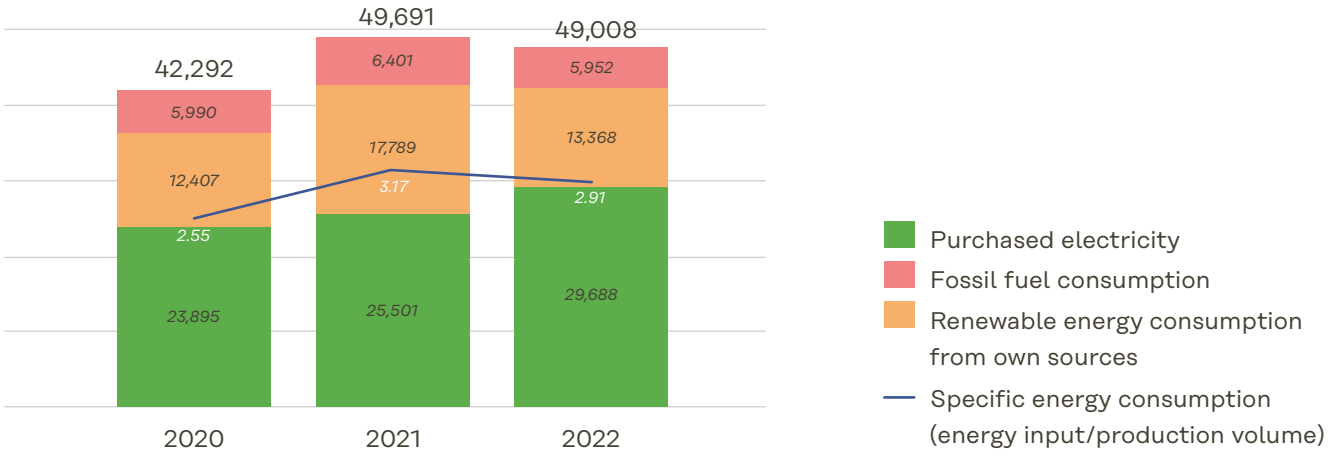
The internal energy monitoring tool continuously monitors and analyzes daily energy flows and consumption at site, building, area and meter level. Automated data collection allows energy use and consumption to be controlled and optimized in a targeted manner.

In addition, internal audits are carried out regularly to determine and evaluate energy aspects and energy consumption. Every four years, an energy audit is carried out by experts to determine the current status and identify possible energy-saving measures. The results are summarized in an energy report, which includes detailed documentation of our energy consumption and the measures derived from the audits to increase energy efficiency.

Thanks to this consistent pursuit of measures, total energy consumption at Fronius International GmbH was reduced by 1% year on year to 49,008 MWh. Fossil fuels accounted for 12% of total consumption, a reduction of 7%. Energy consumption in relation to the volume produced decreased from 3.17 to 2.91 MWh. This corresponds to a reduction of 8%.

Energy consumption by source in MWh

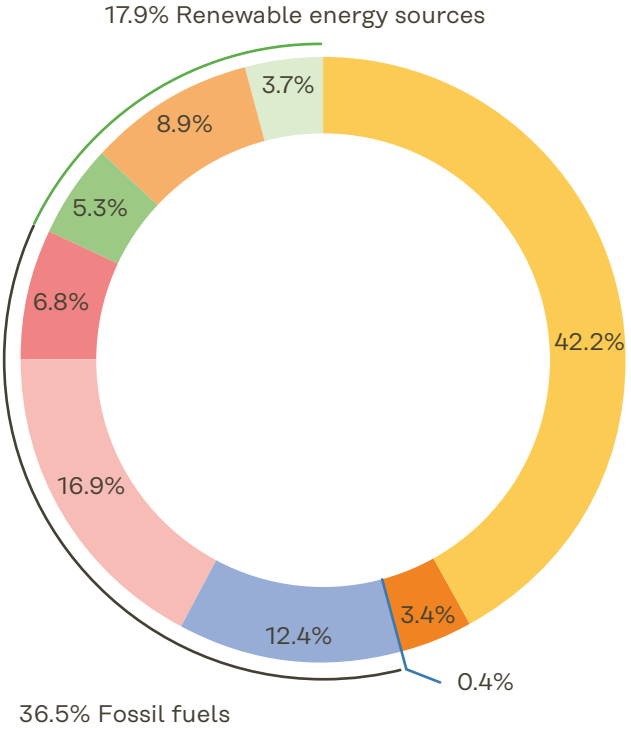
Reporting date 12/31/2022, Fronius International GmbH



Energy consumption at the subsidiaries amounted to 32,033 MWh. Total energy consumption in the reporting year thus amounted to 81,041 MWh. Of this, 37% came from fossil fuels and 18% from renewable energy sources. The purchased electricity and heat came from both renewable and fossil energy. However, no data on the share of renewable and fossil energy was available for the reporting year 2022.

Energy consumption by source

Reporting date 12/31/2022, Fronius Group



- Electricity
- Purchased heat
- Fuel oil
- Natural gas
- Gasoline
- Diesel
- Biomass
- Geothermal energy
- Photovoltaics

Reduction of greenhouse gas emissions

At Fronius, we record our direct and indirect greenhouse gas emissions. Scope 1 includes emissions from energy consumption directly at our sites, including cooling, heating and process energy, and fuel consumption by our vehicle fleet. Scope 2 includes indirect emissions from the use of purchased electricity. Other indirect greenhouse gas emissions occurring outside our company fall under Scope 3.

GHG emissions

Scope 1 and 2 Building services

We are pursuing the goal of becoming climate neutral in Scope 1 by 2035. To achieve this goal, we pay attention to the consistent use of alternative energy, heating and cooling systems.

Major projects implemented in 2022 included the replacement of nine gas heating systems and two oil heating systems at the sites in Austria. For example, the gas heating system at the Thalheim site was replaced by a heat pump. This will save 238 MWh of gas per year. In addition, waste heat from the laboratories is used. At the Steinhaus site, the oil heating system was replaced by a pellet heating plant, which saves around 25,000 to 30,000 liters of heating oil depending on the winter.

With the end of 2022, the last natural gas consumer at the manufacturing site in Sattledt was also outsourced. The conversion of the powder coating plant from natural gas to electricity will save gas consumption of around 1,800 MWh per year. This corresponds to the average consumption of 60 single-family homes.

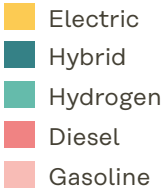
At the manufacturing site, the wood chip heating system was also shut down and two ice storage tanks were put into operation. These supply several heat pumps that are used to heat and cool the site. A control component regulates the efficient use of this ice storage system. Thus, when heating is required, thermal energy is taken either from the environment, via the air-brine heat exchanger, or from the ice storage. In winter, the ice storage cools down and freezes in order to extract the cooling energy and air-condition the site in the warm season. With a heating capacity of 8 MW and a cooling capacity of 6.3 MW, the ice storage is currently one of the largest of its kind in Europe.

Other ongoing measures with which we are achieving a major impact include the replacement of heating, cooling and hot water pumps, optimization of building services systems (e.g. hydraulic balancing), elimination of compressed air leaks, automatic light shut-off and conversion to LED lighting. These measures achieved energy savings of over 260 MWh in 2022.

