



PAYER

# ONE PAYER TO BE NUMBER ONE

SUSTAINABILITY REPORT 2024



# WHAT WE DO TODAY DETERMINES WHAT THE WORLD OF TOMORROW WILL LOOK LIKE.

Marie von Ebner-Eschenbach

**PAYER SUSTAINABILITY REPORT**  
PUBLISHED IN MARCH 2025 | VERSION 1

The current version of our Sustainability Report is based on European Sustainability Reporting Standards (ESRS) but is not yet fully conforming.

# FOREWORD OF THE CEO

At PAYER Group, sustainability is not an isolated initiative – it is an integral part of our long-term strategic ambition as defined in our PAYER Group@300 strategy: to achieve profitable and sustainable growth. This report marks a major step in our journey, offering transparency on where we stand, what we have accomplished, and where we are heading.

As a globally operating company, our four sites in **Austria, Hungary, China, and Malaysia** play a key role in driving our sustainability agenda forward. Each location brings unique strengths – together we benefit from our technology leadership, precision tooling, scalable production and agile capacity building. Together, they enable us to serve global markets responsibly and efficiently.

2024 has been a year of tangible progress. One of the most significant milestones has been receiving the **EcoVadis Gold** Rating, placing us among the top tier of companies in our industry. This recognition is more than just a badge of honor – it reflects the deep-rooted efforts we have made in embedding sustainability into every facet of our organization.

Our approach to sustainability is structured around the key ESG dimensions – Environmental, Social, and Governance – and shaped by the insights of our most recent materiality assessment, which helped us sharpen our focus on the areas that truly matter to our business and our stakeholders.

**Environmentally**, we've made measurable strides – from reducing our carbon footprint through smarter energy use and further integrating renewable sources, to optimizing waste management at multiple sites. A notable highlight includes the expansion of energy efficiency initiatives in our production facilities, directly contributing to lower emissions and improved operational sustainability.

On the social front, our focus on people has remained strong. In 2024, our employees completed 500 days of training – reinforcing our commitment to growth and learning. We've expanded partnerships with educational institutions and further deepened our engagement with local communities. Internally, we continue to foster a culture of inclusion and collaboration, aligned with our values of fairness and respect.

From a **governance and economic perspective**, we have further developed responsible procurement practices and prioritized long-term supplier relationships that reflect our standards. Our financial performance in 2024 – including **15% revenue growth** – shows that sustainability and profitability can go hand in hand. At the same time, we have ensured compliance and risk management across our value chain, underpinned by a forward-looking financing strategy that emphasizes stability and responsibility.

Importantly, our sustainability goals are closely aligned with the expectations of our global customers – many of whom share the same long-term ambitions regarding environmental responsibility and social impact. This alignment strengthens our partnerships and opens up new avenues for collaborative innovation.

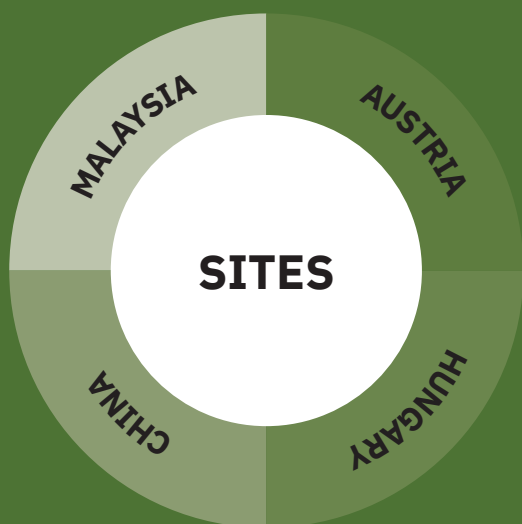
Looking ahead, our goal is to continue building a resilient organization that actively contributes to a sustainable future – for our employees, our partners, and future generations. We see sustainability as a dynamic driver of innovation, competitiveness, and long-term success.

I want to sincerely thank all our employees, customers, and partners for their continued trust and collaboration. Your dedication empowers us to keep raising the bar and shaping a better tomorrow – together.



“  
The health,  
safety, and well-being  
of our employees and  
stakeholders has always  
been a top priority for  
us and we continue to  
invest in creating safe,  
supportive, and forward-  
looking work  
environments.”

# COMPANY SPECIFIC FACTS



## BUSINESS UNITS



## ANNUAL PRODUCTION

over **10** million products  
for consumer  
goods sector

over **20** million consumables  
for medical sector

## SHARE OF SALES REVENUES BY BUSINESS UNITS

**MEDICAL**  
28,7m EUR

**CONSUMER  
GOODS**  
118,5m EUR

## NUMBER OF EMPLOYEES

**170**  
PAYER AUSTRIA

**282**  
PAYER HUNGARY

**355**  
PAYER CHINA

**124**  
PAYER MALAYSIA

# SUSTAINABILITY FACTS

36%  
of the Management  
are women

40%  
of the advisory  
board are women



## SHARE OF FEMALE EMPLOYEES

52%

PAYER AUSTRIA



57%

PAYER HUNGARY



67%

PAYER CHINA



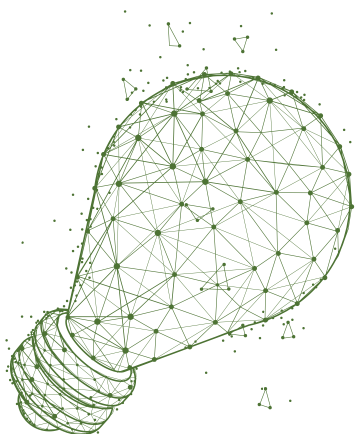
53%

PAYER MALAYSIA



# TABLE OF CONTENTS

<b>01</b>	<b>ABOUT THE REPORT</b>	<b>8</b>
	General Introduction	9
	Three Pillars of Sustainability	10
	UN Sustainable Development Goals	12
	Inner Development Goals	14

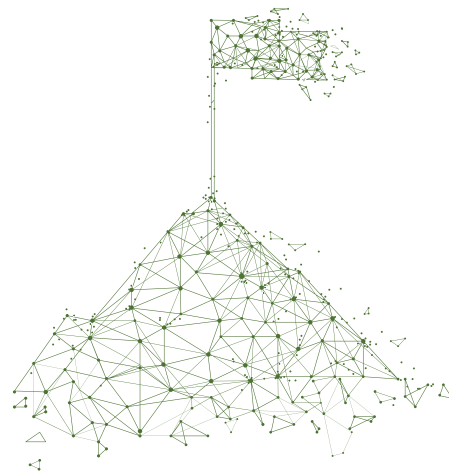


<b>02</b>	<b>INFORMATION ON THE COMPANY</b>	<b>15</b>
	Corporate Structure	16
	Business Units	16
	Locations	17
	What We Stand for	18
	Our Values	18
	Strategic Direction	19
	Awards	19
	Financial Results 2024	20

<b>03</b>	<b>HOW WE ACT ON SUSTAINABILITY</b>	<b>22</b>
	Our Sustainable Company	23
	Governance is Crucial	24
	Materiality Analysis	25
	Our road to the ESRS Compliance	34
	Improvements in Digitalization and Processes	39

<b>04</b>	<b>OUR ENVIRONMENT - ENVIRONMENTAL ASPECTS</b>	<b>41</b>
	Resource Use & Circular Economy	43
	Life Cycle Assessment of a Flagship Product	44
	Climate Change	52
	Pollution	65

<b>05</b>	<b>OUR PEOPLE - SOCIAL ASPECTS</b>	<b>66</b>
	The Way We Do Business	67
	The PAYER Employer Value Proposition	68
	Workforce Development & Engagement	69
	Workforce Rights & Wellbeing	83
	Sustainable Products for our Consumers and End-User	93



<b>06</b>	<b>OUR COMPANY - GOVERNANCE ASPECTS</b>	<b>94</b>
	Business Conduct	95
	Data Security & Privacy	101
	Support Society	102
	Corporate Social Responsibility	104

<b>07</b>	<b>REVIEW &amp; OUTLOOK</b>	<b>109</b>
	What We Achieved	110
	Final Reflection and Path Forward	111
	Future Perspectives	112

<b>08</b>	<b>ANNEX</b>	<b>113</b>
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**ABOUT  
THE  
REPORT**



# ABOUT THE REPORT

## GENERAL INTRODUCTION

This is the second sustainability report from the PAYER Group, which includes:

- PAYER AUSTRIA International Technologies GmbH in St. Bartholomä, Austria
- PAYER HUNGARY Industries Hungary Kft. in Ajka, Hungary
- PAYER China Electric Personal Care Products Co. Ltd. in Suzhou, China
- PAYER MALAYSIA Industries Malaysia Sdn. Bhd. in Sungai Petani, Malaysia

The information presented in this report relates to the PAYER Group's activity from the 1st of January 2024 to the 31st of December 2024. The baseline year, to which some sustainability goals refer, is 2020, similar to the 1st report in 2023.

The PAYER Group declares its sustainability efforts in accordance with the European Sustainability Reporting Standards (short: ESRS), which are subject to the Corporate Sustainability Report Directive (short: CSRD) presented by the European Commission. This report is not fully compliant with the ESRS yet.

In February of 2025, the first draft for changes in the European Sustainability Reporting Standards were publicized under the "Omnibus 1" package, expanding the already existing regulation. Omnibus 1 will change the application framework of the European sustainability reporting standards and their content, however the latter is still not clearly defined yet. Therefore, the PAYER Group has decided to stick to the current reporting standards with this Sustainability Report until the upcoming changes are finalized.

Up to 2024, there are three categories of European sustainability reporting standards where the last category has not been fleshed out up to this point:

- General standards (not-sector-specific)
- European sustainability reporting standards 1
- European sustainability reporting standards 2
- Topical standards (not sector-specific)
- Environment
- Social
- Governance
- Sector-specific standards

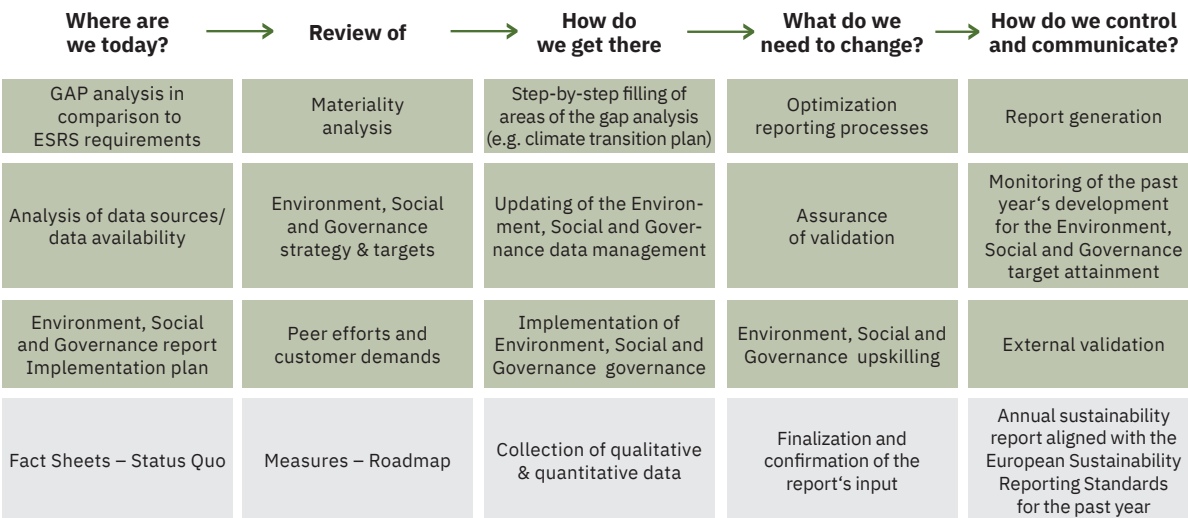
Firstly, the general standard pertains to overall disclosures required from the PAYER Group and the process of meeting corporate sustainability reporting directive requirements. The disclosures described more broadly can mostly be found in the general standard of European Sustainability Reporting Standards 2. The topical standards align with the three pillars of environment, social and governance, who make up the structure of this sustainability report. The sub-topics under each pillar are presented in further detail. The general and topical standards apply broadly across all sectors of the economy and are relevant for all businesses under the Corporate Sustainability Reporting Directive. Lastly, sector-specific standards address material topics, but they are not content of this sustainability report. In this annual report, information about the PAYER Group's most recent expansion to Sungai Petani, Malaysia, is included for the first time, quantitative and qualitative information is available. However, it excludes the Scope 3 emissions of PAYER Malaysia are not addressed yet.



The report was approved by the Executive Board without external assurance. The PAYER Group will report on its sustainability efforts annually in the form of such a report to communicate on its progress towards a sustainable future.

The new Omnibus 1 expansion resulted in the PAYER Group being addressed by the corporate sustainability reporting directive two years later than before, which means that the first official sustainability report of the PAYER Group will be publicized in 2028 over the financial year 2027.

The following illustration shows the environment, social and governance roadmap of the PAYER Group towards its first official report. Since the company has more time to prepare, the environment, social and governance team at PAYER is continuously refining the reporting process, preparing more data and improving the communication. In the last year, many projects were realized in cooperation with internal and external stakeholders and their content is mentioned in this report. Furthermore, the PAYER Group was able to significantly improve the calculation of its greenhouse gas inventory, where most Scope 3 categories were calculated for all production sites except for PAYER Malaysia. There is still much progress to be made, especially in consideration of measures in the supply chain of PAYER and the due diligence process. In 2025, PAYER will focus on completing the greenhouse gases inventory, developing a climate transition plan and risk analysis and further pushing its efforts towards Corporate Sustainability Reporting Directive compliance and European Sustainability Reporting Standards reporting.



Steps  
Results

ESG Report (CSRD/ESRS, EU Taxonomy, EU DD Directive etc.)

### THREE PILLARS OF SUSTAINABILITY

The modern understanding of the concept of sustainable development exists since the late 20th century. Since the activities of an ever-growing world population and economy exceeded individual planetary boundaries, social and economic challenges arise. Consequently, such issues are still present in the 21st century and it is necessary to put aside conventional thinking, practiced as the principle of business-as-usual, and take issues regarding sustainability at a seriously, step-by-step approach. The concept of sustainable development tries to tie together ideas about progressive development, environmental protection and economic growth, with positive objectives for change in mind.

A famous milestone was set in the past century, in 1987, with the Brundtland report “Our common future”, named after the chairman and former Prime Minister of Norway at the time. “Our common future” paved the way for a global agenda of change, future conferences of world leaders, and an integration of sustainable development and the environment into global business practices.

In the Brundtland report, the term “sustainable development” has two different definitions, where the first one represents a “nominal definition” or a “mission statement” and the second one can be described as the “operational definition”:

1

**“Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs”**

This nominal definition contains two very important concepts. The concept of “needs”, which addresses the essentials especially for the world’s poorest and most vulnerable, who should be given priority. Additionally, it makes clear that there is a limitation of the environment’s ability to meet present and future needs. Those limits need to be taken into consideration by technology and social organizations.

2

**“In essence, sustainable development is a process of change in which the exploitation of resources, the direction of investments, the orientation of technological development and institutional change are all in harmony and enhance both current and future potential to meet human needs and aspirations”**

The operational statement in the Brundtland report describes a concrete best practice of sustainable development, which can be a guiding principle for businesses today. To meet these requirements, it is important for undertakings to orient their technology and innovations towards sustainable development and risk management should also incorporate environmental next to social considerations.

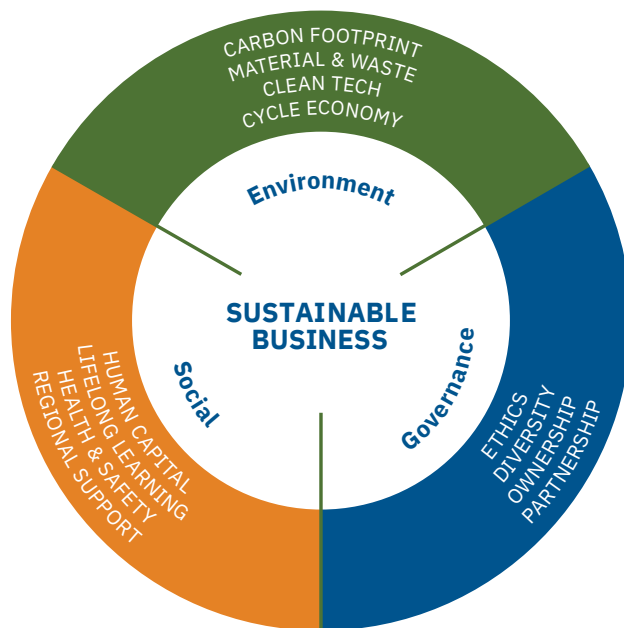
Key aspects of sustainable development are quite often summarized in so-called “pillars of sustainability”, similar to what the European sustainability reporting standards use with the concept of environment, social and governance. The Brundtland report concluded on a four-pillar sustainability model, where social considerations are embedded in a framework consisting of economic, environmental and institutional pillars:

- Economic growth cannot be neglected due to the creation of value and welfare that satisfies the essential need for labor, income, food, energy, sanitation, social security, consumption opportunities, etc.
- Environmental protection is necessary to conserve humanity’s main source of resources. Our planetary boundaries need to be respected for a long-term perspective.
- Institutional forces are important as they consolidate environmental and economic decisions, with the common interest of the public in mind. Sustainable development will not work without participation and cooperation on a local and international level.
- Social justice and equal opportunities are necessary to address the global challenges arising. It addresses issues like distribution of welfare, equal access to resources and opportunities between people, e.g. gender, religion, etc.



There is a vivid discussion on which sustainability model serves the topic best, e.g. one could add a pillar related to culture to the model. There is no wrong representation of sustainability if key aspects are considered. (Tom Waas: Sustainable Development: A Bird's Eye View. In: Sustainability, <https://www.mdpi.com/journal/sustainability> (Access: 2011))

Since the European sustainability reporting standards uses the ESG approach, “Environment, Social and Governance” is addressed by PAYER in this report. Those three pillars of sustainability also take multiple aspects as mentioned above into consideration and the PAYER Group will gladly share its efforts as they represent core values of the company’s business model and strategic direction.



## UN SUSTAINABLE DEVELOPMENT GOALS

In the year 2015, 193 member states of the United Nations signed the “Agenda 2030 for Sustainable Development”, which includes 17 goals for global sustainable development (SDGs). The targets presented in the agenda set benchmarks for ESG issues, e.g. protecting the planet, combating poverty, discrimination, and hunger, and promoting peace and justice at national, international, and global levels. The most relevant sustainable development goals guide PAYER’s decisionmaking, ensuring a participation for a meaningful impact on sustainability by 2030. Especially the sustainable development goals 3, 4, 5, 8, 9, 10, 12, 13, 16 and 17 are most relevant for PAYER:

**3 GOOD HEALTH AND WELL-BEING** PAYER is dedicated to promoting employee health and well-being by providing various benefits and encouraging active participation, e.g. healthy activities and education on mental and physical health.

**4 QUALITY EDUCATION** PAYER offers employees workplace education programs that go beyond business-related topics, equipping them with valuable skills for both their professional and personal lives.

**5 GENDER EQUALITY** PAYER is committed to ensuring full and effective participation of women, providing equal leadership opportunities at all levels of decision-making. We actively support and encourage women to take on challenging roles and responsibilities.

**8 DECENT WORK AND ECONOMIC GROWTH** PAYER boasts a diverse workforce equipped to tackle complex challenges and maintain its competitive edge in the market. Committed to protecting labor rights and the environment, the company ensures the sustainable production of high-quality consumer goods and medical devices. With its strategy “PAYER@300”, the undertaking ensures a safe workplace for its employees.

**9 INDUSTRY, INNOVATION AND INFRASTRUCTURE** PAYER is dedicated to incorporating new digital technologies and innovative solutions into its daily operations. To expand its innovation portfolio, it actively collaborates with colleges and universities.

**10 REDUCED INEQUALITIES** With the vision of PAYER “ONE PAYER TO BE NUMBER ONE”, the company actively looks for a diverse workforce, where differences in heritage, religion, appearance or beliefs are viewed as strengths rather than disadvantages. Active communication and direct contact between employees from different production sites fosters understanding between each other.

**12 RESPONSIBLE CONSUMPTION AND PRODUCTION** PAYER recognizes its responsibility to source materials sustainably, minimize waste, optimize resource efficiency, and evaluate product emissions. It is committed to incorporating circular design principles into its products.

**13 CLIMATE ACTION** The company has established clear goals to reduce its greenhouse gas emissions by responsibly managing resources, utilizing advanced technology in production, and building a sustainable and resilient supply chain. It sets measures to achieve its goals on a daily basis.

**16 PEACE, JUSTICE AND STRONG INSTITUTIONS** PAYER maintains a clear policy on business ethics and governance that strictly prohibits violence, abuse, forced and child labor, corruption, and bribery, both within its own operations and throughout the value chain.

**17 PARTNERSHIP FOR THE GOALS** PAYER regularly takes part in exchange of ideas and best practices with other companies to help them implement sustainable development for themselves. The company also benefits from the knowledge of others presented to us in a friendly exchange and it sees more value in criticism than in compliments.



Source: Federal Chancellery Republic of Austria

## INNER DEVELOPMENT GOALS

Since the Sustainable Development Goals of the UN only address goals for change in our environment, there is also a need for consideration on how humanity needs to change on the inside to succeed in developing sustainably. To address the inner growth needed for outer change, the Inner Development Goals were invented by a non-profit open-source organization.

Some of the criteria addressed by the Inner Development Goals might appear trivial, but strong core values build a resilient foundation in each of us. The corporate culture at PAYER indirectly fosters such growth inside their employees by e.g. having a flat company hierarchy, where a friendly, respectful and professional atmosphere is cultivated. High expectations challenge the company's employees and therefore personnel growth is initiated.

The Inner Development Goals represent values within each person, and it is a thought-provoking concept to consider in oneself. Five criteria for inner growth were identified and their attributes are also presented in the following points (Inner Development Goals: Transformational Skills for Sustainable Development, <https://innerdevelopmentgoals.org/> (Access: March 2024)):

### 1 THINKING

Complexity awareness, monitor orientation & visioning,  
ability for dialogue and critical thinking

### 2 BEING

Presence, Integrity & authenticity, self-awareness,  
inner compass and openness & curiosity

### 3 COLLABORATING

Mobilization skill, inclusive mindset &  
intercultural competences, co-creation  
skills, trust and communication skills

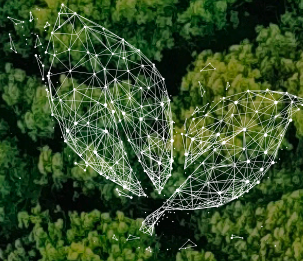
### 4 ACTING

Enabling change, perseverance,  
creativity, courage and optimism

### 5 RELATING

Appreciation, connectedness,  
humility, empathy and compassion





# INFORMATION ON THE COMPANY



# INFORMATION ON THE COMPANY

With a legacy spanning more than 75 years, PAYER has grown into a reliable and respected player in the global manufacturing landscape. From our four international locations, we offer comprehensive, efficient, and accessible solutions to customers around the world. Our workforce of more than 1,000 dedicated professionals brings expertise, precision, and passion to everything we do.

Our operations are structured around two core business units: Consumer Goods and Medical. In the consumer segment, we deliver over 10 million products annually, designed to meet the needs of a dynamic, global market. In the medical field, we produce more than 20 million consumables each year, playing a key role in supporting modern healthcare systems.

These achievements reflect our strong commitment to innovation, uncompromising quality, and long-term customer partnerships – all of which are central to our sustained success and future growth.

## CORPORATE STRUCTURE

At PAYER, our broad range of competencies spans the entire product lifecycle – from concept development and industrial engineering to tool making, plastic injection molding, metal processing, assembly, packaging, and quality assurance. As a globally recognized manufacturing partner, we offer end-to-end solutions from a single source, enabling our clients to bring high-performance products to market swiftly and reliably. Guided by our vision “Trusted Source of Leading Brands,” we combine technical excellence with a strong commitment to quality and innovation.

## BUSINESS UNITS

Our operations are organized into two key business areas: Consumer Goods and Medical. In each of these, we provide tailored solutions and a wide portfolio of products and services to meet the evolving needs of our customers.

In the Consumer Goods division, we focus on developing and producing smart, user-centric products that enhance everyday life. This business area includes four main product categories:

- Grooming, Styling, Shaving & Epilating
- Beauty Care
- Household Appliances
- Lifestyle Products

In the Medical division, we are committed to delivering reliable, high-quality solutions that contribute to global healthcare. Our expertise extends across four core segments:

- Diagnostics
- Patient Care
- Surgery
- Consumer Health

Across both business units, we serve as a trusted global partner — supporting our customers from initial idea to final product. Our integrated value chain and deep industry knowledge allow us to develop customized, scalable solutions with the highest standards of precision and performance.





## LOCATIONS

PAYER's global footprint spans four strategic locations — with its headquarter in Austria, and further operations in Hungary, China, and Malaysia. This international setup enables PAYER to efficiently serve a broad range of clients across continents, ensuring agile cooperation and reliable delivery of both services and products.

The head office in Austria also serves as the Group's Technology & Innovation Center, employing 170 specialists. Nestled in the historic Sonneck Castle near Graz, this site houses a modern medical production facility equipped with clean and grey rooms, as well as key departments such as Product Management, Global Technology & Innovation, and Industrial Engineering. The focus lies on research, product development, and testing, with an emphasis on implementing cutting-edge technologies. A dedicated 100<sup>2</sup> clean and grey room area, fed directly by injection molding stations, ensures that complex medical components are produced, tested, and packaged under controlled conditions. Another standout feature is the Cutter Competence Center, where PAYER manufactures its high-precision Austrian Performance Cutter – a benchmark for quality in shaving technology.

The production site in Ajka, Hungary, founded in 1992, is one of PAYER's key manufacturing hubs with 282 employees. Strategically located between Graz and Budapest, this facility focuses on toolmaking, injection molding, assembly, and quality assurance. A 9,300 m<sup>2</sup> production area includes a fully equipped tool shop with advanced machinery. High-precision, multicomponent and multicavity molds are developed here, using state-of-the-art molding simulation. The site also features a 180 m<sup>2</sup> grey room, where personal care products for mothers and children are semi-automatically assembled and tested.

In Suzhou, China, PAYER has been operating since 2003 as a major production center for the Asian market. 355 employees contribute their expertise in engineering, R&D, injection molding, assembly, and quality control. Operating in a 12,000 m<sup>2</sup> modern facility, PAYER China houses over 30 injection molding machines and a hightech assembly hall with both semi- and fully automated production lines. Its strengths include efficient scalability, quick adaptation to market shifts through a robust local supplier network, and a high level of automation—ensuring premium quality for millions of units produced annually.

PAYER's newest site in Sungai Petani, Malaysia, launched in 2021, complements its Asian production footprint. With 124 employees, the site focuses on tool manufacturing, molding, assembly, and quality control. The facility is currently equipped with 12 injection molding machines and a dedicated local tool shop featuring CNC, EDM, and wirecut technologies. It also includes five manual assembly lines, inspection rooms, and fully equipped quality and testing area—all geared towards ensuring consistent, high-quality production standards.



**Sustainability is not just a strategic goal for us – it's a daily commitment that guides our actions. As an industrial company, we have a responsibility to our employees, our customers, society, and future generations. That's why we actively invest in environmentally friendly technologies, efficient processes, and a corporate culture built on respect, transparency, and long-term thinking.**



**Harald Riedlhuber**  
General Manager  
Region Europe



## WHAT WE STAND FOR

Our story began in 1946, when Eduard Payer laid the foundation for what would become a globally trusted name in manufacturing. Since then, PAYER has evolved into a leading development and production partner for a growing portfolio of international brands. From the initial idea to the final production steps, we offer end-to-end solutions – combining deep technical expertise with decades of experience across the entire value chain.

Today, the PAYER Group delivers a wide spectrum of high-quality products and services to customers across the globe. What unites all our efforts is a shared ambition: to set benchmarks in everything we do – working together, across teams and borders, as one integrated organization. This ambition is at the core of our vision:

# ONE PAYER TO BE NUMBER ONE.

It's more than a slogan – it's a mindset that drives us forward. It inspires innovation, unleashes potential across our organization, and strengthens our pursuit of leadership in every market we serve – together with our valued global partners.

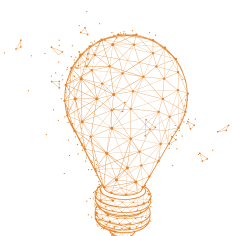
## OUR VALUES

Our Core Values form the basis of our company and inspire our day-to-day operations. The world may change, but our values remain.



### CUSTOMER FOCUS

With a strong CUSTOMER FOCUS, we have gained leading brands as our partners, giving us the opportunity to grow and giving them the guarantee to rely on high-quality products.



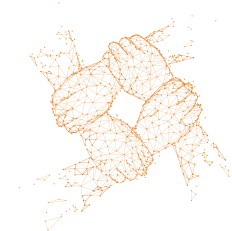
### INNOVATION

Our striving for INNOVATION allowed us to persist in times of change and in times of crisis. We were able to develop from a shaver producing company to a strong partner in various fields.



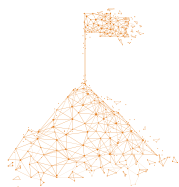
### OWNERSHIP

The high sense of OWNERSHIP enabled us to become a trusted source for leading brands, taking responsibility for the products and services we provide to our customers. We take the initiative to ensure positive results for our company.



### TEAM SPIRIT

A strong TEAM SPIRIT has accompanied the PAYER family throughout the years. We are only strong together, as a team, counting on individual strength to contribute to our common success.



### PASSION TO WIN

Last but not least, our PASSION TO WIN helped us to exceed our own expectations and to walk the extra mile to satisfy our stakeholders. With this passion we continuously strive for ONE PAYER TO BE NUMBER ONE.

## STRATEGIC DIRECTION

As part of our long-term strategic vision, the PAYER Group aims to increase its annual revenue to EUR 300 million by 2030. This ambition is at the heart of our PAYER@300 strategy, which outlines the roadmap for profitable, sustainable growth over the coming years. The implementation of this strategy is driven by five clearly defined Strategic Enablers, which form the foundation of our transformation journey:

### BEING GROWTH-ORIENTED

by focusing on high-growth segments and expanding together with our strategic partners in existing and new markets

### ACTING IN A FLEXIBLE & AGILE MANNER

by responding swiftly to market shifts and customer needs through a resilient, global organizational structure

### ACTING SUSTAINABLE AND RESPONSIBLE

by reducing our environmental footprint, promoting social responsibility, and upholding ethical business practices

### SCALING TECHNOLOGY INNOVATION

by investing in new technologies, strengthening internal capabilities, and extending our leadership in innovation

### EMPLOYING EXCEPTIONAL PEOPLE

by attracting, developing, and retaining top talents, and fostering a culture that empowers employees to reach their full potential

Together, these enablers guide our strategic decisions and reflect our commitment to building a future-ready, sustainable organization.

## AWARDS

In 2024, the PAYER Group was honored with several prestigious awards that recognize our dedication to excellence, innovation, and sustainability across multiple dimensions of our business. A particular highlight was receiving the EcoVadis Gold Medal, placing us among the top-ranked companies worldwide for sustainability performance. This recognition reflects our continued efforts in environmental stewardship, labor and human rights, fair business practices, and sustainable procurement. It validates our commitment

to responsible corporate conduct and encourages us to raise the bar even further.

We were also proud to receive the Primus Award for “International Performance”, presented by Kleine Zeitung, which honors companies from Styria that demonstrate outstanding achievements in international markets. Securing first place in this category is a testament to our global competitiveness, the strength of our strategic focus, and the impact of our international teams.

In addition, PAYER was awarded the Connect & Develop Award by Procter & Gamble, recognizing our successful execution of a highly complex project and our innovative, collaborative approach as a trusted partner.

Lastly, our team at PAYER Hungary earned 3rd place in the renowned Kaizen Award competition. This accomplishment highlights the team’s strong spirit of collaboration and their unwavering focus on continuous improvement – key elements of our company culture. It is a reminder that great results are achieved when people come together with shared purpose and commitment.

These recognitions not only celebrate our achievements but also serve as powerful motivation to continue pushing boundaries, embracing innovation, and advancing sustainability in everything we do.



**For me, sustainability starts in the day-to-day project work – with every decision, every material used, and every process step. As a project manager, I make sure our solutions are not only economically viable, but also environmentally and socially responsible. Sustainability means delivering projects that create long-term value.**



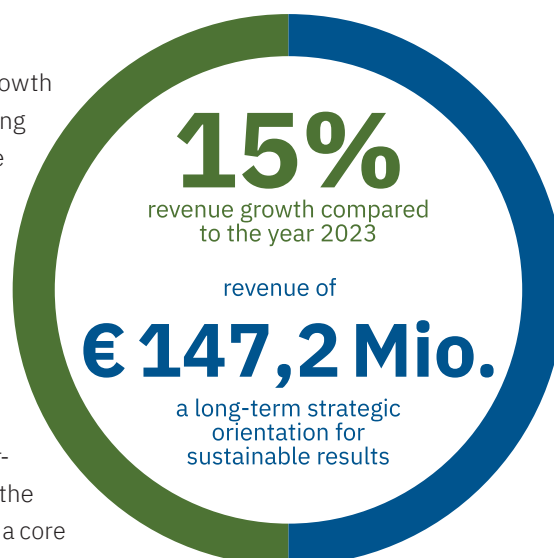
**Manfred Meisenbichler**  
Head of Global Program Management

## FINANCIAL RESULTS 2024

### FOCUS ON STRATEGIC MANAGEMENT AND INNOVATION

In 2024, the PAYER Group was pleased to record 15% revenue growth compared to the year 2023. This revenue of € 147,2 Mio. is a strong and encouraging sign that our long-term strategic orientation and the dedication of our global teams are delivering sustainable results. Despite geopolitical tensions, inflationary pressure, and a generally cautious market environment, we stayed true to our course and continued to grow – responsibly, strategically, and with foresight.

