

ENVIRONMENTAL
ESG REPORT
SOCIAL
GOVERNANCE

ABOUT US

INNOVATIV & SUSTAINABLE



Design Composite was founded in 1999 as a startup by ski manufacturer Blizzard GmbH. Since 2005, it has operated under the name Design Composite GmbH and has been headquartered in Niedernsill, Austria, since 2011.

The company specializes in the development and production of customized sandwich panels. As an innovative manufacturer of high-quality technical elements, its core competence for over 25 years has been combining various high-tech materials into novel composites.

The main sales markets include Austria, Germany, Switzerland, the USA, Central Europe, the Middle East, and Australia. Sourced products primarily come from Germany, the Netherlands, Austria, Sweden, and Italy.

Sustainability has been an integral part of the company's philosophy from the very beginning, aligning with what is now widely recognized as ESG (Environmental, Social, and Governance).

The company's objective has always been to achieve economic success while minimizing environmental impact, fostering respectful relationships with all individuals connected to the organization, and maintaining corporate governance that is mindful of its social responsibilities.

This ESG report has been prepared based on the principles of ERS VSME. Design Composite is proud to present this report as an initial overview of the company's past and future sustainability performance. The company looks forward to continuing its collaboration with the entire business ecosystem to develop sustainable and future-oriented solutions.



17 GOALS

FOR SUSTAINABLE DEVELOPMENT

Design Composite is committed to the goals of the 2030 Agenda for Sustainable Development, which was agreed upon by all 193 member states of the United Nations and adopted on January 1, 2016. The 17 SDGs (Sustainable Development Goals) provide guidelines for sustainable development on economic, ecological, and social levels and are based on the fundamental principle of including all people.

OUR SPECIAL FOCUS IS ON THE FOLLOWING SDGS:

- 5 Gender Equality**
At Design Composite, gender equality is both practiced and promoted.
- 8 Decent Work and Economic Growth**
It is a particularly important concern for the company that growth goes hand in hand with good working conditions for all employees.
- 9 Industry, Innovation, and Infrastructure**
As an industrial company, Design Composite contributes to sustainable development, particularly through ambitious measures in the areas of energy & climate as well as circular economy & waste management.
- 12 Responsible Consumption and Production**
The commitment to developing resource-efficient products promotes the transition to a sustainable economy. Through sustainability reporting, Design Composite raises awareness of sustainable development both internally and externally.
- 13 Climate Action**
The company contributes to stopping global warming. The site is already operated with 95% renewable energy. The next step is to calculate the carbon footprints of products.
- 15 Life on Land**
Through a biodiversity project surrounding the ground-mounted 202 kWp photovoltaic system, Design Composite contributes to the preservation and enhancement of the ecosystem.



INTERVIEW

HANS ASTER, AUTHORIZED OFFICER

„Together with our partners we want to develop smart, sustainable solutions.“

Design Composite has been focused on sustainability for a long time. What was the reason for this?

Sustainability has been a topic for us for 25 years. The reason we are now intensifying our commitment is due to several factors. One of the reasons was the raw material crisis, which prompted us to focus even more on material cycles and recycling opportunities. At the same time, political decisions were made at the European level, obligating larger companies to adhere to environmental and social aspects in their supply chains. As a supplier, we will be affected by these regulations in the future, so we have taken appropriate precautions in advance.

However, one of the main reasons we are now addressing the ecological aspect of sustainability so intensively is climate change and the rapidly increasing waste volumes. Climate change is something we can all feel, and it personally concerns me as well. The large volumes of waste are a consequence of our throwaway society. Buying cheap products globally and discarding much of it must be seriously questioned and permanently changed.

Cheap is not better. Even Design Composite could source its components more cheaply from Asia. However, as long as the raw materials are available in Europe, we focus on quality. We aim to stand out with custom-tailored solutions and provide an honest, traceable product.

You already use 95% renewable energy at your location. What inspired you to do this?

From the very beginning, it was self-evident for us to use green electricity. Thanks to our optimized manufacturing processes, we are able to produce with lower energy consumption, which means that

energy costs play a minor role in our overall costs.