In the case of Scope 2 emissions, we are already climate-neutral thanks to our purchase of 100% green electricity. Indirect emissions resulting from the purchase of electricity are included in scope 3 emissions for the first time.

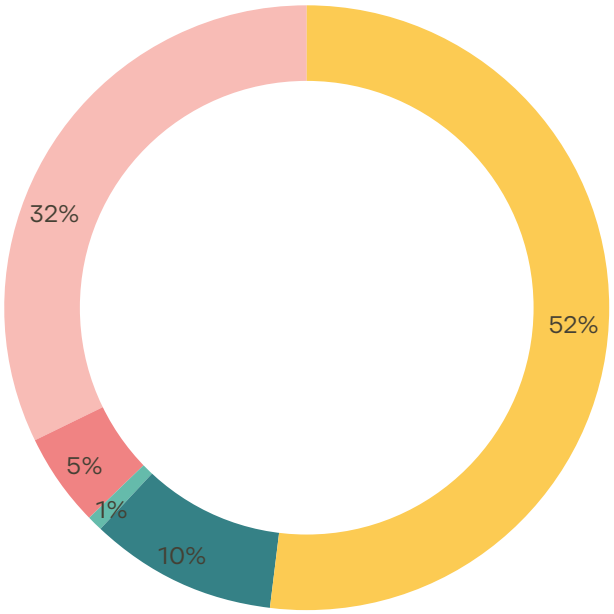
Vehicle fleet

The company's own vehicle fleet is increasingly being converted to lower-emission vehicles. Almost 100% of new purchases are electric or plug-in hybrid drives. By the end of 2022, more than half of the vehicles were already electrically powered. Plug-in or full hybrid drives and hydrogen drives account for a further 11% of vehicles. This means that only 37% of vehicles are still powered by a combustion engine.



Vehicles by drive type

Reporting date 12/31/2022, Fronius International GmbH



The gradual phasing out of diesel vehicles was defined as a further goal. The last diesel car was removed from the fleet at the end of 2021. In the case of diesel vehicles, we are constantly monitoring developments with regard to alternatives.

The number of e-charging stations is also being increasingly expanded. With 315 e-charging points for passenger cars, which are powered exclusively by our photovoltaic systems, green energy can be obtained at the Austrian sites. For 2023, a further 74 e-charging points are planned. In addition, the sites have their own e-charging zones for e-bikes.

In order to make internal trips between the Wels, Thalheim and Steinhaus sites climate-friendly, several e-bikes were purchased for employees in 2022.

In 2022 alone, our PV systems produced an amount of energy equal to 2,107 MWh, which would have been enough for around 9.1 million electric kilometers at an average consumption of 0.23 kWh per kilometer driven. We provide this energy free of charge to our employees and customers with electric and hydrogen vehicles.

Fronius subsidiaries

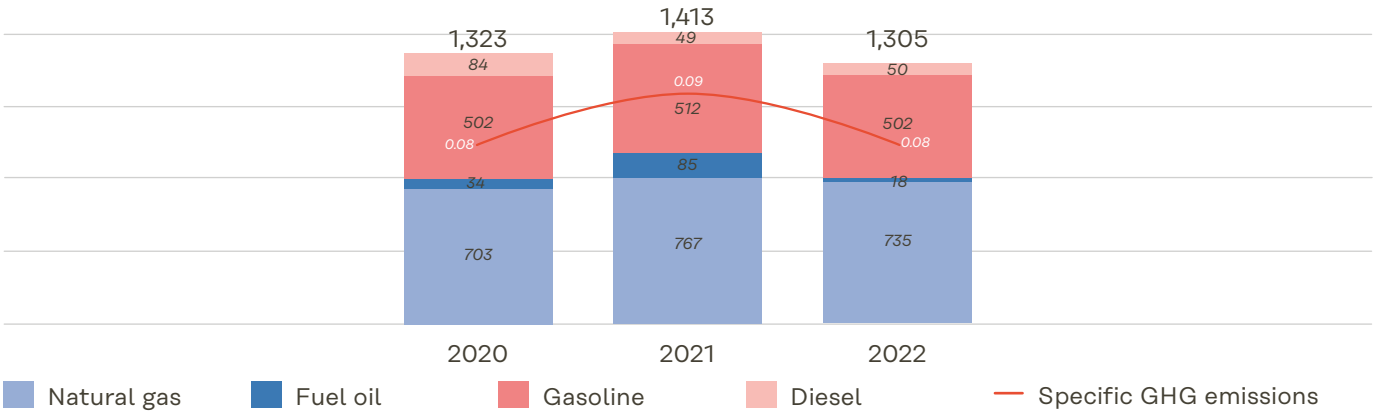
Switch to alternative drive types

The subsidiaries are also converting their fleets to hybrid and electric vehicles. In Italy, 6 plug-in hybrid vehicles were purchased and an e-charging station was set up. Fronius Poland has purchased the first two e-vehicles including two charging stations in 2022. Fronius Switzerland will upgrade its fleet to 12 e-vehicles for field service in the coming year.

Scope 1 emissions at Fronius International GmbH fell significantly in the year under review compared with the previous year, from 1,413 to 1,305 tons. This corresponds to a reduction of 8%, resulting from the gradual divestment of oil and gas. For Scope 2 emissions, we are already climate neutral. Specific greenhouse gas emissions were thus reduced from 0.09 to 0.08 tons in the comparison period.

Greenhouse gas emissions (tCO_2e) - Scope 1

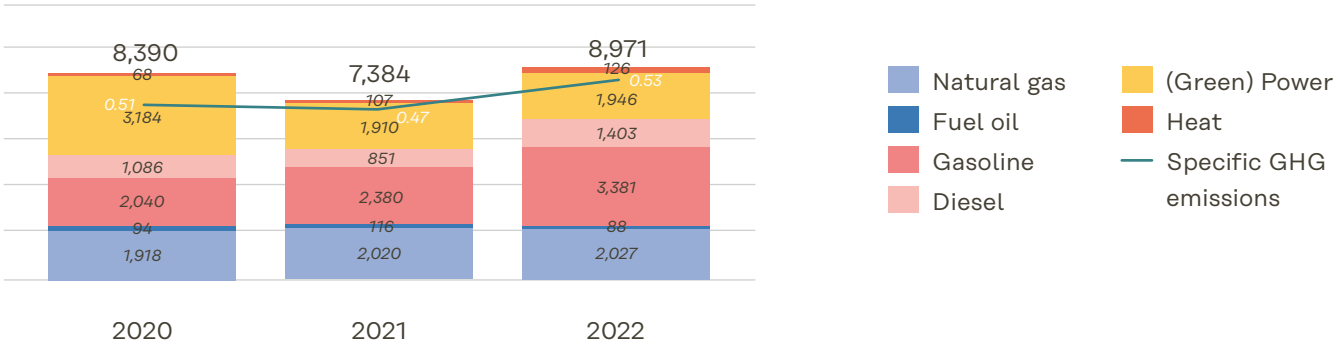
Reporting date 12/31/2022, Fronius International GmbH



Scope 1 and 2 emissions at Group level amounted to 8,971 tons in the reporting year. This corresponds to an increase of 21% compared to the previous year. This is essentially due to the increased fuel consumption as a result of the increased travel activity in 2022.