At the heart of our development lies a clear commitment: to act in a way that unites economic performance, social responsibility, and environmental awareness. These three dimensions are deeply interconnected and form the basis of all entrepreneurial decisions within the PAYER Group. We don't see sustainability as a stand-alone topic but as a core element of corporate responsibility, which extends across the entire value chain and reflects our role as a long-term partner to employees, customers, and society. As part of our PAYER@300, we are aligning our growth efforts with future-oriented priorities. This includes a sharpened focus on our two primary business areas: Consumer Goods and Medical. Both segments are built on strong market understanding, a commitment to innovation, and an integrated global production setup.



### CONSUMER GOODS – BUILDING ON PROVEN STRENGTHS

In the Consumer Goods segment, we continue to manufacture and deliver innovative products in the areas of grooming, styling, beauty care, lifestyle, and household appliances. Our production sites in Hungary, China, and Malaysia are central to this business, combining efficiency with flexibility and a high degree of automation. In 2024, we focused on refining processes, optimizing energy use, and improving material efficiency to further reduce our environmental footprint. Especially in China, we responded to increased cost pressure and geopolitical uncertainties with greater process stability and operational adaptability.

### MEDICAL – ACCELERATING INNOVATION IN HEALTH

The Medical segment continued its dynamic development. With production and R&D capacities in Austria and Hungary, this business area focuses on medical technology components and Consumer Health products. In 2024, we were able to further expand our offering in the fast-growing Consumer Health field, which includes products for diagnostics, patient care, and home-use applications. Our cleanroom infrastructure was extended to meet increasing demand, and additional automation steps were introduced to enhance both process safety and product quality.

### STRENGTHENING GLOBAL INFRASTRUCTURE AND INNOVATION

We continue to invest consistently in infrastructure and technological advancement across all sites. Our Technology & Innovation Center in St. Bartholomä, Austria, plays a vital role in driving development, innovation, and global process standards. In 2024, we expanded key areas including molding technologies, prototyping capacity and digital process simulation. In Hungary, upgrades in our toolmaking division and semi-automated assembly lines support both Consumer and Medical production, while the site in Malaysia successfully completed its rampup phase, becoming an important contributor to the group's global performance. In total, investments in 2024 were directed toward capacity expansion, automa-

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**Sustainability in a company means for me that we integrate environmentally friendly practices, take on social responsibility and achieve long-term economic success to have a positive impact on society and the environment. Sustainable leadership is of great importance to me as I bear the responsibility to ensure fair working conditions and to actively promote diversity and inclusion.**



**Melanie Schaffer-Iljic**  
Chief Financial Officer

tion, energy efficiency, and digitization—always with a view to long-term value creation and operational resilience. The financial strategy of PAYER Group aims at increasing the company's value. Our focus is on increasing in return on capital and profitability, achieving strong cash flows as well as ensuring financial stability.

### INTEGRATED PERFORMANCE – FINANCIAL AND BEYOND

Financial stability remains a pillar of our development. We were able to further increase our equity ratio compared to the previous year and finance our investments through strong operating cash flow. These indicators reflect not only our economic resilience but also the responsible way in which we allocate resources. All planned repayments and financing obligations were met on time.

Beyond financial metrics, we also monitor our performance in non-financial areas. In 2024, our R&D ratio stood at 2.1% of total revenue – underlining our ongoing commitment to product and process innovation. Furthermore, our employees completed 500 days of training across various locations, highlighting our focus on lifelong learning, knowledge transfer, and the continued development of talent within the company.

### CHALLENGES AND ADAPTATION

Our production site in China continued to face external challenges, particularly due to weakened consumer demand, increased price pressure, and the risk of new trade barriers such as potential US tariffs. Through strategic procurement, increased automation, and strong local leadership, we maintained stability and ensured delivery capability. In parallel, our Malaysian facility has strengthened its role as a complementary site, helping to diversify risk and balance global capacity.

### OUTLOOK: TRANSFORMATION WITH RESPONSIBILITY

As we look ahead to 2025 and beyond, the PAYER Group will continue to pursue a selective and responsible growth strategy. We see great potential in both business segments – particularly in the expansion of our Medical business, driven by demographic changes, increased demand for home healthcare solutions, and the global rise of preventive diagnostics.

In line with this, we are planning further investments in cleanroom capacity and medical assembly technologies, especially at our Hungarian site. At the same time, our Austrian innovation hub will continue to drive crosssite initiatives in product development, digitization, and automation – ensuring that we remain a reliable, forward-looking partner for our global customer base.

### FINAL THOUGHTS

The challenges of recent years have made one thing clear: resilience, adaptability, and shared values are more important than ever. The PAYER Group is well-positioned to meet the demands of a changing world. Our foundation is solid, our focus is clear, and our commitment is long-term.

We are convinced that true progress happens when innovation, economic performance, and responsibility go hand in hand – and we will continue working every day to ensure that these principles guide our journey.



”  
**It is our duty to ensure sustainability in every financial plan. This approach underpins long-term business stability, aligning operations and investments with our core values and future growth. By doing so, we are better equipped to adapt to market demand changes and manage resources more efficiently.**



**Merlissa Lim**  
Finance Management  
PAYER Malaysia



# HOW WE ACT ON SUSTAINABILITY



# HOW WE ACT ON SUSTAINABILITY

## OUR SUSTAINABLE COMPANY

### SUSTAINABILITY STRATEGY

The PAYER strategy process launched in 2023 with the aim of achieving sustainable growth by 2030 was continued in 2024 and the objectives were consistently pursued. Our strategic direction and focus areas have been adjusted accordingly. Sustainability is part of and an important pillar of the overall PAYER business strategy. This underlines the importance and is essential for creating value for our company, our customers and our employees.

The strategy is based on five pillars:

- Customer's first Choice
- Employer of Choice
- Acting Sustainably and Responsibly
- Driving Technology Leadership
- Creating an Excellent and Resilient Operation

## GOVERNANCE IS CRUCIAL

PAYER's sustainability strategy forms the framework for all the necessary contributions to the annual sustainability report over the course of the year. However, the actual preparation of the report requires a strict regulation of responsibilities within the company. Every year, the PAYER Group's sustainability team reviews the report on:

### 1 THE PROCESS

How do we want to report on sustainability?  
Where do we gather information

### 2 THE RESPONSIBILITIES

Who does what?  
Who are the responsible, accountable, consulted and informed stakeholders?

### 3 THE COMMITTEES

Who exercises oversight and how?

By establishing a committee responsible for monitoring development, the accuracy and completeness of PAYER's annual sustainability report is examined. It must be ensured that the report complies with the Corporate Sustainability Reporting Directive and the European Sustainability Reporting Standards, reflects the company's sustainability goals and communicates environment, social and governance performance transparently to stakeholders.

### 4 THE REPORTING AND ESCALATION LINES

Who reports to whom?  
Who decides what and how?

The goal is to understand and determine the necessary information flows between departments and persons. The PAYER Group defines clear mechanisms and pathways to arrive at important decisions and solve disagreements in a structured and target-oriented fashion.



## 5 THE ROLE DESCRIPTIONS AND JOB PROFILES

What are the requirements to fulfill the process model steps?  
Who compares them against the status-quo?

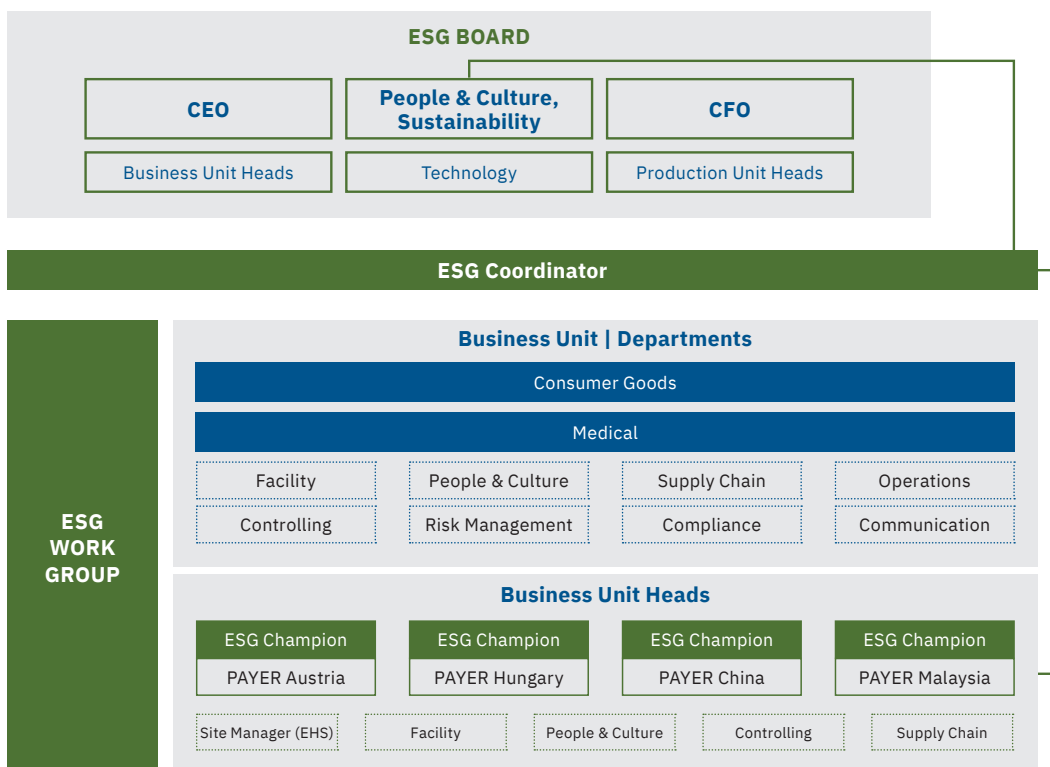
In this governance step, the PAYER Group reviews the responsibilities of departments with the reporting process model, and it identifies know-how and skills needed to fulfill the process steps. This can be further used to analyze upskilling needs.

## 6 THE FTE (FULL TIME EQUIVALENT) ESTIMATE

What are the efforts needed to fulfill the reporting ambition?

Finally, it is necessary to estimate the resources needed to manage efforts of report creation and subsequent processes. The input of workforce depends on the planned process steps and the report ambition level. The status-quo is analyzed and a decision on whether to allocate tasks or to create new capacities is made.

Since the first Sustainability Report, the PAYER Group has established a clear hierarchy in the sustainability governance. In the last year, the responsibilities of the actors in the sustainability governance were established:

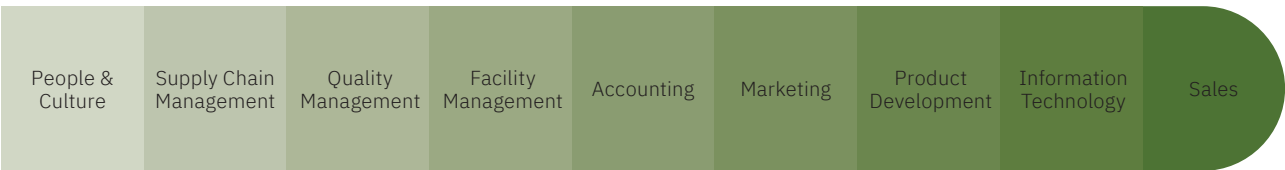


The management bodies of the PAYER Group are usually addressed in the warm-up and the cool-down phase of the sustainability report: They need to sign off the allocated resources, review the final report, provide feedback and communicate the results with stakeholders. While the report gets prepared, they are informed and consulted regularly to ensure compliance and the right timing.

While the management provides guidance to the whole group, a crucial role lies with the environment, social and governance Coordinator. While this is the main link for the communication between the management and the departments regarding the sustainability report, the environment, social and governance Coordinator is also responsible for the generation of the sustainability report and for the consultation of the individual departments. Moreover, he oversees projects related to sustainability each year.

The environment, social and governance working groups at department and business unit level form the basis for qualitative input and data generation. They are formed according to requirements and support the ESG department with their specific knowledge of PAYER's processes and with sustainability-related queries to PAYER's business partners.

Some departments are more involved in the reporting process than others. The following departments were intensively involved in various projects and in the preparation of qualitative and quantitative contributions for the sustainability report over the course of the year.



## MATERIALITY ANALYSIS

The topical standards of the European Sustainability Reporting Standards (ESRS) present multiple sub-topics for undertakings to report on, related to the three pillars of environment, social and governance :

### ENVIRONMENT

- ESRS E1: Climate change
- ESRS E2: Pollution
- ESRS E3: Water and marine resources
- ESRS E4: Biodiversity and ecosystems
- ESRS E5: Resource use and circular economy

### SOCIAL

- ESRS S1: Own workforce
- ESRS S2: Workers in the value chain
- ESRS S3: Affected communities
- ESRS S4: Consumers and end users

### GOVERNANCE

- ESRS G1: Business conduct

The information on what to report on is the result of the materiality analysis of a company. For PAYER, the same topics as in the previous report are relevant and presented in the following tables:

**Environment:** This topic explores the company's interaction with its environment, highlighting potential risks and opportunities linked to its reliance on natural resources. It also examines the environmental impact of the value chain.

To gain a comprehensive understanding, PAYER assess all stages of the value chain — from resource extraction and supply chain operations to production, product distribution, usage, and their environmental effects at the end of their lifecycle.

**“Sustainability is integral to production, engineering, and maintenance, driving resource efficiency, energy conservation, and cost savings over time. By prioritizing sustainable practices, we foster innovation, extend equipment lifespan, and reduce environmental impact to align with our long-term goals and customer expectations.”**



**Gergő Szakos**  
Head of Operations  
PAYER Hungary

## THE ESRS ON THE TOPIC “ENVIRONMENT” COVER A PLENTITUDE OF SUB- & SUB-SUB-TOPICS...

TOPIC	SUB-TOPIC	SUB-SUB-TOPIC	MATERIALITY
E1 Climate change	Climate change mitigation		Material
	Climate change adaptation		Material
	Energy		Material
E2 Pollution	Pollution of air		Material
	Pollution of water		Material
	Pollution of soil		Material
	Pollution of living organisms and food resources		Material
	Substances of (very) high concern		Material
	Microplastics		Material
E3 Water and marine resources	Water	Water consumption	Material
		Water withdrawals	Material
		Water discharges	Material
	Marine resources	Water discharges in the ocean	Not material
		Extraction and use of marine resources	Not material
E4 Bio-diversity and ecosystems	Direct impact drivers of bio-diversity loss	Climate change	Not material
		Land-use change. Fresh water-use change and sea-use change	Material
		Direct exploitation	Not material
		Invasive alien species	Material
		Pollution	Material
		Others	Not material
	Impact on the state of species	Species population size	Not material
		Species global extinction risk	Not material
	Impacts on the extent and condition of ecosystems	Land degradation	Material
		Desertification	Not material
		Soil sealing	Not material
	Impacts and dependencies on ecosystem services		Not material
E5 Resource use and circular economy	Resource inflows, including resource use		Material
	Resource outflows related to products and services		Material
	Waste		Material

## NOT MATERIAL BECAUSE...

TOPIC	SUB-(SUB-)TOPIC	REASON
E3 Water and marine resources	Marine resources	PAYER and its value chain have no connection to marine resources and are not dependent on them, so there are no impacts, financial risks, or opportunities.
E4 Biodiversity and ecosystems	Climate change	PAYER and its value chain have no direct influence on the local climate in biodiversity-rich ecosystems and are not dependent on them, so there are no impacts, financial risks, or opportunities.
	Direct exploitation	PAYER and its value chain do not directly exploit any ecosystems with its activities.
	Species' population size	PAYER and its value chain have no direct influence on the state of species and are not dependent on it, so there are no impacts, financial risks, or opportunities.
	Species global extinction risk	PAYER and its value chain do not directly increase the extinction risk of any species with its activities, so there are no impacts, financial risks, or opportunities.
	Desertification	PAYER's or its value chain's activities do not take place in areas where desertification occurs and they are not dependent on them, so there are no impacts or financial opportunities.
	Soil sealing	PAYER's or its value chain's activities do not involve the sealing of soil and they are not dependent on it, so there are no impacts, financial risks, or opportunities.
	Impacts and dependencies on ecosystem services	PAYER and its value chain do not impact nor use any ecosystem-related services, so there are no impacts, financial risks, or opportunities.

**Social:** Corporate sustainability also reflects a company’s social responsibility, not only toward its own employees but also toward workers across the entire value chain, both upstream and down-stream. Additionally, local communities and end-users of PAYER products are key stakeholders whose concerns must be considered.

A sustainable company ensures excellent working conditions for its employees, sources materials from suppliers that uphold high labor standards, and actively involves affected stakeholders in decision-making processes.

## THE ESRs ON THE TOPIC “SOCIAL” INCLUDES FURTHER SUB-TOPICS:

TOPIC	SUB-TOPIC	SUB-SUB-TOPIC	MATERIALITY
S1 Own work- force	Working conditions	Secure employment	Material
		Working time	Material
		Adequate wages	Material
		Social dialogue	Not material
		Freedom of association, the existence of work councils and the information, consultation and participation rights of workers	Material
		Collective bargaining, including rate of workers covered by collective agreements	Material
		Work-life balance	Material
		Health and safety	Material
	Equal treatment and opportunities for all	Gender equality and equal pay for work of equal work	Material
		Training and skill development	Material
		Employment and inclusion of persons with disabilities	Material
		Measures against violence and harassment in the workplace	Material
		Diversity	Material
	Other work-related rights	Child labor	Material
		Forced labor	Material
		Adequate housing	Not material
		Privacy	Material
S2 Workers in the value chain	Working conditions	Secure employment	Material
		Working time	Material
		Adequate wages	Material
		Social dialogue	Material
		Freedom of association, including the existence of work councils	Material
		Collective bargaining	Material
		Work-life balance	Material
		Health and safety	Material
	Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value	Material
		Training and skill development	Material
		The employment and inclusion of persons with disabilities	Material
		Measures against violence and harassment in the workplace	Material
		Diversity	Material
	Other work-related rights	Child labor	Material
		Forced labor	Material
		Adequate housing	Not material
		Water and sanitation	Not material
		Privacy	Material
S3 Affec- ted communi- ties	Communities’ economic, social and cultural rights	Adequate housing	Material
		Adequate food	Material
		Water and sanitation	Material
		Land-related impacts	Not material
		Security-related impacts	Not material
	Communities’ civil and political rights	Freedom of expression	Not material
		Freedom of assembly	Material
		Impacts on human rights defenders	Not material
	Rights of indigenous people	Free, prior and informed consent	Material
		Self-determination	Not material
		Cultural rights	Material
S4 Consumer and end-users	Information-related impacts for consumers and/or end-users	Privacy	Material
		Freedom of expression	Material
		Access to (quality) information	Material
	Personal safety of consumers and/or end-users	Health and safety	Material
		Security of a person	Material
		Protection of children	Not material
	Social inclusion of consumers and/or end-users	Non-discrimination	Material
		Access to products and services	Material
		Responsible marketing practices	Material

## NOT MATERIAL BECAUSE...

TOPIC	SUB-(SUB-) TOPIC	REASON
S1 Own workforce	Adequate housing	PAYER is not responsible for the housing of its workforce, so there are no impacts, financial risks, or opportunities.
S2 Workers in the value chain	Adequate housing	PAYER and its value chain are neither responsible for, nor dependent on this work-related right. There are no impacts, financial risks, or opportunities.
	Water and sanitation	PAYER and its value chain are neither responsible for nor dependent on this work-related right. There are no impacts, financial risks, or opportunities.
S3 Affected communities	Security-related impacts	PAYER and its value chain have no security-related impacts on the rights of local communities and the company is not dependent on them, so there are no impacts, risks, or opportunities.
	Freedom of expression	PAYER and its value chain have no impact on the freedom of expression of affected communities and the company is not dependent on them, so there are no impacts, financial risks, or opportunities.
	Impacts on Human Rights Defenders	PAYER and its value chain have no impact on human rights defenders and the company is not dependent on them, so there are no impacts, financial risks, or opportunities.
	Self-determination	PAYER and its value chain have no interaction with the self-determination of indigenous people and the company is not dependent on it, so there are no impacts, financial risks, or opportunities.

**Governance:** The third pillar of corporate sustainability focuses on general governance of a company. It encompasses transparency in cases of corruption and bribery, measures to prevent such cases, fair payment practices, and whistleblower protection.

**THE ESRS ON THE TOPIC “GOVERNANCE”  
INCLUDES ONE SUB-TOPIC:**

TOPIC	SUB-TOPIC	SUB-SUB-TOPIC	MATERIALITY
G1 Business conduct	Corporate culture		Material
	Protection of whistleblowers		Material
	Animal welfare		Not material
	Political engagement		Material
	Management of relationships with suppliers, including payment practices		Material
	Corruption and bribery	Prevention and detection, including training	Material
		Incidents	Not material

**NOT MATERIAL BECAUSE...**

TOPIC	SUB-(SUB-)TOPIC	REASON
G1 Business Conduct	Animal welfare	There are no animals involved in PAYER's and its value chain's activities and they are not dependent on them, so there are no impacts, financial risks, or opportunities.
	Incidents of corruption and bribery	No incidents of corruption and bribery were identified, so there are no impacts, financial risks, or opportunities.

**DESCRIPTION OF  
MATERIAL DATAPOINTS**

The material (sub-)sub-topics of PAYER were identified based on the concept of double materiality. An analysis regarding impacts, risks and opportunities, related to the topics mentioned in the tables above, was conducted: Impacts refer to one half of double materiality, to the “Inside-Out perspective. “Inside-Out” describes that activities from inside PAYER influence the outside world, through a positive or negative impact. Once such an impact has been identified, it was evaluated under the following parameters:

- The severity of the impact
  - Its scale
  - Its scope
- Its remediability (only for negative impacts)
- The probability of occurrence

Risks and opportunities are included in the other half of double materiality, the “Outside-In” perspective. “Outside-In” looks at external forces affecting the PAYER Group positively or negatively. Such effects manifest in the form of risks and opportunities. Once an effect has been identified, it was evaluated under the following parameters:

- The size of the financial effect
- The probability of occurrence

Each parameter for each impact, risk or opportunity was given a qualitative score, where 1 correlates to a minimal relevance and 5 refers to very high relevance. Once every effect was scored each of its parameters, the severity of all the impacts was calculated by using the mean value of its sub-parameters. The severity of the impact was further connected to the probability of occurrence by the arithmetic mean to create the overall score of the effect. The final score for each risk and opportunity is simply the mean value of the parameters of the effect.



A European sustainability reporting standards (sub-)sub-topic is material, if an effect scores three or higher in the overall rating, under the consideration of double materiality. Following the “bottom-up” approach mentioned in the reporting standard, the material European sustainability reporting standards topics were identified by its connection with a material (sub-)sub-topic. A detailed description on how PAYER evaluates its material topics due to impacts, risks and opportunities under the European sustainability reporting standards is depicted in the following tables as a summary:

ESRS TOPIC	IMPACTS	RISKS	OPPORTUNITIES	PRIMARY AREA OF EFFECT
E1 Climate change	An increased emission of GHG & energy demand due to expansion leads to environmental strain. PAYER tries to reduce its emissions by decreasing the company's energy demand and promoting public transport for its employees.	Governmental regulations for climate change mitigation could increase costs for PAYER. Due to the locations of the company's sites, they might be affected by extreme weather conditions like heat waves or excessive rainfall.	Technological advances in energy production & storage let PAYER be more sustainable. Financial incentives for sustainable practices, like employee commuting by public transportation, lead to happier employees and an improved image of the company.	The whole value chain
E2 Pollution	The procurement of metals, packaging materials, and plastics is connected to environmental pollution. Motorized transport leads to further pollution of air, water, and soil. PAYER has a high demand for plastics, which are used in packaging and non-sustainably produced. At their end-of-life phase, PAYER products produce microplastics.	Regulations to decrease pollution can increase production costs for PAYER. If these regulations are dismissed, PAYER might be fined in future scenarios.	A shift towards packaging designed along circular principles is crucial in the future. Regional procurement and electrified company cars lead to less pollution and an improved image of PAYER.	The whole value chain
E3 Water and marine resources	The production of supplies for PAYER has a high-water demand, e.g. the production of cartons and steel. Wastewater from upstream value chain actors might pollute the environment.	Water shortages might arise in geographical areas due to climate change. Costs for resource-intensive supplies could increase in the future.	No opportunities were identified.	The upstream value chain, activities at PAYER
E4 Biodiversity and eco-systems	Supplies for PAYER are produced under the destruction of ecosystems due to non-sustainable farming. This includes the destruction of habitats for native fauna and humans. Invasive species might get distributed by the sea transport of PAYER products.	If the PAYER supplies are not procured sustainably, costs along the value chain could increase.	No opportunities were identified.	The upstream value chain, activities at PAYER
E5 Resource use and circular economy	PAYER intensifies resource shortage with its high demand for electrical and electronic equipment. The procurement of these supplies causes risks for the environment and workers in the value chain.	An increasing demand for the raw materials used in PAYER products might increase the costs for PAYER in the future. Procedures for recycling could increase the costs for PAYER products since this process is still very expensive.	PAYER products have chances for resource optimization, increased financial performance, and less waste production. This decreases spending and leads to an improved image of PAYER products.	The whole value chain
S1 Own workforces	PAYER supports its workforce through high working standards including modern working and training conditions, diversity within the company, zero tolerance of discrimination, and strict data protection.	PAYER might be fined if data about its workforce, technologies, or innovations get leaked.	A highly motivated workforce calls in sick less often and is very productive. An improved image benefits PAYER.	PAYER activities
S2 Workers in the value chain	PAYER demands similarly high employment standards from its suppliers and customers regarding employees in the value chain as it does from its employees. In addition, customer and supplier data are treated very carefully.	Geopolitical conflicts could affect the productivity of PAYER negatively. If stakeholder data gets leaked, PAYER might be fined.	PAYER commits its suppliers and customers to uphold high working conditions for their employees. This leads to workers' good health and satisfaction in the value chain.	The whole value chain

ESRS TOPIC	IMPACTS	RISKS	OPPORTUNITIES	PRIMARY AREA OF EFFECT
S3 Affected communities	Stakeholders in the downstream value chain support local communities, including indigenous people, with PAYER products in times of crisis. Informative projects, nature protection, or refurbishment projects are also organized. Negative impacts include the destruction of the communities' living environment by the procurement of materials.	No risks were identified.	No opportunities were identified.	The up-and downstream value chain
S4 Consumers and end-users	It is very important for PAYER to: Keep its stakeholders' data safe, listen to feedback, provide access, and guarantee the safety of PAYER products. Negative impacts could arise if dangerous additives in plastics impact the consumer's health.	PAYER might get fined if the consumer's health is negatively impacted through a PAYER product.	PAYER's image might be improved by listening to feedback and implementing these measures,, providing transparency, information, and a frequent marketing presence.	The downstream value chain, PAYER activities
G1 Business Conduct	Transparency about PAYER values, business practices, and the high standard in its contracts is very important. Based on its policies, the company maintains a high level of governance and rejects any kind of political involvement, corruption, or bribery.	No risks were identified.	PAYER's efforts to provide transparency and fair competition improve the company's image. The reliability of PAYER as a business partner allows for long lasting-relationships with stakeholders.	The whole value chain
Entity-specific disclosure: Regional value creation	PAYER maintains its regional roots by supporting local sporting or cultural events. In addition, numerous collaborations are organized with regional stakeholders to support local value creation.		PAYER's efforts to support local communities lay the foundation for regional and sustainable value creation. It improves the image of the company and attracts potential workforce.	The whole value chain

Due to unidentifiable impacts, risks or opportunities, a score for some datapoints on their sub-(sub-) topics is excluded from this sustainability report. These are shown in the following table.

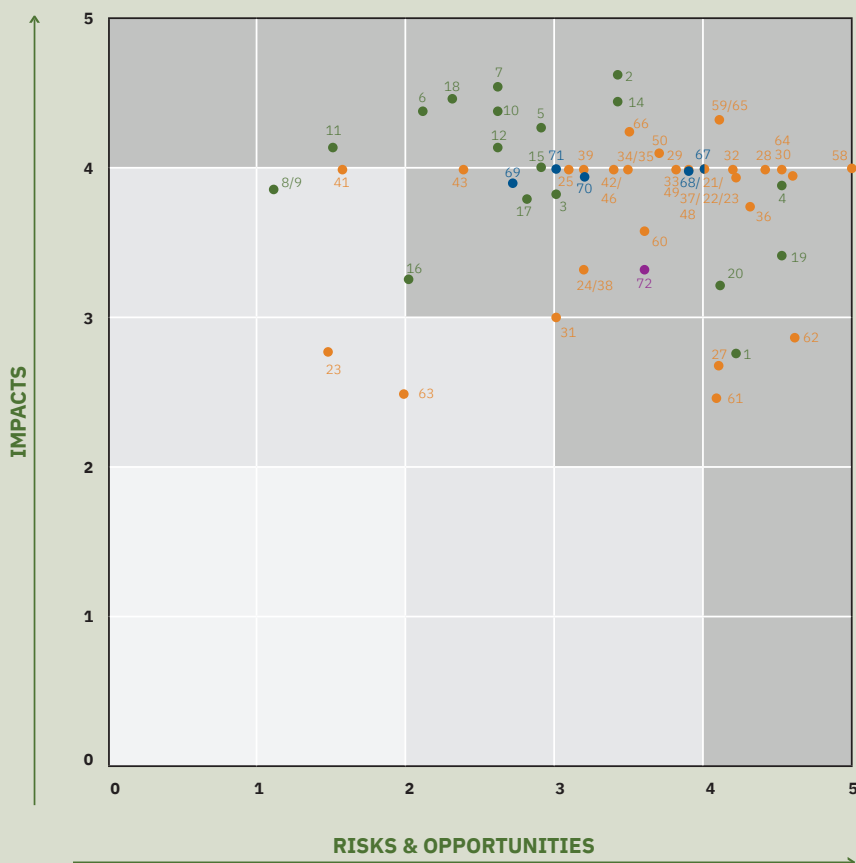


TOPIC	SUB-(SUB-)TOPIC	REASON
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	Desertification	PAYER's or its value chain's activities do not take place in areas where desertification occurs and they are not dependent on them, so there are no impacts or financial opportunities.
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G1 Business Conduct	Animal welfare	There are no animals involved in PAYER's and its value chain's activities and they are not dependent on them, so there are no impacts, financial risks, or opportunities.
	Incidents of corruption and bribery	No incidents of corruption and bribery were identified, so there are no impacts, financial risks, or opportunities.

Finally, all impacts, risks and opportunities are considered in different time intervals:

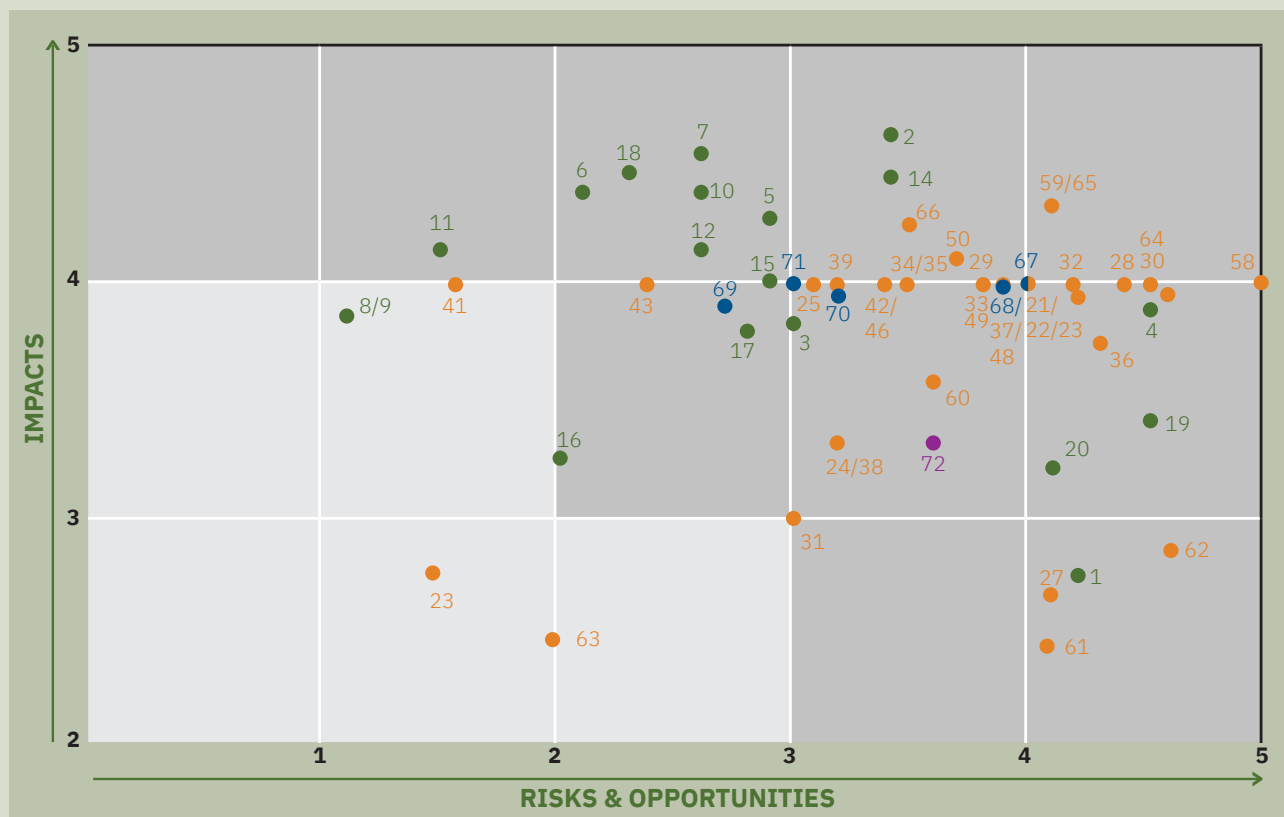
DEFINITION	FUTURE TIME INTERVAL
Short-term	Reporting period in the financial statements (= 1 year)
Mid-term	1 to 5 years
Long-term	More than 5 years

Due to minor variation in the data points from short to medium term to long term and for better clarity, this depiction does not differentiate between time horizons.



