

UPDATE ON TRODAT SUSTAINABILITY REPORT



UPDATE
2022

trodat[®]

CREATING ORIGINALS

 1912

2022

DEAR READERS,

This Trodat CSR update serves to give you an up-to-date overview of a wide range of sustainability topics at Trodat – a lot has happened since we published our first sustainability report!

- > Selected facts and key figures for 2020/2021/2022
- > Current outlook on projects in planning or already in implementation – 2022/2023

New framework conditions are currently being developed across the EU (revision of the EU CSRD Directive, EU Taxonomy Regulation), which includes legal requirements for the preparation of future mandatory sustainability reports.

The planned second Trodat sustainability report will be prepared in accordance with these new requirements for the reporting year 2023 and publication is planned for 2024.

Wels, July 2022



TARGET EXCEEDED! CO₂ REDUCTION OF 34%

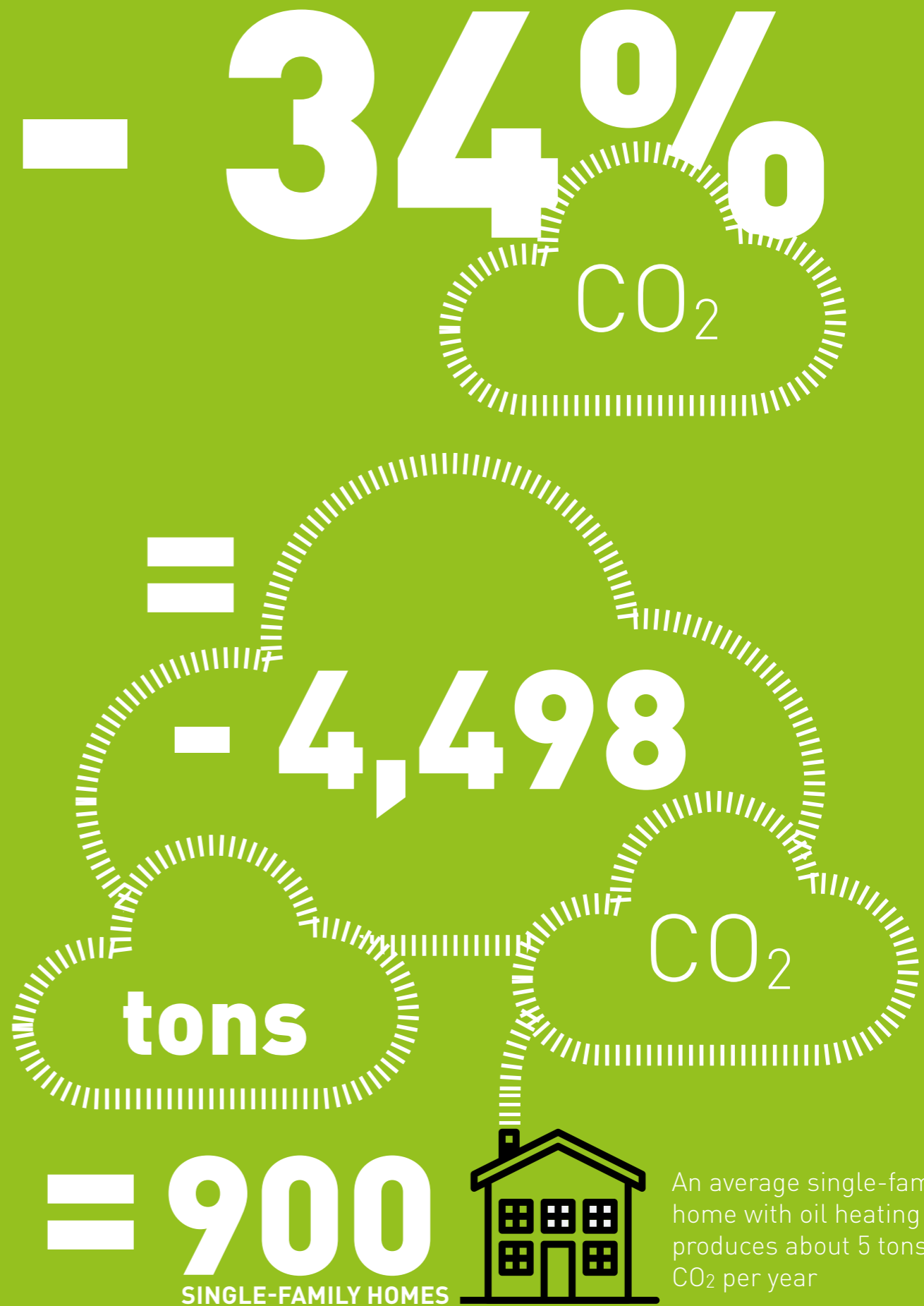
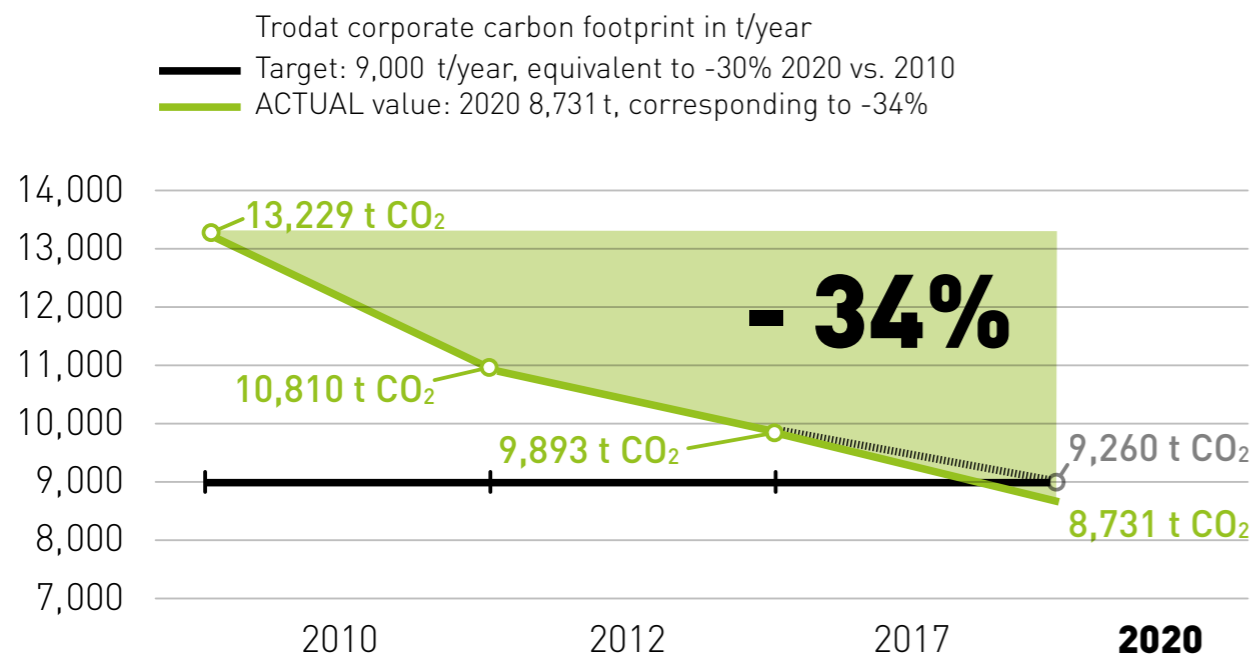
Trodat's first sustainability report referred to the reporting year 2017 and was published in 2019 to inform our stakeholders about progress, goals and measures in the field of sustainability.