Greenhouse gas emissions (tCO_2e) - Scope 1 and 2

Reporting date 12/31/2022, Fronius Group



GHG emissions Scope 3
Scope 3 includes emissions caused by the upstream and downstream transport of goods, business travel, employee mobility and other emissions.

Upstream and downstream transport of goods
The upstream and downstream transport of materials and goods is carried out by contracted transport companies.

Within Europe, Fronius does not use air freight, and for intercontinental shipments to our subsidiaries, we have created incentives to use sea freight shipments instead of air freight shipments.

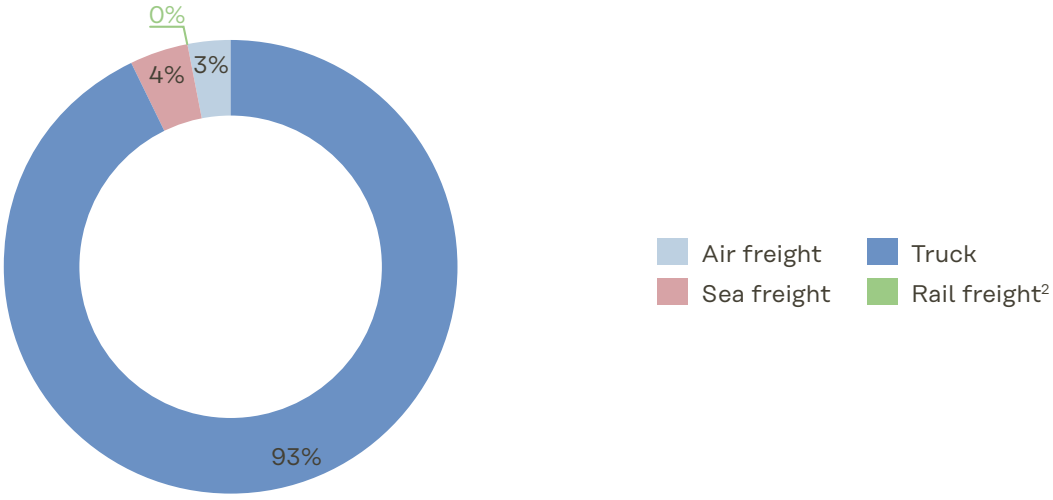
In 2022, a total of around 53,224 tons of goods were shipped from the manufacturing sites. This represents an increase of 74% compared to the previous year. This increase is primarily due to the improved availability of data by transport service providers. Shuttle transports to and from Fronius' external warehouses were also included for the first time.

A total of 1,418 tons of goods were shipped by air freight, which corresponds to a share of 3% (cf. year 2021: 4%). The share of sea freight is 4% (cf. year 2021: 13%). The majority of the goods transported from the manufacturing sites (93%) are transported by truck. Due to a change in the transport service provider, rail shipments can no longer be shown separately in the statistics.
As a rule, these are preliminary transports for sea freight and transports within Austria. However, rail transport continues to be promoted and efforts are being made to increase its share of the total mass of goods transported .

Greenhouse gas emissions caused by transportation amounted to 10,855 tons in the reporting year. This corresponds to an increase of 21% compared with the previous year. This is again due to the improved availability of data by transport service providers.

Total mass of transported goods by mode of transport[1]

Reporting date 12/31/2022, Fronius International GmbH



[1] *The availability of data on the transported goods is being continuously improved. In 2022, data will be available for a total of 95% of the transports ordered by Fronius.*
[2] *Due to a change in transport service providers, the goods transported by rail cannot be reported separately. These are mainly pre-carriage shipments for sea freight.*

Business Travel

As an internationally active company, a not insignificant share of emissions is generated by business travel. However, meetings, customer appointments, training courses and other events are increasingly being shifted to the digital space.

As the personal presence of our employees is required in certain cases (e.g. for technical assignments), we want to use public transport more for business trips. For employees who travel frequently on business, we cover the costs of benefit cards and clubs. For longer trips (200 km or more), an additional 1st class upgrade can be booked to make the journey as comfortable as possible.

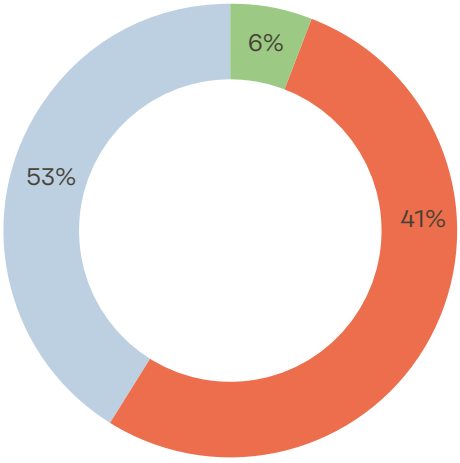
The Travel Management department at Fronius is constantly looking at new ways to reduce its carbon footprint and is always on the lookout for innovative ideas and partners in the flight and mobility sector.

In 2022, Fronius International GmbH again took significantly more business trips. Compared to the previous year, the number of kilometers traveled increased by 84%. The preferred means of transport were the car (53%) and the plane (41%). Greenhouse gas emissions from business travel increased by 57% compared to the previous year.

Scope 3 emissions increased in all categories for which data are currently available in the reporting year. In addition, indirect energy-related emissions from the purchase of green electricity and indirect emissions from the use of fossil fuels are included in Scope 3 for the first time. Thus, 12,448 tons of CO_2e were generated by upstream and downstream logistics, business travel, and electricity procurement in the reporting year.

Business travel by mode of transport

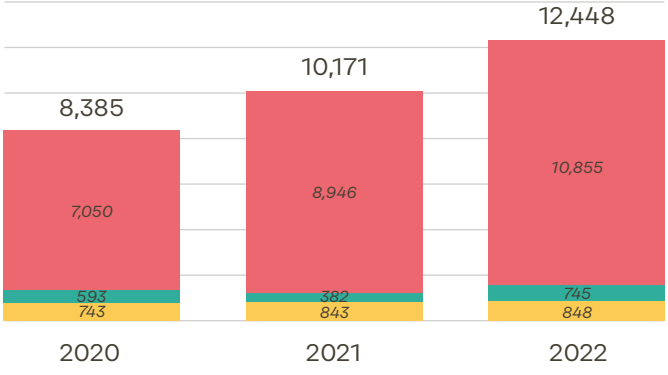
Reporting date 12/31/2022, Fronius International GmbH



Plane
Car
Train

Greenhouse gas emissions (tCO_2e) - Scope 3 categories[1]

Reporting date 12/31/2022, Fronius International GmbH



[1] *The indirect energy-related emissions caused by purchase of energy, have been included in Scope 3 emissions since this reporting year*

Indirect energy-related emissions
Business travel
Logistics

Employee mobility

At Fronius, we are aiming to make our employees' mobility behavior more environmentally friendly. We want to make using public transport to and from work even more attractive. Since September 1, 2021, Fronius has therefore been covering the cost of weekly, monthly or annual tickets for the commute to and from work.