● Environment	● Social	● Social	● Social
1. Climate change adaptation	21. Secure employment	41. Work-life balance	61. Health and safety
2. Climate change mitigation	22. Working time	42. Health and safety	62. Security
3. Energy	23. Adequate wages	43. Gender equality	63. Protection of children
4. Pollution of air	24. Social dialogue	44. Training and skill development	64. Non-discrimination
5. Pollution of water	25. Freedom of association & the existence of work councils	45. Inclusion of people with disabilities	65. Access to products and services
6. Pollution of soil	26. Collective bargaining	46. Measures against violence and harrasment	66. Responsible marketing practices
7. Pollution of living organisms and food resources	27. Work-life balance	47. Diversity	● Governance
8. Substances of high concern	28. Health and safety	48. Child labor	
9. Substances of very high concern	29. Gender equality	49. Forced labor	
10. Microplastics	30. Training and skill development	50. Privacy	
11. Water consumption	31. Inclusion of people with disabilities	51. Adequate housing	
12. Water withdrawals	32. Measures against violence and harrasment	52. Adequate food	● Entity-specific disclosure
13. Water discharges	33.Diversity	53. Water and sanitation	
14. Land use change, fresh water -use change and sea-use change	34. Child labor	54. Land-related impacts	
15. Invasive alien species	35. Forced labor	55. Freedom of assembly	
16. Pollution of biodiversity and ecosystems	36. Privacy	56. Free, prior and informed consent	
17. Land degradation	37. Secure employment	57. Cultural rights	72. Regional value creation
18. Resource inflows, including resource use	38. Working time	58. Privacy	
19.Resource outflows related to products and services	39. Freedom of association & the existence of work councils	59. Freedom of expression	
20. Waste	40. Collective bargaining	60. Access to (quality) information	

The final scope of the European sustainability reporting standards (sub-)sub-topics are visualized in the materiality analysis matrix. Since the impacts, risks and opportunities considered vary minorly over different time intervals, changes between time horizons are not visualized in the materiality analysis matrix. This simplification also leads to better clarity in the matrix.



For PAYER to finalize its materiality analysis, the company communicated the findings with all relevant stakeholders. After collecting feedback via a questionnaire, changes were made to the final score in specific impacts, risks and opportunities based on that feedback. This step ensures that the concerns of relevant stakeholders with the materiality analysis of PAYER are taken into account, since the value chain is directly addressed in the analysis.

In accordance with the European sustainability reporting standards, PAYER will report on its efforts related to these specific, material (sub-) sub-topics who were identified in the materiality analysis process in 2023.

**“A solid data foundation is essential for driving meaningful sustainability progress. Reliable, consistent, and transparent data allows us to identify key impact areas, set realistic goals, and track our progress over time. Only with accurate data can we move beyond assumptions, make informed decisions, and continuously improve our environmental and social performance. In a rapidly changing world, data is not just a tool — it’s the backbone of credible and effective sustainability management.”**



**Adrian Danzl**  
Sustainability Expert

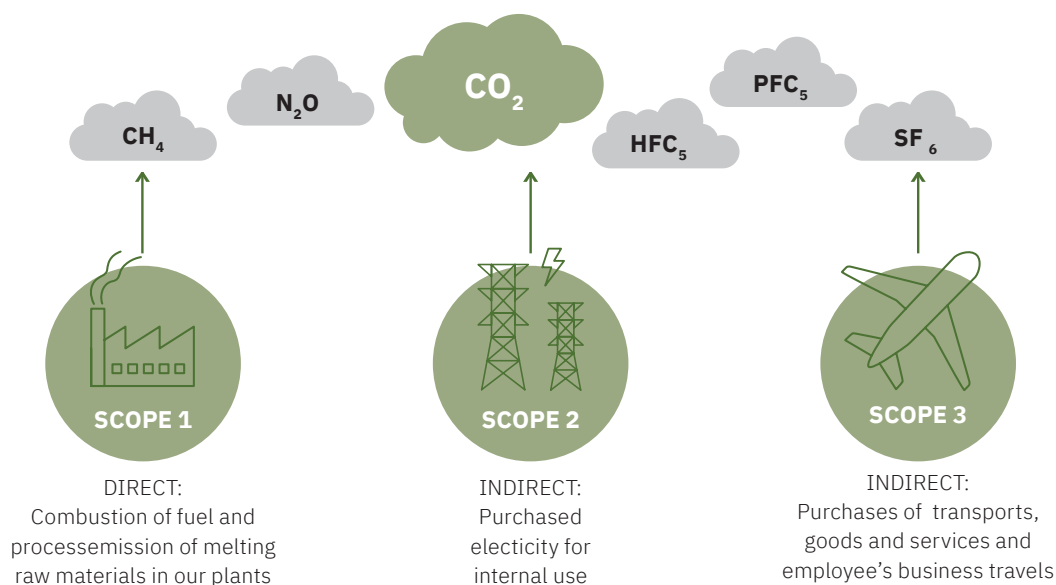
## OUR ROAD TO THE ESRS COMPLIANCE

Throughout 2024, we worked on various projects to ensure a strong foundation for the reporting under the ESRS. With support from an external consultant, multiple departments in all sites of the PAYER Group worked together to calculate the missing aspects of the company-wide greenhouse gases emissions and to initiate a sustainable transition in the supply chain and in the product portfolio. Within months, we streamlined our efforts and approach across sites towards better data collection and implementation of sustainable practices.

### GREENHOUSE GAS INVENTORY STATUS UPDATE

Much needed groundwork was achieved with the further completion of the greenhouse gases inventory of the PAYER Group. It is the basis for a climate transition plan, addressed in the topical standard of europeansustainability reporting standards E1: Climate change. The climate transition plan describes time-bound measures by which the PAYER Group aims to achieve their climate-related emission targets. In general, greenhouse gases emissions from a company's activity can be separated into three different categories, defined by the Greenhouse Gas Protocol:

- Scope 1 - Category of greenhouse gases, refers to direct emissions
- Scope 2 - Category of greenhouse gases, refers to indirect emissions through the consumption of energy: Indirect emissions from the generation of energy
- Scope 3 - Category of greenhouse gases, refers to indirect emissions outside of a company's direct sphere of influence: Indirect emissions outside of the direct sphere of influence of a company, e.g. in the value chain



The PAYER Group worked to finalize its greenhouse gases inventory in 2024. The Scope 1 and 2 emissions were already available in the PAYER Sustainability Report of 2023, however their calculation slightly changed, and the updated numbers are presented in the annex of this report. The Scope 3 emissions of the sites Austria, Hungary and China were calculated for the first time in 2024. PAYER Malaysia was still excluded from the Scope 3 assessment, but it is planned to be included in the near future.

Three Scope 3 categories are closely related to downstream value chain actors' activities. The Scope 3 categories 3.10, 3.11 and 3.12 are not included in this report so far. Further details related to GHG emissions are elaborated in the chapter of climate change in this report.

## SUSTAINABLE TRANSITION IN THE SUPPLY CHAIN

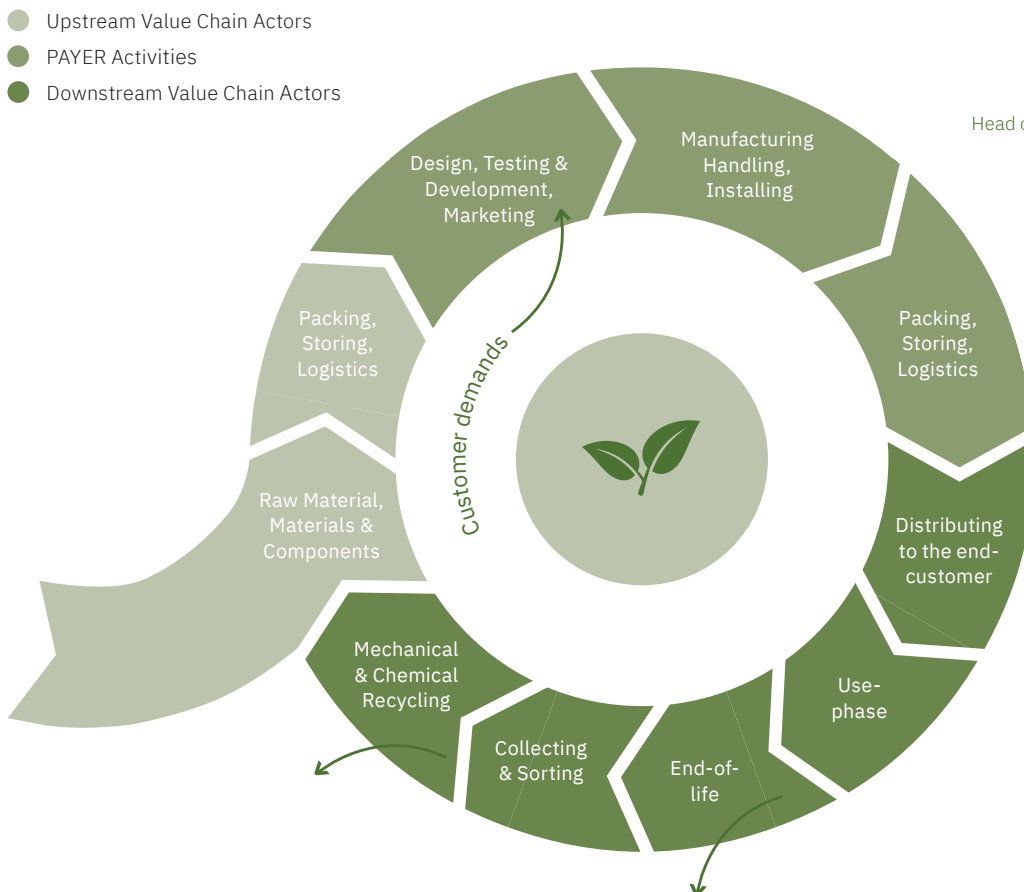
The supply chain of the undertaking is considered to be the chain of activity, of which the PAYER Group is a part of. All activities are closely related to the products produced by PAYER: The upstream value chain starts at the extraction of raw materials, continues with refinement and preparation processes and usually concludes with the manufacturing of a component used by and its transportation to PAYER. These activities are conducted by upstream value chain actors. The downstream value chain activities might include further processing of components that PAYER produces, the use-phase of a final product and the end-of-life disposal of such products.

The production of PAYER requires many different supplies like plastics, metals, rubber, electrical components and packaging material like cardboard or foil. Moreover, production is impossible without infrastructure like machines, energy, and general equipment or services like consultations in tool making, prototype development, information technology or transportation. Final support comes from banks, general consultants, recruiters, rental and maintenance agents.

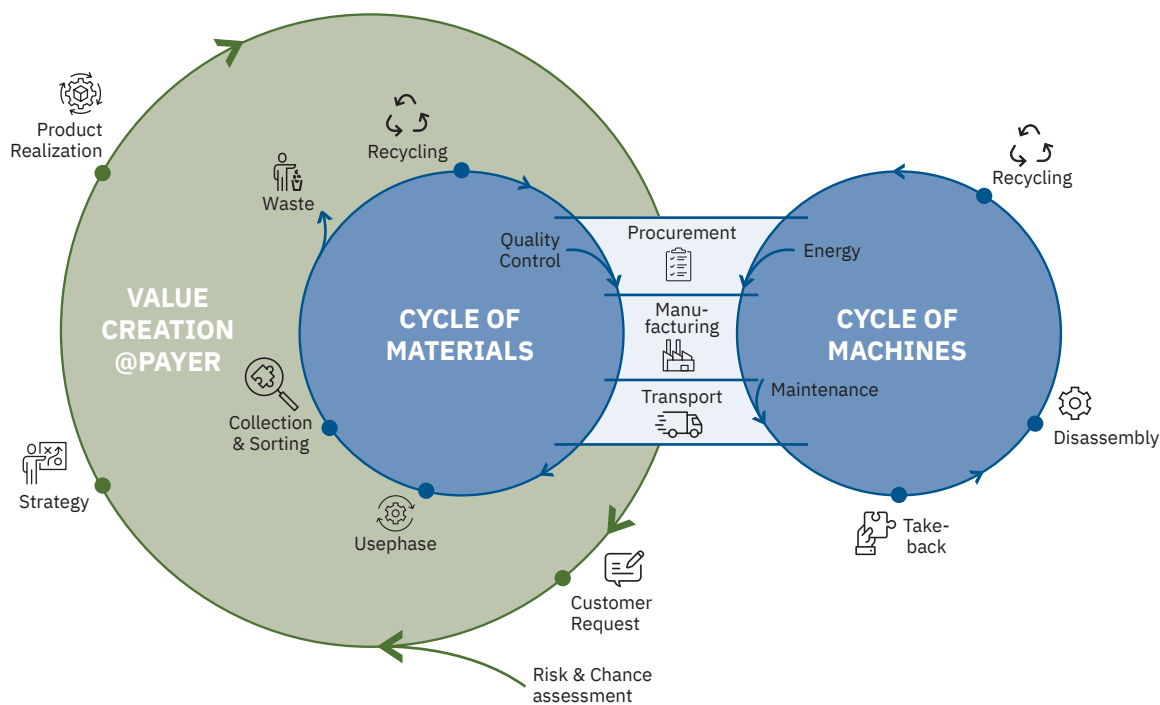
”  
**Sustainability is a central objective in supply chain management as it influences all processes from raw material procurement to delivery to the end customer. By selecting suppliers who meet ecological and social standards, supply chain management significantly contributes to a more sustainable world.**



**Irena Strommer**  
Head of Supply Chain Management  
PAYER Austria



These value chain actors enable the PAYER Group to support customers throughout the entire process of product realization—from initial concept and development to prototyping and industrialization. Manufacturing capabilities include metalworking, plastic injection molding, and product assembly. Final stages such as quality control, testing, and packaging ensure a finished product of the highest standard. Additional services offered at PAYER facilities include tool maintenance, repairs, logistics, transportation, waste management, and seamless coordination with trusted partners and stakeholders.



As a manufacturing company, PAYER’s main sources of greenhouse gas emissions are connected directly to its products. The business units “Medical” and “Consumer goods” of PAYER require resources to produce a product and with it, there is a significant impact. A provision of electronic components, different metal goods, plastic components or raw granulate meets a meaningful demand for packaging made out of paper and plastics. It is therefore necessary to take supply chain activities into consideration when reducing greenhouse gases emission.

To succeed on an international market, PAYER needs to be up to date with upcoming regulations and national strategies regarding its value chain, whether they might refer to upstream activities, e.g. suppliers’ rising standards for labor, or downstream demands, e.g. stricter end-consumer rights. Additional challenges for companies today might include the scarcity of resources, the need for resilient value chain and new technologies e.g. generative AI.

The Corporate Sustainability Due Diligence Directive of the EU does not only hold companies accountable for deliberate misconduct in their value chain, but also provides guidance for necessary resilience and flexibility at the same time. With PAYER customer’s demand for compliance in mind, it is important that the company fosters transparency in the value chain, requests continuous effort and teamwork from all actors in the value chain for capacity building towards a sustainable chain of activity.

The due diligence process in the value chain, as described by the corporate sustainability due diligence directive, includes:

- The integration of due diligence into PAYER’s policies and risk management
- Identifying and assessing both actual and potential adverse impacts for workers and the environment.
- Preventing such potential negative impacts.
- Terminating such actual impacts and providing mitigation, remediation measures.
- A meaningful engagement with stakeholders in the value chain
- Notification mechanisms & complaints procedure
- The monitoring of the effectiveness of due diligence policies and measures
- Communication inwards and outwards with affected stakeholders.

To prepare this multi-step process, the status-quo at PAYER was analyzed through attentive evaluation of policies, targets and measures. Multiple interviews with internal responsible parties were conducted, resulting in an overview over the current process of supplier selection, whether contractual clauses or terms are updated on a regular basis and upskilling formats are developed.

Based on this information, a high-level gap analysis was prepared to visualize new required efforts and areas for improvement. Currently, PAYER does not fully comply with the criteria of a complete due diligence process demanded by the corporate sustainability due diligence directive, however, groundwork has already been done: The undertaking implemented policies promoting sustainable practices, communicates those with direct suppliers and requests compliance. The double materiality analysis conducted in 2023 included a consideration and evaluation of impacts, risks and opportunities arising in the value chain, although no prevention and mitigation measures are mentioned. Affected stakeholders in the PAYER activity chain got addressed by the questionnaire, finalizing the double materiality analysis. Additional procedures include the implementation of the PAYER whistleblowing platform and underlying management system for complaints.

Future developments will ensure the prevention of potential impacts, the termination of actual effects and include remediation actions. As soon as these aspects are covered and our existing measures improved, PAYER aims to monitor the effectiveness of its due diligence, acting according to the results. A thorough communication regarding any updates will take place on a yearly basis by the means of e.g. an annual sustainability report. Finally, the implementation of a tool to manage supply chain issues was considered.

We at PAYER strive towards compliance with both the European sustainability reporting standards and the corporate sustainability due diligence directive by steadily improving our policies, measures, monitoring and communication. In the long run, this will also lead to a reduction in emissions, if sustainable suppliers are selected over conventional suppliers, further pushing the demand for a green transition in the market.

### **SUSTAINABLE TRANSITION IN PRODUCTS & THE BUSINESS MODEL**

A design of PAYER products guided by circular principles is a key aspect of the emission reduction. Guided by the company's policies, PAYER aims towards resource conservation, sustainable product stewardship and waste reduction. In the year 2023 we set the groundwork for strategic goals and a sustainable transformation regarding a sustainable product portfolio and business model of PAYER.

Initially, the sustainability team at PAYER conducted a circularity analysis, where the company's business model and strategy were assessed for circular principles and compared to peers and customers of the PAYER Group. To be the most attractive business partner means to carry on sustainability measures through the chain of activity, to adapt to our customers' demands while communicating the requirements to the suppliers. Although PAYER has partially implemented circularity criteria in its strategy and business model, there is still improvement to be made.



Regarding the business model of PAYER, circularity has partly been implemented up to this point:

- Partly circular products are available, where durable and recycled materials are used.
- Paper-based packaging is being used.
- Spare parts are offered.
- A commitment to design future products using more circular principles has been made.
- Improvements for PAYER products are strongly customer-driven

In Alignment with the business strategy of PAYER, goals for more product circularity have already been set. They focus on the sustainable material use in products and packaging, where PAYER aims to reduce the content of virgin input and promote the use of recycled materials.

Moreover, projects to foster circularity were initiated and continued into 2025:

- Bio-based, post-consumer resin or chemically recycled alternatives for PAYER products
- Plastic-free packaging solutions
- Collaboration with business partners on packaging
- Collaboration with the Technical University of Graz on a master's thesis including
- The lifecycle assessment of a flagship product
- A process for implementing sustainability into the product development phase
- A waste tracking system for each site of the PAYER Group
- Offering of plastic residue at the production site in China, for reuse purposes

Future developments need to include the setting of a specific circular economy strategy of the PAYER Group, where all goals, measures and metrics are monitored for their actuality and effectiveness. This will set the PAYER Group ahead of its peers and satisfy the demands of its business partners.



## IMPROVEMENTS IN DIGITALIZATION AND PROCESSES

### IT APPLICATIONS

In 2024, there was a strong focus on improving PAYER's IT security, maintaining the IT infrastructure and IT systems, optimizing system performance and driving forward digitalization activities.

Maintaining a stable and secure IT infrastructure involves performing regular updates, enhancing capacities if necessary and making sure that all systems run smoothly. In addition to operating the existing infrastructure and implementing further security measures, there were also numerous projects in the area of IT applications and digitalization carried out in 2024.

In the last year, a number of processes have already been identified that can be optimized in terms of efficiency and digitalization. The first step was to analyze the purchase-to-pay process at the PAYER site in Austria together with the IT, Finance and Supply Chain Management departments and relevant measures were derived. They included the introduction of a new invoice approval workflow in the SAP system, changes to the goods receipt process in the warehouse and SAP system-supported purchase requisitions from the departments. For Example, this allows various types of labels to be filled directly with data from the SAP system, where they are directly printed. Also, several enhancements were made to the Manufacturing Execution System (MES) to improve reporting functions and to connect two additional machines to the MES on the PAYER site in Austria. One example for improved report functionality within the MES system is a new dashboard that was created. This dashboard visualizes the Overall Equipment Effectiveness of one of the production lines. The actual quantity is compared with the planned quantity and values for different key figures are displayed, like availability, quality rate and performance, via various graphics. Another example is the visualization of the machine layout at PAYER Industries Hungary Kft. which was implemented to see the status of each molding machine at one glance.

In addition to addressing local IT & digitalization needs, the IT is also responsible for managing global IT & digitalization topics that ensure consistency and integration across all four PAYER sites. This includes overseeing global IT infrastructure & global IT systems like the SAP system, implementing enterprise-wide cybersecurity measures, and ensuring seamless data exchange and collaboration between the sites. Especially in 2024, the implementation of stronger IT security measures and the joint solution

of various SAP-related topics required close cooperation and regular exchange between the individual IT departments of all four PAYER sites. There were weekly meetings where relevant IT infrastructure and security measures were discussed and implemented. By establishing global standards and guidelines, the PAYER Group IT was strengthened and the collaboration between the respective IT departments was taken to the next level.

The overall aim is to keep up with technological developments and to drive forward digitalization at PAYER through continuous process optimization.

In terms of sustainability, it is important that electronic devices are used with care to achieve a remarkably long lifetime. Devices are repaired instead of immediately replacing them with new ones when they break. Devices are reused and disposed of properly at the end of their service life. This saves resources and contributes to PAYER's circularity efforts.

### QUALITY SYSTEMS MANAGEMENT

A big step forward in 2024 was the implementation of two new modules in the Quality Management system software for computer-aided quality management: QBD.NET and QUALIFY.NET. One module facilitates document management by enabling the centralized storage, version control, and retrieval of quality-related documents, ensuring compliance with regulatory standards and seamless access to



critical information. The other module focuses on qualification and training management, ensuring employee competency through structured planning, tracking, and evaluation of training measures. This project was realized together with the IT, Quality Systems Management and People & Culture department. With this new system, the document and training management processes were improved, digitalized and streamlined.

The new software for computer-aided quality management modules were implemented in Austria and Hungary, where the conclusions of both PAYER sites were compared to benefit from synergy effects. In 2025, this system will be implemented also at the PAYER sites China and Malaysia.

The Quality Systems Management celebrated a major success towards more sustainability: Saving around 11,000 printed pages in 2024, also minimizing the consumption of printer ink and energy. This was achieved through streamlining work processes and the provision of digital solutions, resulting not only in saving physical resources, but also reducing organizational workload of approximately 350 hours per year. The time saved was productively reinvested into other value-adding tasks, resulting in increased efficiency and improved employee satisfaction.

In summary, 2024 was a year of transformation and optimization. The introduction of the CAQ software not only increased the efficiency but also enabled the employees to work in a more sustainable and resource-conscious way. The challenges encountered during the implementation of new modules strengthened the collaboration between the departments and helped them gain valuable experience for future projects. Through the continued commitment to sustainability and digital innovation, the PAYER Group is well-positioned to make further progress in the years to come and to make a positive contribution to the company's success.

## **SUPPLY CHAIN MANAGEMENT**

Due to increased sustainability requirements throughout the entire supply chain, PAYER Supply Chain Management was increasingly involved in various sustainability projects in 2024. Many challenges were taken on and measures were introduced to implement them.

Progress was made towards greater sustainability in the management of supply chain-related issues. Collaboration with our external consultant on the topic of sustainable change in the supply chain has raised awareness of this topic on the one hand and identified opportunities for improvement on the other.

Examples of this include the targeted selection of suppliers who meet the conditions of the PAYER Supplier Code of Conduct. Since last year, compliance with our guidelines has been mandatory for upstream business partners.

Secondly, Supply Chain Management has improved the internal system for better data availability, which simplifies the creation of the necessary KPIs for sustainability reporting. Finally, we were able to achieve 100% transparency regarding the gender distribution of the management or ownership structure of our supplier companies.

Finally, supply chain management now takes distance into account when requesting supplies from secondary sources in order to reduce the greenhouse gas footprint as much as possible.





**OUR  
ENVIRONMENT  
ENVIRONMENTAL  
ASPECTS**



# OUR ENVIRONMENT

## ENVIRONMENTAL ASPECTS

One pillar of sustainability relates to the environment, our planet Earth that we share. All the other forces, who are mentioned in e.g. the four-pillar model, are embedded in this environment: Economic forces, social forces and institutional forces.

They all relate to our natural resources, due to their structural manner: Actors of the economy are selling and purchasing goods and services. The functionality of communities depends on the availability of natural resources and physical proximity to one another. Institutional forces only exist, if social communities apply the force of institutions. In that way, the world that humanity lives in today has its origin in a stable natural environment.

In 2023, an international team of scientists quantified our current use of natural resources and whether or not humanity consumes/emits more than our environment produces/stores. First published in 2009, the concept of planetary boundaries explains how global activities influence the indicators of change in our planetary system and whether the environment shifts irreversibly to an uncertain state over time. In its latest update, the Stockholm Resilience Center concluded that six out of 9 planetary boundaries were crossed in 2023 (Planetary boundaries, <https://www.stockholmresilience.org/research/planetary-boundaries.html> (Access: March 2025)):



**CLIMATE CHANGE**  
CO<sub>2</sub>-concentration  
Radiative forcing



**BIOSPHERE INTEGRITY**  
Genetic  
Functional



**LAND-SYSTEM  
CHANGE**



**FRESHWATER CHANGE**  
Freshwater use (Blue water)  
Green water



**BIOCHEMICAL FLOWS**  
Nitrogen cycle  
Phosphorus cycle



**NOVEL  
ENTITIES**

The remaining three planetary boundaries who are still considered to be adhered to, are also changing on a yearly basis:

- Ocean acidification
- Atmospheric aerosol loading
- Stratospheric ozone depletion

Some changes in our planetary system may have irreversible consequences due to self-sustaining feedback loops, where balance is achieved after a drastic alteration in habitability.

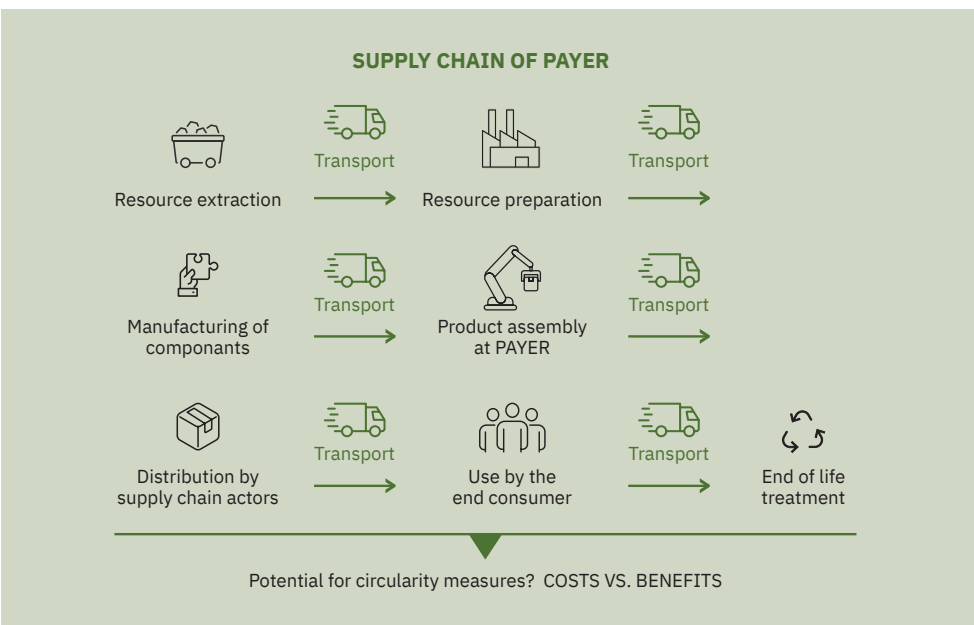
To actor can influence global change by themselves, but the PAYER Group is committed to take part in this global trend towards increased corporate sustainability. In compliance with its policies, PAYER is committed to a sustainable use of resources and to protection our environment. With an efficient, effective and ambitious concept for its products, the PAYER Group generates long-lasting value for all stakeholders along the value chain:

- Customer value
- Enterprise value
- Employee value

As a family-owned business with sustainability at heart, the PAYER Group takes action on its responsibility to create inclusive workplaces for all its employees, to protect the environment, to promote sustainable development and to thoughtfully use its natural resources in its production.


## RESOURCE USE & CIRCULAR ECONOMY


In 2024, it is safe to assume that every modern and competitive business has had contact with the principle of circularity. With environmental regulations getting stricter, there is a need for global companies to rethink their use of resources to produce goods, their disregard of unwanted side products in the process of manufacturing and their waste management. The waste of one company could become a valuable resource of another company, if supply chain considerations expanding upon one undertaking's business are well thought through. Solutions might be connected to necessary investments or reorganization of product lines, where a successful concept not only reduces the amount of supplies purchased and the waste treated for, but also the greenhouse gases balances of multiple companies. Actors in the value chain are required to communicate and to work together to achieve more circularity and with it value creation.





As a producing company, PAYER's main source of revenue comes from its products. Gathering knowledge about our product is the basis for the PAYER Group towards a transition of the company's product portfolio to more sustainability. Innovation, customer satisfaction and continuous improvement are everlasting values for PAYER and their backbone is based on a reliable product line, which is also flexible in an everchanging market. We are committed to achieving our targets related to our products:

  
50% of the plastic granulate as well as electronics  
which we use for consumer goods will be made out of recycled  
materials in 2040 vs. 2020

  
100% of our consumer goods packaging will be designed to  
be recyclable or reusable in 2030

  
50% reduction in virgin petroleum plastic resin in  
our consumer packaging by 2030

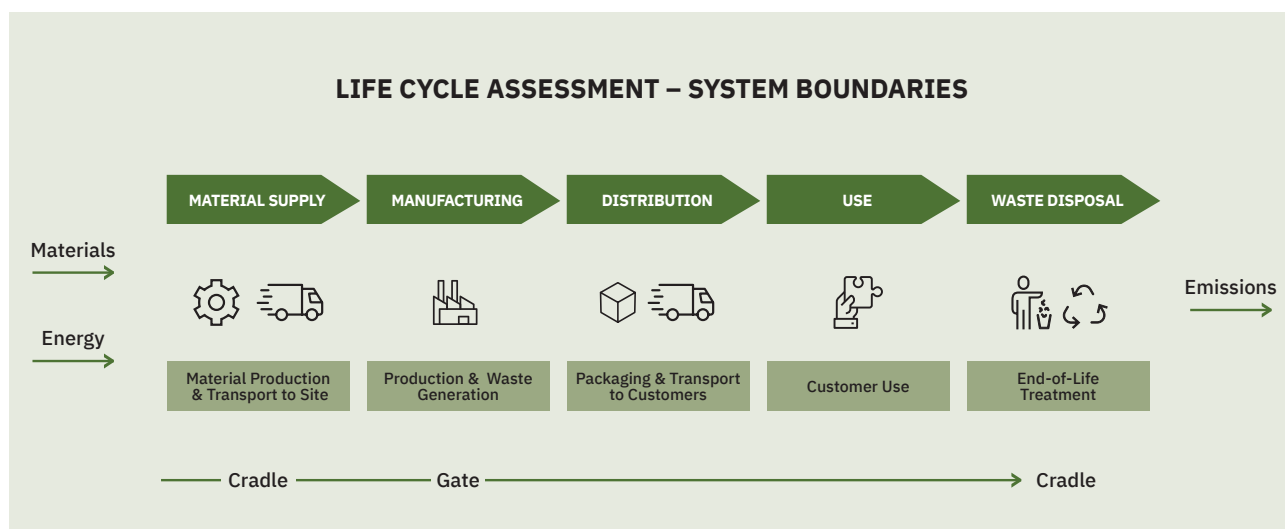
 Goal not yet achieved  
 Goal achieved

## LIFE CYCLE ASSESSMENT OF A FLAGSHIP PRODUCT

Along the value chain of a product, many processes emit harmful substances and greenhouse gases into the environment, endangering our climate and people. Therefore, the responsibility of a company for its products does not end at the front or the back gate.

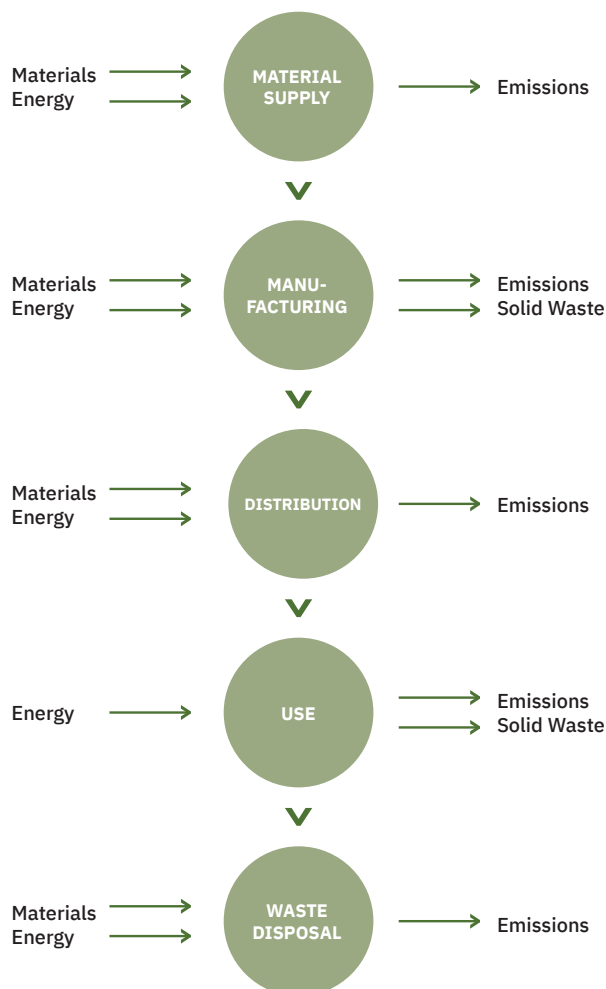
In March of 2024, a cooperation between the Technical University of Graz and PAYER marked the starting point for yet another master thesis. Within six months, a master's student from the TU Graz performed a Life Cycle Assessment for one of PAYER's flagship products from the portfolio of shaving devices. Using the outcomes of the performed life cycle assessment and knowledge gained during the study of the flagship product, the master's thesis was further extended with analyzing the existing product development process in PAYER Austria, while attempting to further integrated sustainability practices and develop a new, ecologically adapted product development process process. The result of the master's thesis serves as a good foundation for PAYER's future development and integration of sustainability into product developments as well as further studies and life cycle assessments.