The clearly stated key objective of that report was to reduce Trodat's corporate carbon footprint by 30% compared to the years 2010 to 2020. It stated a target value of 9,000 t CO₂ per year. We are proud to say that we have achieved this ambitious goal.

Not only this, but Trodat managed to exceed the target of reducing CO₂ by 30%. In fact, the measures we implemented enabled us to save

34% compared to the carbon dioxide emitted in 2010. This corresponds to an annual reduction of around 4,498 t CO₂.

Our holistic approach to climate protection rests on three important pillars: Avoiding CO₂, reducing CO₂ and offsetting unavoidable CO₂ emissions. And we continue to have an unequivocal ambition to achieve reductions through our own efforts as well as offsetting unavoidable CO₂ emissions through WWF®-recommended Gold Standard climate protection projects. This makes our best-sellers climate-neutral – as standard.





COMPANY



ABOUT TRODAT/TROTEC/TROGROUP



Under the umbrella of TroGroup GmbH, the group of companies is globally active with the Trodat brand in the field of stamp production and with the Trotec brand in the laser sector. Trodat is the largest stamp producer in the world and Trotec is global market leader for laser plotters for engraving, cutting and marking. In the fiscal year 2021, TroGroup generated sales in excess of 289 million euros and employed 1,963 people in 44 international group companies worldwide, 587 of them in Austria.

The group of companies is present in more than 150 countries; TroGroup's export rate amounts to around 97%.

TroGroup is based in Wels in Upper Austria, where the most important stamp production site, including its research and development facilities, is located. The Trotec production and sales site is situated in Marchtrenk, approximately 2 km from Wels.

TROGROUP OWNERSHIP STRUCTURE

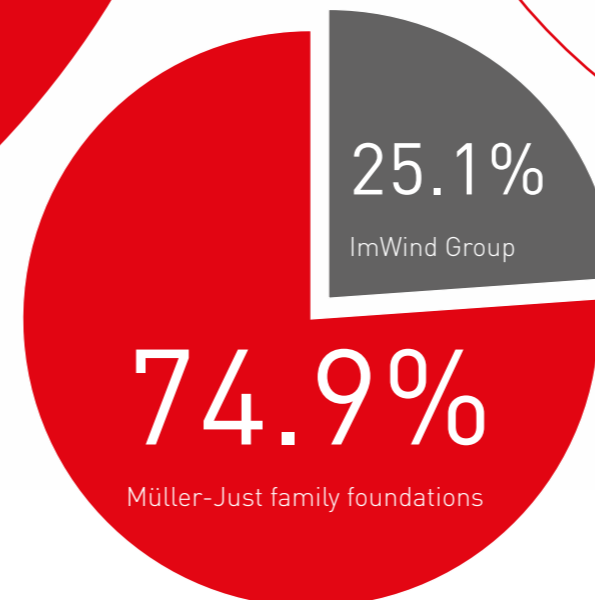
The Müller-Just family foundations own 74.9% of TroGroup GmbH and 25.1% is owned by the Lower-Austrian ImWind Group. With this ownership structure, the long-term stable orientation of TroGroup as a family business is assured.