In addition, we are committed to improving public transport connections and are in regular contact with the Austrian national railway operator (ÖBB), the transport authority for Upper Austria (OÖVV), the State of Upper Austria and representatives of the municipalities.

For shorter distances, we also encourage our employees to come to work on foot, by scooter or by bicycle. As part of European Mobility Week, environmentally friendly travel to work was specially rewarded with vouchers for a meal in the company restaurant.

In addition, the Fronius Bike-to-Work Action Day is held once a year with the aim of generating enthusiasm for cycling.

Currently, no data is available to calculate Scope 3 emissions from employee commuting to and from work.

Resource conservation and cycles

Fronius is aware of its ecological impact and continuously implements improvement measures for a more responsible future.

In 2014, Fronius introduced the ISO 14001 environmental management system. By applying this standard, we systematically consider our entire environmental impact, can make more targeted improvements and minimize our environmental risks.

Materials and raw material usage

Thanks to good cooperation between product development and manufacturing, we design efficient and sustainable production processes, saving valuable materials and energy.

Extension of the service life of cooling lubricants

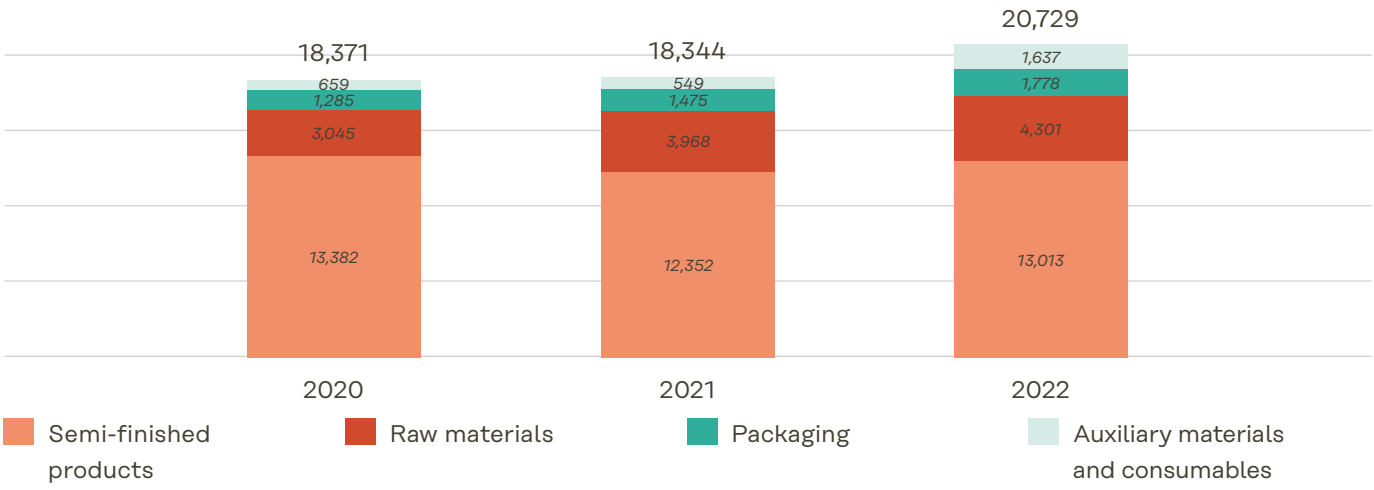
One example of the efficient use of resources is the handling of cooling lubricants in manufacturing. To ensure that lathes and milling machines for metalworking run smoothly, they need cooling lubricants. These are a mixture of oil, water and emulsifier. To ensure the longevity of these substances, proper care and maintenance is important. In this way, the formation of microbial infestation can be prevented.

In cooperation with an external company, the cooling lubricants are serviced annually. For this purpose, the substances are extracted from the tank of the machine and the chips and sludge are filtered out by using filter fleece. In addition, the finest particles are separated with a centrifuge. During the filtering process, the remaining impurities are removed from the tank. Afterwards, the treated cooling lubricant is filled back into the cleaned tank. This ensures that the cooling lubricants can be reused for three to four years, resulting in a saving of 17% in primary materials.

Total consumption of materials and raw materials at Fronius International GmbH in the year under review was 20,729 tons, of which 63% was accounted for by semi-finished products, 21% by raw materials, 9% by packaging and 8% by auxiliary materials and consumables. Total consumption thus increased by 13% compared to the previous year. This increase is mainly due to the higher production volume, which rose by 7% compared with the previous year. Material consumption in relation to the volume produced increased from 1.17 to 1.23 tons.

Material and raw material usage in tons

Reporting date 12/31/2022, Fronius International GmbH

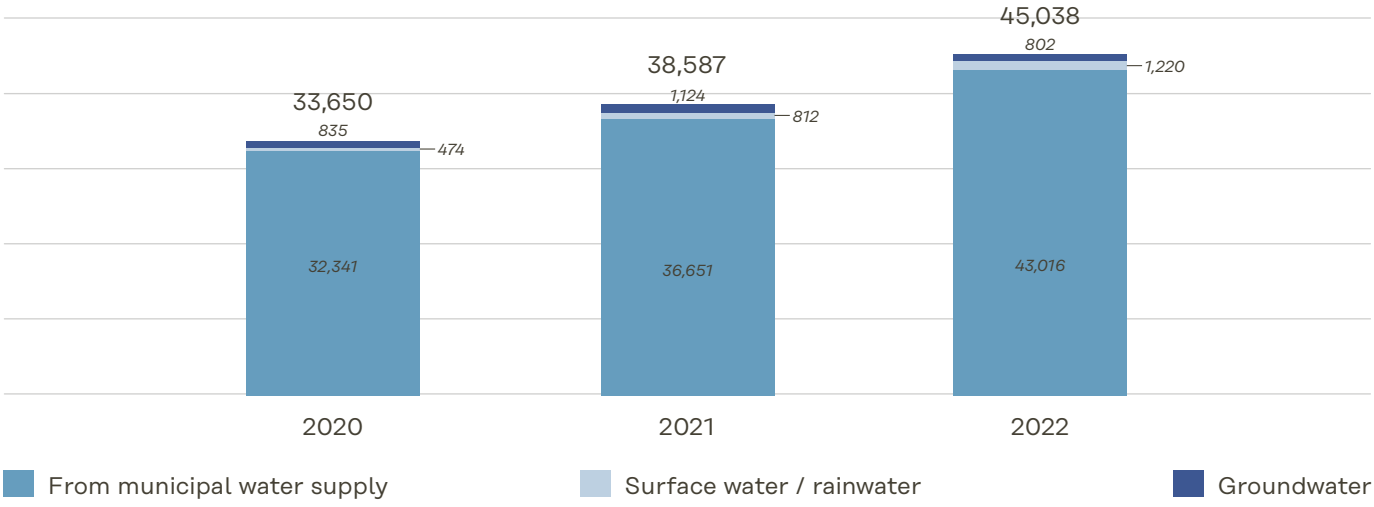


Water consumption

Climate change is leading to increasing water scarcity and deteriorating water quality in many regions around the world - including those where Fronius subsidiaries are located. At the Fronius International GmbH sites, all sanitary rooms and irrigation systems have been optimized. At the Sattledt site, there is an 800 m³ rainwater collection tank that is used for extinguishing fires and watering the gardens. Water consumption at Fronius International GmbH amounted to 45,038 m³ in the year under review. This corresponds to an increase of 14% over the previous year. This is mainly due to the increasing production volume, construction site activity at the Sattledt production site and the growing number of employees. Around 95% of the water consumed came from the municipal water supply, the remainder from surface, rain and groundwater. The subsidiaries consumed a total of around 19,005 m³ in the reporting year. This corresponds to a total water consumption of the Group of around 64,043 m³.