To start an life cycle assessment , it is necessary to define the framework of the analysis. The goal was to provide a detailed overview of the material and energy flow over different processes in a product's life cycle. The flows considered to be relevant were directly converted into CO<sub>2</sub>-equivalents. Before calculating the greenhouse gases emissions of a product throughout its life span, the boundaries to the analysis model had to be defined. In the life cycle assessment of the PAYER flagship product, a Cradle-to-Cradle assessment approach was selected. A Cradle-to-cradle approach takes into account all the processes within the lifecycle of the selected product, through the whole value chain of a product. Some examples of the processes in this analysis are the raw material production, the up- and down-stream transportation, the production, the packaging, the use-phase and the end-of life treatment.



Further, geographical boundaries were applied for the life cycle assessment, where it is assumed that after the production at the PAYER facility in China, produced goods are transported to Germany to be sold to European customers. The final disposal and recycling of the flagship product is assumed to take place in Europe. Throughout each of the five stations in the life cycle, there is an in- and outflow of material and/or energy. The in- and outflow of each step must be considered for the product's impact to be complete.

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**We advance green sustainability by integrating eco-friendly practices into production. We optimize processes, reduce waste, and adhere to global environmental standards, ensuring products meet quality and long-term needs. Innovation and responsibility are our priorities.**



**Coco Zhu**  
Quality Manager  
PAYER China

Since the product is assembled at the PAYER facility in China, the undertaking was able to provide knowledge on specific parts of the flagship product. If the materials, used in the upstream value chain to produce each part, are known, it helps to make assumptions about the GHG balance, as every material has a different carbon footprint in its production, preparation, use and end-of-life. In total, seven major components of one of our products were identified:

- Housing,
- Main trimmer head,
- Printed Circuit Board,
- Motor,
- Battery,
- Charging stand,
- and charging cable

Within these seven major components, 40 different parts were analyzed. 22 out of 40 parts were purchased externally, while 18 out of 40 single components were directly molded at the production site PAYER China. For all parts, the input materials are known through product descriptions provided by the suppliers.

## MATERIAL SUPPLY

For the 40 parts that the shaver is made of, six main material groups were identified:

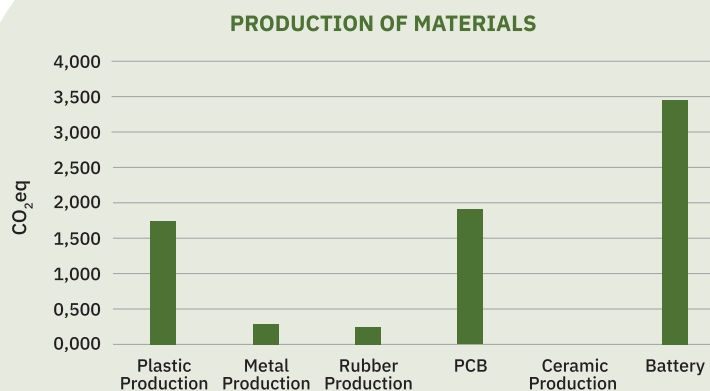
- Plastics
- Metals
- Rubber
- PCB
- Ceramic
- Battery

To calculate the greenhouse gases emissions of each material group, the seven main components of the shaver were broken down into their raw materials. The raw materials, e.g. steel, polyethylene, nitrilebutadiene rubber and many more, were quantified and directly connected to an emission factor that represents the emissions produced in the manufacturing of each raw material. With the aggregation of the raw materials into the six main material groups, the GHG emissions were also aggregated, resulting in the following table as a result for the first life cycle assessment step:

MATERIAL GROUP	TOTAL WEIGHT RE-QUIRED TO PRODUCE ONE SHAVER [G]	ABSOLUTE EMISSIONS FROM THE SUPPLY OF MATERIAL [KG CO <sub>2</sub> EQ]	SHARE [%]
Plastics	337.8	1.7154	22.3
Metals	121.5	0.2945	3.8
Rubber	22.8	0.2725	3.5
PCB	6.1	1.9150	24.9
Ceramic	0.3	0.0002	0.0
Battery	19.5	3.4630	45.4
Total	508,0	7.6742	100.0

This table presents the weight and the emissions of each material group before the manufacturing process. At in this assessment step, an important specification needs to be made. The total mass of supplies required to produce one shaver is significantly higher than the final weight of the shaver product. The difference is explained with the manufacturing process. Injection molding is used to create components from plastic granulate and a tool provides the shape for the mold. One tool has multiple cavities, two, four or eight, where the molten plastic is injected. The injection molding machines do not produce one shaver component at a time, it is therefore necessary to completely fill the cavities of the tool in order to produce one required component for the shaver. This overshoot of “spare parts” is accounted for in the material supply step of the life cycle assessment.

During manufacturing, a small amount of the total weight is lost due to cut-off. This material that is lost is classified as “waste from manufacturing” and accounted for in the waste statistic. CO<sub>2</sub>eq emission factors from materials used for the greenhouse gases calculation of the product were either found in the EcoInvent Data Center or from scientific publications available online. Due to the lack of scientific data, 7% of plastics and 2% of metals were not considered in the total GHG emission above. The emissions from the procurement of the packaging are introduced in the distribution step of the life cycle assessment. In general, using recycled plastics and rubber in the procurement is a noteworthy solution in this step of the life cycle assessment with a major positive impact on the greenhouse gases balance.



## MATERIAL TRANSPORT

The material for the shaver is transported to PAYER China from facilities mostly in China, but also from countries in Europe. Currently the transportation of supplies from 24 different suppliers produces 222.5 grams of CO<sub>2</sub>eq for one shaver. Compared to the material supply emissions, this is a minor contribution to the overall greenhouse gases balance of the shaver. In the life cycle assessment, an alternative method for the transportation is suggested: The emissions caused by the material transport can be drastically reduced if, instead of supplying material by aircraft from companies within China, the electric freight train is used for inner-country transportation. This would result in a decrease of the material transport emissions by 59,6% to a final value of 90 grams of CO<sub>2</sub>eq per shaver.

## MANUFACTURING

For a shaver to be manufactured, some parts are assembled, while 18 out of 40 components are directly molded on site from a plastic granulate. The source of greenhouse gases emissions is the plastic injection molding process, directly through the energy consumption and indirectly through the generation of waste. In total, 51.4 grams plastics and 1.7 grams rubber from the input materials is lost, due to mechanical friction with runner weights, in the calibration of machines and the end-assembly. Other indirect contributors, responsible for the maintenance of the machines, like hydraulic oil and cooling water, are excluded from the life cycle assessment, since those materials either circulate in the system or they do not significantly contribute to the greenhouse gases balance. For the greenhouse gases balance, the assessment looked at three, functionally different molding machines: Hydraulic, hybrid and electrical injection molding machines. Fully hydraulic machines are more energy intensive than electrical injection molding machines, whereas the hybrid machine consumes electricity with a magnitude somewhere in between the previous mentioned machines, as a third category.

MACHINE	CONSUMPTION PER SHAVER [KWH]	CO <sub>2</sub> EQ EMISSIONS [KG CO <sub>2</sub> EQ]
Hydraulic	1.003	0.587
Hybrid	0.456	0.267
Electrical	0.365	0.214

To summarize, switching from hydraulic injection molding machines to hybrid machines saves up to 55% of emissions in the process of manufacturing. Switching to purely electrical machines reduces the emissions by 64% compared to the hydraulic machines. Waste should generally be eliminated where possible, if this is not an option, a second step preparation of the waste plastic into new granulate would be an improvement. In its finalized form, the flagship shaver weighs 249.5 grams.

## DISTRIBUTION

After the manufacturing and the assembly process, the product is wrapped into its package before sending it to the customer in Germany. The initial mass of material supplies of 508 grams got reduced to 249 grams per shaver, due to the subtraction of the mass of the “spare parts” and the manufacturing waste. In the distribution step of the life cycle assessment, the mass of the packaging, 195,46 grams, is added to the greenhouse gases calculation. The extra weight of the packaging adds to the life cycle emissions of a product, not only in the distribution phase, but also in its origin. Through the production of the packaging material and its distribution to PAYER China, greenhouse gases are emitted who count in the life cycle assessment. For each shaver, the packaging adds 0.695 kilo-grams of CO<sub>2</sub>-equivalents through its origin and upstream transportation to PAYER China.

## USE PHASE

In this phase of the life cycle, the use of the shaver by the end consumer adds to the greenhouse gases balance. It requires electricity for charging, which is directly related to emissions from its generation. Potential emissions from water usage while shaving is excluded in the life cycle assessment due to insufficient data on water consumption.

To connect the lifetime electricity use of the flagship product with a fitting emission factor, some general company-owned data about the products properties is required:

STANDARD DATA		
Total running time	120	Hours
Expected life period	5	Years
Material flow in use	None	0.214
ELECTRICITY DATA		
Consumption in standby	0	Watt
Max. consumption under load	5	Watt
Consumption while charging	2.75	Watt
Runtime per charge	1.5	Hour
Recharge time	1	Hour

Based on this information, the lifetime electricity consumption data of the shaver is calculated: 0.22 kilowatt-hours. This result was combined with an emission intensity for global electricity consumption, since this shaver is available globally: 485.99 grams CO<sub>2</sub>-equivalent per kilowatt-hour. This concludes that for the use-phase of one shaver the GHG emissions of the flagship product amount to 0.107 kilograms of CO<sub>2</sub>-equivalent.

## END-OF-LIFE & RECYCLING

Emissions from the end-of-life phase of a product usually come from the processing, recycling or landfilling of waste, where greenhouse gases are released either through energy input or, in the case of landfilling, from decomposition. Since there is a different type of treatment for each raw material, the waste disposal emissions were assessed based on the weight of each specific resource used in one product.

For plastics, a comparison between the collection of mixed plastics and the collection of separated plastics was drawn, based on EU data. On the one hand, this leads to a restricted view on plastic waste treatment in Europe, on the other hand it provides explanatory power and a concrete potential for improvement: If plastic waste materials are mixed at the time of collection, 3.8% of plastics is currently recycled, 59.7% is burned for energy recovery and 36,5% is land-filled. If the plastic material was separated into its raw components beforehand, the recycling rate increases to 49,4% of the total mass, followed by 39,6% used for energy recovery and only 11% is landfilled. Within both scenarios, the greenhouse gas emissions from the treatment of plastic components of the shaver were calculated.

The mass of metals, the printed circuit board and the battery was connected with a fitting emission factor to produce the final result for the final step of the life cycle assessment:

MATERIAL GROUP	GHG EMISSIONS [KG CO <sub>2</sub> EQ]
Plastics (mixed)	0.35100
Plastics (separated)	0.24700
Metals	0.00300
PCB	0.00020
Battery	0.01323
TOTAL	0.61443

The emissions from the end-of-life treatment of the paper and carton packaging were emitted from the life cycle assessment. To conclude, a separate collection of post-consumer plastic waste would lead to an emissions reduction by 30% in the waste disposal process.

Currently, one flagship shaver of PAYER produces 12.8 kilograms of CO<sub>2</sub>-equivalent throughout its cradle-to-cradle life cycle, however, there is a total emissions reduction potential of 29%. At a future state of product governance, the shaver would produce only 9.1 kilograms of GHG emissions, if the following improvement measures are implemented:

- The transportation of the material supply with trucks, planes and trains
- The manufacturing with all electrical machines
- The distribution of finished products with trucks & ships
- The use of recycled PET for the packaging bag
- The separate collection of post-consumer plastic waste

Such measures would drastically decrease the CO<sub>2</sub>eq emissions from the distribution activity. Processes like the manufacturing and the waste disposal become slightly more climate friendly.

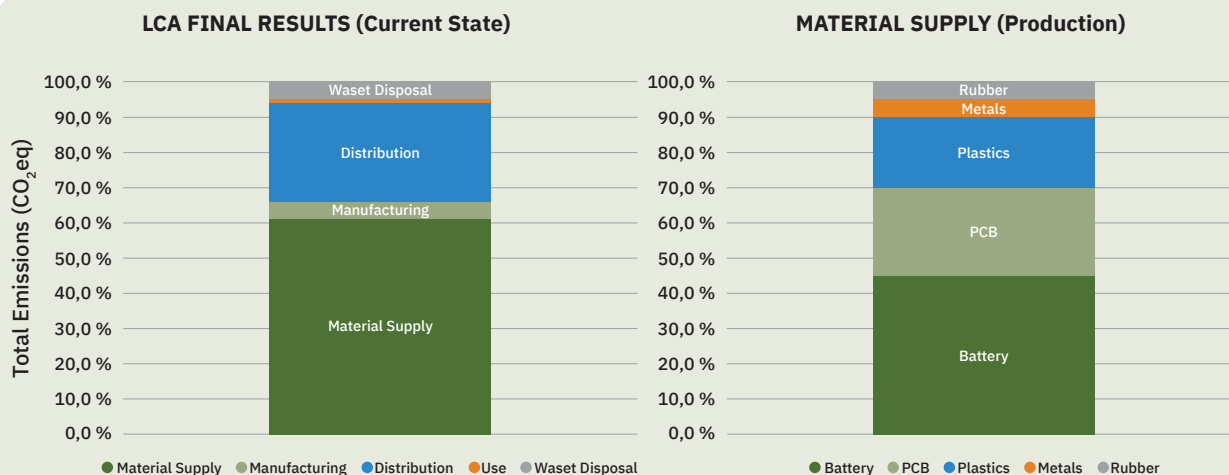
The following graph illustrates how much the life cycle activities and the components of the flagship product contribute to the total greenhouse gases emissions. Currently, the activities related to the material supply and distribution make up more than 90% of the life cycle emissions. For the material supply itself, the battery, the printed circuit board and the plastics used also make up more than 90% of material emissions, due to their origin in critical materials and fossil resources.

**”**  
**In the Medical business unit, we carry a special responsibility: our products are directly linked to people's health and quality of life. That's why we combine the highest quality standards with a mindset of sustainability – from development to production and delivery. For us, sustainability means designing innovations that can be used safely and responsibly not only today, but also in the future.”**



**Maurice Deuss**  
 General Manager Business  
 Unit Medical

## LIFE CYCLE ASSESSMENT (LCA) – FINAL RESULTS



## SUSTAINABLE INNOVATION & TRENDS

### INTEGRATING SUSTAINABILITY INTO PRODUCT DEVELOPMENT

Integrating Sustainability into Product Development Responding to the growing global environmental concerns and increasing regulatory pressures, organizations across various industries are adopting new ways of designing products to meet the environmental targets of the future. As the products harm the environment at every stage of the product's lifecycle, it is necessary to support the implementation of environmental attributes at the start of the product development process when the first product concepts are being developed and ecologically friendly choices can still be met. Therefore, based on the master's thesis performed in collaboration with TU Graz in 2024, we addressed the gap between the current product development process and the improvements towards the new product development process with integrated sustainability practices. The aim of the project was to integrate sustainability into the product development process. The study involved conducting a Life Cycle Assessment of a selected flagship product and the analysis of the company's current product development process. The analysis was based on a review of the company's documentation and internal discussions with experienced employees to identify areas for improvement. The findings served as a foundation for developing a new product development process model with integrated sustainability practices as an additional five-step process:

- Product impact assessment
- Selection of improvement strategies
- Eco-design evaluation
- Creation of design changes
- Final implementation with process documentation.

Subsequently, environmental sustainability practices were incorporated into the current product development process, presenting a new, ecologically adapted model for the product development process. The presented model ensures systematic consideration of environmental aspects in all development phases. Such core implementation offers valuable guidance for integrating sustainability into the

company's strategic planning and operational practices, further reaching sustainable product development in the future (Lovro Šušek: Integrating Sustainability into Product Development: Comprehensive Analysis and Implementation. Graz 2024, Page 52ff). The next two sections include examples for the integration of sustainable practices into PAYER products, showcasing the continuous commitment towards sustainability of the PAYER Group.

## ADVANCING SUSTAINABILITY

### THROUGH THE USE OF RECYCLED PLASTICS

As part of our ongoing commitment to environmental responsibility, PAYER is increasingly integrating post-consumer recycled (PCR) plastics into the production of our electric shavers. By utilizing plastics sourced from recycled consumer waste, we actively contribute to reducing both our resource consumption and the volume of plastic waste, thereby lowering our overall environmental impact. The shift towards sustainable materials forms a central element of our product strategy. Our continuous investment in research and development enables us to explore innovative applications of PCR plastics, ensuring that our solutions not only meet high-performance standards but also align with growing environmental expectations. Through rigorous material testing and development, we ensure that the use of recycled plastics does not compromise product durability, quality, or user experience. By adopting PCR plastics, we are proving that sustainability and premium quality can coexist. Our electric shavers remain efficient, durable, and high-performing, while simultaneously serving as a clear example of how environmentally responsible innovation can be successfully implemented in consumer products. In doing so, PAYER sets a benchmark for the industry, demonstrating that sustainable materials can be a natural component of everyday high-quality manufacturing. This initiative is a tangible expression of our commitment to building a more circular economy and reducing our ecological footprint. Through the use of PCR plastics, we not only conserve natural resources but also help to close material loops, supporting a more sustainable future for both our customers and the planet.



## DESIGNING FOR LONGEVITY:

### REPAIRABLE ELECTRIC SHAVERS AT PAYER

At PAYER, sustainable product design is an integral part of our commitment to environmental responsibility. By increasingly focusing on the development of repairable electric shavers, we aim to extend the lifecycle of our products and significantly reduce their environmental impact. Through thoughtful design that prioritizes ease of maintenance and repair, we enable consumers to prolong the lifespan of their devices — reducing the need for new purchases and conserving valuable resources. Our dedicated investment in research and development ensures that we continuously explore innovative solutions that align with both customer expectations and environmental standards. By integrating reparability as a core design principle, we actively contribute to waste reduction and support a more circular economy. These efforts not only enhance the durability and performance of our electric shavers but also reflect our responsibility to future generations. PAYER demonstrates that sustainability and premium product quality are not mutually exclusive — they go hand in hand. Our electric shavers are designed to deliver exceptional performance while setting new standards for eco-conscious innovation within our industry. By combining advanced technology with sustainable practices, we offer products that stand as a benchmark for the sector, proving that it is possible to create high-quality solutions that actively protect our environment. Through these measures, we underline our belief that product longevity is a powerful lever for reducing environmental footprint and contributing to a more sustainable future — for our customers, our planet, and our industry as a whole.

”

**We drive innovation and value creation with a clear vision: smarter ideas for sustainable products. We prove that sustainability, quality, and cost-efficiency can go hand in hand – for example, by using hot runners to improve all three at once.“**



**René Zengerer**  
Head of Global Technology  
& Innovation Management



## CLIMATE CHANGE

### THE WAY TOWARDS GREENHOUSE GAS NEUTRALITY

Reducing our CO<sub>2</sub> footprint is not only an environmental responsibility – it also enhances our cost efficiency, drives innovation, and strengthens our competitiveness in a rapidly evolving market. By lowering our CO<sub>2</sub> emissions, we ensure compliance with regulations, meet stakeholder expectations, and position ourselves as a forward-looking and resilient company. PAYER is committed to greenhouse gas reduction in its own operation, the up- and downstream value chain. Guided by our environmental policy, we aim to achieve our climate-related goals:

🌱 Reduce Scope 1 & 2 greenhouse gas emissions by 50% in 2030 compared to 2020

🌱 Reduce Scope 3 greenhouse gas emissions by 100% by 2040 compared to 2020

🌱 Purchase 100% renewable electricity globally at all sites by 2030

🌱 Reduce Global Upstream Finished Product Freight emissions intensity by 50% by 2040 compared to 2020

🌱 Goal not yet achieved

🌱 Goal achieved

Our company aims for a greenhouse gas reduction by improving the business practices sustainably and transparently. Indirect emission reduction through financing trustworthy compensation projects plays a secondary role and is not implemented. PAYER views this as a last resort measure in the future, if the necessity arises to achieve goals. Additionally, PAYER has not introduced any carbon pricing schemes to its stakeholders.

A comparison between the yearly greenhouse gas emissions and those in the base year is drawn by PAYER through a complete greenhouse gas inventory, calculated annually. PAYER is developing a greenhouse gas transition plan in the next two years, publishing reduction measures to reduce the annual emissions of the group. Despite economic growth, this transition plan will outline the company's way towards reaching its goal in future sustainability publications. Step-by-step, our goals related to climate change will be reached. Since PAYER has its business in a high climate impact sector, according to the definition by the European Union Benchmark Regulation, all activities in the company's operation need to be considered for a complete greenhouse gas inventory. Emissions are categorized in Scope 1, 2 and 3 greenhouse gas emissions by the Greenhouse Gas Protocol of the World Resource Institute, where Scope 3 is further divided in 15 subcategories. They are reported in the unit of CO<sub>2</sub>-equivalents.



## GREENHOUSE EFFECT AND CO<sub>2</sub>-EQUIVALENTS

CO<sub>2</sub>-equivalents are a universal unit for all greenhouse gases. By aggregating the emission of all six major greenhouse gas substance groups to one value, the global warming potentials of multiple substances are directly represented in CO<sub>2</sub>-equivalents. The global warming potential of a substance represents its contribution to the greenhouse effect, relative to carbon dioxide, within a given time period. All the following substance groups are major greenhouse gases, taken into consideration in the inventory:

- Carbon dioxide; CO<sub>2</sub>
- Methane; CH<sub>4</sub>
- Nitrous oxide; N<sub>2</sub>O
- Sulfur hexafluoride; SF<sub>6</sub>
- Perfluorocarbons; PFCs
- Hydrofluorocarbons; HFCs

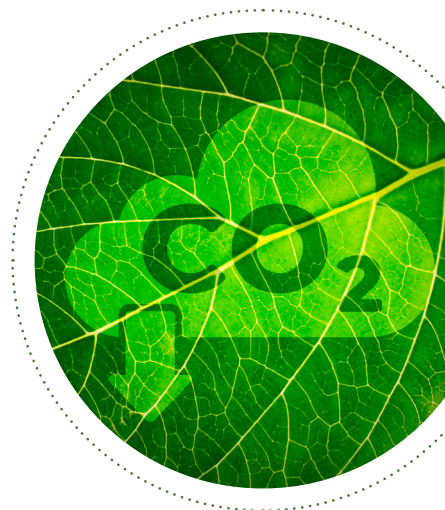
These substance groups remain for different periods in the atmosphere, where they are actively contributing to the greenhouse effect.

Generally, the natural greenhouse effect is quite beneficial for life on Earth: The radiative forcing of the sun by itself is not enough for the lower atmosphere to have an average temperature of ambient 22°C. Gaseous molecules like carbon dioxide are not affected by high frequency electromagnetic waves coming from the sun in the form of visible light. When the Earth is heated through the incoming radiation, it emits low frequency electromagnetic waves away from the Earth's surface. Greenhouse gases react to this heat coming from the Earth, reflecting a fraction of it back to the surface, further heating the lower atmosphere. This phenomenon is called the greenhouse effect, and it increases the temperature of the lower atmosphere until a balance between the incoming and the outgoing radiation is reached. Since the industrial revolution in the 18th century, humans used fossil fuels for energy purposes. Coal and oil are substances produced over millions of years, while large amounts are consumed and turned into carbon dioxide in a few hundred years, resulting in an imbalance of the natural cycle of carbon. Besides that, humanity developed new chemicals sensitive to heat radiation, e.g. HFCs used as freezing agents for air conditioning. The overall emission of such greenhouse gases over a short period in time leads to a stronger greenhouse effect with drastic consequences for Earth's climate and its inhabitants.

To summarize, global warming potentials are attributed to molecules sensitive for heat radiation, depending on how much they contribute to the greenhouse effect. Their global warming potential values can be compared to making statements about the severity of emission. To aggregate all the greenhouse gases, the unit of CO<sub>2</sub> equivalents was developed to directly represent the global warming potential and to simplify the greenhouse gas inventory calculations.

## EMISSION FACTORS

The selection of the fitting emission factor is indispensable for the professional calculation of greenhouse gas emissions. There are countless emission factors with specific units, related to specific activities. In general it is important to differentiate between direct and indirect emission factors. The former describes the direct emission of greenhouse gases from the related activity, e.g. a specific amount of greenhouse gases produced per ton of coal combusted. The latter describes indirect emissions occurring in the upstream chain of activity to produce the related energy carrier, e.g. a specific amount of greenhouse gases produced through the extraction of coal from the ground and the consecutive preparation/refinement, per ton of coal combusted. Both direct and indirect emission factors can be combined to a total emission factor, used in life cycle assessment considerations. Depending on the calculation, PAYER uses direct, indirect or total emission factors to complete its greenhouse gas inventory.



## THE CALCULATION OF THE GHG INVENTORY

As a manufacturing company, PAYER's main source of greenhouse gases is related to its products. Besides that, a multitude of other company-related activities are considered and calculated for the greenhouse gas inventory. Such activities, their quantifications and categorizations are described in the following chapters. The greenhouse gas inventory of a company is separated into three different categories under the European Sustainability Reporting Standards, defined by the greenhouse gas protocol of the World Resource Institute:

Scope 1 greenhouse gas emissions: All direct emissions from PAYER activities fall under this category. For the calculation at the PAYER Group, the undertaking's sustainability team focused on 5 main activities:

- Direct combustion on-site
- The usage of company-owned, motorized vehicles
- The emission of greenhouse gases as a pollutant
- Lacquering and welding processes
- The usage of freezing agents in air conditioning

The intensity of those activities varies heavily from site to site. The data quality increased since our first sustainability report, therefore the 2023 data got reviewed and calculated more accurately. A qualitative summary is presented in the following table:

PAYER SITE IN	YEAR	DIRECT COMBUSTION	POLLUTION	COMPANY-OWNED CARS	LACQUERING AND WELDING PROCESSES	FREEZING AGENT REFILLS
Austria	2024	No	Unknown	Yes	No	Yes
	2023	No	No	Yes	No	No
China	2024	No	No	Yes	No	Yes
	2023	No	No	Yes	No	Yes
Hungary	2024	Yes	Yes	Yes	No	Yes
	2023	Yes	Yes	Yes	No	Yes
Malaysia	2024	No	Unknown	Yes	No	Unknown

Lacquering activities at PAYER used to happen in the past but are outdated today. Welding processes only use electrical energy and its greenhouse gas emissions are therefore considered in the category of greenhouse gases, refers to indirect emissions through the consumption of energy 2 assessment. The quantification of the category of greenhouse gases, refers to direct emissions 1 emissions if not 100% complete yet, as we are continuously working on improving the data availability and quality. Activities which are unknown up to this point will be addressed in future publications.

Direct emission factors for specific activities are used to calculate the greenhouse gas emissions in kilograms of CO<sub>2</sub>-equivalents.

SCOPE 1 GHG EMISSIONS	IN 2020	IN 2023	IN 2024	UNIT
PAYER Austria	141,830.0	29,539.0	59,997.0	kg CO <sub>2</sub> eq
PAYER China	23,598.0	26,084.0	20,219.0	kg CO <sub>2</sub> eq
PAYER Hungary	331,380.0	293,440.0	288,507.0	kg CO <sub>2</sub> eq
PAYER Malaysia	0.0	0.0	2,616.0	kg CO <sub>2</sub> eq

**Scope 2 Greenhouse gases emissions:** Within this category, greenhouse gases emissions from the generation of energy are allocated. Any purchased energy, like electricity or heat, is produced at a power plant, where fossil, conventional or renewable resources are used for power generation. Indirect emissions produced by the generation of energy are allocated to the greenhouse gases inventory of PAYER, relative to the amount of energy consumed. Scope 2 greenhouse gases emissions are either calculated by the location-based or the market-based approach. Firstly, a country-specific emission factor is combined directly with the total amount of purchased energy, resulting in a greenhouse gases emission value specific to the activity within a country. The second approach is the market-based, which considers the consumption of energy from sources available in the market.

In some cases, the total amount of purchased energy is combined with emission factors representing a specific source. In other cases, the total amount of consumed energy from different sources is combined with multiple emission factors representing different origins, relative to their share. As a result, the market-based calculation of Scope 2 emissions is more accurate given the company's knowledge about the origin of its energy. In some cases, e.g. PAYER Hungary, the origin of purchased electricity is unknown, therefore the market availability of electricity is assumed to be equal to the availability of Hungary.

Whether the purchased energy is considered sustainable or not depends on the resource input. Different inputs result in different market-based Scope 2 greenhouse gases emissions. For example, PAYER Austria purchased UZ46-certified electricity and heat from a wooden pellets power plant. The energy is sourced sustainably in both cases, resulting in zero or very low Scope 2 greenhouse gas emissions per kilowatt-hour of energy purchased. This concludes in large difference in values between the location- and the market-based calculation at PAYER Austria, as Austria as a country also has fossil power plants, resulting in a higher country-specific emission factor. At PAYER China, the gap between the location- and market-based Scope 2 greenhouse gas emissions is not as large as in Austria, because the origin of the purchased electricity being coal is common in China and therefore also represented in the location-specific greenhouse gases balance.

SCOPE 2 GHG EMISSIONS	CALCULATION METHOD	IN 2020	IN 2023	IN 2024	UNIT
PAYER Austria	Location-based	224,326.0	214,263.0	259,888.0	kg CO <sub>2</sub> eq
	Market-based	2,602.0	1,889.0	1,575.0	kg CO <sub>2</sub> eq
PAYER China	Location-based	2,066,778.0	1,726,572.0	1,641,842.0	kg CO <sub>2</sub> eq
	Market-based	1,181,684.0	987,171.0	938,726.0	kg CO <sub>2</sub> eq
PAYER Hungary	Location-based	1,069,025.0	799,179.0	838,646.0	kg CO <sub>2</sub> eq
	Market-based	1,069,025.0	799,179.0	838,646.0	kg CO <sub>2</sub> eq
PAYER Malaysia	Location-based	0.0	0.0	786,482.0	kg CO <sub>2</sub> eq
	Market-based	0.0	0.0	797,426.0	kg CO <sub>2</sub> eq

Relatively small emission factors from the generation of energy represent longevity and/or sustainability of an energy source. For the PAYER Group to reach its sustainability goals, the purchase of energy from renewable resources or the generation of self-produced electricity is considered.

**Category of greenhouse gases, refers to indirect emissions outside of a company's direct sphere of influence 3 greenhouse gas emissions:** This category is the major contributor to the greenhouse gases inventory of PAYER and it includes the indirect greenhouse gases emissions of all other activities related to the company's own operation and the value chain. There are 15 subcategories of Scope 3:

	SCOPE 3 CATEGORY		DESCRIPTION
UPSTREAM VALUE CHAIN	Scope 3.1:	Purchased goods and services	Emissions from the production of all purchased goods and services.
	Scope 3.2:	Capital goods	Emissions from the production of all purchased capital goods.
	Scope 3.3:	Fuel- & energy related activities (not included in scope 1 or 2)	Emissions related to the production of purchased and consumed fuels and energy
	Scope 3.4:	Upstream transportation and distribution	Emissions from transportation and distribution of purchased products between tier 1 suppliers and PAYER
	Scope 3.5:	Waste generated in operations	Emissions from third-party disposal and treatment of waste generated in own operations
	Scope 3.6:	Business travel	Emissions from the transportation of employees for business-related activities in third-party vehicles
	Scope 3.7:	Employee commuting	Emissions from the transportation of employees between their homes and their worksite
	Scope 3.8:	Upstream leased assets	Emissions from the operation of assets that are leased (if not included in scope 1 or 2)
DOWNSTREAM VALUE CHAIN	Scope 3.9:	Downstream transportation and distribution	Emissions from the transportation and distribution of sold products between the company and the end-consumer
	Scope 3.10:	Processing of sold products	Emissions from the processing of sold intermediate products
	Scope 3.11:	Use of sold products	Emissions from the use of sold goods and services
	Scope 3.12:	End-of-life treatment of sold products	End-of-life treatment of sold products
	Scope 3.13:	Downstream leased assets	Emissions from the operation of assets that are leased to other entities (if not included in Scope 1 and 2)
	Scope 3.14:	Franchises	Emissions from the operation of franchises
	Scope 3.15:	Investments	Emissions associated with investments

The category of greenhouse gases, refers to indirect emissions outside of a company's direct sphere of influence 3 greenhouse gases assessment is a concept for a broad application of greenhouse gases accounting covering all business segments and their value chains, however, not every category is reported by PAYER. Some categories are excluded from the complete GHG inventory, if their values are expected to be relatively small compared to material categories like Scope 3.1.

The materiality of specific category of greenhouse gases, refers to indirect emissions outside of a company's direct sphere of influence 3 subcategories was assessed based on the following criteria:

CRITERIA	DESCRIPTION
Size	Scope 3 activities contribute significantly to PAYER's scope 3 emissions
Influence	PAYER could undertake or influence potential
Risk	Scope 3 activities contribute to PAYER's risk exposure (e.g., climate change related risks such as financial, regulatory, supply chain, product and customer, litigation, and reputational risks)
Stakeholders	Scope 3 activities are considered critical by stakeholders such as customers, suppliers, investors, or civil society
Outsourcing	Scope 3 activities are outsourced activities that have previously been performed in-house or activities that have been outsourced by the reporting company and are typically performed in-house by other companies in PAYER's sector
Sector guidance	Scope 3 activities have been identified as significant by sector-specific guidance
Other	Scope 3 activities meet any additional criteria for determining relevance developed by the company or industry sector

As a conclusion, the following category of greenhouse gases, refers to indirect emissions outside of a company's direct sphere of influence 3 subcategories deemed as not material for the PAYER Group and excluded from this report. These categories are therefore excluded in the following descriptions of the PAYER greenhouse gases balance.