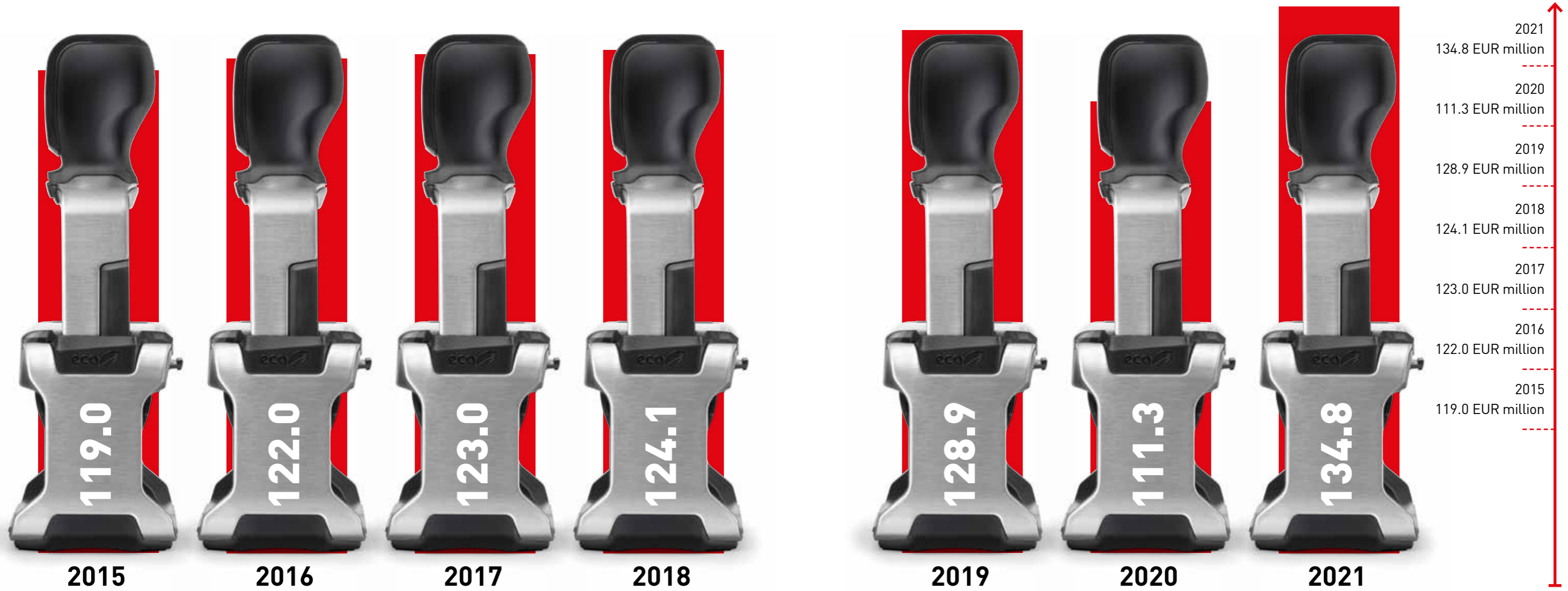
This is how the TroGroup has remained true to the values of a family-run company since its original founding in Vienna in 1912.



Fact Sheet Trogroup 2021

	2019	2020	2021	
Net sales	270	246	289	(EUR million)
of which Trodat	129	111	135	(EUR million)
of which Trotec	141	135	154	(EUR million)
Employees worldwide	1,983	1,868	1,963	
of which Trodat	1,132	1,093	1,158	
of which Trotec	780	712	741	
Net cash flow	20.4	48.2	24.4	(EUR million)
From operating activities				
Investments (Capex)	9.7	6.8	15.7	(EUR million)
Balance sheet total	327	331	343	(EUR million)
Equity ratio	39.7%	39.4%	44.8%	
Subsidiaries	>40	>40	>40	





TRODAT AS A COMMERCIAL ENTERPRISE

Trodat was founded in 1912 and can look back on more than 110 years of history. Stability and the preservation of the company's values have always been among the fundamental principles of our business activities.

Lasting earning power & record sales in 2021

Our ultimate goal is to secure our position as market leader and innovation driver in the stamp market in the long term. A stable economic basis is the basic prerequisite for us to succeed in this.

Trodat export ratio over 98%

In recent years, we have been able to record steady growth. The year 2021 was concluded with record sales in the company's 110-year history. The export ratio has been above 98% for years.