Water consumption in m³ by source

Reporting date 12/31/2022, Fronius International GmbH

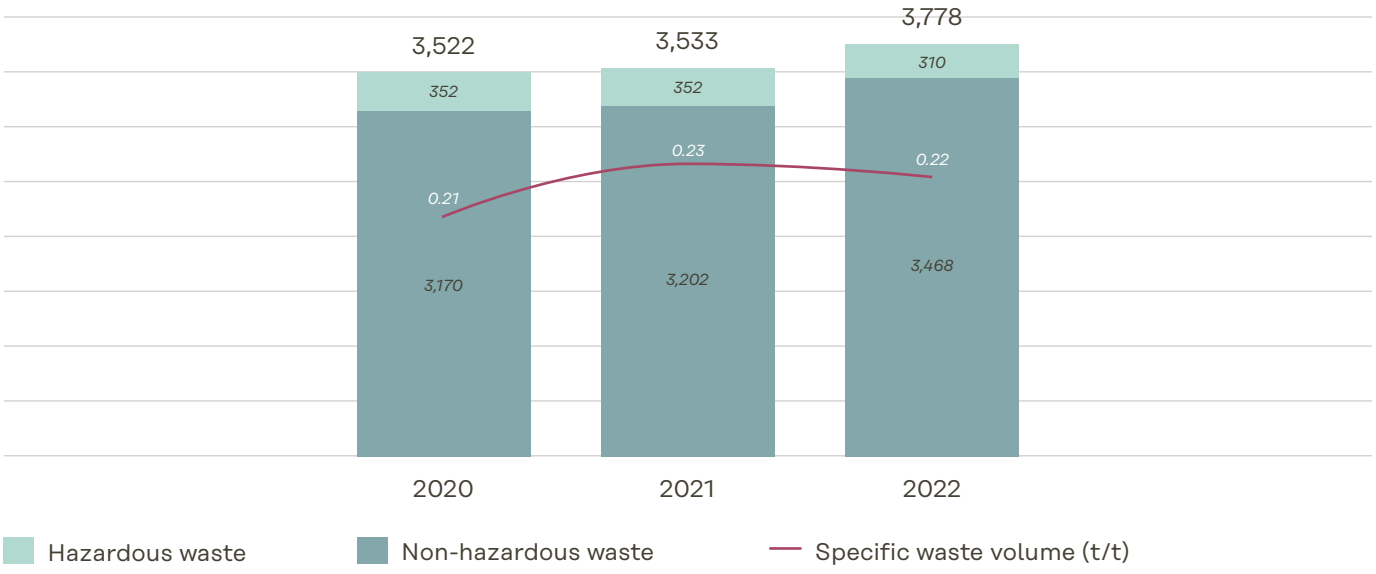


Waste management and circular economy

Fronius has set itself the goal of avoiding waste as far as possible and returning the unavoidable waste to the cycle as valuable resources as far as possible. This saves the use of raw materials, some of which are only available in very limited quantities on our planet or whose extraction can be very energy-intensive or harmful to the environment. As part of the environmental management system, the quantities of waste generated at Fronius International GmbH locations are subject to ongoing monitoring. In 2022, the total waste volume increased by 6% compared to the previous year. It is encouraging that hazardous waste decreased from 352 to 310 tons compared to the previous year. In relation to the volume produced, the waste volume decreased from 0.23 to 0.22 tons.

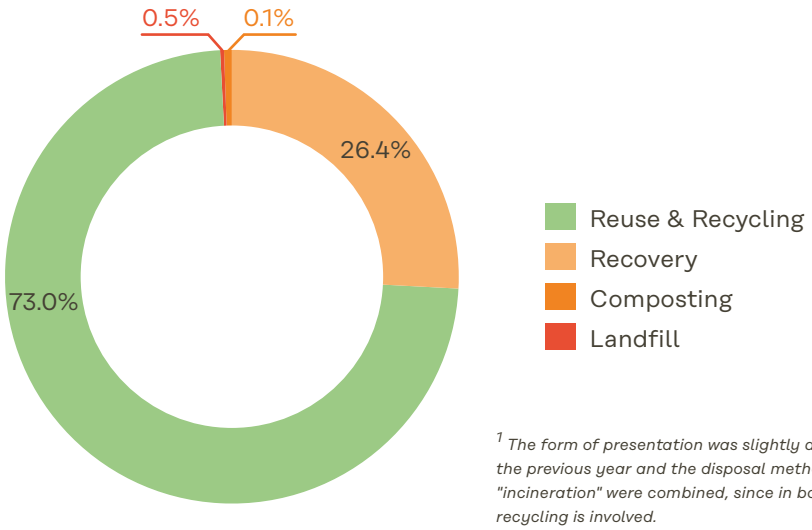
Total waste volume in tons

Reporting date 12/31/2022, Fronius International GmbH



Waste generation according to disposal methods[1]

Reporting date 12/31/2022, Fronius International GmbH



[1] *The form of presentation was slightly adjusted compared to the previous year and the disposal methods "recycling" and "incineration" were combined, since in both cases thermal recycling is involved.*

Although the volume of waste generated has increased compared with the previous year, the recycling rate of the waste generated is improving increasingly. Currently, 73% of our waste is recycled - these recyclables are processed for reuse by our waste management companies. A further 26% of waste is thermally recycled. Smaller quantities are composted (0.5%) or landfilled (0.1%).

A total of about 50 different types of waste are collected and subsequently sent for recycling or disposal. As a manufacturer and distributor of products, Fronius is subject to numerous legal requirements and obligations.

To ensure the collection and environmentally sound recycling of our packaging, we participate in a collection and recycling system. An authorized company returns and recycles the packaging of our products sold in Austria. In 2022, this amounted to 278 tons. Besides this collection and recycling system, we also make use of the comprehensive recycling service for the electrical equipment and batteries we place on the market in Austria. This amounted to 1,866 tons in 2022.

As part of various campaigns to raise awareness, we specifically sensitize employees to the topics of waste avoidance and reduction as well as waste separation. A waste separation quiz and series of articles in the sustainability blog were particularly well received.

Fronius Subsidiaries

Waste separation systems and waste reduction
In some Fronius subsidiaries, such as Poland, Thailand, Italy and Mexico, waste separation systems were introduced or further developed and waste reduction measures were implemented. Fronius Spain has also purchased a vertical baler with a pressing force of 500 kg for cardboard and plastic in order to reduce collections for cardboard and plastic.