<b>SUBCATEGORIES</b>	Scope 3.8	Upstream leased assets	It is not applicable to the business model of PAYER. The group does not lease assets to value chain players.
	Scope 3.13:	Downstream leased assets	It is not applicable to the business model of PAYER. The group does not lease assets to value chain players.
	Scope 3.14:	Franchises	It is not applicable to the business model of PAYER. The group does not run a franchise business. These categories are therefore excluded in the following descriptions of the PAYER GHG balance.

In the following section, the methodology used for the calculation of the category of greenhouse gases, refers to indirect emissions outside of a company's direct sphere of influence 3 emissions is explained. For this process, different approaches were taken, depending on the data availability:

<b>CATEGORY</b>	<b>CALCULATION METHOD</b>
3.1: Purchased goods and services	Average spent-based
3.2: Capital goods	Average spent-based
3.3: Fuel and energy-related activities	Activity-based
3.4: Upstream transportation and distribution	Distance- & average spent-based
3.5: Waste generated in operations	Activity-based, waste-type specific
3.6: Business travel	Distance-based
3.7: Employee commuting	Distance-based
3.9: Downstream transportation and distribution	Distance-based
3.10: Processing of sold products	Activity-based
3.11 Use of sold products	Activity-based
3.12 End-of-life treatment of sold products	Activity-based, waste-type specific
3.15: Investments	Spent-based

### **AVERAGE SPENT-BASED METHOD:**

This calculation approach is the most inaccurate, but the simplest choice for the greenhouse gases calculation in most applications: A country-specific, spent-based emission factor gets combined with the company's activity, e.g. the annual cost of supplies provided in Euros. These emission factors were extracted from the data base "Exiobase 3", who differentiates between emission factors of products and industries. It has not only information on business sectors correlating to NACE codes, but also more specific information on product or industry sectors. It is necessary to use this calculation method, if more detailed emission factors are incompatible with the current data quality. In future objectives, the PAYER Group aims at reducing the calculations based on this approach.

### **ACTIVITY-BASED METHOD:**

This approach relies on the information directly connected to the activity, e.g. the consumption of energy or fuel. Emission factors associated with the indirect production of greenhouse gases are used for the calculation at PAYER:

The category Scope 3.3 investigates the emissions stemming from the origin of fuel resources and energy losses through its transportation. Indirect emission factors representing such activities were combined with the information on fuel and energy consumption.

For the Scope 3.11, the emissions in the use-phase correlate with the energy consumption of the product, either while in use or charging. This customer-related information was only available to PAYER in the case when a finalized product ready for the end-consumer was produced at a PAYER site. In cases, where PAYER produces an intermediate, which is further used by the customers to produce a market-ready device, the information on the energy consumption is missing. In such cases, the sustainability team at PAYER is still working on completing this category of greenhouse gases, refers to indirect emissions outside of a company's direct sphere of influence 3 category.

Emission factors were taken from multiple sources, depending on the application.

### **DISTANCE-BASED METHOD:**

This approach is used in category of greenhouse gases, refers to indirect emissions outside of a company's direct sphere of influence 3 categories related to the transportation of goods (Scope 3.4 & 3.9) or people (Scope 3.6 & 3.7). For the former, the calculation is based on the total mass transported over one year and for the latter, the number of persons is required. The number of persons or the total weight transported is further combined with the distance travelled and a specific, distance-based emission factor, uniquely for each type of vehicle and fuel consumed. The emission factor's unit indicates this distance-based approach with the corresponding unit of either CO<sub>2</sub>-equivalent emissions per ton kilometers or person kilometers.

Emission factors are based on weight transported and taken from multiple sources, depending on the application.

With the foundation and the methodology for the category of greenhouse gases, refers to indirect emissions outside of a company's direct sphere of influence calculation laid out, a qualitative description of the first category of greenhouse gases, refers to indirect emissions outside of a company's direct sphere of influence 3 greenhouse gases calculation of the PAYER Group follows:



**Sustainability - an extremely important and multifaceted topic that affects all aspects of entrepreneurial activity and places demands on all employees. The appreciative and careful handling of all types of resources - employees, processes, materials - is central, and all our actions and decisions have to be oriented towards this.**



**Kurt Maurer**  
General Manager Business  
Unit Consumer Goods



#### SCOPE 3.1: PURCHASED GOODS AND SERVICES

As a manufacturing company, this category is very important for PAYER due to a significant quantity of goods purchased each year. Within this category, the emissions from the origin of every supply purchased were accounted for. The Supply Chain Management of the sites Austria, Hungary and China prepared a list of all supplies including the annual cost. After a rough categorization in supply categories, the cost of goods was connected to an average spent-based emission factor, resulting in the annual Scope 3.1 greenhouse gases emissions for PAYER Austria and Hungary. In PAYER China, the supply chain management was also able to provide the total mass of supplies, which lead to a more detailed calculation based on the mass of supplies procured. This will be the approach for future calculations in PAYER Austria, Hungary and Malaysia.



#### SCOPE 3.2: CAPITAL GOODS

Similarly to the emissions from purchased goods and services, capital goods can also be interpreted as supplies necessary for production, but they refer, e.g. to the necessary infrastructure. The investments into real estate, machines and vehicles are roughly categorized and connected to an average spent-based emissions factor to calculate the annual Scope 3.2 greenhouse gases emissions



#### SCOPE 3.3: FUEL- AND ENERGY-RELATED ACTIVITIES

In every case in which PAYER requires energy, either through the purchase of energy or through on-site combustion, the origin of the energy source must be taken into account in the greenhouse gases inventory. Examples of upstream processes that generate greenhouse gases emissions are the extraction of crude oil, the production of wood pellets or the construction of a hydropower plant. Furthermore, transmission and distribution losses, e.g. in

the electricity grid, shall be considered in this Scope 3 category. In the calculation, the information about activities at PAYER, e.g. the fuel required for the company-owned cars or the purchased electricity or natural gas, is combined with a fitting, indirect emission factor, resulting in annual the Scope 3.3 greenhouse gases emissions.



#### SCOPE 3.4: UPSTREAM TRANSPORTATION AND DISTRIBUTION

The upstream transportation of supplies and the distribution of products, organized by PAYER, fall under this category. The greenhouse gases emissions are calculated based on the total mass of supplies procured or products produced, on rough knowledge about the physical origin and destination of the supplies/products and on information about the type of vehicle used for the transportation. The list of all supplies, used in the Scope 3.1 calculation, was expanded with the required information by all three PAYER sites considered in the calculation. The sustainability team at PAYER combined the annual total mass per supply/product with the distance covered for one transport and the corresponding emission factor, reflecting the type of vehicle, resulting in the greenhouse gases emission value per supply purchased/product sold.



#### SCOPE 3.5: WASTE GENERATED IN OPERATIONS

This category includes the greenhouse gases emissions stemming from the processing of waste produced by the PAYER Group. It is important to notice that with this category, the responsibilities for the greenhouse gases emissions are not trivial and further specified in the standard: Generally, greenhouse gases emitted in the recycling and energy recovery process are attributed to the organization which uses the recycled material or the generated heat. As PAYER produces waste, only the collection of waste at the production site, the transportation to and the deposit at the processing site is accounted under the PAYER Group's greenhouse gases inventory. Landfilling emissions are within the scope of the waste-producing company. As information of the treatment of waste is collected under the

European sustainability reporting standards E5: Resource use and circular economy, this data is connected with an emission factor representing the transportation and potential landfilling emissions.



#### SCOPE 3.6: BUSINESS TRAVEL

The emissions caused by business-related trips account for the production of greenhouse gases depending on the distance covered and vehicle used. For the calculation, the number of persons travelling, the distance between the start and the destination and the transportation vehicles are considered. Choosing an emission factor reflecting the vehicle used and multiplying it with the company data results in the contribution to the greenhouse gases inventory.



#### SCOPE 3.7: EMPLOYEE COMMUTING

This category is calculated similarly to the previous Scope 3.6 greenhouse gases emissions. Instead of business travels, the reporting company looks into the employee commuting habits to and from work. The distance covered by the employees is aggregated to an annual basis and multiplied with the number of persons transported and a fitting emission factor, representing the vehicle, is used.



#### SCOPE 3.9: DOWNSTREAM TRANSPORTATION

This category is calculated similarly to the Scope 3.4 greenhouse gases emission. A list of finished and semifinished products was provided by the supply chain management at PAYER and expanded by information about the mass, the terms of delivery to the customers and the distance covered. Multiplying the mass with the distance covered and a distance-, weight-based emission factor yields the contribution to the Scope 3 greenhouse gases emissions.



#### SCOPE 3.10: PROCESSING OF SOLD PRODUCTS

For products that are ready for the market at the PAYER's factory gate, this Scope 3 category has a value of zero. Since PAYER also sells semi-finished products to its business partners, the company is obligated to consider the emissions stemming from the energy input of the customer required to finalize the semi-finished product. As the sourcing of electricity by the PAYER Group's business partners is unknown up to this point, a request for the disclosure of information will be made to business partners in the future to calculate the emissions under this category.



#### SCOPE 3.11: USE-PHASE OF SOLD PRODUCTS

In this category, a differentiation between finished and semi-finished products is made. PAYER has information about the power intake of its finished products while they are in-use. This is not the case for semi-finished products, where the specification of the final product is available to PAYER's business partners. Requests for information regarding this topic are made in the upcoming months and their results will be communicated.



#### SCOPE 3.12: END-OF-LIFE TREATMENT OF SOLD PRODUCTS

PAYER produces finished and semi-finished products which are sold on a global market. A first approach for the calculation of this category would be to investigate international waste treatment methods, categorized by waste type. Combining this with the quantity of sold finished products and the quantity of products, including semi-finished components which are made by the PAYER Group, would conclude in first results of this calculation. As the quantities of the devices with PAYER components are not known yet, the PAYER sustainability team will calculate this contribution within the next few months and communicate on any progress.



#### SCOPE 3.15: INVESTMENTS

The final category of the Scope 3 assessment refers to GHG emissions occurring in associated companies. Since the PAYER Group holds 8% of the shares of an associate, the group needs to account for 8% of the associate's emissions in its own greenhouse gases inventory. The greenhouse gases inventory of the associate has not been published while preparing this Sustainability Report. The first data for the Scope 3 category will be communicated as soon as data is available.



#### EMISSIONS DEVELOPMENT FROM 2020 TO 2024

As previously stated in this chapter, the greenhouse gas emissions of a company depend on multiple variables. Generally, the PAYER Group's greenhouse gas inventory is expected to grow throughout the years due to company growth, if no reduction measures are implemented. Furthermore, the intensity of activities is site specific, resulting in a visible trend in greenhouse gas emissions specific for each PAYER site. PAYER Austria was able to reduce the greenhouse gas emissions in the area of energy consumption, the generation of waste and the business trips. The new production line at PAYER Austria regarding the Consumer Health segment led to a diversification in the product portfolio, but also increased the product-related emissions like the emissions from the material supply, capital goods, up- and downstream transportation and ultimately energy consumption.

Overall, PAYER Hungary and PAYER China are larger production sites than PAYER Austria and Malaysia, they have higher number of employees, higher material inflow and product outflow, which consequently leads to a bigger contribution to the greenhouse gas inventory. During the COVID-19 pandemic, the business unit Consumer Goods was highly strained due to the larger demand for lifestyle products. This demand led to an intense product-related activity at PAYER sites and in the value chain, resulting in a relative high emission of greenhouse gases between 2020 and 2022. With the business accelerating in 2024, the product related greenhouse gas emissions increased again. In contrary, both sites managed to reduce their energy and fuel consumption due to a more efficient production, resulting in decreasing Scope 1, 2 and 3.2 emissions.

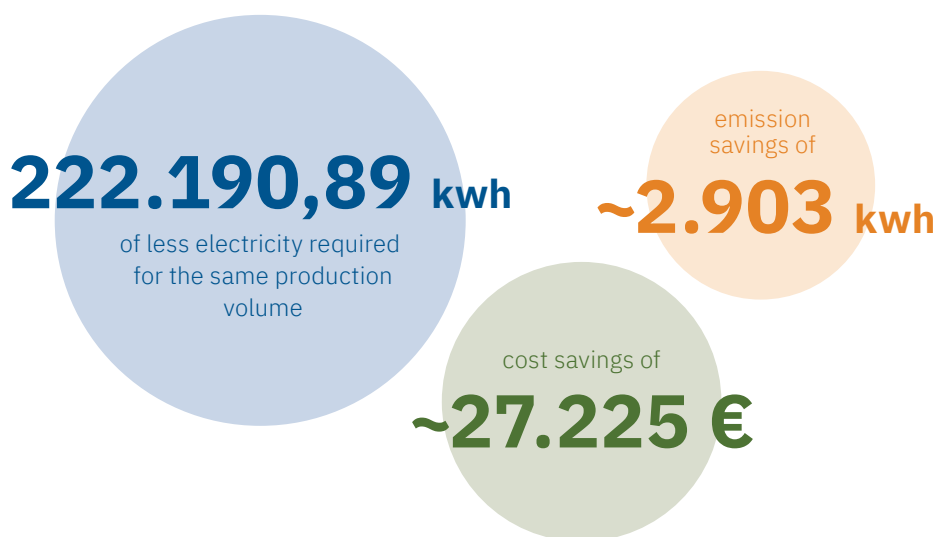
For the PAYER Group, a trend in emissions can be observed. Due to record product quantities during the COVID-19 pandemic, emissions drastically increased between 2020 and 2023. In 2024, GHG emissions are starting to ramp up again up to 50% of peak emissions, due to company growth. As the pandemic struck the globe in 2020, considerations about the product- and emission-related goals need to be made in 2025. The sustainability team at PAYER will consider, how representative the base year of 2020 is for the status-quo at PAYER and whether changes will be implemented.

Successful projects like the Energy Flow Analysis at PAYER Austria, PAYER Hungary and the integration of more sustainability into PAYER products will lead to a decrease in emissions across all GHG scopes in the following years. If applicable, PAYER China and Malaysia would also benefit from similar measures derived in these projects regarding the corporate carbon footprint. A detailed overview, including a timeline will be presented in a future climate transition plan. Any potential changes to the PAYER goals and a clear roadmap to reach those goals will be presented in future Sustainability Reports.

## REVIEW OF THE ENERGY FLOW ANALYSIS AT PAYER AUSTRIA

The energy flow analysis at PAYER Austria was conducted in 2023 in cooperation between the Technical University of Graz and the team at PAYER Austria. Measures for electricity, cost and emission reductions were identified, including a payback period.

In 2024, a part of this total reduction potential was realized, specifically where no initial investment was required. This resulted in a reduction of electricity consumption of 222,190.89 kilowatt hours, if the same production volume is assumed. It is equivalent to cost savings of ~27,225€ and emission savings of ~2,903 kilograms of CO<sub>2</sub>-equivalent in 2024.



## ENERGY FLOW ANALYSIS AT PAYER HUNGARY

In the last half of 2024, the team at PAYER Hungary cooperated with the Technical University of Graz in another master's thesis: A detailed energy flow analysis of the PAYER production site in Ajka, Hungary. The objective of the project was to:

- Conduct a visualization of the energy flows to identify inefficiencies
- Develop measures to reduce energy consumption and costs
- Evaluate identified measures based on their payback period and greenhouse gas reduction
- Derivate a structured process for future projects in other locations

An energy flow analysis can be separated into 8 consecutive steps:

### ROUGH ANALYSIS:

- 1** Goal setting in terms of energy efficiency, environmental impact and cost reduction.
- 2** A rough recording of utilized energy carriers according to invoices and qualitative energy flow analysis.
- 3** An analysis of electricity consumption, based on available measurement data and site-specific CO<sub>2</sub>-equivalents.

## DETAILED ANALYSIS:

- 4** A description of power units and energy consumers by means of nominal value, capacities, etc. and priority analysis.
- 5** A conduction of energy measurements on machine level by prioritizing big consumers based on nominal values.
- 6** A visualization of the results to identify relevant areas for improvement.

## MEASURES AND EVALUATION:

- 7** Derive savings potentials and develop concrete measures for increasing the energy efficiency.
- 8** An economical evaluation, investment approval and implementation.

Generally, the PAYER production site in Hungary is obligated to record the electricity input by law. Consequently, PAYER Hungary was able to provide a rough first estimate of the energy consumption in 2024: 3.08 gigawatt hours. This value is equal to approximately 84% of the total energy input, where 61% of the electricity input was used to power production technology and 23% is directed towards the facility systems. 16% of the electricity input is not recorded.

Those initial values address general energy consumer groups, e.g. multiple machines in a section of the facility. To identify savings potentials, a detailed understanding of consumption patterns of individual machines is required. Therefore, independent measures are conducted under the framework of this energy flow analysis.

The first results of the more detailed measurements by the TU Graz showed on the one hand that there is a seasonal dependency on the power consumption. The power demand is about 100 kilowatts higher in the summer months than in other seasons due to the increased outside temperature. On the other hand, there is an annual average base-load of ~198 kilowatts throughout the year. The base-load was determined based on the electricity consumption while no production happens, which is usually on Sundays throughout the year. The lowest base-load per month was found in September at ~128 kilowatts, where either heating or cooling of the indoor areas was turned off. At this lowest base-load value, an internal benchmark was set for a further base-load analysis conducted by the TU Graz in the winter break of 2024.

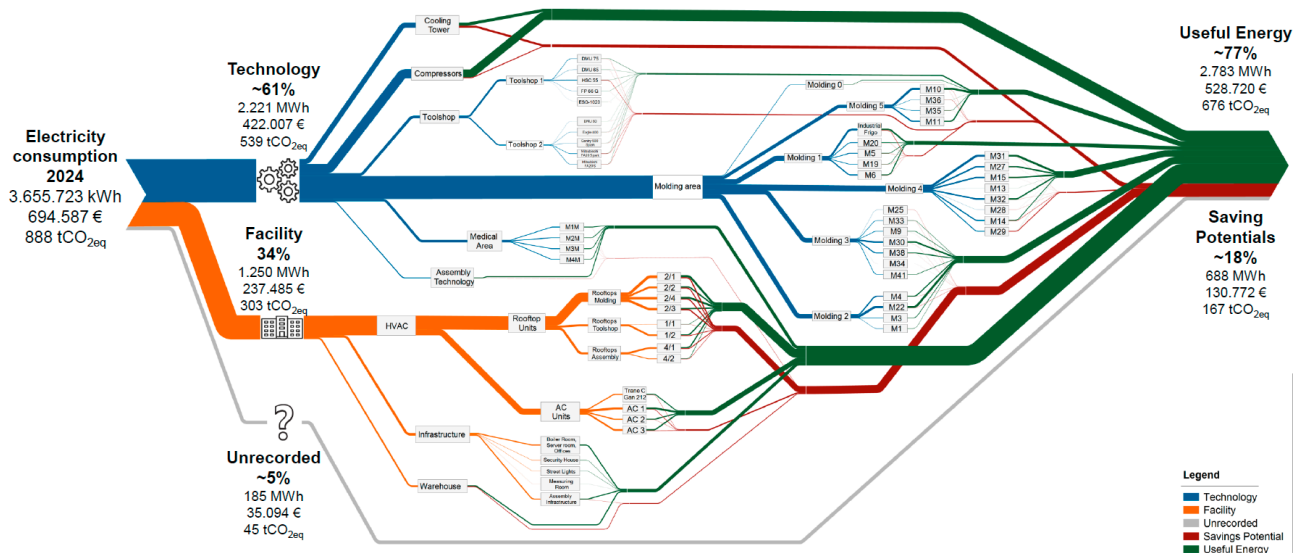
This base-load benchmark was further broken down into individual consumers and their contribution, resulting in the following revelations:

- The biggest individual base-load consumer is the cooling tower with 30,5 kilowatts.
- The highest combined load comes from the rooftop units, who cool the technical areas at PAYER Hungary.
- Machines on stand-by mode in the molding and tool shop area account for ~30 kilowatts of base-load share
- 16% of the base-load could not be attributed to specific consumers.

To summarize, technology consumers cause 43% of the base-load, which should be reduced.



For the identification of saving potentials, the energy consumption was measured over 15 weeks on machine level. 2640 hours of data was recorded at 57 individual consumers and the share of unrecorded energy was reduced to ~5% of the total electricity input. A saving potential of ~18% was identified, visualized in the Sankey Diagram for the EFA at PAYER Hungary:



Overall, 37 saving potentials in 10 clusters were identified for technology and facility consumers. They were evaluated regarding energy, greenhouse gas emissions savings and payback period. It was assessed that some measures can be implemented without investments upfront, which leads to an immediate cost and emissions reduction, if implemented. Overall, the energy input may be reduced by 11% with investments of a payback period under 3 years. Adding measures with a payback period greater than 3 years, the total savings conclude to 18% of the total electricity input.

Finally, the installation of a photovoltaic system is considered in the total savings analysis. A PV system with a peak power of 916 megawatts would result in additional electricity savings of 27%, resulting in a total savings potential of 45% of electricity input in 2024. This is equivalent to emission savings of 410 tons of CO<sub>2</sub>-equivalents per year.

A plan to implement reduction measures has been drawn up and the PAYER Group will provide updates in future publications.



## POLLUTION

The PAYER Group is dedicated to reducing pollution across all aspects of its operations and products, guided by its environmental policy. This commitment aligns with local, national, and international environmental regulations and reflects our broader responsibility to the planet. To minimize environmental impact, the company has implemented a series of targeted initiatives, including:

- Waste prevention and responsible waste management
- Sustainable packaging solutions
- Use of recycled and eco-friendly materials
- Resource-efficient product design

These efforts are continually evaluated and improved to ensure they support sustainable development and environmental goals.

Acknowledging that all production processes generate waste, each company site operates under a strict waste management system to prevent pollution. We are focused on:

- Reducing waste at the source
- Enhancing product and packaging design to support circular economy principles
- Promoting reuse and recycling wherever possible

The company is actively investing in cleaner production techniques and advancing its pollution prevention practices. These innovations are central to our long-term environmental strategy. Sustainability is a shared effort. We work closely with employees, suppliers, customers, and communities to foster environmental awareness and collective action. Through training, resources, and support, we empower individuals to make informed decisions and contribute to pollution reduction.

### GREEN ENERGY IN LOGISTICS:

#### SUSTAINABLE TRANSPORT BETWEEN SITES

As part of a strategic project at our Technology & Innovation Center in Austria, PAYER is making targeted use of interim storage solutions to ensure efficient and flexible logistics for selected materials and components. To optimize the transport route between the production site in St. Bartholomä and the external storage facility in Gleisdorf, a close partnership was established with a regional logistics provider – with sustainability at the heart of the collaboration.

Transport is carried out using a specially branded electric truck, which runs entirely on green electricity. This solution not only ensures seamless and reliable goods movement but also significantly reduces transport-related emissions. With a range of around 300 kilometers, the electric vehicle easily manages the short-distance transport route between the two locations, contributing to the decarbonization of internal logistics.

This initiative demonstrates how targeted infrastructure and innovative, climate-friendly transport solutions can go hand in hand. By integrating low-emission mobility into our operational processes, we are taking another important step toward reducing our carbon footprint — and supporting Austria's broader transition to sustainable energy use in the industrial sector.





**OUR  
PEOPLE  
SOCIAL  
ASPECTS**

**LO**

**U**

# OUR PEOPLE

## SOCIAL ASPECTS

### THE WAY WE DO BUSINESS

In 1946, Eduard Payer founded our company with the ambitious vision: to develop and produce the world's best shaver for men. Today, as PAYER Group supplies a broad and diverse range of high-quality products and services around the world, we equally try to be the best in everything we do, and we do it as one company. Our vision is therefore very clear:

ONE PAYER TO BE NUMBER ONE!



**AS A COMPANY  
WITH FACILITIES  
AND EMPLOYEES  
ACROSS EUROPE AND  
ASIA, OUR UNIQUELY  
VALUE-DRIVEN  
SPIRIT BINGS US  
TOGETHER.**

Our company values are true and tested. They make work at PAYER rewarding and enjoyable, resulting in the highest satisfaction of our customers and end-users. These core values also form the basis of our leadership model, which guides our employees in their commitment and their path of personal growth. It brings beneficial attitudes and exceptional motivation to our common enterprise. As a result, we continue to attract and develop exceptional people who ensure our bright future as a diverse, leading and sustainable company.

## THE PAYER EMPLOYER VALUE PROPOSITION

Top performance is not achieved alone, but together as a team. Our daily work is not only characterized by team spirit, but also by the passion to be number 1. Together as a team, we go the extra mile and exceed our own expectations. As PAYER family, we achieve our goals side by side.

We are always looking for new and diverse talent who share our drive for success. We nurture the talents of our employees and give them room to reach their full potential and develop well. This is rounded off by the extensive range of continuous learning and development opportunities we offer.

We value the achievements of our employees. That's why we respond to their individual needs, promote their development and offer a high degree of flexibility and numerous benefits.

As a family-owned company, our top priorities are job security and a clean production environment, sharing knowledge, treating each other with respect, and open communication and freedom of speech.

In addition, we show our appreciation through fair and above-standard pay based on qualifications and experience.

Only through the commitment of each individual we can secure our future as a leading, diverse and sustainable company.

## EXCEPTIONAL PEOPLE DRIVE OUR BUSINESS



## WORKFORCE DEVELOPMENT & ENGAGEMENT

### INVESTING IN PEOPLE:

#### PAYER GROUP'S PERSONNEL DEVELOPMENT PROGRAMS

At PAYER Group, we firmly believe that the continuous development of our people is key to sustainable success. Our global personnel development initiatives are designed to empower employees at all levels of the organization, strengthen leadership capabilities, and secure our long-term talent pipeline. These programs are available across all PAYER sites, adapted to the level of maturity at each location, and play a crucial role in systematic talent management, succession planning, and employee retention.

Our development offering covers a broad spectrum, from early-career initiatives to advanced leadership programs:



“Our aim is **not just** to meet legal requirements through sustainable actions and business practices. At PAYER we want to create real added value for the environment and our business.”



**Daniela Riedler**  
Chief People & Culture  
Sustainability Officer

#### Apprenticeship Programs

We support young talents at the start of their careers by offering practical, hands-on training in collaboration with educational institutions, preparing them for future roles within PAYER.

#### Trainee Program

Designed for recent graduates, this program provides structured, rotational assignments across various departments, ensuring a well-rounded understanding of our business.

#### Internship Opportunities

Our internship programs allow students and early-career professionals to gain valuable insights into real-world projects and business processes at PAYER, fostering future talent.

#### Leadership Program for Middle Management – CHAMP I

Tailored for emerging leaders, this program equips middle managers with essential leadership skills and prepares them to take on greater responsibilities within the organization.

#### Leadership Program for Executives – CHAMP II

Targeted at senior leaders, CHAMP II focuses on strategic leadership competencies and empowers executives to drive organizational transformation and growth.

#### Coaching

Individual coaching sessions support personal growth and leadership effectiveness, helping employees to unlock their full potential.

#### Mentoring Program

Through structured mentorship, experienced professionals share knowledge and guidance with emerging talents, fostering cross-generational learning and career development.

#### PAYER Academy / Training

Our internal academy provides a variety of training modules, enhancing technical, functional, and soft skills across all levels of the organization.

#### A Systematic Approach to Talent Growth

These programs are embedded within our holistic approach to talent development. By offering diverse learning and growth opportunities, we actively nurture future leaders, build organizational resilience, and reinforce our commitment to being an employer of choice. Our investment in people development not only benefits individual careers but also drives the long-term sustainability of our business.

## THE PAYER LEADERSHIP MODEL

### DRIVING SUCCESS THROUGH SHAPING THE FUTURE WITH PASSION

The core values of the company guide its operations daily. Leadership is crucial in implementing these values. Every employee who adheres to the company's way of doing business is considered a PAYER leader, serving as a role model for others. At PAYER Group, the commitment to meet customer needs and pursue personal growth and development is highly valued. In a culture of mutual respect, mindful communication, and continuous improvement, PAYER leaders set ambitious goals and propel the company forward.

The PAYER Leadership Model focuses on five areas:



**Driving ONE PAYER:** Creating an inclusive environment that embraces diversity, fosters collaboration, and builds strong, diverse teams. We encourage knowledge sharing, global thinking, and creating value through open cooperation — uniting us as ONE PAYER worldwide.



**Delivering Results:** Our leaders understand and anticipate the needs of our customers and market demands. With a clear focus on priorities, they set ambitious targets, make sound decisions even in uncertainty, and consistently follow through to achieve sustainable success.



**Driving Improvement:** Innovation and continuous improvement are at the heart of our progress. Our leaders embrace new ideas, challenge the status quo, and drive meaningful change, while maintaining a long-term perspective and always keeping the customer in focus.



**Developing People:** We empower our employees to grow, encouraging open communication, active feedback, and personal responsibility. Leaders at PAYER create environments where individuals and teams can reach their full potential, fostering a culture of continuous learning and accountability.



**Being Self-Aware:** Self-awareness is key to authentic leadership. Our leaders reflect on their actions, seek feedback, and continuously work on their personal development. Integrity, transparency, and trust are non-negotiable cornerstones of their behavior.

This leadership framework is not just theoretical — it is actively applied in talent development, succession planning, and daily leadership practices across all PAYER sites. Through structured personnel development programs and compliance training, we ensure that our leaders and teams are well-equipped to meet the challenges of today and tomorrow.

By living our Leadership Model every day, we strengthen our organization from within and position ourselves as an employer of choice. We build trust, inspire commitment, and drive sustainable value creation — for our employees, our customers, and our global community.

## PAYER CHAMP I – EMPOWERING TOMORROW’S LEADERS

At PAYER, we believe that sustainable growth begins with empowered people. In 2024, we launched the first round of our internal leadership development program at PAYER Austria – PAYER CHAMP I – created specifically for emerging leaders and individuals in lateral leadership roles across different departments.

This program is more than just a training course; it’s a journey of self-awareness, growth, and collaboration. From the very beginning, participants are encouraged to reflect on their roles as leaders – not just in terms of responsibilities, but in how they shape culture, drive performance, and support change within their teams.

We kicked off the program in the third quarter of 2024 with an in-person event where participants got to know each other, were introduced to the overall framework and goals, and met one of the program’s two dedicated trainers. During this session, we also introduced the scientifically validated Team Management System – an online diagnostic tool that helps participants better understand their personal leadership profiles and how they fit within a team context.

A few weeks later, a follow-up workshop was held to review the results of the questionnaire. This was a key moment: participants openly discussed their profiles, identified their individual strengths and development areas, and set clear learning goals for the months ahead. Since September 2024, participants have been diving into the five-module program – each module lasting two days and focusing on different aspects of leadership. So far, they have explored communication styles, personal leadership approaches, and how to lead conversations with confidence. They’ve also been trained in navigating change and conflict – essential skills in any modern workplace.

The final module, focused on team building, is just around the corner. And on April 25, 2025, the program will conclude



with a celebratory ceremony where all participants will receive their certificates – not just as a symbol of completion, but as a recognition of their growth, commitment, and readiness to take on future challenges.

Through PAYER CHAMP I, we are not only investing in our people – we are building a leadership culture that supports collaboration, resilience, and sustainable success across the organization.

Additionally, the participants had the unique opportunity to engage in an inspiring fireside evening with two highly respected business leaders: Michael Viet, CEO of the PAYER Group, and another inspiring top manager from a renowned international company. In a relaxed and personal setting, they shared valuable insights from their professional journeys, discussed leadership challenges, and offered candid perspectives on driving sustainable success in today’s business world. The open dialogue encouraged reflection, sparked new ideas, and left a lasting impression on everyone in attendance.

## EDUCATION & TRAINING

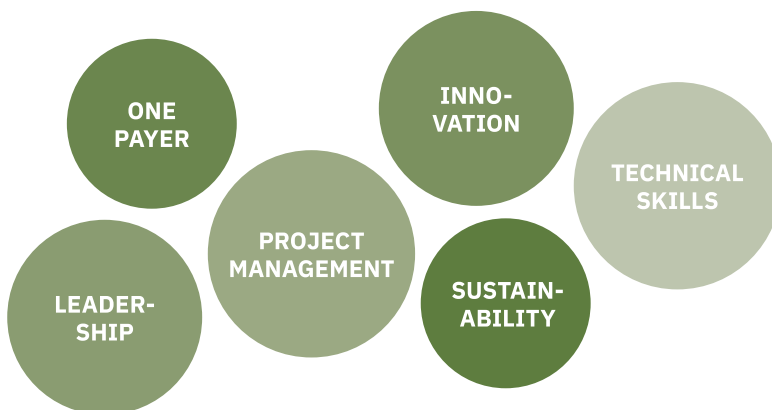
From the first day of a classic apprenticeship to the final steps before retirement, we support our diverse and committed employees with numerous development opportunities. In line with the PAYER spirit, we foster continuous growth — encouraging our team to expand their expertise, strengthen their mindset, and evolve both professionally and personally throughout their entire career journey.



**PAYER  
Academy**

### PAYER ACADEMY

The world today is shaped by constant change and dynamic developments that significantly influence the entire business environment. To remain resilient and future-ready, it is essential to adapt to volatility and complexity. Lifelong learning and continuous personal growth have become crucial to long-term success. In response to this, we established the PAYER Academy several years ago – a comprehensive and forward-thinking development program designed to support the growth and advancement of all employees across the PAYER Group. The program is built on six emphases:



The PAYER Academy is a major component of our PAYER Group People & Culture Strategy, which is part of and aligned with the corporate strategy. It forms a framework for “Exceptional People” in which it

- ... enables PAYER’s growth and transformation,
- ... ensures employability and encourages personnel development,
- ... pursues a high value and culture orientation, and
- ... supports leadership and collaboration.