In addition, we can use electricity as our sole energy source, and since 2024, we have been producing additional self-generated electricity through our 202 kW photovoltaic system. This contributes to energy security and makes us more independent from future electricity price fluctuations and shortages.

What is the most important sustainability issue you will focus on in the future?

The most important issue for us is to manufacture circular products. This means designing products in such a way that they can be reused as effectively as possible at the end of their lifecycle. We want to collaborate with partners to find solutions for where our products might fit within the emerging recycling industry, as there are currently no specific solutions developed for the small residual amounts we generate. Our research focus is on providing as homogeneous products as possible. These products are easier to recycle and will become an important raw material for the industry in the future.

The challenge with these new product developments is that, in addition to the challenge of making products circular, there are additional performance requirements for each of our product groups. For example, in the automotive industry, weight reduction plays a major role, as the range increases with decreasing total weight. In the caravan industry, circular products must also have excellent aesthetics, as aesthetics are a priority in this segment. In architecture, durability is a key factor. This makes the whole topic very complex.

Design Composite is a very stable company when it comes to employees, with little turnover. What is the reason for that?

Because we actively and consciously engage with our colleagues.

Because equality is in place, and, for example, internal processes are relatively transparent for employees. We strive to be a really good employer and offer various benefits. Every employee is important to us and is appreciated. I think the overall package makes Design Composite an attractive place to work.

What is personally important to you?

Personally, it's important to me that our employees are well and enjoy working with us. It's also important to me that the company can continue to grow in the region, which is relatively industrially underdeveloped. Externally, we want to strengthen our reputation as an industry leader, offer even more sustainable products to the market, and contribute

to the transition to a functioning circular economy. Our product portfolio will cover both: „Standard today“ and „Standard future“ with new sustainable products.

What matters to me most is that we work closely with our customers to develop new topics and products, and in doing so, create smarter, more sustainable, and innovative systems. With our technical expertise, we can contribute a lot to this! Ultimately, we want to grow organically and healthily with our partners. If we succeed in doing this and leave a future-fit environment for our children, I will be happy.

Hans Aster is the authorized officer of Design Composite. Sustainability is a comprehensive concept for him, and it has been lived in many areas at Design Composite for a long time.



MISSION

WHAT WE DO AT DESIGN COMPOSITE

Our product range

Design Composite primarily operates in the B2B sector with three main focus areas:

Lightweight Construction

The highly durable and stable lightweight elements with foam or various honeycomb core variants are mainly used in commercial vehicles, caravans, industrial applications, and balcony floors.

Architecture & Design

Panels with translucent honeycomb cores and polycarbonate or acrylic top layers are primarily used as decorative elements in both interior and exterior applications.

Acoustics

The transparent sandwich panels—composed of micro-perforated, light-transmitting top layers and a colorless or tinted honeycomb core—are highly sound-absorbing.

Our USP

Design Composite delivers custom lightweight solutions for those looking to save resources and improve performance or seeking a unique aesthetic and function. With high flexibility and dedication, we develop customer-specific solutions, from individual panels to system components, from special to series productions. The entire product range is characterized by a high degree of flexibility and customization options. Various material processing possibilities, ready-made system solutions, and countless design variants complement the offering.

The current challenge

From now on, the task is to gradually adapt the versatile product range of Design Composite to meet the diverse sustainability requirements.

