



**VECTRON**

# **Sustainability report 2021**

**Environmental - Social - Governance**

# 1. General

The topic of sustainability is becoming increasingly important. Responsible companies make a decisive contribution to the sustainable development of society through their behaviour. There are three fields: environmental, social and governance (ESG for short). As a company, we at Vectron Systems AG (Vectron) already fulfil many **ESG criteria** and will strategically drive the further development of this topic in a future-oriented manner. Our company is already making a positive and sustainable contribution to society, both from an ecological point of view and from an ethical and moral point of view.

In the field of **Environmental** we have already implemented numerous measures. In relation to the UN goals for sustainability, these can be assigned primarily to the goals of **sustainable consumption and production** and **measures for climate protection**. Vectron products, for example, are durable and integrate other applications, reducing the need for additional hardware. Digital solutions like bar and kitchen managers, digital receipts and menus help the user to save paper. In addition, our internal administration is becoming more digital and we are striving to increase the useful life of IT hardware. We contribute to climate protection by promoting the use of bicycles and setting up charging stations for electric cars, among other things.

In the field of **Social** we have set priorities in the areas of health and well-being as well as working conditions. Health protection is an important topic for us, as is good employee care. Free drinks and regular team events have been company policy for years. We also pay attention to compliance with labour rights and good working conditions at our suppliers. Equal opportunities in application processes are a matter of course.

In the field of **Governance**, the Executive Board and the Supervisory Board pay attention to the observance of moral and ethical standards and the protection of shareholders' rights. Transparency is guaranteed by the stock exchange listing. An employee representative body ensures that the interests of our employees are adequately taken into account.



## 2. Environmental

Environmental protection and sustainable management play an important role in the awareness of the population, in companies and increasingly also among investors. We at Vectron Systems AG also want to contribute our share. This applies to the entire chain from product development through production and logistics to daily activities within the company. In the past, we have already implemented numerous measures without setting specific targets, but now sustainability is to become an integral part of our actions. For this purpose, we will increasingly comply with ecological targets and specifications through German or international standards and also implement Corporate Social Responsibility (CSR) measures.



## Sustainable consumption and production

Some of our products help users consume fewer raw materials.

### Less paper consumption

We offer products that sustainably reduce the consumption of paper:

- **Digital receipt solution:** Since the introduction of compulsory receipt issuance in Germany, all businesses have had to produce a receipt for their customers, which leads to enormous quantities of paper receipts, especially in bakeries, most of which are not taken away by the customers. We offer a legally compliant solution where the receipt is displayed on a customer display and can be transferred to the customer's smartphone by scanning a QR code. This eliminates the need to print out a paper receipt.
- **Digital menu solution:** Instead of a printed menu, restaurants can place a display with a QR code on tables or counters. By scanning the code with a smartphone, the current menu is called up. This avoids the regular reprinting of menus when the offer changes and contributes to health protection from a hygiene point of view.
- **Connection of bar- & kitchen manager:** With this connection to Vectron POS systems, orders are no longer printed out as paper receipts for the kitchen or counter to process, as was previously the case. Instead, the POS system sends them to a monitor in the respective area and lists them there.



## Reduced use of raw materials

Vectron products help to reduce the use of raw materials. Below please find a list of practical examples:

- **Vectron POS systems are durable:** We deliberately manufacture our hardware in durable, robust industrial quality. This means that it can be used in practice for many years, largely without failure. Service lives of ten years and more are commonplace, even in the challenging environments of bakeries and gastronomy (flour dust, liquids, etc.).
- **Reduction of material usage at customer companies:** Vectron solutions offer digital interfaces to numerous merchandise management systems and support efficient material usage with various functions (e.g. inventory functions, automated order suggestions). This optimisation of inventory management means that less food is wasted.

Our **purchasing**, too, is **resource-conserving**.

Required goods are ordered from our suppliers in the long term and with the appropriate lead time, so that, as far as possible, no special production or environmentally harmful extra measures (e.g. air freight) are required.

## Company-internal measures

Not only in the development of our products, but also within the company we pay attention to sustainable processes.

### Deliberate use of hardware

- **Use of smartphones until technical "exhaustion":** There is no replacement of devices after a set period of time. Smartphones are only replaced if technical reasons preclude further use (defective screen, battery, etc.).
- **Passing on obsolete hardware:** We offer obsolete IT hardware (PCs, laptops, monitors, etc.) to employees for private use at a favourable price.



## Climate protection measures

Many of our internal processes and measures actively contribute to climate protection.