Continuous improvement process

The continuous improvement process (CIP) is a method of regularly and consistently improving our processes and products over the long term. Employees have the opportunity to submit suggestions for improvement on the subject of sustainability, among other things, via an internal platform. The suggestions for improvement are taken up by the relevant CIP team and worked through in regular meetings according to the CIP problem-solving scheme. For example, measures are introduced to reduce waste, energy or scrap. To make the success of the CIP achievements visible, there is a CIP blog, a visualization on the TV screens in production and an annual CIP Oscar.

Biodiversity & ecosystems

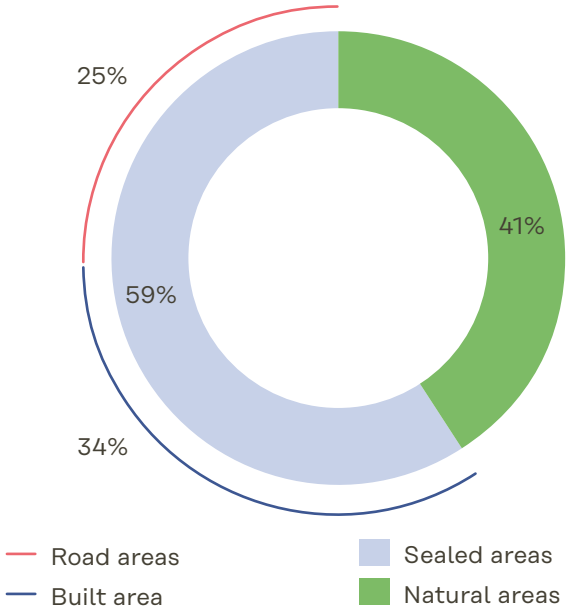
Preserving biodiversity is an important issue at Fronius. We are improving land use at all our sites and providing essential habitats for flora and fauna. We boost the number of natural areas at the Fronius sites with living roofs, a green vertical garden inside and outside, a wildflower meadow, and several raised beds for herbs. In Thalheim (Upper Austria), there are also seven beehives that are looked after by the Facility Team and supply the company restaurants with delicious homemade honey.

The green areas and exterior design were implemented on an area of around 6,200 m² according to the principles of biodiversity as part of the expansion at our site in Sattledt (Upper Austria). Meadows, flower meadows, gravel areas and ponds were created. When selecting plants such as grasses, wild shrubs, trees and bushes, we prefer native species. Additional recreation areas have been created for our employees.

With all these measures, we have achieved a considerable proportion of natural areas, with 41% of the total space.

Proportion of natural and sealed areas

Reporting date 12/31/2022, Fronius International GmbH



In the coming years, we will implement further targeted measures to promote biodiversity at our sites.

Fronius Japan

Greening of the site

At Fronius Japan numerous measures are being taken to counteract the terrible effects of climate change, including the greening of the site. Instead of covering the area completely with asphalt, parts of the parking areas are planted with grass. Therefore, a special process was used that prevents the grass from being damaged by parked cars. There are also plans to create a biotope on the roof of the building.

Fronius Italy

Reforestation of a forest area in Bologna

Fronius Italy supports the "Phoresta" association, which aims to reforest a forest area in Bologna. In 2022 Fronius donated 20 trees to this association.

Performance–Overview

	Fronius International GmbH			Fronius Group		
Economic performance	**2020**	**2021**	**2022**	**2020**	**2021**	**2022**
Group sales	n.a.	n.a.	n.a.	849 Mio. €	995 Mio. €	1,228 Mio €
International Fronius companies	n.a.	n.a.	n.a.	36	37	37
Export rate	n.a.	n.a.	n.a.	92%	89%	87%
Active patents	n.a.	n.a	n.a.	1,321	1,366	1,446
Business ethics & compliance						
Percentage of employees with completed training on the Code of Conduct	n.a.	72%	84%	n.a.	n.a.	69%
Infringements of environmental and social laws and regulations	n.a.	0	0	n.a.	n.a.	n.a.
Incidents of corruption	n.a.	0	0	n.a.	n.a.	n.a.
Sustainable procurement						
Percentage of new suppliers (direct services) that were screened using environmental criteria	n.a.	n.a.	n.a.	n.a.	100%	100%
Percentage of new suppliers (direct services) that were screened using social criteria	n.a.	n.a.	n.a.	n.a.	100%	100%
Percentage of audited preferred suppliers	n.a.	n.a.	n.a.	n.a.	n.a.	35%
Employment and working conditions[1]						
Employees in total	3,776	4,129	4,817	n.a.	n.a.	7,004
thereof women	36%	37%	38%	n.a.	n.a.	36%
thereof men	64%	63%	62%	n.a.	n.a.	64%
Full time employees	3,297	3,629	4,243	n.a.	n.a.	6,336
thereof women	30%	32%	33%	n.a.	n.a.	32%
thereof men	70%	68%	67%	na.a	n.a.	68%
Part time employees	479	500	574	n.a.	n.a.	668
thereof women	72%	71%	72%	n.a.	n.a.	74%
thereof men	28%	29%	28%	n.a.	n.a.	26%
New entrants	479	1,064	1,704	n.a.	n.a.	2,160
thereof women	41%	41%	40%	n.a.	n.a.	39%
thereof men	59%	59%	60%	n.a.	n.a.	61%

	Fronius International GmbH			Fronius Group		
	2020	2021	2022	2020	2021	2022
New entrants by age group						
up to 24 years	58%	53%	52%	n.a.	n.a.	n.a.
25 – 34 years	25%	28%	24%	n.a.	n.a.	n.a.
35 – 44 years	11%	10%	14%	n.a.	n.a.	n.a.
45 – 54 years	5%	7%	8%	n.a.	n.a.	n.a.
from 55 years	0%	1%	2%	n.a.	n.a.	n.a.
Fluctuation rate[2]	9.7	9.8	12.4	n.a.	n.a.	n.a
Temporary staff in total[3]	155	132	95	n.a.	n.a.	176
Apprentices in total	137	153	156	n.a.	n.a.	169
Employees working in parental part time	n.a.	n.a.	158	n.a.	n.a.	n.a.
thereof women	n.a.	n.a.	94%	n.a.	n.a.	n.a.
thereof men	n.a.	n.a.	6%	n.a.	n.a.	n.a.
Employees who have taken partial retirement	n.a.	n.a.	32	n.a.	n.a.	n.a.
Employees with a collective bargaining agreement	100%	100%	100%	n.a.	n.a.	69%
Education and training						
Number of participants in trainings and courses	7,746	6,204	7,927	n.a.	n.a.	n.a.
Average number of training and education hours	12.8	9.2	10.1	n.a.	n.a.	11.2
thereof managers	n.a	15.4	13	n.a.	n.a.	n.a
thereof employees	n.a	8.5	9.7	n.a.	n.a.	n.a
Accident statistics						
Number of occupational accidents[4]	83	68	82	83	68	102
Number of fatal accidents	0	0	0	0	0	0
Number of hours worked	6,072,558	6,050,120	6,771,796	n.a.	n.a.	n.a.
Accident rate[5]	13.7	11.2	12.1	n.a.	n.a.	n.a.
Number of days lost due to accidents[6]	23	19	24	n.a.	n.a.	n.a.
Accident severity[7]	3.9	3.1	3.6	n.a.	n.a.	n.a.