The future holds numerous exciting opportunities and challenges that pave the way for both personal and professional development—driven in particular by our PAYER growth strategy and the transformation it entails. Our aim is to empower our employees to strengthen their competencies, reach their career aspirations, and grow continuously.

Beyond the PAYER Academy, we place great value on enabling our team members to engage in additional training and education. We are committed to supporting and promoting their individual development in a targeted manner—tailored to their roles, needs, and ambitions.

## **TALENT MANAGEMENT & SUCCESSION PLANNING AT PAYER GROUP**

At PAYER Group, our people are our greatest asset. We are committed to fostering a high-performance culture and securing the long-term success of our organization through comprehensive talent management and succession planning processes. By systematically identifying, developing, and retaining key talents, we ensure that our leadership pipeline remains robust and resilient, enabling sustainable growth and operational continuity.

### **STRUCTURED SUCCESSION PLANNING**

Our succession planning framework is designed to ensure readiness for critical leadership positions across the Group. We map out succession scenarios for all key roles, identifying successors who are either ready for promotion within 12 months or who are being prepared for leadership responsibilities within a 36-month horizon.

When internal candidates are not available or when we require specific competencies, we proactively explore external recruitment options to secure the best talent for our leadership needs. This dual approach ensures agility and business continuity while fostering career development opportunities within our own ranks.

### **TALENT IDENTIFICATION AND DEVELOPMENT**

Using our structured Talent Review Process, we assess individual's performance, potential, mobility, and readiness for advancement. The 9 Box Talent Matrix is a key element of this process, providing a visual and strategic categorization of employees based on their performance and potential.

Personalized development plans are created for all identified talents, incorporating coaching, stretch assignments, and career-pathing initiatives to close skill gaps and prepare them for future responsibilities. In doing so, we nurture internal growth while minimizing talent risks.

### **RETENTION RISK MANAGEMENT**

Understanding that key employees may be targeted by competitors or attracted by market opportunities, PAYER Group has implemented a proactive Retention Risk Management process. For critical roles, we monitor potential retention risks and define specific action plans to address them early. By actively managing retention risks, we protect our institutional knowledge and maintain organizational stability.

### **FOCUS ON CONTINUOUS IMPROVEMENT**

Talent management at PAYER Group is an evolving process. We continuously refine our tools and methodologies to align with business needs and employee expectations. This includes expanding our coaching offerings, increasing transparency in career development discussions, and deepening the integration of our talent planning with overall business strategy. Our goal is clear: to empower every employee to reach their full potential while ensuring that PAYER Group remains a dynamic, future-ready organization — equipped with the right leadership and skills to thrive in an increasingly complex global environment.



## PARTNERS

In order to gain additional know-how and to strengthen our network we focus on strong partnerships with universities, like:

UNI for LIFE, University of Graz  
Graz University of Technology, TU Graz  
FH Joanneum, University of Applied Sciences  
FH Campus 02, University of Applied Sciences  
Montanuniversität Leoben



**Univ.-Prof. Dipl.-Ing. Dr.techn.  
Christian Ramsauer** Graz University of Technology,  
Institute of Innovation and Industrial Management:

“PAYER is a pioneer for sustainability. My team and I are delighted to be making a contribution to increasing energy efficiency and therefore sustainability for the company. Potential forenergy savings is being leveraged and the path to a net-zero CO2 balance has begun.”



**FH-Prof. Mag. Dr. Astrid Oberzaucher**  
FH Campus 02, University of Applied Sciences,  
Department Marketing & Sales:

„The long-standing cooperation and collaboration with PAYER teaches our marketing and sales students in every project how important the two topics of marketing and sales are for B2B companies and how necessary it is to take a strategic approach. We are particularly pleased that graduates from our department can be recruited as employees for PAYER and again and that employees decide to study with us.”



**Dipl.-Ing. Dr. mont. Dr.-Ing. E.h. Peter Moser**  
Montanuniversität Leoben:

“Montanuniversität Leoben is pleased to support PAYER International Technologies GmbH with its expertise in the evaluation of substances and the recyclability of materials. The topic of sustainability plays an important role for both the Upper Styrian educational institution and the Styrian company.”



**Mag. rer. soc. oec. Stephan Witzel**  
UNI for LIFE, University of Graz:

„The close cooperation between PAYER and UNI for LIFE, the continuing education organization of the University of Graz, has led to a synergetic partnership aimed at offering high-quality and practical learning concepts to learners at PAYER. Through the exchange of know-how and resources, innovative teaching methods can be developed and practical training opportunities created within the framework of this partnership. Together, we are pursuing the goal of meeting PAYER’s high standards for modern in-company training.”



**FH-Prof. Mag. Dr. Martin Tschandl**  
FH Joanneum, University of Applied Sciences,  
Department Industrial Management:

„When you deal with PAYER, you immediately notice that innovation, technology and spirit are very important. This fits perfectly with our Industrial Management degree programs and graduates and leads to a win-win-win between PAYER, the university and the students.”

## PAYER AUSTRIA

### STRENGTHENING WORKFORCE DEVELOPMENT AND REGIONAL GROWTH

In 2021, PAYER Group secured a major contract in the Personal Health segment, representing a significant milestone in the company's growth strategy. Following the successful execution of the initial phase, production volumes for this project are set to double. To accommodate this expansion, the St. Bartholomä site has been transitioned to an 18-shift operational model in 2024. In collaboration with a globally active customer, a leader in its sector, PAYER will install and commission an additional fully automated production line. This investment reinforces St. Bartholomä's role as the Group's central technology and innovation hub and supports the sustainable development of the region west of Graz.

With a strategic focus on the Consumer Health and Medical sectors, PAYER has invested massively for this expansion. These targeted investments have established the St. Bartholomä location as a state-of-the-art, high-tech production site within the Group.

The growth of the business is also reflected in the development of our workforce. Since 2019, PAYER Group has experienced steady headcount growth. To secure the long-term success of this trajectory, the Group's management places particular emphasis on continuous employee development. A special focus is placed on fostering leadership capabilities at all levels of the organization. Initiatives such as a comprehensive leadership program are central to this approach, ensuring the development of future leadership talent and strengthening organizational resilience.

### APPRENTICESHIP

PAYER Austria attaches great importance to apprentice training in order to keep the talent pipeline well stocked and to develop new skilled workers.

Therefore we offer apprenticeships in five distinct professional fields, providing young talents with the opportunity to build a solid foundation for their careers. One of the key benefits of training at PAYER is the chance to learn from our extensive knowledge and long-standing experience, while gaining hands-on insights into all relevant areas of their chosen profession.



#### METAL ENGINEER IN TOOL MAKING

Maintenance, assembly and manufacturing of tools and devices for the assembly of components



#### PLASTICS ENGINEER

Operation, control and programming of injection molding machines in the area of medical technology



#### ENGINEER WITH FOCUS ON MECHANICAL ENGINEERING

Preparation of drawings and design of products



#### IT WITH FOCUS ON SYSTEM ENGINEERING

Support, configuration and optimization of IT infrastructure



#### MECHATRONICS WITH FOCUS ON AUTOMATION

Modifying existing mechatronic systems according to specifications and plans and adapting them to new requirements

In addition, PAYER Austria is part of the initiative “Ausbildungsverbund – ABV mein Job”. This collaboration between companies in the Technology Region Lipizzanerheimat and LFI Styria is dedicated to strengthening the regional talent pipeline and promoting technical apprenticeships. The network provides young people in the area with forward-looking career prospects. As a member, PAYER ensures that its apprentices benefit from supplementary training opportunities integrated into their vocational education.



#### PAYER TRAINEE PROGRAM

At PAYER, we offer a trainee programme for young talents. The aim of this programme is to give ambitious graduates the opportunity to get to know several departments at PAYER and to gain initial work experience as part of on-the-job training. On average, a trainee programme at PAYER lasts six to nine months. The programme is individually tailored to the trainee’s qualifications and degree. The strengths and interests of the trainees are taken into account.

Depending on the possible assignments and training objectives, the departments that the trainees will work in are determined in advance together with their mentor. Trainees spend two to three months in each department. The assigned mentor accompanies the trainee throughout the programme and maintains close contact with the departments. Regular feedback meetings are held with the trainee together with People & Culture.



We have had very good experience with this programme at PAYER and have already integrated fully qualified trainees into the company in a wide variety of positions, such as project management or production engineering for example. The programme offers trainees the opportunity to gain a comprehensive overview of the company’s departments, to work on various topics and to make valuable contacts in all departments. Our trainees benefit from a thorough induction programme and close support.

#### PAYER HUNGARY

##### KAIZEN GEMBA COLLEGE AT PAYER HUNGARY

We were proud to welcome the Kaizen Institute Hungary to our site for their Autumn Kaizen Gemba College. The program focused on the practical application of Kaizen principles, providing participants with indepth insights into process optimization and lean management. The event emphasized hands-on learning directly at the “Gemba” – the place where value is created – allowing attendees to experience real-life examples of continuous improvement in action.

Shortly thereafter, we successfully concluded a three-day Gemba Kaizen event, which brought together a diverse group of participants, including representatives from Eisberg, Trivium, Nádudvari, and the Kaizen Institute, as well as several of our own line leaders and shift leaders. The workshop was met with great enthusiasm and generated highly positive feedback. Participants praised the high standards of our operational processes and the advanced level of lean implementation at PAYER. In addition to exchanging best practices, the event also provided fresh ideas for further improvements, underscoring our commitment to never stand still. We extend our sincere thanks to everyone involved in making this event such a success. Together, we continue to drive progress and strive for operational excellence.



## MEDICAL INNOVATION WORKSHOP

Innovation is deeply embedded in the PAYER spirit. On September 12th, we hosted an interdisciplinary innovation workshop at our Hungarian site, bringing together internal experts from Engineering, Production, Product Management and Business Development. The workshop focused on leveraging our extensive expertise in both manual and automatic breast pumps to shape future product developments.



Through collaborative brainstorming sessions, the team explored innovative improvements for existing products and identified promising directions for new solutions. Furthermore, participants discussed expanding our service offerings as a contract manufacturer in the breast pump segment, opening up exciting new opportunities for growth. This proactive approach not only strengthens our position as a trusted partner in the healthcare sector but also reflects our dedication to staying at the forefront of technological advancement.

In the second part of the workshop, we built on **PAYER's 75 years of expertise** in hair removal technology, especially our deep knowledge of cutter performance, to explore synergies within the healthcare sector — specifically in the field of surgical clippers. In the second part of the workshop, we built on **PAYER's 75 years of expertise** in hair removal technology, especially our deep knowledge of cutter performance, to explore synergies within the healthcare sector — specifically in the field of surgical clippers.



A **surgical clipper** is a medical device used to remove body hair prior to surgical procedures — safely, efficiently and without irritating or damaging the skin. This requires the highest standards in design, hygiene and functionality.

With more than 80 years of experience in the manufacturing of electric shavers and cutting technology, PAYER is uniquely positioned to contribute valuable know-how to this field. Our deep understanding of blade precision, motor durability, and battery longevity is now being applied to develop innovative surgical clippers that meet the stringent demands of the healthcare sector — while also fulfilling expectations in terms of durability and sustainability.

In doing so, we make efficient use of existing production technologies, reducing the need for new and energy-intensive manufacturing setups. At the same time, we strive for resource-efficient processes and smart material use by consolidating the procurement of raw materials across both business units. This includes working with long-standing suppliers and using materials already validated in consumer product manufacturing — an approach that reduces complexity, waste and environmental impact.

By transferring proven technologies and combining the best of both worlds, PAYER not only promotes innovation but also demonstrates how sustainable product development can span across sectors — delivering added value for users, the environment and healthcare systems alike.

Our structured approach combined various methods to identify future potential:

**Conducting expert interviews to understand critical user needs  
and functional requirements for surgical clipper use**

**Performing comparative tests of market-leading products alongside  
PAYER's innovative cutters to assess performance benchmarks**

**Hands-on testing with random users to evaluate ergonomics,  
handling, and cutting efficiency**

The findings were consolidated into a comprehensive white paper, providing clear insights and show-casing future opportunities for PAYER in this promising field. This initiative illustrates our ambition to transfer proven expertise into new sectors, opening up further avenues for growth while maintaining our high standards of quality and innovation.

#### EDUCATIONAL MAY DAY 2024

In May of 2024, PAYER Hungary hosted an educational event known as May Day, aimed at raising awareness and strengthening understanding of key corporate principles among employees. As part of the program, 16 teams actively participated in collaborative challenges, where they transformed both global and local company policies into practical, interactive tasks. This creative approach allowed participants to engage deeply with important topics such as workplace health and safety, proper dress code practices, ethical conduct, and various other fundamental guidelines that shape our daily operations. The playful and team-oriented atmosphere not only made learning enjoyable but also fostered a stronger sense of community and shared responsibility. Initiatives like these are an integral part of our commitment to cultivating a culture of continuous learning and responsible corporate behavior across all levels of the organization.



## PAYER CHINA

### STRENGTHENING SKILLS THROUGH TARGETED TRAINING

In 2024, we continued to strengthen and expand our internal training and qualification system, laying an important foundation for long-term employee development and organizational resilience. Recognizing that continuous learning is essential in a rapidly changing business environment, we placed a strong focus on ensuring that each employee has access to relevant, role-specific development opportunities.

A structured training matrix was developed for every position within the organization. This matrix clearly defines the skill requirements, qualifications, and knowledge areas needed for each role, ensuring transparency and clarity across all departments. Based on this framework, individual training and assessment plans were created, tailored to the current and future needs of each function.

Training content includes both technical and soft skills — from safety procedures and equipment handling to communication, leadership, and time management. In addition, we have integrated sustainability-related topics and EHS knowledge to support a holistic understanding of responsible work practices across all levels of the company.

To ensure that the learning remains relevant and impactful, job-specific competencies are reviewed and updated annually in close collaboration between People & Culture, department heads, and technical experts. This process allows us to respond proactively to changing operational demands, new technologies, and evolving market requirements.

By systematizing our approach to training and linking it closely to performance and development needs, we create a culture of lifelong learning. This not only improves individual qualifications but also supports our broader goals: to strengthen internal expertise, retain talent, and prepare our teams for the challenges of tomorrow.

### INTERNAL COMMUNICATION:

#### BUILDING A CULTURAL PLATFORM TO STRENGTHEN OUR COMPANY CULTURE

At PAYER China, internal communication plays a crucial role in fostering transparency, engagement, and alignment across our organization. As part of our cultural development journey, we have established a digital platform that serves as a cultural cornerstone for our teams—an “online cultural hub” hosted on an Corporate Accounts platform.

This initiative supports our goal of building a cultural platform to strengthen culture guidance, ensuring that employees are informed, connected, and inspired.

The hub is structured into three main areas:



#### COMPANY ACTIVITIES

This section keeps everyone updated on key internal events such as employee outings, monthly birthday celebrations, the annual dinner, 6S initiatives, and internal training sessions. It fosters a sense of belonging and community by highlighting the vibrant life within our company.



#### KNOWLEDGE SHARING

To support professional growth, we invite internal and external experts to share insights on a variety of topics, including manufacturing, quality, supply chain, time management, and leadership. These resources empower our employees with valuable knowledge that benefits their individual development and career advancement.



#### EHS & SUSTAINABLE DEVELOPMENT

The third section is dedicated to Environmental, Health, and Safety topics as well as sustainability awareness. It promotes responsible behavior and supports our long-term commitment to sustainable practices.



Looking ahead, in 2025, we will expand the platform by introducing content on compliance, enabling all employees to understand and engage with our compliance standards and expectations. This initiative will further embed ethical conduct and accountability into our corporate culture.

Through this digital communication hub, we are cultivating a strong, informed, and unified company culture — one that supports sustainable growth and operational excellence.

## PAYER MALAYSIA

### FIRE SAFETY TRAINING AT PAYER MALAYSIA

Ensuring the safety and well-being of our employees is a fundamental responsibility at PAYER. In line with our proactive approach to workplace safety, PAYER Malaysia held a comprehensive fire extinguisher training session organized by our dedicated Environment, Health, and Safety team.

The training equipped employees with essential knowledge about the different types and correct usage of fire extinguishers, with a particular focus on responding to various classes of fire. The session combined theoretical presentations with practical, hands-on exercises, allowing participants to practice handling fire extinguishers safely in a controlled environment.

This proactive initiative not only enhanced technical understanding but also built valuable confidence among our staff in dealing with emergency situations. By fostering both awareness and practical skills, we are reinforcing our commitment to creating a safe and prepared workplace for all employees.

Such measures reflect our broader safety culture at PAYER, where regular training and continuous improvement ensure that our teams are equipped to respond effectively, protect one another, and contribute to a secure working environment.

”  
Sustainability  
demonstrates for me  
integrity by caring for people,  
communities and the  
Earth, fostering trust and  
accountability.



**Helmy Sabudin**  
People & Culture Partner  
PAYER Malaysia



## PAYER GROUP

### PAYER INNOVATION & VALUE CREATION DAY 2024

On September 26, 2024, the PAYER Group hosted its third annual Leadership Summit, bringing together management representatives from all four international sites – Austria, Hungary, China, and Malaysia. Under the theme “Innovation & Value Creation”, the event focused on how innovation can serve as a sustainable driver of long-term value – for our employees, our customers, and the organization as a whole.



Held at the MP09 venue in Graz, the summit created a dynamic platform for cross-functional exchange, best practice sharing, and collaborative dialogue across global teams. As one of PAYER's core values, innovation plays a central role in shaping our strategic direction and contributes significantly to sustainable growth.

The Leadership Summit has become an important tradition within the PAYER Group – an opportunity to reflect, learn from one another, and collectively push the boundaries of what we can achieve. It also reinforces our commitment to nurturing a culture of continuous improvement, international collaboration, and shared responsibility.

The Executive Management Team, local site leaders, and our innovation ambassadors made valuable contributions. Events like these help strengthen the foundation for future-oriented, responsible leadership across the PAYER Group.



### **TOGETHER, WE REMAIN: DRIVEN BY INNOVATION.**

Building on the spirit of international exchange fostered during the Leadership Summit, we had the pleasure of welcoming colleagues from our Chinese and Malaysian sites to Austria and Hungary for a multi-day visit filled with professional insights and cultural experiences.

#### **AUSTRIA HIGHLIGHTS**

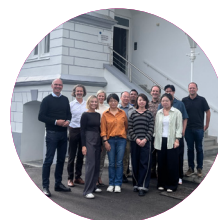
In Graz, our guests were introduced to Austrian hospitality with a traditional dinner, a scenic walk through the city, and a hike up the iconic Schlossberg. A tour through the PAYER Austria facility provided valuable insights into local production processes and technologies, complemented by focused meetings and workshops on current and future projects.

#### **HUNGARY HIGHLIGHTS**

The visit continued in Ajka, Hungary, where we began the day with a safety briefing and a detailed factory tour. An interactive Q&A session gave our guests the opportunity to engage deeply with our team and operations. Following a light lunch, the group traveled to Tihany, with a cultural stop at the renowned Herend Porcelain Factory, admired for its exceptional craftsmanship.

In Tihany, a relaxed evening meal and a walk around the Abbey offered panoramic views of Lake Balaton and the surrounding lavender fields -leaving a lasting impression on our international colleagues.

This visit was a wonderful opportunity to deepen connections between sites, enhance mutual understanding, and strengthen the global spirit of the PAYER Group. Continuing this valuable collaboration across borders will be on the Agenda for the coming years.



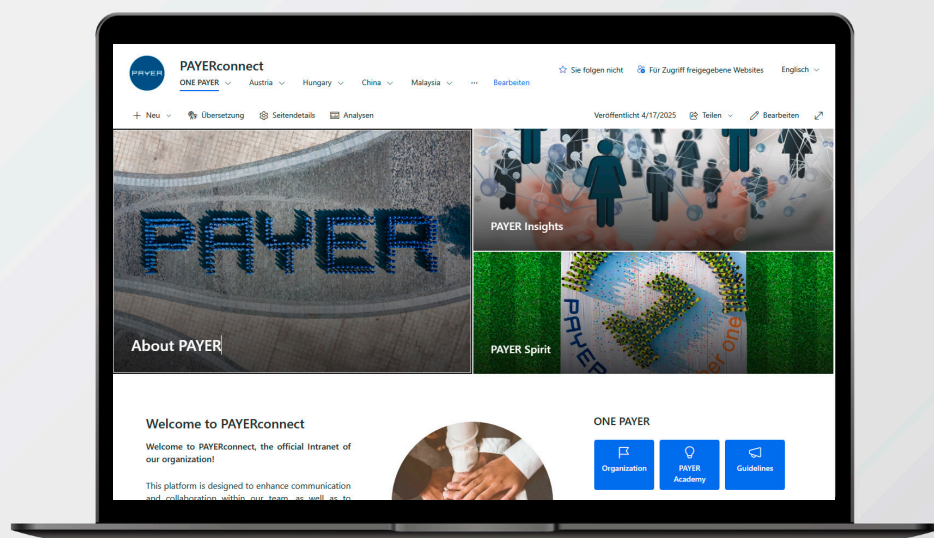
## OUR INTRANET: PAYERconnect

Since its launch in 2023, PAYERconnect has continued to grow as the central platform for internal communication across the PAYER Group. In 2024, we took further steps to expand the platform and provide even more valuable resources for our employees.

New sections have been added to give our teams easier access to important information such as company policies, additional onboarding materials, and details about our employee benefit programs.

The pages dedicated to the PAYER Academy were also redesigned to offer a more user-friendly experience and are now fully accessible via PAYERconnect.

We remain committed to continuously developing our intranet to ensure it meets the evolving needs of our employees worldwide. By fostering engagement and improving access to essential tools and information, we aim to make PAYERconnect an even stronger foundation for collaboration and connection within the PAYER community.



## WORKFORCE RIGHTS & WELLBEING

### HEALTH & SAFETY FIRST

Workplace Safety and Preparedness Across Our Global Sites  
Ensuring a safe and healthy work environment for all employees is an essential component of our responsibility as an employer. At PAYER, we continuously invest in workplace safety measures and training to strengthen awareness, preparedness, and the ability to respond effectively in emergencies. In 2024, several initiatives across our international locations underscored this commitment.

#### PAYER AUSTRIA:

##### FIRST AID TRAINING

The well-being of our employees is a top priority at PAYER. In collaboration with the Red Cross, we provided first aid training to equip our teams with the necessary skills to respond swiftly and competently in the event of a medical emergency. This training not only enhances individual competence but also strengthens our collective readiness, creating a safer workplace for everyone. The initiative reflects our ongoing efforts to foster a culture of health, safety, and care across our organization.

#### PAYER HUNGARY:

##### OCCUPATIONAL SAFETY INSPECTION

Occupational safety is deeply embedded in our operational culture. At our site in Hungary, we continued our established practice of conducting quarterly safety inspections together with the management team. These regular audits help us to systematically identify potential risks and implement preventive measures. By maintaining this proactive approach, we ensure that safety remains an integral part of our daily routines and continuous improvement processes.

#### PAYER CHINA:

##### SAFETY INITIATIVES

At our PAYER China site, workplace safety is consistently prioritized through daily operational practices and routine safety checks. While specific training sessions were integrated seamlessly into the ongoing workflow this year, continuous monitoring, equipment inspections, and adherence to international safety standards form the backbone of our safety culture. Our commitment ensures that all employees work in an environment where risks are minimized, and safety is proactively managed.

#### PAYER MALAYSIA:

##### FIRE EXTINGUISHER TRAINING

In October, our Malaysian team took part in a dedicated fire extinguisher training session organized by the Environment, Health, and Safety (EHS) team. The training provided employees with essential knowledge about different types of fire extinguishers, their specific uses, and appropriate responses to various fire situations. Combining theoretical insights with hands-on practice, the session boosted participants' confidence in handling emergency scenarios. This practical approach underscores PAYER Malaysia's commitment to empowering employees with the skills and knowledge to protect themselves and their colleagues.



Across all our locations, we are committed to fostering a culture where safety is second nature. Through training, inspections, and continuous improvement, we ensure that our teams are well-prepared to respond to emergencies and maintain a safe working environment. These initiatives are a key part of our responsibility to our employees and an important contribution to the long-term sustainability of our operations.

## PAYER FOR DIVERSITY

At PAYER, we promote diversity in every respect. The advantage of a valuable collaboration are employees with different cultural backgrounds, different ages, different genders and different experience and education, as well as different levels of knowledge.

This combination gives rise to new ideas, drives improvements and creates a working environment in which innovative, high-quality projects can be implemented. Every employee contributes in his or her own way and is thus jointly responsible for PAYER's sustainable corporate success.

**WE ARE DIFFERENT.  
WE ARE EQUAL.  
WE ARE ALL  
TOGETHER ONE.**

We strongly believe that our differences make us stronger. That's why we embrace diversity in all its forms. We understand that a diverse workforce brings fresh perspectives, sparks creativity, and drives innovation.

Our commitment to diversity goes beyond mere representation. We foster an inclusive culture where every voice is heard, valued, and respected. We recognize the unique talents and contributions that each individual brings to the table, and we celebrate the rich tapestry of experiences that make up our team. We believe in providing equal opportunities for all, regardless of background or identity.



## PROMOTING DUAL LEADERSHIP AND WORK-FAMILY BALANCE

At PAYER Group, we are committed to promoting diversity and inclusion, particularly in leadership roles. An excellent example of this is reflected in our Group IT department, where we have successfully established a dual leadership model that underscores our dedication to supporting women in management positions and fostering compatibility of career and family. Following the maternity leave of our Head of Group IT, PAYER seized the opportunity to strengthen the team by appointing a new female IT leader. Upon the return of the original Head of Group IT, both leaders have taken on shared responsibilities within a well-defined dual leadership structure. In this arrangement, one leader focuses on SAP systems, while the other oversees IT infrastructure and applications.

This model not only enables flexible working arrangements but also demonstrates our commitment to making career progression compatible with family life. Both managers have participated in dedicated coaching sessions to support their leadership development and ensure a smooth and effective collaboration.

Today, the dual leadership approach has proven highly successful. Through clear division of responsibilities and mutual respect, both leaders work seamlessly together, driving forward the digital transformation of PAYER while balancing professional growth with personal wellbeing.



# FACTS & FIGURES

16

DIFFERENT NATIONALITIES

57%

OF THE WORKFORCE IN  
PAYER HUNGARY ARE WOMEN



67%

OF THE WORKFORCE  
IN PAYER CHINA ARE WOMEN



52%

OF THE WORKFORCE IN  
PAYER AUSTRIA ARE WOMEN



23%

OF SUPPLIER FOR PAYER  
CHINA HAVE WOMEN AS LEADERS



36%

OF THE MANAGEMENT  
ARE WOMEN



40%

OF ADVISORY BOARD  
ARE WOMEN



## WORKING @ PAYER

As PAYER is owned by a family and has locations as well as customers all over the world, employees get the possibility to act in a global and – at the same time – in a familiar environment. The daily work is driven by Team Spirit and Passion to win. Employees share knowledge and ideas with each other and interact with respect. Furthermore, PAYER employees are determined to go the extra mile and want to accelerate the customers' growth.

## EMPLOYER TRANSPARENCY AND ENGAGEMENT ON KUNUNU

At PAYER, we believe that an open and honest dialogue with current and potential employees is an essential part of our corporate responsibility. To foster transparency and continuously improve as an employer, we actively maintain our company profile on Kununu, one of Europe's leading employer review platforms.

Kununu offers employees and applicants the opportunity to anonymously share their experiences and provide feedback on various aspects of their workplace, such as company culture, career development opportunities, work-life balance, management quality, and sustainability initiatives. In turn, we use this valuable input to identify strengths and areas for improvement, ensuring that we continue to build an engaging and attractive work environment.

Throughout 2024, we continued to share regular updates on our Kununu profile, offering insights into our working culture, our commitment to sustainability, employee events, development opportunities, and initiatives that make PAYER a unique employer. Our proactive communication helps potential candidates understand our values and daily work environment, while also giving our current employees a platform to share their voices.



**OVERALL COMPANY RATING**  
**4.2 OUT OF 5 STARS**

**88%** **RECOMMENDATION RATE**

**EMPLOYER ENGAGEMENT RATE:**  
consistently high,  
with active profile  
updates and response  
to feedback



**PARTICULAR STRENGTHS HIGHLIGHTED BY EMPLOYEES:**  
team spirit,  
respectful  
collaboration,  
and opportunities  
for personal and  
professional growth



These results encourage us to continue our journey as an employer of choice and strengthen our commitment to openness, feedback culture, and continuous improvement. We remain dedicated to creating an environment where all employees feel valued, heard, and empowered to grow.

## PAYER BENEFITS

We prioritize the well-being and success of our employees. Our comprehensive benefits package is designed to support our employees in their personal and professional growth. Our benefits go beyond the basics. We believe in investing in our employees' development. That's why we offer opportunities for ongoing training and professional development, as well as support for furthering education and career advancement. We also offer a range of benefits to help to achieve a healthy work-life balance. We're proud to offer a benefits package that reflects our commitment to our employees' well-being and success.



### FLEXIBLE WORK TIME MODEL

PAYER offers the option of flextime, taking time off in the form of individual hours, half and full days, as well as increased home office options, depending on individual needs.



### CANTEEN

PAYER employees get the possibility to buy food at each site and to spend their breaks in the respective canteen. Depending on the site, employees can order food from a delivery service at a central point of contact, buy sandwiches and other snacks or rather order food at the site.



### EDUCATION & TRAINING

PAYER has a clear focus on employee training and development at all levels. This includes, among other things, the PAYER Academy, partnerships with universities and career development and opportunities.



### PARKING & PUBLIC TRANSPORT

At each site, employees have the possibility to park their cars in front of the company. Furthermore, the locations can be reached by public transport on a regular basis.

## MORE BENEFITS



### FAMILY FRIENDLY COMPANY

PAYER is a company with a family atmosphere, where employees are not just a number and good cooperation is a top priority.



### INTERGENERATIONAL WORKING

Employees of all ages share knowledge and ideas with each other and interact with respect.



### OPERATIONAL HEALTH MANAGEMENT

PAYER offers extensive occupational health management to ensure the health & safety of our employees. This includes a company doctor, vaccinations, health tests and various health offers.



### EVENTS FOR EMPLOYEES

At PAYER, we host exciting cross-site events, such as the PAYER Technology & Innovation Day, as well as internal Christmas parties and joint celebrations at the sites.

## BOOMERANG EMPLOYEES

In 2024, we welcomed several "boomerang employees" across the PAYER Group. These are former team members who return to PAYER after gaining professional experience elsewhere. Their journeys reflect the evolving culture and attractive opportunities our company offers.

These returning employees highlighted the professional challenges, career development, and international environment that make PAYER stand out. They appreciate the opportunity to take on responsibility, work in a dynamic and supportive atmosphere, and continuously develop their skills through our dedicated training programs.

Boomerang employees are already familiar with the company culture, processes, and expectations, which allows for a faster and smoother reintegration. Having gained new skills and perspectives during their time away, they often return with fresh ideas and broadened expertise that can enrich their teams and drive innovation.

The decision of our former colleagues to rejoin PAYER is a strong confirmation of our efforts to create an engaging, forward-looking workplace. We are proud to welcome them back and continue shaping the future of PAYER together.



**PAYER - WE CARE**

### **PAYER AUSTRIA**

At PAYER Austria, we place great value on the health and well-being of our team. To actively support this, we've developed a dedicated and holistic initiative called "PAYER – WE CARE."

As part of this program, the "People" segment focuses on promoting both physical and mental health through a broad range of initiatives. These measures are designed to encourage healthy habits, offer support, and create a positive work environment. The program includes:

- A benefits platform with exclusive employee offers
- Financial support for purchasing a bicycle
- Partnerships with local retailers and providers offering employee discounts
- Collaboration with a nearby kindergarten to assist with childcare
- Access to occupational psychological counseling
- Subsidies for public transportation tickets
- Special energy provider deals available for employees
- Cooperation with Motel One for accommodation benefits
- Fitness programs and activities
- The "Healthy Month of May" initiative
- Weekly freshly prepared salad buffet
- Meal subsidies

### **HEALTHY MONTH OF MAY**

In order to promote a healthier lifestyle among its employees, PAYER Austria ran the annual "Healthy May" campaign — a dedicated initiative aimed at encouraging employees to integrate health and well-being into their daily routines.

Throughout the month of May, a variety of health-focused activities were offered. These included the daily provision of fresh fruit baskets across company locations, a weekly salad buffet every Thursday, and a nutritious muesli breakfast offered once during the month. These offerings not only supported healthy eating habits but also served as daily reminders of the importance of balanced nutrition.

Recognizing the benefits of physical and mental balance, PAYER Austria also provided yoga sessions under the titles "After Work Yoga" and "Healthy & Happy Yoga." These classes aimed to improve flexibility, reduce stress, and enhance muscular strength, contributing to overall well-being.

With the "Healthy Month of May" initiative, PAYER Austria is actively fostering a culture of health and wellness. By offering healthy food options and opportunities for physical activity, the company promotes awareness of well-being, strengthens employee engagement, and contributes to a more positive and supportive working environment.



## FIT@PIT

The internal sports club FIT@PIT represents a unique initiative at PAYER Austria, as it was founded and is actively organized by our own employees. With financial support from the company, FIT@PIT offers a range of sports activities specifically designed to meet the interests and well-being of our workforce. Each participant also receives a personalized FIT@PIT shirt as a gesture of appreciation, reinforcing a sense of belonging and team identity.

This initiative aims to foster a sense of community and promote physical activity in a supportive and engaging environment. Our aim is to come together once a month in an active setting outside of work to enjoy some exercise and strengthen our team spirit through shared experiences.

Activities in 2024 included bowling, archery, and paintball. A highlight of the year was once again our participation in the Graz Business Run, where employees not only delivered strong performances but also enjoyed a day of team spirit and camaraderie in ideal conditions.



## PAYER HUNGARY:

### SUPPORT FOR FAMILIES

Understanding the financial burden of back-to-school expenses, we provided support to colleagues whose children started school in the autumn, helping to ease this important transition for families.