Future viability of the business model

The digital transformation presents many products and business models with new challenges and this also applies to the paper and stationery sector (stationery industry).

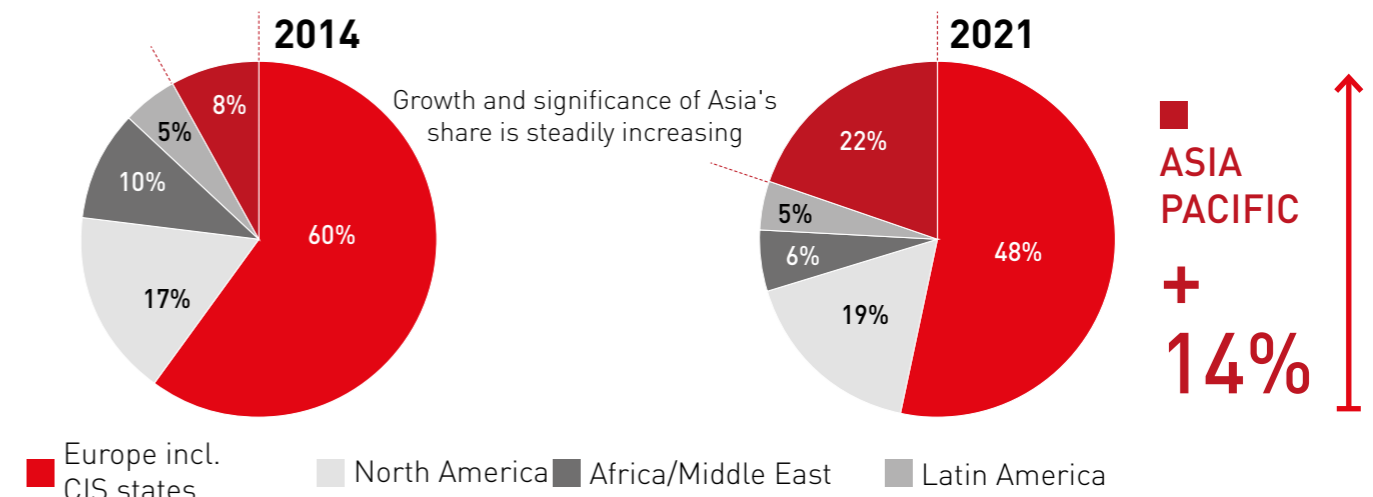
Nevertheless, we see a wide range of growth potentials for the stamp sector. Our modern range of stamps focuses on self-inking stamps with integrated ink cartridges. In many markets, the conversion from traditional hand stamps (with separate ink cartridge) to self-inking stamps alone offers great growth potential – for example in developing and emerging countries, but also in industrialised countries such as Germany.

We are tapping further growth potential with the development of market-specific stamp

models, such as the production of special company stamps for the Chinese market and specific office stamps for the Indian market. Asia in particular is a strong growth driver.

Sales in Asia have been growing steadily for many years. The representation of regional sales shares shows the importance and changes in the stamp market in recent years.

STAMP SALES REVENUE WORLDWIDE





DEVELOPMENT LOCATION AUSTRIA - HQ

The Walter Just Technical Centre WJT is an additional production building at Wels HQ which will house toolmaking and other Trodat technical departments, as well as being the new training center/apprentice workshop. Additionally, the machinery is going to be modernised and the improved infrastructure will optimise the entire production and material flow.

The increased efficiency created by this investment will secure the long-term future of the production site in Wels.

Doubling the number of apprenticeships

The current number of 15 apprenticeships will be doubled to 30. The aim is to counteract the future shortage of skilled workers by training our own, and to create further highly qualified jobs at Trodat and for the region as a whole.

With a total investment of around four million euros, Trodat is making a clear commitment to the future of the Wels location.

Groundbreaking ceremony WJT 22/06/2021, opening September 2022

More than 2,000 m² of two-storey training and production space were built on a building foot-

print of around 1,600 m².

The project team placed great emphasis on sustainable construction and innovative air-conditioning systems. The use of adiabatic cooling reduces CO₂ emissions by up to 90% compared to conventional chillers, and cuts operating costs by up to 80%.

The photovoltaic system on the roof saves energy equivalent to that of around 27 average households. The goal is that this new site building will not generate any relevant emissions for the environment or vicinity: no emissions, noise, heat, hazardous wastewater, etc.