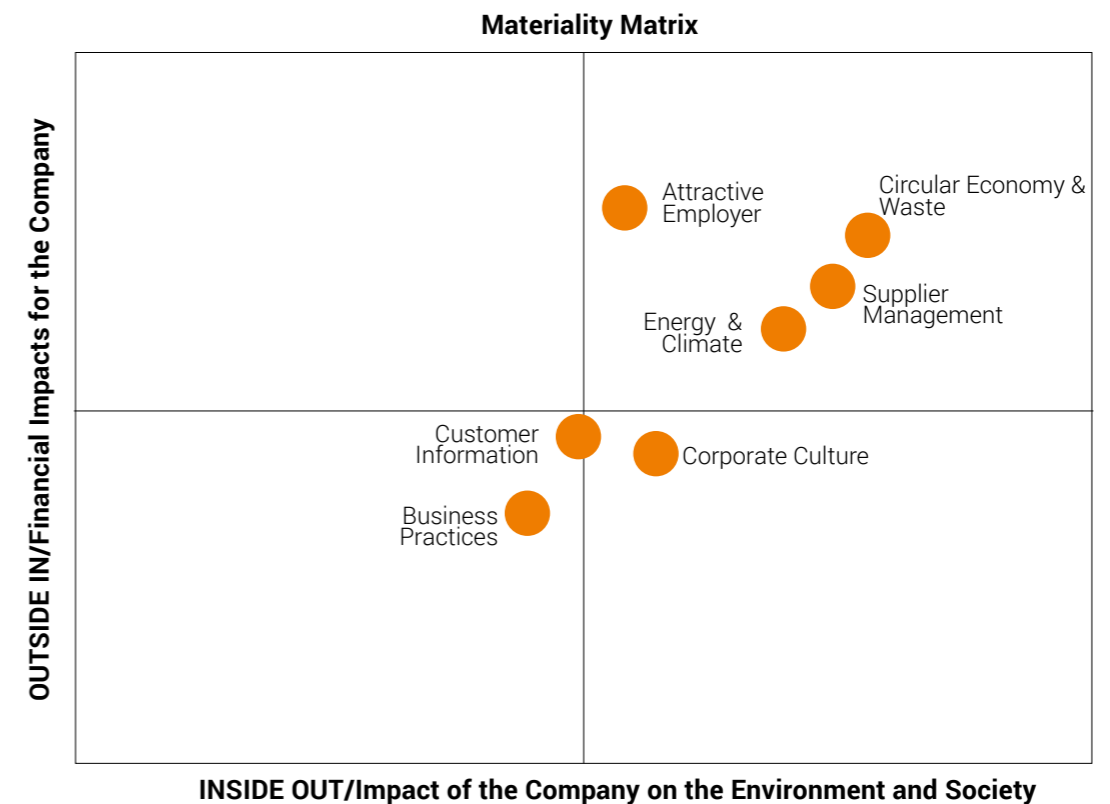


ESG

OUR STRATEGY

The European Green Deal requires all companies operating within the EU to transition to a sustainable economy. Under ESG—E for Environment, S for Social, and G for Governance—all topics important for a sustainable economy are summarized.

Each industry is affected by different aspects to varying degrees. To define which topics are relevant for Design Composite and which areas should be further emphasized in the future, an ESG materiality analysis was conducted following the ESRS VSME* standard. The ESG topics outlined in the standard were evaluated in terms of their impact on people and the environment, their financial impact, and their effect on the business strategy of Design Composite. By looking at the entire value chain and considering stakeholder interests, the following topics were identified as material:



The Key Sustainability Topics

The key topics identified were „Circular Economy & Waste, Supplier Management, Climate & Energy, and Attractive Employer.“ Following this, an assessment was made of the measures already implemented in these areas. Additionally, short- and medium-term goals were set, and the necessary actions were developed to achieve these objectives. Defined key performance indicators (KPIs) will be used to track progress towards these goals.

The ESG strategy is integrated into both the ISO 9001 standards and the mission statement of Design Composite. The management team is responsible for the development, implementation, and oversight of the sustainability aspects.

*ESRS VSME Draft_January 2024

Understanding the Value Chain

Collaborative Partnership

The requirements of the Green Deal to transform the European economy into a sustainable economy have an impact on the entire value chain. In procurement, it is now necessary to focus more on where the purchased products are manufactured, whether environmental and social standards are met, and whether CO2 emissions are generated due to long transport distances. In the downstream value chain, the focus is on developing products with customers that have the smallest possible CO2 footprint and can be optimally recycled.

Both challenges can only be overcome together with suppliers and customers. Therefore, it will be essential for mutual success to maintain open, constructive, and friendly relationships with all business partners in the future.



Together with Our Suppliers

Design Composite aims to continue fulfilling its reputation as a pioneer in ecologically sustainable lightweight solutions by developing products that meet future ecological requirements. Close collaboration with suppliers is a key factor in achieving this goal.

The more sustainable products can be sourced, the more innovative and sustainable products can be offered to customers. In joint developments, three main topics are at the forefront:

RESOURCE CONSERVATION

Development of Circular Products

To produce products with high recyclability or a significant proportion of recycled materials, it is necessary to source components that meet these criteria. Together with suppliers, new pathways are being explored to find future-proof solutions.