- **Digitisation of administration:** We have digitised many processes to make them as paperless as possible:
  - Digital receipts for our customers
  - Work flow systems for internal processes
  - Fully digital personnel management
  - Ticket system for support requests from our dealers
  - Documentation via support database etc.
- **Advertising material:** Printing has been switched to print on demand, which means that there is no excess stock and nothing has to be disposed of in the event of product changes.
- **Energy-saving lighting** in the whole company building.
- **Introduction of a new company car policy**, which provides for a higher overall allowance of electric and hybrid vehicles in the company fleet.
- **Company-owned e-charging stations** have been installed.
- **Outdoor area:** Our extensive outdoor area includes a large green with many trees and hedges, which provides habitats for insects, birds and other animals. In addition, we set up insect hotels to contribute to the preservation of species.





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### 3. Social

The Vectron Executive Board is aware that the assumption of social responsibility and good corporate governance are decisive factors in the holistic sustainability view. We value our employees; they are an essential part of the company's asset value.

Respect for human rights and employees' rights is a matter of course for us. As a company, we are committed to fair working conditions, safety at work, diversity in the workforce, equal opportunities, flat hierarchies and open communication structures.

The working environment is free from discrimination and harassment. We invest in the satisfaction, health and retirement provisions of our employees and take the social factors in our company very seriously.

## Health and welfare

- **Optimal working conditions:** Our employees have access to bright, spacious offices, ergonomic office chairs and modern technical equipment.
- We ensure **health protection and occupational safety** through an occupational physician and a safety officer.
- **Health management:** We support our employees in preventive health care, e.g. through annual flu vaccinations, eyesight tests, free Corona self-tests and vaccinations.
- We have appointed **first aid and fire protection assistants** including the necessary notices and documents. Likewise, there are regular fire drills.
- **Support for sporting activities:** We participate in company runs, provide running shirts and pay the associated participation fees. Reduced gym fees are available through our participation in the Corporate Benefits programme.
- Improving the work-life balance and promoting the compatibility of family and career: Our employees have **flexible working hours** and the possibility to work in the **home office** at times, if the position in the company allows this.
- **Company employee pension scheme:** We pay subsidies for capital-forming benefits or a company pension scheme.
- As **further benefits** employees receive tax-free benefits in the form of a debit card, which is topped up monthly, as well as gifts for the birth of a child and anniversaries.

- Since 2015, we have been promoting the use of bicycles with the **"Job-Bike programme"**. Through this programme, employees have the opportunity to lease their desired bicycle through Vectron for a period of three years. Since the start of the programme, 41 leasing contracts have been concluded.
- Our employees get **free drinks** (water, coffee and tea). In addition, there are special offers with fruit for free.
- Regular **team events and company parties** promote the cooperation and social togetherness. In addition, a cultural budget is set annually to finance special activities for the employees.

**Our company is socially committed. For years, employees and company have supported the St. Mauritz children's and young people's charity in Münster with the "Christmas Wish List Campaign". The children and young people looked after there write their Christmas wishes on lists. Our staff members buy and wrap the presents. If there are still wish lists left over, the company takes care of the remaining gifts so that no child goes empty-handed.**

## Equal opportunities, labour rights and conditions

We ensure compliance with core labour rights not only in the context of the employment contract. We place a high priority on equal opportunities and diversity in all application processes. In May 2021, employees from 13 different nations were employed in the company.

- We create **fair conditions** through appropriate remuneration based solely on qualifications, enable our employees to participate in event-related training and offer in-house English courses.
- We assume social responsibility by **training** qualified young people. From 2015 to 2020, an average of 5.6 apprentices started their training. In the last five years, 18 apprentices have completed their apprenticeship with us, 12 of whom have been hired.
- Freedom of assembly and trade unionism is guaranteed by a **staff representative body** which meets regularly with the executive board and can approach it at any time if necessary.
- Compliance with core labour rights (e.g. ban on child labour, ban on forced labour) at supplier companies: We stipulate compliance with labour rights in our contracts. The production and supply chains are monitored through on-site visits.



## 4. Governance

Vectron Systems AG is listed on the stock exchange and is therefore obliged to transparency. Internationally recognised accounting standards and the highest standards in risk management are applied.

The Executive Board and the independent Supervisory Board ensure that corruption, bribery and fraud are excluded. They also monitor that the group does not act in an anti-competitive manner and that the rights of shareholders are respected.

Vectron Systems AG is committed to **compliance with the German Corporate Governance Code** and thus to responsible corporate ethics. Due to company-specific features, there are some **exceptions** which we list on our [website](#).

We at Vectron consider Corporate Governance to be a continuous process. The principles are regularly reviewed and, if necessary, adapted on the basis of new experience, legal requirements and evolving national and international standards. The declaration of compliance is renewed as necessary.