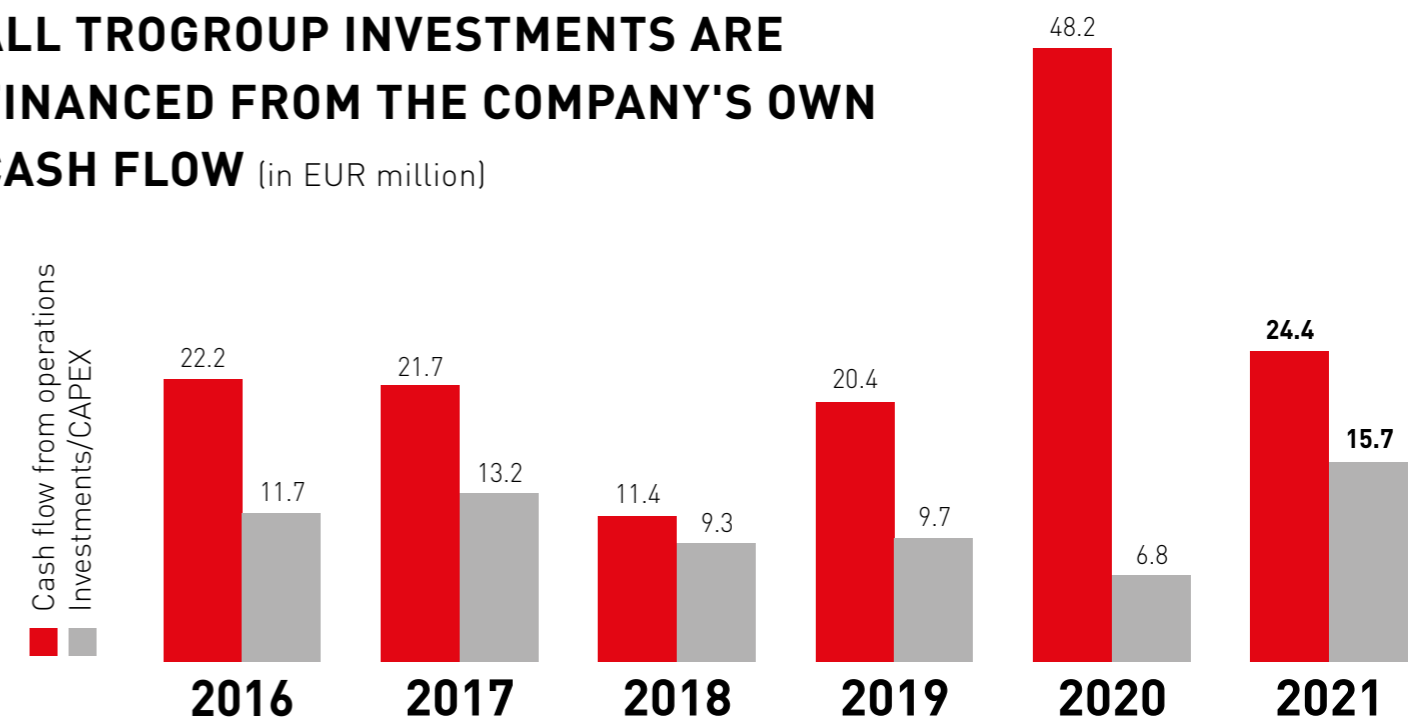
Energy savings – HQ Austria

Besides permanently reducing our energy consumption, our objective is to use renewable energy sources.

Currently, alternative forms of heating (biomass plants) are being tested to advance the transition from gas to alternative energies.

Additionally, PV systems are due to be installed for own use in all existing areas of the Austrian plant (implementation in the years 2022/2023).

ALL TROGROUP INVESTMENTS ARE FINANCED FROM THE COMPANY'S OWN CASH FLOW (in EUR million)





DEVELOPMENT CHINA

The largest construction project in Trodat's history was realised in China: groundbreaking March 2021, completion May 2022.

China is not only the economic engine of the world, but also the largest growth market for Trodat.

Production capacity doubled

The production area has been doubled with an investment sum of around 6 million euros. The originally planned production capacities increased much faster than originally thought.

The new plant is mainly required for the Asian markets.

Here, too, Trodat relies on state-of-the-art technology. In line with the sustainability strategy, the new plant was designed to be resource and environmentally friendly, and includes a PV system.

The China site is certified in accordance with ISO 14001 Environmental Management and ISO SA 8000 Social Accountability / Compliance with Basic Social Standards.



14001 – Environmental Management



SA 8000
Social accountability
Adherence to basic social standards



SUSTAINABILITY



CLIMATE PROTECTION AND CLIMATE NEUTRALITY

The Original Printy 4.0 is carbon-neutral. As standard. Redesigned with sustainability in mind, up to 49%* of CO₂ can be saved during production compared to the predecessor model. The decisive point is to exhaust all possibilities for CO₂ reduction at the product level. Since no production process can take place without energy consumption, unavoidable CO₂ emissions are offset in a further step by investing in Gold Standard climate protection projects recognised by the WWF®.

Decisive: to optimise, rather than “redeem” products

Trodat is on the right track in this respect. Many other companies merely buy climate certificates without making their products more environmentally friendly themselves. This is a questionable approach, which is often

criticised as “redeeming products”, or as the “sale of indulgences”. This is why Trodat feels that the reduction of CO₂ emissions on the product itself is of prime importance. Only the unavoidable CO₂ footprint is neutralised by investing in climate protection projects. And these are exclusively Gold Standard projects recommended by the WWF®.

Austrian Ecolabel

To make our environmental protection measures even more visible, we applied for the Austrian Ecolabel award in 2017 and this was officially awarded in 2018 for around 80 of our best-selling products. More are being added all the time, and by 2021 we had succeeded in obtaining the coveted label for 93 Trodat products.