CLIMATE PROTECTION

Greenhouse Gas Reduction of Products

One of the key objectives is to reduce greenhouse gases in collaboration with suppliers. As a first step, data on the climate footprint and Product Carbon Footprints (PCFs) will be collected. Subsequently, joint reduction targets will be established with the suppliers.

REGIONALITY

The Closer, the Better

Suppliers located near the production site are preferred. This not only reduces the CO2 impact from transportation but also ensures that companies in other EU countries adhere to the same environmental and social standards, making compliance in the supply chain more reliable.

TOGETHER WITH AND FOR THE CUSTOMERS

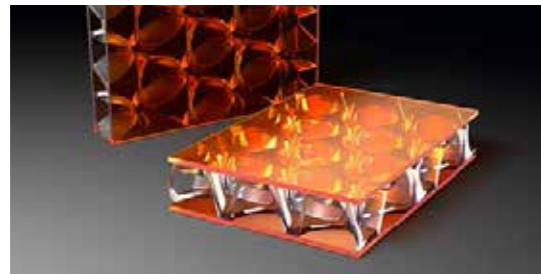
Customers are our main focus. They, too, face significant challenges when it comes to sustainability. Due to their size, many of our customers are subject to European reporting obligations, meaning they have to ensure the sustainable production of their own products as well as those they purchase. Design Composite is committed to supporting them in this process.

Our offerings—circular, CO2-reduced, lightweight, aesthetically pleasing, and durable—are tailored to help our customers meet their sustainability goals. With our technical innovation capabilities, sustainability expertise, and our commitment to being leaders in the industry, we strive to provide the best solutions for ecologically sustainable lightweight products. Together with our customers, we aim to pave the way toward a more sustainable future.

Our Environmental Topics: Circular Economy & Waste / Climate & Energy

Circular Economy in Focus

A functioning circular economy and the associated waste reduction are the most important sustainability topics for Design Composite. Consequently, product developments in this area are being advanced with great intensity. The transition to a circular economy is a complex process. The recyclability of products at the end of their life cycle strongly depends on whether efficient recycling was considered during the product development phase. Pioneering work has already been done in this regard—Design Composite is already offering its first circular products and those with a high proportion of recycled materials.



As of May 1, 2024, our architectural program has been transitioned to sustainable base materials. (PC: up to 83% bio-circular content and PMMA: 100% R-MMA)



As of March 2024, we have introduced lightweight truck floors. These thermoplastic monolithic composite panels are fully recyclable and are no longer bonded but instead welded.

Waste Balance Strategy

We have set the goal of continuously reducing the waste generated in our operations. To achieve this, we define and implement appropriate measures.

WASTE TABLE

Non-hazardous waste:	t	Hazardous waste:	kg/l
Plastic waste	-	Waste from Electrical and Electronic Equipment	-
Metal	4	Batteries and Accumulators	-
Paper and Cardboard	12	Used Oils	-
Garden, Park, and Cemetery Waste	-	Mercury-containing Devices	-
Commercial Residual Waste	100	Pesticides	-
		Liquid Chemicals	-
		Powdered Chemicals	-

Research & Development

On the topic of circular economy, design composite is working on various development projects in the following product groups:

- a) Welded PET thermoplastic composites, partly made from recycled raw materials
 - b) Welded PP thermoplastic composites
 - c) Use of renewable or bio-based raw materials
 - d) Use of already recycled raw materials
- In parallel, efforts are being made to specifically

consider the aftermath within a group of interested parties or funding members.

Cooperations with research institutes

Cooperation with the University of Leoben

A research project is being conducted with the University of Leoben. The focus is on the topics of biodiversity and bio-based raw materials, as well as research into sustainable materials.

Cooperation with an interest group

A project is currently being completed, focused on the development of a new refrigerated vehicle aimed at being lighter and more energy-efficient, while significantly extending the service life of the cargo bodies.