As a company, we maintain an open, transparent and integrity-based organisational structure to prevent corruption and bribery.

The Supervisory Board is independent and is composed of competent individuals. The members act completely independently in their decisions and without conflicts of interest, for example, from political commitments.

Vectron is fiscally transparent and does not maintain accounts in tax havens.

## **Governance support for our customers**

We offer our customers a solution that enables legally compliant POS management in a digital and uncomplicated way. In this way, we support them in dealing with the necessary bureaucracy in the best possible way and efficiently at the same time.

- Our POS systems meet the requirements of the German Cash Register Security Ordinance (KassenSichV) from 1 January 2020. Among other things, we were one of the first POS system manufacturers to offer a certified technical security device for our POS systems as early as December 2019.
- The myVectron fiscal archive files the tax-relevant POS transaction data ("fiscal data") and various other data of the applied POS systems. In Germany this also includes the TSE data. The data backup is made automatically, normally when quitting the registration mode. The data is backed up daily on several Vectron servers in Germany in compliance with data

protection regulations and can be accessed at any time. In the event of an audit, the data can be downloaded in all required formats from all connected subsidiaries in one place.

- Via the myVectron connection DATEV Kassenarchiv online, the Vectron Systems AG transfers the tax-relevant POS transaction data ("fiscal data") automated to the "DATEV Kassenarchiv online", which is operated by the DATEV eG, Nuremberg. From here, forwarding to „DATEV Unternehmen Online“ and „DATEV Kassenbuch online“ is possible. The POS data is made available digitally to the tax advisor.





## 5. Conclusion

This sustainability report shows that the business model of Vectron Systems AG fulfils the key environmental social governance (ESG) criteria in the areas of environment, social aspects and corporate governance. Therefore, our business model can be described as sustainable.

Münster, 30 August 2021



# SUSTAINABLE DEVELOPMENT GOALS



Not every company can implement all of the global UN Sustainable Development Goals (SDGs) in the same way; some of them are primarily aimed at politicians and institutions. However, the measures Vectron has already implemented contribute to many of the goals. A brief overview:

## No poverty

Vectron helps to end poverty through fair wages, company employee benefits and contracts with suppliers that stipulate compliance with core labour rights.

## Health and welfare

Vectron contributes to the health and well-being of our employees with numerous measures: optimal working conditions, health protection and occupational safety, health management, first aiders and fire protection assistants, support for sporting activities, flexible working hours and home office options, tax-free benefits in kind, participation in the "Job bike programme", free drinks and regular team events and company celebrations.

## High-quality education

Vectron contributes to quality education through apprenticeships and training and development for employees.

## **Gender equity**

In application processes, Vectron pays attention to equal opportunities and diversity, while gender is not a factor in remuneration either.

## **Clean water and sanitary facilities**

Shower rooms are available for employees to use, for example, when they exercise before work or during breaks.

## **Affordable and clean energy**

Using our energy-saving POS systems helps to save electricity. This reduces the total demand and the construction of further power plants can be dispensed with.

## **Human dignity, work and economic growth**

Vectron requires skilled workers who are very scarce on the market. In order to attract and retain them, the workplaces are designed attractively and, in addition to productivity, attention is paid to the well-being of the employees. In addition, the employment of foreign workers promotes the international labour market. At present, Vectron employs employees from 13 nations.

## **Industry, innovation and infrastructure**

Vectron's POS systems are transforming into innovative platforms for multiple applications that drive digital transformation in the target industries through digital add-ons with data linked in the cloud.

## **Fewer inequalities**

Vectron pays attention to flat hierarchies, open communication structures, a discrimination-free working environment and diversity among employees.

## **Sustainable cities and communities**

Through innovative POS systems, Vectron helps users to better control their merchandise management, which enables the bundling of goods transports. The reduction of delivery trips contributes to traffic calming.

### **Sustainable consumption and production**

Vectron products are durable, which reduces the consumption of raw materials; and they integrate numerous other applications, reducing the need for additional hardware. Various functions, e.g. in the fields of inventory and ordering, optimise merchandise management and reduce the use of materials.

### **Climate protection measures**

A new company car policy provides for the increased purchase of e-cars and hybrid vehicles. In addition, e-fuelling stations have been set up on company premises and the use of bicycles is encouraged. Many Vectron products help the users to save paper, e.g. the digital receipt, bar- & kitchen managers as well as digital menus and internal processes are also becoming more and more digital.

### **Life on land**

The provision of innovative POS systems has a positive impact on the environment as a whole. Today, one POS system does what five devices could do before. This saves energy and avoids electrical waste. Rare earths needed for the devices can be saved.



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