*Eco-black and Eco-grey. Other colours contain lower quantities.



4912 PRINTY 4.0

3 STEPS TO CLIMATE-NEUTRALITY



PREVENTION OF CO₂ EMISSIONS
by developing smaller and lighter products



CO₂ REDUCTION
by using pre- and post-consumer recycled plastic and 100% green electricity



CO₂ COMPENSATION
by investing in Gold Standard climate protection projects recommended by the WWF®



CO₂ = 0

PLASTICS USAGE

At Trodat, we are constantly on the lookout for product innovations and we strive to achieve improvements across the entire production process in terms of operational environmental protection and climate neutrality, as well as in the area of recycling management and the avoidance of waste.

Of a total of 1,143,718 kg of plastic materials

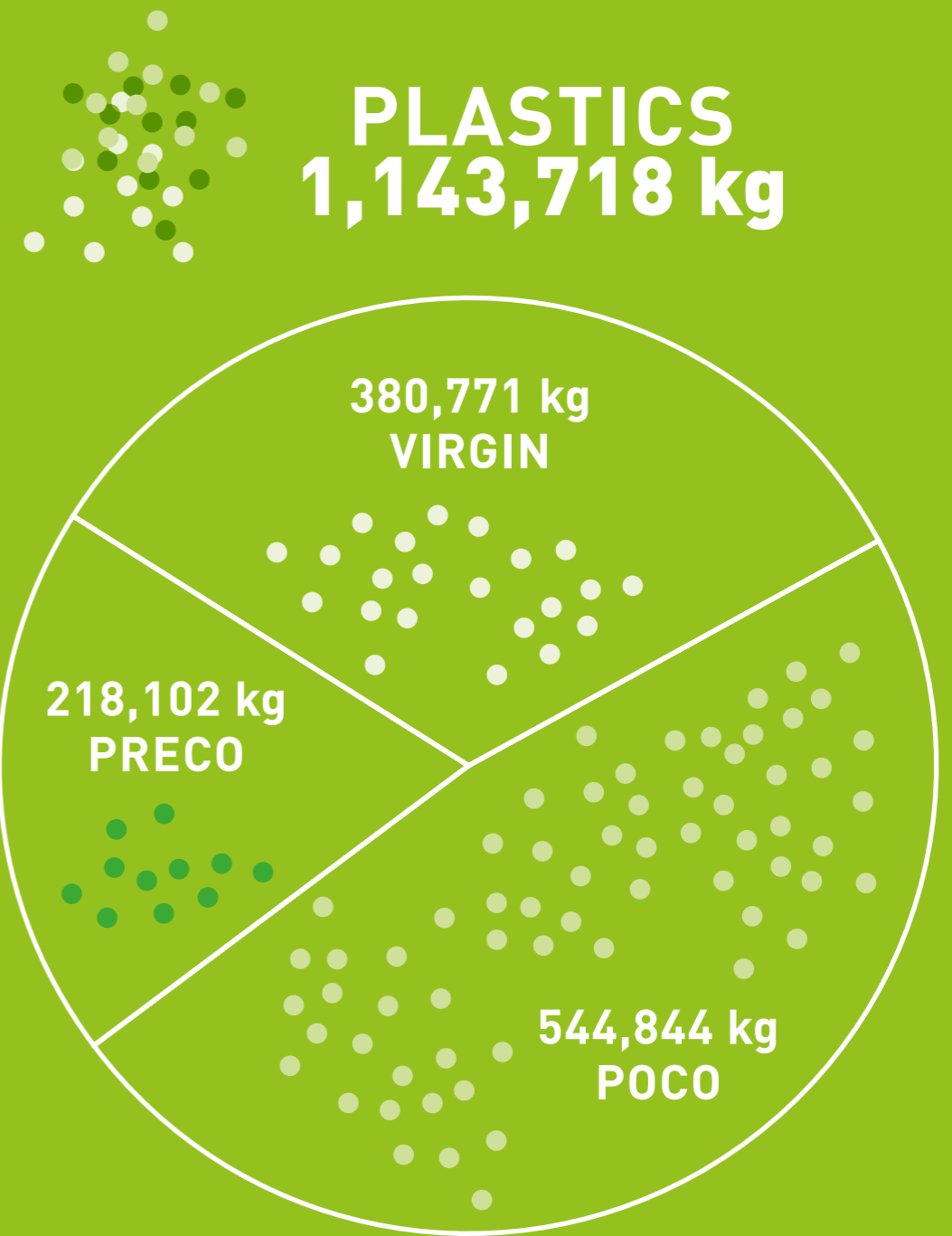
processed at the Wels/Upper Austria production site in 2021, 762,946 kg are POCO and PRECO materials to date. This corresponds to around 66.7% of the total volume.

The PRINTY 4.0 plastics usage graphic from 2017/2021 shows the change exclusively for the 4912 Eco-black and Eco-grey model.



*Eco-black and Eco-grey. Other colours contain lower quantities.