As of 2024: 95% renewable energy at the location

The Climate Strategy

The design composite production facility in Niedernsill, Austria, was built in 2011 according to the latest passive building standards. Optimal energy efficiency – for example, using production waste heat for building heating – ensures that no fossil fuels are required at the entire site. In addition, the company switched to green electricity many years ago. In May 2024, a 202 kWp PV system was put into operation. The vehicle fleet will be gradually converted to electric drive.

The highest emissions in the areas of energy and mobility stem from employee commuting and some unavoidable flights necessary for the economic success of the company.



Current Goals

- 100% renewable energy in Scope 1 and 2 according to the GHG (Greenhouse Gas Protocol) by 2027.
- Development of Product Carbon Footprints for some products in 2024.

To understand the greenhouse gas impact of the products and subsequently reduce it in collaboration with suppliers, a Life Cycle Assessment (LCA) material flow diagram will be created.

Climate Balance 2023

*Scope 1 Direct Emissions		
	kWh	CO ₂
Mobility		
Cars		
Gasoline cars	33.320	11,05
Electric cars	731,36	0,46
*Scope 2 Indirect Emissions		
Renewable Energy	589.952	8,25
Fossil Heat Energy	0	0
E ³ Scope 3 Emissions from: 3.6 Business Travel / 3.7 Employee Mobility		
Business travels		
Airplane	623.008	3,50
Public transport	3.698,40	1,04
Multiple-axle vehicles	68.972,40	26,45
Total energy demand (excluding Scope 3)	624.003,36	19,77
% share of renewable energy (excluding Scope 3)	94,66	
CO ₂ reduction in the reporting year through the use of renewable energy (excluding Scope 3)	127,61	

*According to the GHG (Greenhouse Gas Protocol). The data in Scope 1 refers to the energy consumed on-site and for the vehicle fleet, while the data in Scope 2 refers to the energy purchased via networks. The data in Scope 3 is divided into 15 categories under the GHG (internationally applied standard) and is voluntarily reported in the ESRS VSME. In the climate balance of the ESG START REPORT, the two mobility categories, business travel and employee mobility, are represented from Scope 3.

Attractive employer

Working with friends

The employees of design composite are the key to the company's success. Their expertise, experience, and competence form the foundation for excellent performance. Therefore, great efforts are made to be and remain an attractive employer. Equal treatment is practiced daily, work-life balance is supported as much as possible, and employee training is considered a particularly important concern. The motto in everyday collaboration: We work with friends.

General information

Education	Permanent employment contract	Fixed-term employment contract	Paid according to collective agreement	Of which people with disabilities
Employees male	22	-	-	1
Employees female	5	-	-	-
Employees diverse	-	-	-	-
Total employees	27			
Manager male	1			
Manager female	-			
Number of apprentices	1			

FAMILY-FRIENDLY WORKING HOURS

To support the work-life balance, flexible working time models are used in administration, specifically designed to help part-time employees manage their daily lives. In production, working hours have also been introduced that allow employees to spend more time at home with their families.

OPPORTUNITIES FOR PARTICIPATION FOR EVERYONE

To ensure democratic structures, opportunities for participation have been created. The basis for this is regular shop-floor rounds by the management in production, including conversations with all colleagues. During these conversations, improvement suggestions can be made or problems reported. These discussions are documented, evaluated, and assigned with corresponding tasks to ensure maximum implementation. This gives everyone the chance to voice their opinion and contribute. Annual employee reviews complete the program.

VITAMINS FOR FREE

To promote everyone's health, fresh fruit is provided.

SECURITY FOR THE FUTURE OF EVERYONE

As a contribution to retirement provision, a future security plan has been introduced. The company contributes to it until retirement or until employment ends.

LEISURE PROGRAMS

Changing leisure programs are offered, such as ice hockey tickets in Zell am See or discounted movie tickets.

BIKE-LEASING

A tax-subsidized bike leasing program is available. This reduces the acquisition costs by 30-40%.

TRAINING PROGRAM

Training and further education are seen as essential success factors for the company. In annual reviews, the direction in which each employee wants to develop, or which training they would like to undertake, is defined. The spectrum ranges from language courses and workshops for leadership or AI to personality development for apprentices.

SAFETY IN PRODUCTION

To ensure high safety standards in production, continuous measures are taken to improve safety.