### SUMMER CAMP

One of our greatest joys in 2024 was once again organizing a summer camp for the children of our employees. This time, the camp took place in the picturesque Nomádia Event Park, offering an unforgettable experience for 24 children. Throughout the week, they enjoyed a variety of exciting programs and carefree fun, creating memories to cherish.

PAYER made it possible for the children to spend part of their summer break actively and joyfully, while also providing great support for parents during the long school holiday. The camp's goal was to offer children a safe, enriching environment where they could enjoy a meaningful and entertaining week, allowing their parents to focus on their daily work with peace of mind.



## **PAYER CHINA**

To ensure that our efforts are aligned with the actual needs and perceptions of our workforce, we conducted our annual Employee Satisfaction Survey in PAYER China — a cornerstone of our internal feedback culture. With an impressive participation rate of 95%, the survey once again demonstrated the strong engagement and openness of our teams. The overall satisfaction score reached 96.5%, marking a notable increase compared to the previous year (94.83%) and confirming that our people-focused initiatives are making a positive impact.

The survey explored six essential dimensions of the employee experience:

- Working conditions
- Compensation and job-related benefits
- Opportunities for personal development
- Communication and collaboration within teams
- Quality of leadership and management practices
- Overall satisfaction with PAYER as an employer

To capture both quantitative and qualitative feedback, we included a combination of multiple-choice items and open-ended questions. This approach provided not only data, but also deeper insights into what matters most to our employees — what they appreciate, what they hope for, and where they see room for improvement. The results are already being used to shape upcoming initiatives and reinforce areas where our culture is particularly strong. By consistently listening, responding, and evolving together, we aim to create a work environment where people thrive — personally and professionally. At PAYER China, team spirit is not just a concept — it is a lived experience that continues to grow stronger with every shared moment, every open conversation, and every step we take together.

## **PAYER MALAYSIA:**

### **LUNCH GATHERING**

PAYER Malaysia organized a lunch gathering for all employees, designed to strengthen team spirit and celebrate shared values. A key highlight of the event was an inspiring talk by Sean Hui, Head of Operations, who spoke about the importance of teamwork and personal growth within the PAYER Group. The event was further enriched by the participation of colleagues from PAYER China, whose presence underscored the value of cross-border collaboration and unity within the global PAYER community.

The lunch gathering reinforced the core values of “PAYER – WE CARE”. Events like this help create a positive work environment and contribute to a culture where people feel valued and empowered.



## WORKERS IN THE VALUE CHAIN

At PAYER Group, our commitment to our core values is unwavering. We prioritize the safety and wellbeing of our employees, the protection of the environment, and the prosperity of the communities in which we operate. Guided by our principles of social responsibility, we strive to embed sustainability across every aspect of our operations — from sourcing raw materials to final procurement decisions.

We fully recognize our responsibility to ensure fair, ethical, and respectful treatment of workers throughout our entire value chain. To this end, we have established clear expectations for our suppliers, which are set forth in the PAYER General Terms and Conditions of Purchase and our Supplier Code of Conduct, introduced in 2023. This Code emphasizes critical areas such as labor rights, the prevention of human trafficking, minimizing environmental impacts, and upholding ethical business practices. By focusing on these priorities, we aim to strengthen the sustainability of our operations and foster a more responsible and ethical global supply chain. Our approach includes:

- Strict adherence to the laws and regulations in every country where we operate.
- Promotion of exemplary standards across economic, social, ethical, and environmental dimensions.
- Proactive identification and mitigation of risks associated with our procurement activities.
- Transparent sharing of our standards with all stakeholders and active engagement with suppliers to raise awareness.

Aligned with our commitment to the highest ethical and sustainability standards, we expect our suppliers to embrace and uphold the following principles:

- Compliance with Laws and Regulations
- Fair and Safe Working Conditions
- Environmental Responsibility
- Ethics and Integrity
- Data Protection and Data Security
- Fair Competition

In particular, regarding working conditions, we require our business partners to ensure that all employees are treated with fairness and respect and work in environments that are safe and healthy. Specifically, this includes:

- Full compliance with applicable labor laws, including regulations on working hours, wages, and employee benefits.
- Maintenance of a safe, sanitary, and health-compliant working environment.
- Zero tolerance for any form of discrimination, whether based on gender, skin color, religious beliefs, nationality, sexual orientation, or other personal characteristics.
- Absolute prohibition of child labor, ensuring that no individual below the legal minimum age is employed.
- Strict prohibition of forced or compulsory labor, guaranteeing that all employment is freely chosen and without coercion.

We are committed to continuously improving our sustainable procurement practices by regularly reviewing, refining, and enhancing our standards. Through this ongoing process, we aim to strengthen the resilience of our supply chain and promote a culture of responsibility and sustainability among all our partners.



## SUSTAINABLE PRODUCTS FOR OUR CONSUMERS AND END-USER

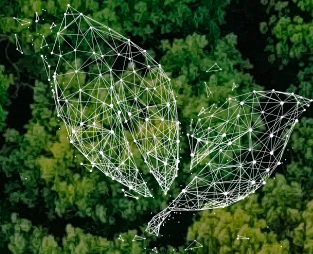
At PAYER Group, we are deeply committed to integrating sustainability into every step of our product development and manufacturing processes. Our goal is to create innovative solutions that not only meet the highest standards of quality and functionality but also minimize environmental impact across the entire product life cycle.

We actively collaborate with our customers and suppliers to select sustainable materials, increase the use of recycled and recyclable components, and design products that are durable and resource-efficient. By leveraging eco-friendly design principles and state-of-the-art technologies, we ensure that our products contribute to a circular economy and reduce waste generation.

Beyond compliance, we strive to exceed environmental standards, continuously evaluating and improving our processes to lower carbon emissions and conserve energy and water resources. Transparency is key: we openly communicate the environmental benefits of our products, empowering our customers and end-users to make responsible choices.

Through our sustainable product initiatives, PAYER Group reinforces its commitment to shaping a greener future — creating lasting value not only for our customers but also for society and the environment.





# OUR COMPANY GOVERNANCE ASPECTS



# OUR COMPANY

## GOVERNANCE ASPECTS

### BUSINESS CONDUCT

#### COMPLIANCE ORGANIZATION AT PAYER GROUP

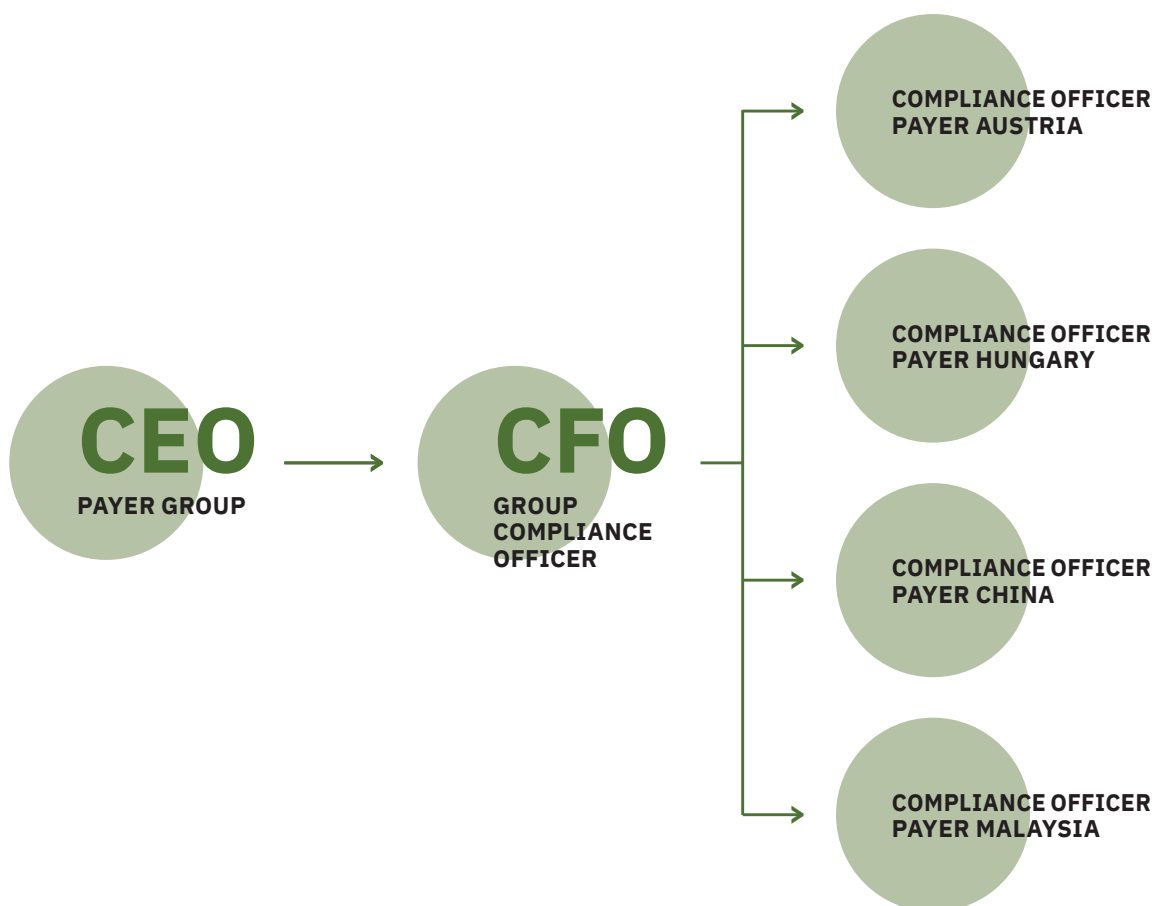
At PAYER Group, we recognize that a robust compliance structure is essential to uphold our values of integrity, transparency, and accountability. To effectively ensure compliance with all relevant regulations and internal guidelines, a dedicated compliance organization has been established across the Group.

#### MANAGEMENT RESPONSIBILITY

The primary responsibility for compliance lies with the respective management at each level of the organization. Management is accountable for integrating compliance into daily business activities and for establishing processes that ensure adherence to legal and ethical standards. To support management in fulfilling this role, PAYER Group has implemented a structured compliance organization that provides guidance, oversight, and support in critical compliance matters. This organizational structure promotes clear accountability and facilitates effective risk management throughout the company.

#### STRUCTURE OF THE COMPLIANCE ORGANIZATION

The compliance organization at PAYER Group operates under the leadership of the CEO of PAYER Group, who holds ultimate responsibility for compliance within the company. Reporting directly to the CEO is the CFO, who also serves as the Group Compliance Officer. The Group Compliance Officer coordinates compliance activities across all sites and provides overarching guidance on compliance issues.



Supporting the Group Compliance Officer are designated Compliance Officers at each PAYER location:

- Compliance Officer PAYER Austria
- Compliance Officer PAYER Hungary
- Compliance Officer PAYER China
- Compliance Officer PAYER Malaysia

These officers act as local points of contact for compliance-related matters and ensure that global compliance standards are effectively implemented at the site level.

### RESPONSIBILITIES OF THE COMPLIANCE OFFICERS

The Compliance Officers at PAYER Group are entrusted with specific responsibilities related to key risk areas, including:



#### ANTITRUST LAW:

Ensuring fair competition and preventing anti-competitive practices.



#### CORRUPTION

Monitoring and preventing all forms of bribery and corrupt behavior.



#### FRAUD

Addressing internal incidents of theft, fraud, embezzlement, or acts of disloyalty.



#### CONFLICTS OF INTEREST

Identifying and mitigating situations where personal interests could conflict with company interests.

This clear delineation of responsibilities ensures that compliance risks are proactively managed, and that violations are swiftly addressed.

### CROSS-FUNCTIONAL COLLABORATION

While Compliance Officers focus on critical areas such as anti-corruption and antitrust, other compliance topics — including environmental protection, tax compliance, labor law, employee protection, accounting standards, and data privacy — are managed by specialized departments within the organization. This integrated approach guarantees comprehensive coverage of all compliance topics and reinforces our commitment to ethical and lawful business practices.

Through this structured and collaborative compliance framework, PAYER Group safeguards its reputation, fosters a culture of accountability, and strengthens its long-term sustainability.

### COMPLIANCE AT PAYER GROUP: UPHOLDING INTEGRITY AND RESPONSIBILITY

At PAYER Group, compliance is not merely an obligation but a core pillar of our corporate culture. Our commitment to responsible, ethical, and lawful conduct underpins every decision we make and every partnership we pursue. Operating globally across the fields Consumer Goods and Medical, we recognize that compliance transcends borders. It encompasses respect for human rights, environmental stewardship, fair labor practices, anti-corruption measures, data protection, and transparent governance.

Our comprehensive framework of policies and guidelines ensures that all employees, suppliers, and business partners act in accordance with our values and legal obligations. Through continuous education, transparent communication, and effective monitoring, we strive to foster a culture of integrity and accountability. This chapter outlines the principles enshrined in our internal policies and how they form an integral part of our sustainability journey.

## PAYER CODE OF BUSINESS CONDUCT

The PAYER Code of Business Conduct serves as the foundation of our compliance landscape. It embodies our values and establishes the minimum standards for ethical behavior and legal compliance across our global operations.

### CORE PRINCIPLES AND RESPONSIBILITIES

Every employee at PAYER is personally accountable for understanding and adhering to the Code. Our approach is simple yet powerful: we expect every individual to act lawfully, ethically, and with integrity at all times. When uncertainties arise, employees are encouraged to consult their managers or the Human Resources department, ensuring clarity and alignment with our ethical standards.



**The Code reinforces our unwavering commitment to:**

**Compliance with Laws and Regulations:** Employees must fully understand and comply with all applicable laws, internal regulations, and industry standards relevant to their role.



**Respect for Human Rights:** Rooted in the UN Charter and the European Convention on Human Rights, PAYER explicitly prohibits human trafficking, child labor, forced labor, and any form of discrimination or harassment. We champion diversity, equity, and inclusion in our workplace and in our interactions with external partners.



**Data Privacy and Protection:** Handling personal data responsibly is paramount. We are fully aligned with applicable privacy laws and adhere to stringent internal data protection guidelines.



**Conflict of Interest Management:** Employees must avoid situations where personal interests could conflict with the interests of PAYER. Transparency is essential — any potential conflict must be disclosed and managed appropriately.



**Fair Competition and Business Opportunities:** We actively promote fair competition and discourage any practice that might provide unfair advantages or harm our reputation.



**Anti-Corruption and Anti-Bribery:** Consistent with our dedicated policies, we maintain zero tolerance for bribery, corruption, or any form of unethical influence in our business dealings.



**Sustainability and Social Responsibility:** Our Code aligns with our broader sustainability goals, emphasizing responsible resource use, environmental protection, and positive contributions to the communities where we operate.

**“We are committed to advancing green sustainability by integrating eco-conscious practices into every production phase. Through rigorous process optimization, waste reduction, and adherence to global environmental standards, we ensure products meet both quality excellence and our planet’s long-term needs. Innovation and responsibility go hand in hand.”**



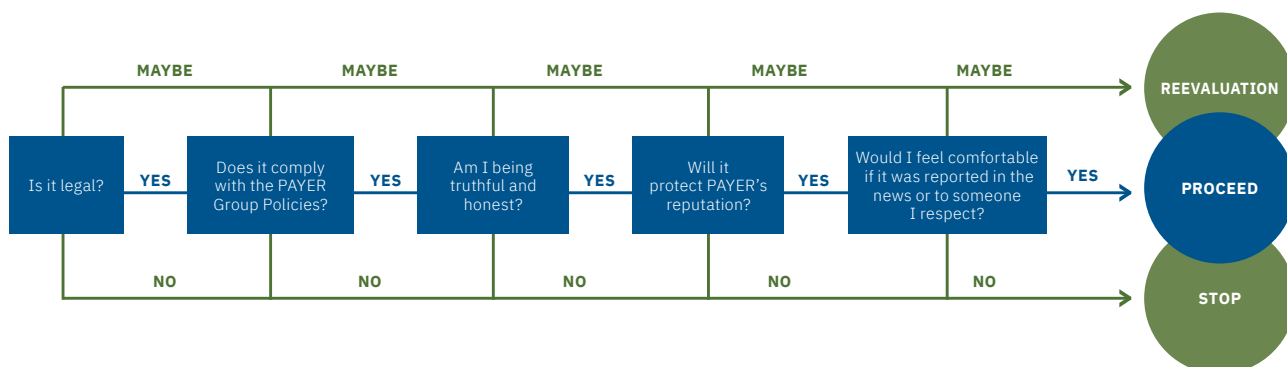
**Gary Dong**  
Supply Chain Manager  
PAYER China

The Code applies to all employees, including managers and company representatives, across all our global locations. Violations may result in disciplinary action, including termination of employment and potential legal consequences.

## A CULTURE OF ACCOUNTABILITY

Beyond written rules, our Code fosters a culture where doing the right thing is non-negotiable. We believe that ethical behavior cannot be delegated; it is a personal duty of each employee. By embedding these principles in our daily operations, PAYER strengthens trust with customers, partners, and society at large

This flowchart should serve as a decision-making aid for all our employees.



## ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

PAYER Group firmly stands against bribery and corruption in any form, at every level of our operations. Our Anti-Bribery and Anti-Corruption Policy underscores our unwavering commitment to integrity, transparency, and ethical conduct in all business dealings.

### ZERO TOLERANCE APPROACH

Bribery and corruption erode fair competition, damage trust, and tarnish reputations.

At PAYER, we strictly prohibit:

- Offering, promising, or giving anything of value to unduly influence business decisions.
- Accepting bribes, kickbacks, or improper payments from any party.
- Engaging in money laundering or maintaining off-the-books accounts.
- Circumventing legal requirements through unethical practices.

All employees and business partners are expected to comply with applicable anti-corruption laws, including but not limited to the UK Bribery Act and the US Foreign Corrupt Practices Act. Non-compliance can result in severe legal consequences and immediate termination of employment or contracts.

## ETHICAL HOSPITALITY AND GIFTS

We recognize that in certain cultures, modest gifts or hospitality may serve as gestures of good-will. However, PAYER maintains clear boundaries to ensure transparency and compliance: Any exchange of gifts or hospitality must be proportionate, transparent, and compliant with legal requirements. Lavish or frequent offerings are prohibited as they could create conflicts of interest or the appearance of impropriety. Our policy fosters a culture where business success is achieved through quality, service, and integrity — never through undue influence.

## IT GUIDELINES AND DATA PROTECTION

In the digital age, cybersecurity and responsible data management are essential components of corporate compliance. The PAYER Group IT Guidelines provide comprehensive directives to safeguard our information assets and ensure compliance with legal and regulatory obligations.

### PROTECTING DATA AND SYSTEMS

The guidelines apply to all employees and external partners accessing PAYER systems. Key principles include:

- **Data Confidentiality and Integrity:** Personal and business-critical data must be handled with utmost care, using secure systems and access controls.
- **Password Security:** Strong, unique passwords are mandatory, and password sharing is strictly prohibited.
- **Access Management:** Employees are granted only those access rights necessary for their role. Access is reviewed regularly and revoked when no longer required.
- **Secure Communication:** All data transfers must be secured, and confidential data must never be left unsecured or stored on personal devices.
- **Remote access** is tightly controlled through encrypted VPNs, and employees are continuously trained to recognize and prevent cyber threats such as phishing and social engineering attacks.

Through these measures, PAYER ensures the resilience of our IT infrastructure and the protection of sensitive data across our global operations.

### LABOR AND HUMAN RIGHTS POLICY

PAYER Group is deeply committed to respecting and promoting human rights. Our Labor and Human Rights Policy reflects our dedication to upholding dignity, fairness, and equal opportunity for all individuals associated with our operations and supply chains.

Fair and Equitable Treatment

We are steadfast in our commitment to:

- Providing safe, healthy, and respectful workplaces.
- Prohibiting discrimination based on race, color, gender, ethnicity, religion, or personal beliefs.
- Ensuring fair wages, reasonable working hours, and legally mandated benefits.
- Supporting freedom of association and collective bargaining rights.

PAYER expects the same standards from our suppliers and contractors, fostering an inclusive and responsible global supply chain.

### STANDING AGAINST EXPLOITATION

We categorically oppose child labor, forced labor, and any form of exploitation. Children under the age of 15 are not employed at PAYER, and we ensure that any young workers engaged in internships or apprenticeships are protected by robust safeguards concerning their well-being and education.

Through these commitments, we build an environment where every individual can thrive, and human rights are upheld without compromise.

### SUSTAINABLE PROCUREMENT POLICY

Recognizing our influence on global supply chains, PAYER has implemented a Sustainable Procurement Policy that emphasizes responsible sourcing and ethical partnerships.



## RESPONSIBLE SOURCING PRACTICES

We engage suppliers who share our commitment to:

- Compliance with Laws: Adhering to all applicable regulations, including labor, environmental, and trade laws.
- Environmental Stewardship: Minimizing environmental impact by prioritizing eco-friendly materials and practices.
- Ethical Conduct: Upholding human rights, fair competition and data protection.
- Risk Mitigation: Proactively identifying and addressing risks in procurement processes.

We actively collaborate with our suppliers to raise awareness and promote sustainable development throughout the value chain. Our approach ensures that our procurement decisions support both business excellence and societal good.

## HEALTH AND SAFETY POLICY

Ensuring the health and safety of our employees and partners is a cornerstone of PAYER's operational excellence. Our Health and Safety Policy affirms our dedication to creating and maintaining safe workplaces globally.

## PREVENTIVE MEASURES AND CONTINUOUS IMPROVEMENT

PAYER implements proactive risk management practices, including:

- Regular risk assessments and safety audits.
- Employee training programs focused on workplace safety and emergency response.
- Close collaboration with safety representatives and external experts.

We also require our suppliers and contractors to comply with equivalent health and safety standards, extending our commitment to safe working environments across our entire value chain. By embedding safety into our culture, we protect our people and strengthen our long-term resilience.



## WHISTLEBLOWING POLICY

Integrity thrives in an environment of openness and accountability. PAYER's Whistleblowing Policy empowers employees and stakeholders to report any suspected unethical, illegal, or dangerous conduct without fear of retaliation.

## SAFE REPORTING CHANNELS

All reports are treated with strict confidentiality, and whistleblowers are protected from discrimination or disciplinary action when acting in good faith.

Our policy covers:

- Fraud, corruption, and criminal activities.
- Violations of company policies or ethical standards.
- Environmental risks or safety deficiencies.

Reports can be submitted anonymously, and all allegations are thoroughly investigated. This ensures that ethical lapses are identified and addressed promptly, reinforcing our culture of transparency.

**”Sustainability in medical technology is increasingly significant from both ecological and economic perspectives. Companies integrating sustainable innovations such as resource-efficient processes, durable products, and circular designs create lasting value for patients, healthcare systems, and the environment**



**Stephan Stoiser**  
Business Development Manager  
Business Unit Medical

## SUPPLIER CODE OF CONDUCT

Our commitment to ethical practices extends beyond our internal operations to our global network of suppliers and partners. The Supplier Code of Conduct defines the expectations we place on our business partners regarding ethical behavior, human rights, environmental stewardship, and legal compliance.

Suppliers are required to:

- Comply with all relevant laws and regulations.
- Provide fair and safe working conditions.
- Uphold environmental responsibility.
- Reject corruption and promote fair competition.

We engage in continuous dialogue with our suppliers to ensure these standards are met and improved over time. Non-compliance may lead to the termination of business relationships, underscoring our zero-tolerance approach to ethical breaches.

At PAYER Group, compliance is an integral part of our corporate identity and sustainability strategy. Our policies collectively foster an environment where ethical conduct, legal compliance, and respect for human dignity are non-negotiable. Through transparent governance, continuous improvement, and collaborative engagement with employees and partners, we build a responsible and resilient future.

Our unwavering dedication to compliance not only protects our business but also strengthens the trust of our stakeholders, supports sustainable development, and reinforces our role as a responsible global corporate citizen.

## DATA SECURITY & PRIVACY

Data security and privacy as well as the security of the whole PAYER IT infrastructure are essential and of extreme importance to PAYER. IT security is vital as it protects against data breaches, cyberattack and other threats that endanger business operations, intellectual property and the privacy of customer data. This is why PAYER has established strong IT security measures that protect our IT infrastructure and our data. IT security and data privacy are closely connected, as strong security measures ensure the protection of sensitive information from unauthorized access.

In 2024, the IT security measures were tightened up even further. Numerous additional protective measures were introduced at all four PAYER sites. All preexisting protective measures were evaluated and reassessed. It must be ensured that the IT security systems, such as but not limited to firewalls, antivirus software and network design, are state-of-the-art. New IT security features and systems were implemented, and existing ones were upgraded and strengthened. This required close cooperation between the IT departments of all four PAYER sites and rigorous implementation of the defined measures.

In order to ensure a uniform approach and a group-wide information security standard, existing information security policies were tightened, and new information security policies were added in 2024 as part of this IT security and data protection project. These documents were released via the standardized document control process.

Furthermore, knowledge and awareness on the topic of IT security had to be strengthened to protect company and customer data as well as the IT infrastructure and IT systems with appropriate measures. This applies not only to employees from the IT departments, but to all PAYER employees across all 4 PAYER sites. This was done in 2024 by conducting classroom trainings, sending out IT security newsletters to all employees and by performing phishing campaigns.



## SUPPORTING SOCIETY

### STAKEHOLDER ENGAGEMENT AT PAYER:

**TRANSPARENT, DIALOG-ORIENTED AND COOPERATIVE**  
At PAYER, we continuously reflect on the needs and expectations of our diverse stakeholder groups across the entire value chain. Our regular interactions with customers, employees, suppliers, and partners provide us with valuable insights that guide our approach to engagement and help us align our sustainability activities accordingly.

#### TRANSPARENT COMMUNICATION – SHARING INFORMATION OPENLY

Transparency is a cornerstone of our stakeholder communication. We keep our stakeholders regularly informed about corporate developments, innovations, and sustainability initiatives through multiple channels. These include our company website, press releases, social media updates, business and sustainability reports, as well as regular employee communications. Internally, we maintain close contact with our teams through formats such as our employee newsletter and updates via internal communication platforms. Furthermore, the PAYER Leadership Summit Day serves as an inspiring platform to share progress and best practices.

#### CONSULTATION & DIALOGUE – LISTENING, LEARNING, AND RESPONDING

We value open dialogue with our stakeholders and continuously seek their feedback to improve our actions and strategies. Regular exchanges happen through personal conversations, virtual or phone meetings, customer visits, trade fairs and industry conferences. Employee feedback plays a vital role at PAYER. We actively involve our teams through regular surveys and pulse checks. These insights help us identify priorities and areas for improvement, fostering an inclusive work-place culture. In addition, our leadership fosters direct dialogue through regular internal updates and management meetings.

#### ACTIVE PARTICIPATION – COLLABORATION FOR SUSTAINABLE PROGRESS

Beyond our internal efforts, PAYER actively participates

in numerous industry initiatives and networks to promote sustainable development. Our management team and technical experts contribute to forums, working groups and advocacy platforms, sharing expertise and helping to shape future-oriented solutions.

We collaborate closely with industry partners, academic institutions, and innovation networks to drive technological advancements that support our sustainability goals. For example, through partnerships and joint projects, we are exploring ways to increase the use of sustainable materials, improve energy efficiency and reduce our overall carbon footprint. These collaborations enable us to remain at the forefront of innovation while strengthening our commitment to environmental and social responsibility.

Our multi-faceted stakeholder engagement approach – based on transparency, dialogue, and active participation – ensures that we understand the expectations of those around us, integrate valuable feedback, and jointly shape the sustainable future of PAYER. This ongoing exchange is a key driver of our continuous improvement and a cornerstone of our responsibility as a globally operating company.



#### STYRIAN EXPORT DAY 2024: EXPLORING OPPORTUNITIES AND TRANSFORMATION IN EASTERN EUROPE

As part of our ongoing efforts to engage with regional and international economic dialogues, PAYER participated in the Styrian Export Day 2024, held under the theme “Success story Eastern Europe | positive transformation, geopolitical rifts – and the future?”. This key event brought together business leaders, experts, and decision-makers to explore both the opportunities and the challenges facing the Eastern European market. Representing PAYER on the main stage, our Chief People & Culture Officer, Daniela Riedler, shared valuable insights into our company’s activities and experiences in this dynamic region. Her contribution highlighted how PAYER navigates the complexities of the geopolitical landscape while continuing to seize growth opportunities and drive positive transformation.

## CORPORATE CARBON MANAGEMENT AT ESIB 2024

Actively contributing to the dialogue on sustainability and climate responsibility is a central part of our mission at PAYER. We were therefore proud to be represented at the European Summit of Industrial Biotechnology (ESIB) 2024 by our Chief People & Culture Officer and Sustainability Officer, Daniela Riedler, together with Adrian Danzl, environment, social and governance & Sustainability Assistant.

As part of an engaging World Café session, our experts led discussions on the topic of Corporate Carbon Management, sharing practical insights and fostering an open exchange of ideas with participants from various industries. The interactive format enabled a lively and productive dialogue, structured into several dynamic stages: The session began with a concise Q&A on stage, setting the scene for the discussions that followed. Participants then engaged in three interactive discussion rounds, supported by visual summaries of key insights and best practices. To conclude, the moderators presented two concise “keep in mind” statements, capturing the essence of the workshop and providing participants with clear, actionable takeaways. This successful contribution once again highlights PAYER’s active role in shaping the conversation around corporate climate strategies and our firm commitment to advancing sustainable practices within our industry and beyond.



## PARTICIPATION IN SUSTAINABILITY BUSINESS TALK 2024

PAYER took part in the 3rd Sustainability Business Talk held in Graz – a specialist event designed for sustainability professionals from across Austria. Organized by the Silicon Alps Cluster, the gathering brought together representatives from leading companies from the automotive, production, logistics and energy sector, offering a valuable platform for exchange on current environment, social and governance challenges.

The focus of the session was the materiality assessment process – a cornerstone of sustainability reporting under the new ESRS. In an interactive workshop, participants explored practical methods for identifying and evaluating material topics while aligning them with stakeholder expectations. A hands-on materiality toolkit provided during the session gave participants immediate resources to support implementation in their own organizations. A key highlight of the event was a Fishbowl-style panel discussion, where PAYER, alongside with representatives from other companies, shared experiences from their own materiality assessments. PAYER presented its internal methodology, which includes both inside-out and outside-in perspectives, ensuring that both impacts and financial relevance are considered. The process was supported by external consultants and included broad internal and external stakeholder engagement, including structured survey formats.

Key takeaways from our shared experience included:

- Integration of double materiality (impact and financial perspectives)
- Inclusion of the entire value chain – from procurement and suppliers to distribution
- Involvement of external stakeholders to validate internal assessments
- A standardized scoring system for evaluating and prioritizing key topics

Participation in the Sustainability Business Talk offered not only valuable networking opportunities, but also important input for enhancing our internal sustainability management processes. The exchange confirmed that we are on the right path and encouraged us to further embed the outcomes of our materiality analysis into our Sustainability Strategy 2025+.





## CORPORATE SOCIAL RESPONSIBILITY

### AUSTRIA



#### CARNIVAL DOUGHNUTS

To bring some joyful color into the working day, we celebrated Carnival Tuesday with a sweet surprise for our employees. True to the festive spirit, delicious doughnuts brightened the day and created cheerful moments across our teams. Small gestures like this strengthen our community and bring energy to the workplace.



#### EASTER GIFTS

Spring at PAYER is always a time for celebrating traditions. At our Austrian site, the Easter bunny made an early visit, delighting employees with traditional yeast pancakes and colorful eggs. Meanwhile, in Hungary, a farmers' market at the site offered regional specialties to mark the season. These activities not only celebrated the Easter holiday but also fostered local connections and an appreciation for culinary traditions.



#### CAREER EXPERIENCE DAYS

Inspiring the next generation is a key element of our social responsibility. During the "Berufserlebnistag Technik" initiative, we welcomed two school classes to our Austrian site in St. Bartholomä. Students explored various departments, including toolmaking, design, injection molding, and measurement techniques. Guided by our passionate employees, the young visitors gained valuable insights into industrial processes. The day ended with a lively quiz and presentations to parents, creating lasting impressions and sparking interest in technical careers.



#### EUROPEAN SOCCER

##### CHAMPIONSHIP COMPETITION

Sporting spirit is part of our DNA at PAYER. During the excitement of the UEFA Euro 2024, we brought the tournament atmosphere into our company with an internal prediction game. Employees guessed the outcomes of key matches, and the lucky winners were rewarded with Austria national team jerseys. This initiative was a fun way to share the excitement of the championship and strengthen our team spirit.

#### “KRIACHERL” HARVEST



On our company grounds, a flourishing Kriacherl tree provided an abundant harvest this year. Embracing our commitment to sustainable resource use, our colleague Katharina Klinger took the initiative to harvest the fruit and create homemade jam. This small but meaningful example reflects our ethos of avoiding waste and appreciating nature's gifts in our daily working environment.

#### BEEKEEPING AND HONEY



Since 2021, two beehives on our premises in St. Bartholomä have played a valuable role in supporting biodiversity. Our collaboration with a local beekeeper not only helps protect the bee population but also rewards us with delicious, locally produced honey. Regular visits from the beekeeper ensure that the hives remain healthy and thriving, offering us the opportunity to enjoy the fruits of sustainable, regional production.

#### RENOVATION OF OUTDOOR AREAS



Creating a welcoming and modern workplace environment is part of our ongoing commitment to our employees and visitors alike. In summer 2024, we completed extensive renovation work at our Austrian site. The newly paved forecourt, vibrant new plantings, and our refreshed welcome signage with three flags now present our site in an inviting new look. These improvements enhance both functionality and aesthetic appeal, underlining our dedication to continuously improving our infrastructure.

#### END-OF-SUMMER CELEBRATION



As summer drew to a close, we celebrated with our employees under the motto “End of Summer.” The event featured a relaxed atmosphere with a casual barbecue, vegan ice cream, and engaging conversations. A fun guessing game about the average age of our employees added extra excitement, with prizes for the winners. It was a special pleasure to welcome colleagues from PAYER China and Malaysia, making the event a truly international occasion of togetherness.