TRODAT PLASTICS USAGE TOTAL PRODUCTION



		2017	2021
Key figures - Plastics usage PRINTY 4.0	unit	Value	Value
VIRGIN - Original material	%	53.4	32.7
POCO - Post-consumer recycled material	%	37.8	57.9
PRECO - Pre-consumer recycled material	%	8.8	9.4

			2017	2021
Key figures - Plastics usage	Total	unit	Value	Value
Original material (VIRGIN)	Total	%	53.4	33.3
Recycled material	Total	%	46.6	66.7
	Post-consumer (POCO)	%	37.8	47.2
	Pre-consumer, additional purchase (PRECO)	%	4.9	12.6
	Pre-consumer, recycled internally	%	3.9	6.5

OPERATIONAL ENVIRONMENTAL PROTECTION & SAVINGS

As world market leader in stamp products we view ourselves as having a particular responsibility to the environment: Continuously improving our energy efficiency in order to consistently reduce our energy use is an important and strategic concern for us.

By switching to a district heating connection, the proportion of fuel oil could be completely eliminated. Further savings resulted from the regrettably reduced operation in the wake of the coronavirus crisis.

Vehicle fleet change from diesel to EVs

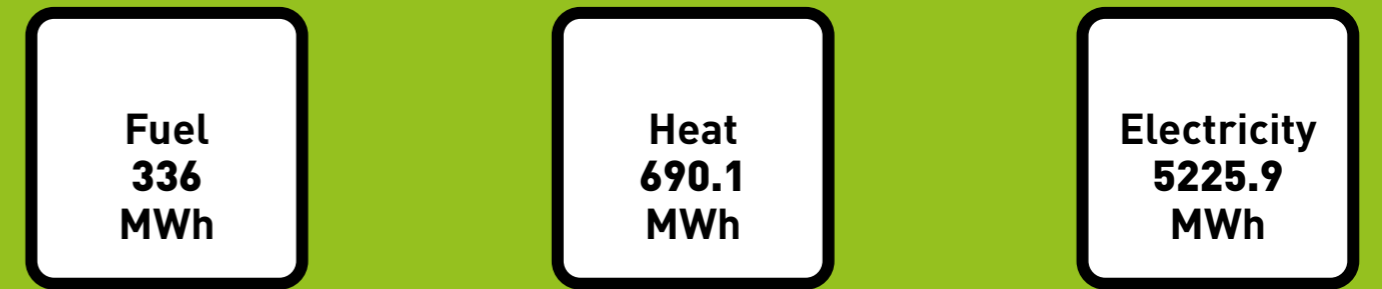
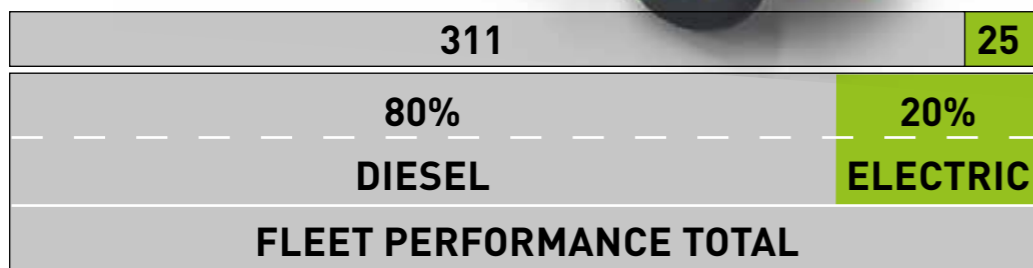
With a total energy consumption of 336 MWh

in 2021, about 7.4%, or 25 MWh, was consumed by electric vehicles. Due to the lower energy consumption per kilometre driven (ratio of energy consumption of diesel to electric vehicle is around 3:1), the total distance travelled by electric vehicles can be assumed to be 20%.

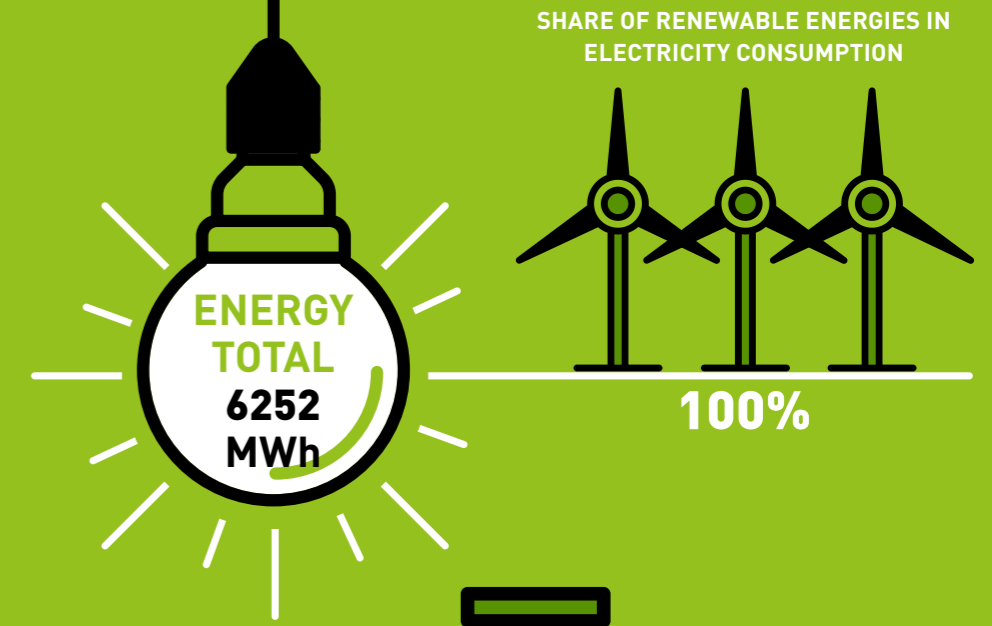
The company's internal journeys (company logistics, errand trips) have been covered by electric vehicles since 2020 and the conversion of the company vehicle fleet from diesel to electric vehicles is being steadily accelerated.