[1] *Figures incl. temporary staff and apprentices*
[2] *Fluctuation rate excl. temporary staff*
[3] *Temporary workers at Fronius are primarily employed in the manufacturing area*
[4] *Accidents from one day of absence excl. commuting accidents*
[5] *Accident rate = Number of occupational accidents / number of hours worked x 1.000.000*
[6] *Accident days lost calculated on the basis of 250 working days per year*
[7] *Accident severity = Days lost due to accidents / number of hours worked x 1,000,000*

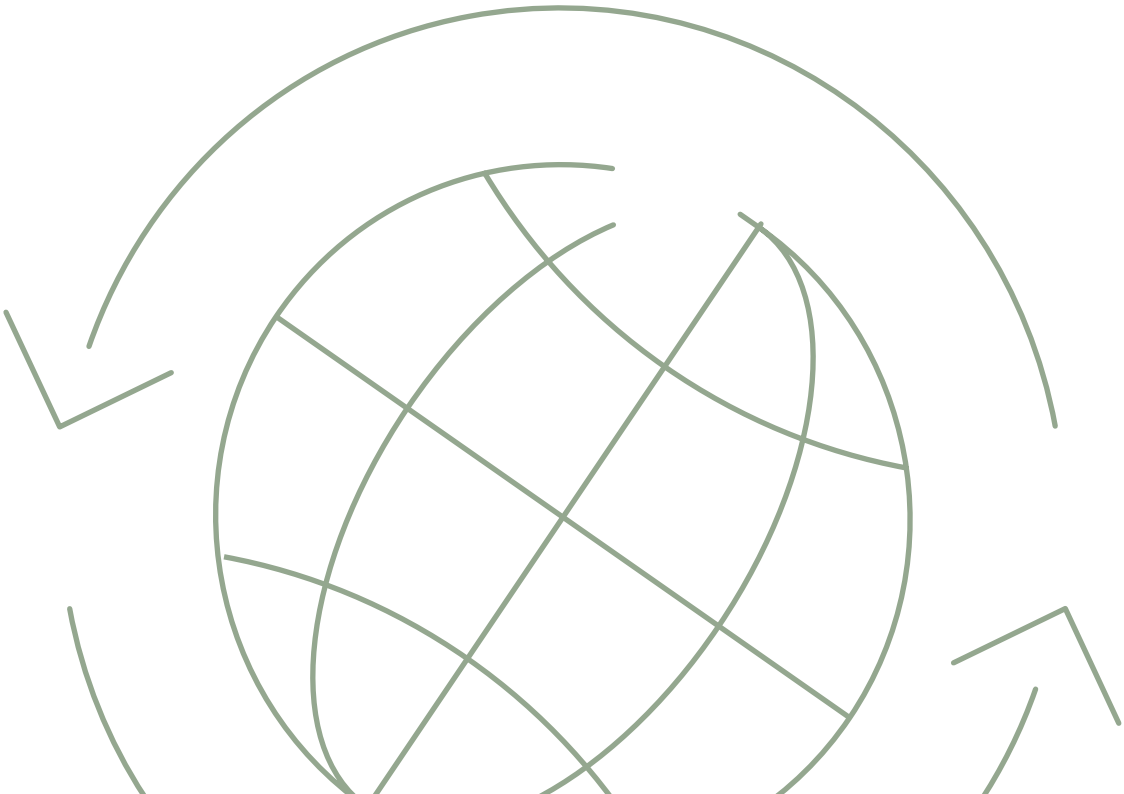
		Fronius International GmbH			Fronius Group		
Energy consumption	Unit	2020	2021	2022	2020	2021	2022
Fossil energy consumption	**MWh**	**5,990**	**6,401**	**5,952**	**22,423**	**23,466**	**29,626**
Natural gas	MWh	3,497	3,814	3,653	9,534	10,042	10,076
Fuel oil	MWh	125	315	67	348	428	326
Diesel	MWh	330	194	196	4,266	3,342	5,508
Gasoline	MWh	2,038	2,078	2,036	8,275	9,654	13,716
Renewable energy consumption from own plants	**MWh**	**12,407**	**17,789**	**13,368**	**12,993**	**18,926**	**14,423**
Biomass	MWh	5,762	8,072	4,252	5,848	8,382	4,255
Geothermal energy	MWh	4,904	7,884	7,189	4,904	7,884	7,189
Photovoltaics	MWh	1,741	1,833	1,927	2,242	2,660	2,979
Purchased electricity	**MWh**	**23,895**	**25,501**	**29,688**	**30,741**	**29,869**	**34,199**
Purchased heat	**MWh**	**-**	**-**	**-**	**1,509**	**2,373**	**2,794**
Total energy consumption	**MWh**	**42,292**	**49,691**	**49,008**	**67,666**	**74,634**	**81,041**
Specific energy consumption in MWh/t product volume	**MWh/t**	**2.55**	**3.17**	**2.91**	**4.09**	**4.76**	**4.82**
Yield from own photovoltaic systems	MWh	1,865	1,982	2,107	2,570	3,147	3,512
GHG emissions Scope 1							
Fossil energy sources	**t CO_2e**	**1,323**	**1,413**	**1,305**	**5,138**	**5,367**	**6,899**
Natural gas	t CO_2e	703	767	735	1,918	2,020	2,027
Fuel oil	t CO_2e	34	85	18	94	116	88
Diesel	t CO_2e	84	49	50	1,086	851	1,403
Gasoline	t CO_2e	502	512	502	2,040	2,380	3,381
Renewable energy sources	**t CO_2e**	**0**	**0**	**0**	**0**	**0**	**0**
Biomass	t CO_2e	0	0	0	0	0	0
Geothermal energy	t CO_2e	0	0	0	0	0	0
Photovoltaics	t CO_2e	0	0	0	0	0	0
Total Scope 1 emissions	**t CO_2e**	**1,323**	**1,413**	**1,305**	**5,050**	**5,215**	**6,899**
GHG emissions Scope 2							
Purchased electricity	t CO_2e	0	0	0	3,184	1,910	1,946
Purchased heat	t CO_2e	-	-	-	68	107	126
Total Scope 2 emissions	**t CO_2e**	**0**	**0**	**0**	**3,252**	**2,017**	**2,071**