#### TREE SPONSORSHIP



Our commitment to regional sustainability took tangible form through the sponsorship of a horse chestnut tree at Kaiser-Josef-Platz in Graz. Dedicated to our internal Sustainability Team, which received the Value Creation Award at our Global Innovation & Value Creation Day, the tree stands as a living symbol of our efforts to support urban greening and recognize outstanding employee engagement in sustainability initiatives.

#### ADVENT CALENDAR



To bring festive cheer to the workplace, employees in Austria and Hungary received a special Advent calendar in 2024. The highlight: this year, the calendars featured some of our own employees, turning it into a celebration of our fantastic team spirit. Such initiatives create moments of anticipation and shared joy throughout the holiday season.

#### CHRISTMAS CELEBRATION



The end of the year offered a wonderful opportunity to reflect and celebrate our achievements together. At our Austrian site, we hosted an atmospheric Christmas party at a local Buschenschank, where colleagues enjoyed a festive buffet and live music. A highlight of the evening was the recognition of our long-serving employees, whose loyalty and contributions were celebrated in a heartfelt manner. These gatherings strengthen our team spirit and set a positive tone as we move into the new year.

#### CHRISTMAS TREE BALL CAMPAIGN



This year, we once again combined festive tradition with social responsibility through our Christmas Tree Ball Campaign. Employees at our Austrian site donated glittering ornaments from their personal collections to decorate the company tree. For each ornament, PAYER donated €10 to the charity initiative “Steirer helfen Steirern”. Together, we raised €1,000 to support people in need in our region, demonstrating how shared actions can make a meaningful impact.

## HUNGARY

In 2024, we at PAYER Hungary continued our tradition of making daily life more colorful with a variety of engaging programs. Our goal was to combine education with fun and to integrate important corporate policies and information playfully into our Corporate Social and Environmental Responsibility events.



### SPRING

At the beginning of the year, we organized Pancake Day, a farmers' market, and participated in a national cleanup campaign. We held a blood donation day in collaboration with the Red Cross and a theater quiz to celebrate World Theater Day.



### SUMMER

We also conducted factory meetings where we reported on our achievements, occupational safety KPIs, ongoing projects, and upcoming events. In the summer, we distributed ice cream to provide our colleagues with a refreshing break from the heat.



### EUROPEAN SOCCER CHAMPIONSHIP

During the European Championship, we enthusiastically cheered for the Hungarian team and organized quiz games with prizes that delighted our winners.



### OPEN FACTORY AND START OF SCHOOL

Another major event was our Open Factory Afternoon, where family members and job seekers had the opportunity to visit us. The factory tour was a great success, followed by friendly discussions and, of course, ice cream.



### AUTUMN

As autumn arrived, we remained just as active. Our Autumn Farmers' Market brought a variety of delicious local products, and our Pumpkin Day turned into an exciting event series, featuring quizzes, costume contests, pumpkin carving, and even a special pumpkin-flavored coffee tasting.



**Sustainability within People & Culture is a strategic pillar that ensures an inclusive, equitable, and empowering work environment while fostering employee well-being and community impact. By integrating responsible practices such as diversity, professional growth, and ethical labor policies, we embed sustainability into the core of organizational culture.**



**Ildiko Firkola**  
People & Culture Partner  
PAYER Hungary

### FESTIVE SEASON



With the holiday season approaching, we continued our long-standing tradition of charity fundraising, partnering for the 9th consecutive year with the Ajka Family Support Centre to support those in need during the festive season.

### CHRISTMAS SEASON



Bringing holiday cheer, Santa Claus visited us and gifted every child under 14. Our colleagues embraced the holiday spirit, forming dedicated teams to decorate the offices, reception area, and restaurant, ensuring a warm and festive atmosphere throughout the workplace. The Christmas celebration was, as in previous years, a heartfelt and special event. The members of the management team expressed their gratitude in their holiday speeches, acknowledging the dedication and hard work of all PAYER Hungary employees throughout the year.

During the festive season, we launched the "Let the PAYER Christmas Tree Reflect Our Diversity" initiative, where our colleagues decorated the company Christmas tree with ornaments brought from home. Each ornament represented a 10 EUR donation to the organization that received the most votes from our employees. In 2024, thanks to this collective effort, we proudly supported the Evelin Foundation for Recovery and Future with a 1,000 EUR donation, contributing to their meaningful cause.

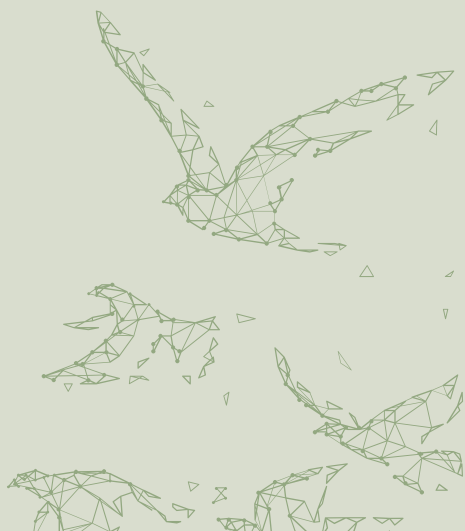


## CHINA

### CHINESE NEW YEAR

To mark the beginning of the Year of the Dragon, PAYER China hosted a festive New Year celebration, bringing together employees from across the organization for an evening of appreciation, culture, and shared success. The event served as a meaningful occasion to honor the commitment and contributions of the entire team.

The celebration began with an opening speech of the General Manager, who reflected on the achievements of the past year and shared a forward-looking message aligned with the company's values and aspirations. This was followed by a vibrant program of dance and musical performances, showcasing the talent and creativity of our employees and underscoring the strong sense of community at the site.



### SPRING OUTING

A standout highlight was our company-wide spring outing in April 2024, where all employees were invited to step away from their usual routines and spend a full day together in a relaxed and scenic setting. The event took place against the backdrop of nature, where laughter echoed across hiking trails, picnic areas, and open green spaces. Colleagues from all departments — from production to administration — came together to enjoy outdoor activities, informal games, and team challenges that encouraged collaboration and lighthearted interaction. The day was more than just a break from work — it was a chance to connect across hierarchical and departmental lines, strengthen relationships, and experience what makes PAYER unique as a workplace: our team spirit, openness, and genuine interest in one another. These shared experiences help foster a sense of identity and pride, reinforcing that each individual plays an important role in our collective journey.



### REGULARLY BIRTHDAY CELEBRATIONS

In addition to these larger-scale events, we maintained one of our most cherished traditions: the monthly birthday celebrations. Each month, employees whose birthdays fall in the same period are recognized in a casual and friendly gathering. With music, snacks, small gifts, and warm congratulations, these moments create space for recognition and appreciation in everyday life. They offer the chance for spontaneous conversations, smiles over cake, and a brief pause to simply celebrate the people behind the work.

These initiatives, though simple in form, have a powerful effect: they strengthen interpersonal bonds, promote a culture of inclusion and respect, and increase the emotional connection of employees to the company. They reflect our deep conviction that sustainable success is built not only through KPIs and innovation, but above all through the well-being and motivation of our people.

By investing in meaningful employee experiences, we create a work environment that is not only productive, but also human — a place where individuals feel seen, valued, and part of something greater.

## MALAYSIA



### NEW YEAR CELEBRATION

As the Chinese New Year 2024 approached, we at PAYER extended our warmest wishes to all employees, clients, and partners around the world with a big party at our Malaysian site.

Marking the start of the Year of the Dragon, the festivities were celebrated in full swing at our site in Malaysia. This time of family reunions, joyful gatherings, and cultural traditions brought vibrant energy to our global team.



### PAYER MALAYSIA ANNIVERSARY

A special milestone marked the year at our Malaysian site: PAYER Malaysia proudly celebrated its first anniversary. The event was an opportunity to reflect

on a year of remarkable achievements and growth. Thanks to the dedication and hard work of the entire team, our youngest location has already made significant strides. The celebration underscored our shared success and strengthened the bonds within our global organization.



### HARI RAYA CELEBRATION

Our colleagues at PAYER Malaysia gathered to celebrate Hari Raya in a joyful and festive atmosphere. With lively music and a delicious buffet, employees came together to honor tradition and enjoy the celebration as one team. Moments like these foster cultural appreciation and reinforce

the sense of community that defines the spirit of PAYER.



### HANDBALL & BADMINTON MATCHES

Team spirit extends beyond the workplace! At PAYER Malaysia, employees took part in a handball match and Badminton game to strengthen camaraderie and teamwork. Activities like these promote not only physical well-being

but also a strong sense of unity across our teams worldwide. United by shared goals and energy, we continue to build strong connections globally.



### OUTPUT CELEBRATION

Celebrating achievements is an essential part of our culture at PAYER. Recently, PAYER Malaysia hosted a special event to mark the impressive milestone of producing one million units.

The evening also honored employees celebrating birthdays in July and August. The event featured heartfelt words of appreciation from the management team, gift-giving for birthday celebrants, and a delightful dinner at Santai by The Garden. The celebration was a wonderful opportunity to recognize hard work, enjoy good company, and look forward to future successes together.



### OPEN INTERVIEW DAY

PAYER Malaysia actively participated in the Open Interview Day hosted by the Social Security Organization (SOCSO) at Central Square in Sungai Petani. The event provided a valuable platform for

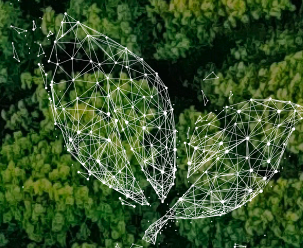
job seekers to engage directly with PAYER representatives, explore career opportunities, and present their skills. This initiative reflects our commitment to supporting workforce development and fostering meaningful connections within the community. The day was a success, helping build bridges between employers and future talents.



### CHRISTMAS PARTY

The festive spirit knows no borders at PAYER! Our team in Malaysia celebrated Christmas with joy and enthusiasm, bringing holiday cheer into the workplace. A cheerful dance

performance by our colleagues perfectly captured the lively mood of the season. These moments of shared celebration highlight our global culture of togetherness and the unique ways our teams across the world embrace festive traditions.



# REVIEW & OUTLOOK



# REVIEW & OUTLOOK



## WHAT WE ACHIEVED

What We Achieved The year 2024 marked a significant chapter in the PAYER Group's sustainability journey — one defined by measurable progress, growing internal engagement, and external recognition. A highlight was the awarding of the EcoVadis Gold Medal in June, placing PAYER among the top 5% of manufacturers in the domestic appliances sector. Skipping the Silver Medal stage entirely, this distinction underscores the effectiveness of our efforts and reflects the trust of our downstream partners, who increasingly prioritize sustainability in their value chains.

Our commitment to aligning with the European Sustainability Reporting Standards advanced notably this year. With the guidance of external experts, we intensified internal cooperation, strengthened environment, social and governance -related knowledge, and expanded our capabilities — particularly in advancing the completion of our corporate greenhouse gas inventory, laying the foundation for transparent and responsible climate action.

Academic collaboration also played a key role in our progress: two master's theses, conducted in cooperation with the Technical University of Graz, focused on integrating sustainability into our product development process and optimizing our production site's energy performance. These projects combined scientific rigor with practical implementation, offering new momentum for long-term improvements in environmental performance.

Looking back, 2024 stands as a year in which we translated ambition into action. The combination of internal advancement and external acknowledgment motivates us to continue on this path — with confidence, responsibility, and a clear goal: to shape a more sustainable future for our company, our partners, and our planet.

We thank all employees, partners, and collaborators who contributed to these achievements. Together, we will keep moving forward — with purpose and impact.



### ENVIRONMENTAL

The calculation of most of the category of greenhouse gases, refers to indirect emissions through the consumption of energy 3 greenhouse gas emissions in three out of four PAYER production sites

The identification and implementation of measures to reduce the energy consumption in PAYER Hungary and PAYER Austria, prepared by two consecutive Energy Flow Analyses in 2023 and 2024.

The realization of a Life Cycle Assessment of a flagship shaver product.

The development of a new product development workflow, implementing sustainable principles.



### SOCIAL

Receiving 0% reports regarding infringing human rights every year

Exclusive selection of and cooperation with suppliers who renounce child labor to 100%



### GOVERNANCE

Implementation of further Compliance Policies in the subject areas of Anti-Bribery and Anti-Corruption, Labour and Human Rights, Modern Slavery and Forced Labor, Environment, Health and Safety and Sustainable Procurement

0% confirmed grievances or unlawful behavior in the company

100% data protection and protection of whistleblowers

## FINAL REFLECTIONS AND PATH FORWARD

With the publication of last year's Sustainability Report, the PAYER Group took its first structured steps toward aligning with the European Sustainability Reporting Standards. While our reporting efforts are not yet fully compliant with the regulatory framework, we view each reporting cycle as a valuable learning opportunity — and as a commitment to continuous improvement.

The initial calculation of our greenhouse gas inventory in 2023 marked an important milestone in our environment, social and governance journey. It also provided our sustainability team with first-hand experience of the complexity and time investment required to collect and validate data across the organization. It quickly became clear that integrating environment, social and governance reporting into our processes would demand not only technical accuracy but also broad-based employee involvement and awareness.

Since then, we have worked continuously to refine our internal structures and expand our data foundations. The current 2024 report already reflects progress: more detailed disclosures, improved contextualization of KPIs, and more consistent documentation of our sustainability initiatives.

We are aware that this path is ongoing — but we remain fully committed to developing our reporting standards year after year. By doing so, we are laying a solid foundation for future compliance and, more importantly, for creating genuine value through transparency, accountability, and responsible business practices.

As we look ahead, our focus will remain on deepening integration, building environment, social and governance competence across departments, and preparing for full European sustainability reporting standards alignment in the coming reporting cycles. With a strong foundation in place and a clear sense of direction, PAYER is well-positioned to continue its transformation — step by step, with purpose and integrity.



## FUTURE PERSPECTIVES

Looking ahead, the PAYER Group remains fully committed to strengthening its sustainability performance in line with our overarching strategy and the evolving requirements of the European sustainability reporting standards. In the coming months and throughout 2025, we will continue to focus on key areas that are central to our environment, social and governance development and reporting maturity. These include:

- Ensuring the availability, accuracy, and completeness of relevant key performance indicators
- Finalizing and validating our Greenhouse Gas inventory
- Developing a climate transition plan in alignment with European sustainability reporting standards E1
- Conducting a comprehensive climate risk and impact analysis
- Strengthening and formalizing our sustainability reporting processes

The experience gained in 2024 has underlined the importance of external expertise in navigating regulatory complexity and ensuring methodological robustness. As such, we are actively considering the initiation of new collaborative projects with external consultants in 2025 to further support implementation and capacity building across the organization. Another important milestone will begin in September 2025, when a member of the PAYER sustainability team will start work on a master's thesis in cooperation with TU Graz. The thesis will focus on the practical implementation of the European sustainability reporting standards regulation at PAYER and will be structured in two parts:

- A theoretical section, offering a structured overview of European sustainability reporting standards requirements and regulatory background
- A practical section, documenting real-life application and project work within PAYER during Q4/2025

The outcomes of this thesis will not only contribute to academic research, but also directly feed into our Sustainability Report 2026, ensuring transparency, reflection, and shared learning. As we move forward, we continue to embrace sustainability not as a parallel process, but as an integral part of our corporate development. By embedding environment, social and governance principles into all relevant business functions, we strengthen our long-term resilience, meet stakeholder expectations, and contribute meaningfully to a more sustainable future — for our company, our partners, and generations to come.



### ENVIRONMENTAL

50% of the plastic granulate as well as electronics which we use for consumer goods will be made out of recycled materials in 2040 vs. 2020

100% of our consumer goods packaging will be designed to be recyclable or reusable in 2030

50% reduction in virgin petroleum plastic resin in our consumer packaging by 2030

Purchase 100% renewable electricity globally at all sites in 2030

Reduce Scope 1 & 2 greenhouse gas emissions by 50% in 2030 vs. 2020

Reduce Scope 3 greenhouse gas emissions by 100% in 2040 vs. 2020

Purchase 100% renewable electricity globally at all sites by 2030

Reduce Global Upstream Finished Product Freight emissions intensity by 50% in 2040 vs. 2020



### SOCIAL

Maintaining equal pay for work of equal value at all sites

Reaching a Total Recordable Injury Rate below 1,0 every year

Execution of employee performance reviews with their supervisor at least every two years at each site

Launching a health & wellbeing program accessible to 100% of every PAYER employee, "Our People: PAYER – WE CARE" by 2025 at every site

Achieving a 0% complaint or reported failure rate annually in the "Medical" business unit.

Attaining 95% customer satisfaction in the areas of "Accessibility of contact persons" and "Speed of response" in the yearly online customer satisfaction analysis.

Accomplishing 95% customer satisfaction in the area of "Flexibility regarding short-term changes" in the yearly online customer satisfaction analysis.



### GOVERNANCE

Confirmation of alignment with the Supplier Code of Conduct as a prerequisite for cooperation

The PAYER Supplier Code of Conduct is confirmed by signature from 100% of all bill of materials suppliers with a purchasing volume of EUR 10,000 and more



**ANNEX**



# ANNEX

## LIST OF ESRS DISCLOSURE REQUIREMENTS

DISCLOSURE REQUIREMENT	PAGE NR.
ESRS 2 BP-1 – General basis for preparation of the sustainability statement	9, 10, 35, 36
ESRS 2 BP-2 – Disclosures in relation to specific circumstances	32, 33, 35, 36
ESRS 2 GOV-1 – The role of the administrative, management and supervisory bodies	23 – 25, 95, 96
ESRS 2 GOV-2 – Information provided to, and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	23 – 25, 95, 96
ESRS 2 GOV-4 – Statement on due diligence	36, 37
ESRS 2 GOV-5 – Risk management and internal controls over sustainability reporting	23 - 25
ESRS 2 SBM-1 – Strategy, business model and value chain	16, 17, 35 - 37
ESRS 2 SBM-2 – Interests and views of stakeholders	33, 35 - 37, 69 – 76, 78 – 82, 92, 93
ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	29, 30
ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	28 - 30
ESRS 2 IRO-2 – Disclosure requirements in ESRS covered by the undertaking's sustainability statement	26 – 28, 114
ESRS 2 MDR-P – Policies adopted to manage sustainability matters	98 – 101
ESRS 2 MDR-A – Actions and resources in relation to material sustainability matters	43 – 65, 69 – 85, 87 – 93, 95 - 108
ESRS 2 MDR-M – Metric in relation to material sustainability matters	4, 5, 54, 55, 116 - 123
ESRS 2 MDR-T – Tracking effectiveness of policies and actions through targets	43, 52, 110, 112
ESRS E1-2 – Policies related to climate change mitigation and adaptation	52
ESRS E1-3 – Actions and resources in relation to climate change policies	54 – 64
ESRS E1-4 – Targets related to climate change mitigation and adaptation	52, 112
ESRS E1-5 – Energy consumption and mix	116
ESRS E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	116, 117
ESRS E1-7 – GHG removals and GHG mitigation projects financed through carbon credits	117
ESRS E1-8 – Internal carbon pricing	117
ESRS E2-1 – Policies related to pollution	65
ESRS E2-2 – Actions and resources related to pollution	65
ESRS E5-1 – Policies related to resource use and circular economy	43
ESRS E5-2 – Actions and resources related to resource use and circular economy	44 – 51
ESRS E5-3 – Targets related to resource use and circular economy	43, 112
ESRS E5-5 – Resource outflows	117
ESRS S1-1 – Policies related to own workforce	68 - 70, 99, 100
ESRS S1-2 – Processes for engaging with own workforce and worker's representatives about impacts	33, 75 - 77, 87, 91
ESRS S1-3 – Processes to remediate negative impacts and channels for own workers to raise concern	88 - 90, 100
ESRS S1-4 – Taking action on material impacts on own workforce, and approaches to mitigate material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	69, 71 – 73, 75, 76, 78 – 85, 88 – 91
ESRS S1-5 – Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities	112
ESRS S1-6 – Characteristics of the undertaking's employees	118
ESRS S1-7 – Characteristics of non-employee workers in the undertaking's own workforce	118
ESRS S1-8 – Collective bargaining coverage and social dialogue	118, 119
ESRS S1-9 – Diversity metrics	119
ESRS S1-10 – Adequate wages	119
ESRS S1-11 – Social protection	119
ESRS S1-12 – Persons with disabilities	119
ESRS S1-13 – Training and skill development metrics	120

DISCLOSURE REQUIREMENT	PAGE NR.
ESRS S1-14 – Health and safety metrics	120
ESRS S1-15 – Work-life balance metrics	120
ESRS S1-17 – Incidents, complaints and severe human rights impacts	121
ESRS S2-1 – Policies related to value chain workers	92, 99, 100
ESRS S2-2 – Processes for engaging with value chain workers about impacts	33, 100
ESRS S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns	100
ESRS S3-2 – Processes for engaging with affected communities about impacts	33, 36, 37
ESRS S3-3 – Processes to remediate negative impacts and channels for affected communities to raise concerns	100
ESRS S3-4 – Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	102 - 108
ESRS S4-1 – Policies related to consumer and end-users	93, 100
ESRS S4-2 – Processes for engaging with consumers and end-users about impacts	33, 100
ESRS S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	100
ESRS S4-5 – Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities	112
ESRS G1-1 – Business conduct policies and corporate culture	95 – 101
ESRS G1-2 – Management of relationships with suppliers	35 – 37, 92
ESRS G1-3 – Prevention and detection of corruption and bribery	95 – 98, 100
ESRS G1-4 – Incidents of corruption or bribery	122
ESRS G1-5 – Political influence and lobbying activities	122

## INDEX OF LITERATURE

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## ESG DATA

### LIST OF PAYER METRICS – ENVIRONMENT

METRIC	SPECIFICS	UNIT	2020	2023	2024
Energy consumption and mix	Coal and coal products	MWh	0.0	0.0	0.0
	Crude oil and petroleum products	MWh	611.9	329.5	312.4
	Natural gas	MWh	1086.6	849.3	815.8
	Other fossil resources	MWh	0.0	0.0	0.0
	Purchased or acquired energy from fossil resources	MWh	8781.4	6878.6	7676.2
The total energy consumption from non-renewable resources	Fossil resources	MWh	10479.9	8057.4	8804.4
	Nuclear resources	MWh	0.0	0.0	0.0
Total energy consumption from renewable resources	Fuel consumption from renewable resources	MWh	0.0	0.0	0.0
	Consumption of purchased or acquired energy from renewable resources	MWh	2187.5	1974.5	2353.5
	Consumption of self-generated non-fuel renewable energy	MWh	0.0	0.0	0.0
Energy intensity based on net revenue		kWh/€	0.702	0.786	0.758
The total energy production from renewable resources	Coal and coal products	MWh	0.0	0.0	0.0
Scope 1 GHG emissions	PAYER Austria	kg CO <sub>2</sub> eq	141,830	29,539	59,997
	PAYER China	kg CO <sub>2</sub> eq	23,598	26,084	20,219
	PAYER Hungary	kg CO <sub>2</sub> eq	331,380	293,440	288,507
	PAYER Malaysia	kg CO <sub>2</sub> eq	0	0	2,616
Scope 2 GHG emissions (location-based)	PAYER Austria	kg CO <sub>2</sub> eq	224,326	214,263	259,888
	PAYER China	kg CO <sub>2</sub> eq	2,066,778	1,726,572	1,641,842
	PAYER Hungary	kg CO <sub>2</sub> eq	1,069,025	799,170	838,646
	PAYER Malaysia	kg CO <sub>2</sub> eq	0	0	786,482
Scope 2 GHG emissions (market-based)	PAYER Austria	kg CO <sub>2</sub> eq	2,602	1,889	1,575
	PAYER China	kg CO <sub>2</sub> eq	1,182,684	987,171	938,726
	PAYER Hungary	kg CO <sub>2</sub> eq	1,069,025	799,170	838,646
	PAYER Malaysia	kg CO <sub>2</sub> eq	0	0	797,426

METRIC	SPECIFICS	UNIT	2020	2023	2024
Scope 3 GHG emissions	Purchased goods and services	kg CO <sub>2</sub> eq	285,236,595	54,930,675	96,080,795
	Capital goods	kg CO <sub>2</sub> eq	1,622,575	1,526,372	2,206,333
	Fuel- and energy related activities	kg CO <sub>2</sub> eq	1,772,896	1,371,084	1,176,146
	Upstream transportation and distribution	kg CO <sub>2</sub> eq	717,446	750,930	1,013,171
	Waste generated in operations	kg CO <sub>2</sub> eq	18,249	9,555	8,255
	Business travel	kg CO <sub>2</sub> eq	24,426	432,215	178,911
	Employee commuting	kg CO <sub>2</sub> eq	571,019	469,929	451,081
	Downstream transportation and distribution	kg CO <sub>2</sub> eq	9,294,083	1,953,633	2,827,858
	Total	kg CO <sub>2</sub> eq	442,101,819	61,990,917	223,079,783
GHG intensity based on net revenue	Location-based	kg CO <sub>2</sub> eq	2.471	0.509	1.541
	Market-based	kg CO <sub>2</sub> eq	2.465	0.501	1.535
The amount of GHG removals and the upstream and downstream value chain		kg CO <sub>2</sub> eq	0	0	0
The amount of GHG emissions reduction or removals through the purchase of carbon credits		kg CO <sub>2</sub> eq	0	0	0
Total amount of waste generated		t	667.6	404.8	514.7
Hazardous waste diverted to	Preparation for reuse	t	1.0	2.4	3.5
	Recycling	t	6.6	2.3	18.0
	Other recovery operations	t	0.0	0.0	0.0
	Incineration	t	10.9	1.7	4.0
	Landfilling	t	0.1	1.7	0.2
	Other disposal operations	t	18.6	3.8	0.9
Non-hazardous waste diverted to	Preparation for reuse	t	4.7	3.3	3.8
	Recycling	t	561.3	328.4	327.2
	Other recovery operations	t	2.7	4.4	7.9
	Incineration	t	43.9	48.4	63.7
	Landfilling	t	17.8	8.2	10.5
	Other disposal operations	t	0	0	75.0
Share of non-recycled waste		%	16.1	18.3	19.2
Total amount of radioactive waste		t	0	0	0
Total water consumption		ML	15.8	16.9	13.9
Total amount of recycled or reused water		ML	6.6	4.4	4.1

## LIST OF PAYER METRICS – SOCIAL

METRIC	SPECIFICS	UNIT	2020	2023	2024
The headcount of employees	Male	HC	409	299	377
	Female	HC	738	506	554
	Other	HC	0	0	0
	Total	HC	1147	805	931
The headcount of permanent employees	Male	HC	392	291	342
	Female	HC	667	481	498
	Other	HC	0	0	0
	Total	HC	1059	772	840
The headcount of temporary employees	Male	HC	17	8	36
	Female	HC	71	25	56
	Other	HC	0	0	0
	Total	HC	88	33	92
The headcount of non-guaranteed hours employees	Male	HC	0	0	0
	Female	HC	0	0	0
	Other	HC	0	0	0
	Total	HC	0	0	0
The headcount of full-time employees	Male	HC	404	287	343
	Female	HC	716	483	495
	Other	HC	0	0	0
	Total	HC	1120	770	838
The headcount of part-time employees	Male	HC	4	4	19
	Female	HC	11	13	50
	Other	HC	0	0	0
	Total	HC	15	17	69

METRIC	SPECIFICS	UNIT	2020	2023	2024
The rate of employee turnover		%	33.4	26.8	39.6
Share of employees from minority/vulnerable groups		%	1.1	4.6	3.5
Share of employees from minority/vulnerable groups, at management level		%	5.3	5.4	18.4
The headcount of employees in the management board		HC	23	22	22
The headcount of employees covered by collective bargaining agreements	Permanent employees	HC	103	127	230
	Temporary employees	HC	12	17	63
	EEA employees	HC	115	144	169
	Non-EEA employees	HC	0	0	124
	Employees at sites with existing workers' representatives	HC	115	144	293
Share of total employees covered by collective bargaining agreements	PAYER employees	%	9.0	15.8	24.7
	PAYER temporary staff	%	1.0	2.1	6.8
The collective bargain coverage rate within the EEA		%	17.2	31.0	37.4
The collective bargaining coverage rate outside the EEA		%	0.0	0.0	25.9
Share of employees covered by workers' representatives		%	10.0	17.9	18.2
The diversity of employees					
Management	Male	HC	24	22	18
	Female	HC	14	15	20
	Other	HC	0	0	0
	Total	HC	38	37	38
White collar workers	Male	HC	137	119	117
	Female	HC	94	97	103
	Other	HC	0	0	0
	Total	HC	231	216	220
Blue collar workers	Male	HC	226	142	226
	Female	HC	626	386	421
	Other	HC	0	0	0
	Total	HC	852	528	647
Apprentices	Male	HC	3	7	7
	Female	HC	1	0	0
	Other	HC	0	0	0
	Total	HC	4	7	7
The diversity distribution of employees in the management	Male	%	63.2	59.5	47.4
	Female	%	36.8	40.5	52.6
	Other	%	0.0	0.0	0.0
The diversity distribution of all employees	Male	%	35.7	37.1	40.5
	Female	%	64.3	62.9	59.5
	Other	%	0.0	0.0	0.0

METRIC	SPECIFICS	UNIT	2020	2023	2024
The age distribution of employees	Under 30 years old	HC	196	105	199
		%	17.1	13.0	21.4
	Between 30 and 50 years old	HC	738	518	558
		%	64.3	64.3	59.9
	Over 50 years old	HC	191	165	154
		%	16.7	20.5	16.5
The headcount of employees covered by social protection		HC	1147	805	931
Share of employees covered by social protection		%	100	100	100
Share of persons with disabilities subject to restrictions on the collection of data		%	0.5	1.1	1.3
The headcount of persons with disabilities	Male	HC	2	2	2
	Female	HC	4	7	10
	Other	HC	0	0	0
	Total	HC	6	9	12
The share of employees that participated in performance and career development reviews					
Management	Male	%	54.2	68.2	72.2
	Female	%	64.3	33.3	50.0
	Other	%	0.0	0.0	0.0
	Total	%	57.9	54.1	60.5
White collar worker	Male	%	85.4	105.0	92.3
	Female	%	86.2	105.2	97.1
	Other	%	0.0	0.0	0.0
	Total	%	85.7	105.1	94.5
Blue collar worker	Male	%	99.1	102.1	96.0
	Female	%	96.5	98.7	97.4
	Other	%	0.0	0.0	0.0
	Total	%	97.2	99.6	97.4
Apprentices	Male	%	0.0	71.4	28.6
	Female	%	0.0	0.0	0.0
	Other	%	0.0	0.0	0.0
	Total	%	0.0	71.4	28.6
The average number of training hours per employee					
Management	Male	h/employee	33.9	9.8	11.6
	Female	h/employee	16.5	12.0	25.7
	Other	h/employee	0.0	0.0	0.0
	Total	h/employee	27.5	10.77	19.0
White collar workers	Male	h/employee	31.6	35.7	30.8
	Female	h/employee	42.7	27.1	20.8
	Other	h/employee	0.0	0.0	0.0
	Total	h/employee	36.1	31.8	26.1
Blue collar workers	Male	h/employee	14.2	20.7	8.3
	Female	h/employee	11.9	17.0	8.8
	Other	h/employee	0.0	0.0	0.0
	Total	h/employee	12.5	18.0	8.7
Apprentices	Male	h/employee	21.3	11.3	12.6
	Female	h/employee	0.0	0.0	0.0
	Other	h/employee	0.0	0.0	0.0
	Total	h/employee	16.0	11.3	12.6

METRIC	SPECIFICS	UNIT	2020	2023	2024
Share of employees covered by PAYER's health and safety management system		%	100.0	100.0	100.0
The number of fatalities as a result of work-related injuries and work-related ill-health			0	0	0
The number of recordable work-related accidents			4	4	8
The rate of recordable work-related accidents		Accidents/106 h	2.3	2.4	5.7
The number of cases of work-related ill health			0	0	0
The number of days lost to work-related injuries and fatalities from work-related accidents and ill health		Days	96	83	69
Severity rate of injuries with days lost, for temporary staff		Days/accidents	7	0	17
Share of employees entitled to take family-related leaves		%	60.3	68.8	71.3
Share of employees that took family-related leaves	Male	%	5.4	5.6	9.8
	Female	%	6.7	8.4	11.3
	Other	%	0.0	0.0	0.0
	Total	%	12.1	14.0	21.1
The total number of incidents of discrimination, including harassment			0	0	0
The number of complaints filed through channels to raise Concerns			0	0	0
The total amount of fines, penalties and compensation for damages as a result of the incidents of discrimination, harassment and complaints		€	0.00	0.00	0.00
The number of severe human rights issues and incidents connected to PAYER's workforce			0	0	0
The total amount of fines, penalties and compensation for damages as a result of the severe human rights issues and incidents		€	0.00	0.00	0.00
The number of hours worked		hours	2,196,843	1,686,202	1,742,282

## LIST OF PAYER METRICS – GOVERNANCE

METRIC	SPECIFICS	UNIT	2021	2022	2023
The total number of confirmed incidents of corruption and/or bribery			0	0	0
The number of convictions and the amount of for violation of anti-corruption and anti-bribery laws			0	0	0
The number of confirmed incidents where workers were dismissed or disciplined for corruption or bribery-related incidents			0	0	0
The number of confirmed incidents relating to contracts with business partners that were terminated or not renewed due to violations related to corruption and bribery			0	0	0
The total monetary value of financial and in-kind political contribution made directly or indirectly by PAYER		€	0,00	0,00	0,00
The number of reports filed through the whistleblower procedure			0	0	0
The number of confirmed information security incidents			0	0	0

## IMPRINT

### **PUBLISHER**

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### **INFORMATION**

This sustainability report has been prepared carefully and conscientiously.  
We have tried to ensure that the data and presentations are correct.  
Figures have been rounded to improve readability. Despite extensive efforts  
to avoid spelling, rounding and typing errors, these cannot be completely ruled out.



PAYER

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