VEHICLE FLEET 2021 POWER CONSUMPTION: 336 MWh



ENERGY CONSUMPTION 2021



WATER CONSUMPTION 2021

WELL WATER: 3701.0 m³

LOCAL WATER: 1320.0 m³

WATER TOTAL: 5021.0 m³

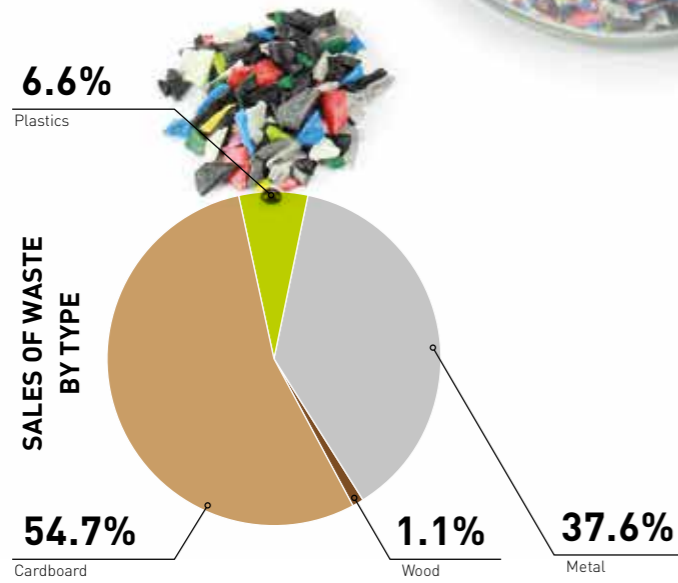
		2017	2021
Key figures - Energy consumption*		Unit	Value
Power consumption	total	MWh	6159.0
Electricity consumption	total	MWh	5403.8
	Consumption charging station EVs	MWh	--.
	Share of renewable energies in electricity consumption	%	100.0
Heat consumption	total	MWh	755.3
	of which natural gas	MWh	682.9
	of which fuel oil	MWh	72.3
	of which district heating	MWh	--.
Energy intensity	Purchased heating energy requirement per m ²	kWh/m ²	26.0
Fuel consumption	Fuel consumption motor pool	MWh	331.2
Key figures - Water consumption		Unit	Value
Water consumption	total	m ³	8033.0
	Well water	m ³	3999.0
	Local water connection	m ³	4034.0

* Supplemental information on total energy consumption or changes 2017 vs 2021: Increasing production volumes in 2021 vs. 2017 nevertheless caused increased energy consumption despite efficiency improvements. By comparison: 2017 WH per unit 14.98 and 2021 WH per unit 12.93 results in an efficiency increase of exactly 13.7%.

AVOIDANCE OF WASTE

The avoidance of waste is important to us. Where waste cannot be avoided, we rely on proper recycling by independent specialist companies. Around 40% of our waste is sold

on to specialist companies and converted back into raw materials. This is circular economy, which is itself continuously being developed and optimised, in action.



WASTE VOLUMES 2021



Key figures - Waste volumes*			2017	2021
		unit	Value	Value
Waste	total	t	317.2	336.0
	Municipal waste	t	33.4	97.9
	Paper/cardboard	t	76.0	73.5
	RDF	t	101.6	58.2
	Metal	t	56.2	47.9
	Construction and demolition timber	t	16.1	18.1
	Plastics	t	20.3	8.8
	Biological waste	t	7.0	7.9
	Hazardous waste	t	5.7	11.6
	Other waste – non-hazardous	t	6.5	12.1
Sales of waste		%	40.4	40.0

* Supplemental information on the total amount shown in the table / changes 2021 vs 2017: The construction project of the WJT Walter Just Technikum involved extensive demolition work on the old building in 2020/2021 (volume increases compared with previous years). In addition, there were conversions of waste fractions by disposal partners, for example, much of the RDF became residual waste. Due to annual overlaps in collections, there were additional shifts in volumes.



www.trodat.net

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Misprints and errors excepted

Notes:

This update on 2021 and outlook for 2022/2023 shows examples of how selected key figures and content from the first Sustainability Report have evolved. Representations for informational purposes only; currently no certified/verified content.