		Fronius International GmbH			Fronius Group		
Intensity of GHG emissions Scope 1 und 2	Unit	2020	2021	2022	2020	2021	2022
Specific GHG emissions in t CO_2e/t product volume	**t CO_2e/t**	**0.08**	**0.09**	**0.08**	**0.51**	**0.47**	**0.53**
Logistics							
Truck	t	17,833	23,233	49,325	n.a.	n.a.	n.a.
Sea freight	t	6,262	4,104	2,445	n.a.	n.a.	n.a.
Rail freight[1]	t	1,240	1,941	0	n.a.	n.a.	n.a.
Air freight	t	535	1,242	1,418	n.a.	n.a.	n.a.
Total mass of transported products and materials	**t**	**25,871**	**30,520**	**53,224**	**n.a.**	**n.a.**	**n.a.**
Truck	t CO_2e	1,313	1,805	2,861	n.a.	n.a.	n.a.
Sea freight	t CO_2e	2,551	1,534	1,142	n.a.	n.a.	n.a.
Rail freight	t CO_2e	10	16	0	n.a.	n.a.	n.a.
Air freight	t CO_2e	3,176	5,591	6,852	n.a.	n.a.	n.a.
Total GHG emissions of the transported products and materials	**t CO_2e**	**7,050**	**8,946**	**10,855**	**n.a.**	**n.a.**	**n.a.**
Business trips							
Plane	1000 km	2,306	1,410	4,401	n.a.	n.a.	n.a.
Car	1000 km	4,308	4,615	5,728	n.a.	n.a.	n.a.
Train	1000 km	199	143	705	n.a.	n.a.	n.a.
Total travel distance	**1000 km**	**6,813**	**6,169**	**10,834**	**n.a.**	**n.a.**	**n.a.**
Plane	t CO_2e	590	380	731	n.a.	n.a.	n.a.
Car	t CO_2e	589	561	706	n.a.	n.a.	n.a.
Train	t CO_2e	3	2	14	n.a.	n.a.	n.a.
Total GHG emissions	**t CO_2e**	**1,182**	**943**	**1,451**	**n.a.**	**n.a.**	**n.a.**
GHG emissions Scope 3							
Upstream and downstream transport of goods	t CO_2e	7,050	8,946	10,855	n.a.	n.a.	n.a.
Business trips	t CO_2e	593	382	745	n.a.	n.a.	n.a.
Indirect energy related GHG emmissions[2]	t CO_2e	743	843	848	n.a.	n.a.	n.a.
Total Scope 3 emissions	**t CO_2e**	**8,385**	**10,171**	**12,448**	**n.a.**	**n.a.**	**n.a.**

[1] *Due to a change in transport service providers, the goods transported by rail cannot be reported separately. These are mainly pre-carriage shipments for sea freight.*
[2] *Indirect energy-related emissions resulting from energy purchases have been included in Scope 3 emissions since this reporting year.*

		Fronius International GmbH			Fronius Group		
Material usage	Unit	2020	2021	2022	2020	2021	2022
Semi-finished products	t	13,382	12,352	13,013	n.a.	n.a.	n.a.
Raw materials	t	3,045	3,968	4,301	n.a.	n.a.	n.a.
Packaging thereof renewable thereof non-renewable	t t t	1,285 1,058 226	1,475 1,256 218	1,778 1,532 246	n.a.	n.a.	n.a.
Auxiliary materials and consumables	t	659	549	1,637	n.a.	n.a.	n.a.
Total material / raw material usage	**t**	**18,371**	**18,344**	**20,729**	**n.a.**	**n.a.**	**n.a.**
Water consumption							
From municipal water supply	m^3	32,341	36,651	43,016	46,367	53,138	60,193
Surface water / rainwater	m^3	474	812	1,220	474	812	1,220
Groundwater	m^3	835	1,124	802	2,430	2,970	2,630
Total water consumption	**m^3**	**33,650**	**38,587**	**45,038**	**59,823**	**74,062**	**64,043**
Waste volume							
Reuse & Recycling	t	2,223	2,321	2,498	n.a.	n.a.	n.a.
Recovery	t	518	509	476	n.a.	n.a.	n.a.
Composting	t	0	12	19	n.a.	n.a.	n.a.
Waste incineration	t	406	352	472	n.a.	n.a.	n.a.
Landfill	t	23	7	4	n.a.	n.a.	n.a.
Total non-hazardous waste volume	**t**	**3,170**	**3,202**	**3,468**	**n.a.**	**n.a.**	**n.a.**
Reuse & Recycling	t	250	286	261	n.a.	n.a.	n.a.
Recovery	t	71	25	9	n.a.	n.a.	n.a.
Composting	t	0	0	0	n.a.	n.a.	n.a.
Waste incineration	t	29	41	39	n.a.	n.a.	n.a.
Landfill	t	1	0	0	n.a.	n.a.	n.a.
Total hazardous waste volume	**t**	**352**	**352**	**310**	**n.a.**	**n.a.**	**n.a.**
Total waste volume	**t**	**3,522**	**3,553**	**3,778**	**n.a.**	**n.a.**	**n.a.**
Specific waste volume in t/t of product volume	**t/t**	**0.21**	**0.23**	**0.22**	**n.a.**	**n.a.**	**n.a.**

		Fronius International GmbH			Fronius Group		
Collection and recycling of our packaging and electrical appliances	Unit	2020	2021	2022	2020	2021	2022
Returned and recycled packaging of products sold in Austria	t	121	234	278	n.a.	n.a.	n.a.
Recycling of electrical appliances and batteries placed on the market in Austria.	t	780	1,292	1,866	n.a.	n.a.	n.a.
Biodiversity							
Total area in m²		**n.a.**	**337,907**	**367,732**	**n.a.**	**n.a.**	**n.a.**
Sealed areas		n.a.	55%	59%	n.a.	n.a.	n.a.
thereof built areas		n.a.	28%	34%	n.a.	n.a.	n.a.
thereof road areas		n.a.	26%	25%	n.a.	n.a.	n.a.
Natural areas		n.a.	45%	41%	n.a.	n.a.	n.a.



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GRI		Chapter	Page	Comments
404-1	Average hours of training per year per employee	Employee development; Performance-Overview	71; 103	
404-2	Programs for upgrading employee skills and transition assistance programs	Employee development	70–72	
404-3	Percentage of employees receiving regular performance and career development reviews	Employee development	73	
GRI 405: Diversity and equal opportunity 2016				
103-1 103-2 103-3	Management approach	Diversity and equal opportunities	74–77	
405-1	Diversity of governance bodies and employees	Employment and working conditions; Diversity and equal opportunities; Performance-Overview	65; 75; 102–103	
GRI 406: Non-discrimination 2016				
103-1 103-2 103-3	Management approach	Diversity and equal opportunities	77	
406-1	Incidents of discrimination and corrective actions taken	Diversity and equal opportunities	77	
GRI 412: Human rights assessment 2016				
103-1 103-2 103-3	Management approach	Business ethics & compliance; Employment and working conditions	41; 66	
412-2	Employee training on human rights policies or procedures	Business ethics & compliance; Performance-Overview	42; 102	
GRI 414: Supplier social assessment 2016				
103-1 103-2 103-3	Management approach	Sustainable procurement	58–61	
414-1	New suppliers that were screened using social criteria	Sustainable procurement; Performance-Overview	59–102	

GRI		Chapter	Page	Comments
GRI 415: Public policy 2016				
103-1 103-2 103-3	Management approach	Business ethics & compliance	42	
415-1	Political contributions	Business ethics & compliance	42	
GRI 416: Customer health and safety 2016				
103-1 103-2 103-3	Management approach	Customer health and safety	82–83	
416-1	Assessment of the health and safety impacts of product and service categories	Customer health and safety	82–83	Currently, the percentage of product categories whose health and safety impacts have been verified is not recorded. However, the devices undergo a large number of tests and inspections during their development and manufacture in order to limit their impact on the health and safety of users.
GRI 419: Socioeconomic compliance 2016				
103-1 103-2 103-3	Management approach	Business ethics & compliance	41	
419-1	Non-compliance with laws and regulations in the social and economic area	Business ethics & compliance	41	

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