PROFIT SHARING FOR EVERYONE

Shared success pays off: When design composite performs well financially, everyone gets their share. This approach has a direct impact on motivation and commitment.

COMMUNITY ENGAGEMENT

Design composite is actively involved in the local community, focusing on the Pinzgau region. Examples of sponsorship include the Zell am See ice hockey club, the Niedernsill ski club, and the Hollersbach football club. The special school in Stuhlfelden was supported in a garden project during the reporting year. Additionally, a wildflower meadow is planned around the new PV system. Many school events are also supported.



Corporate Governance

The Values of Design Composite

Shared values that are clearly and visibly lived both internally and externally are the foundation for the success of design composite in the entire business environment. Therefore, an internal guideline has been developed in which these values are documented.

It has been established that design composite sees innovation, digitalization, and growth as key drivers for economic success. The goal is to be a pioneer in the field of ecologically sustainable lightweight solutions. To achieve this, efforts are focused on evolving from a component supplier to a system partner, working alongside customers to develop sustainable, future-oriented solutions. Additionally, the company is committed to providing employees with a motivating and meaningful work environment.

The same appreciation is shown both internally and externally: just as the internal operations are based on mutual respect, the company conducts its external business—interacting with customers, suppliers, and all other partners—on the same principles.

Being part of the solution

Responsible corporate governance means for design composite to be part of the solution for the significant challenges that will face the European economy in the coming years. The transition to a sustainable economy requires innovation, courage, a willingness to change, and above all, a commitment to cooperation. Many solutions in the future will not come from individual companies but will be developed collaboratively with suppliers, customers, universities, or interest groups.

design composite aims to shape and co-develop this process. Responsible corporate governance also means ensuring that design composite is future-ready for the next generation, embracing new challenges, and working with joy and dedication alongside partners to create innovative solutions.



ESRS VSME Index

		Seite
B1	This ESG report has been developed based on the ESRS (European Sustainability Reporting Standard) VSME (voluntary standard for SMEs) Draft 1.2024 according to Option D (Basic, PAT, and Business Partner module). The information pertains to the company's location in A-5722 Niedersill, Gewerbegebiet Lengdorf 4. The company has no other locations.	
B2	Not relevant	
B3	Energy and Greenhouse Gas Emissions Design composite has developed a climate balance for Scope 1 and 2 according to the GHG (Greenhouse Gas Protocol). Additionally, business trips and employee mobility from Scope 3 have been reported.	S 11
B4	Air, Water, and Soil Pollution not relevant	
B5	Biodiversity Design composite has a land area of 14,500 m ² , of which 4,300 m ² is built-up. The location is not in a sensitive area.	
B6	Water Design composite used 311 m ³ of water in 2023. The company is not in a water-sensitive area.	
B7	Resource Usage, Circular Economy, and Waste Design composite has defined circular economy as essential and has developed initial measures. A waste balance has been created.	S 10
B8	Own workforce General characteristics have been recorded.	S 12
B9	Own Workforce - Health and Safety There was one workplace accident during the reporting period.	
B10	Own Workforce - Health and Safety Employees of design composite are not paid according to collective agreements. The training hours amount to 19 hours for male employees and 14 hours for female employees.	
B11	Negative Impacts in the Value Chain Not recorded for this report due to lack of data availability.	
B12	Corruption and Bribery There have been no convictions for corruption or bribery.	
N1	Business Strategy Description of the business model and sustainability-related initiatives.	S 3, 6
N2	Key Sustainability Aspects Design composite has conducted a materiality analysis, and the process description is available in an internal document. A summary of the results has been developed.	S 7
N3	Management of Key Sustainability Aspects Design composite has identified its key ESG issues as part of the materiality analysis and has developed measures, goals, and KPIs to reduce negative impacts and enhance positive ones. A corporate guideline is in place. Design composite has already implemented numerous climate protection measures. The company has internal rules to avoid corruption and bribery.	S 10, S 11, S 12, S 13, S 14
N4	Key Stakeholders The company has conducted a stakeholder analysis and is in regular contact with key stakeholders.	
N5	ZResponsibilities Regarding Sustainability Aspects The management is responsible for sustainability at design composite.	
BP1	Revenues in Specific Sectors Design composite has no revenues in the following sectors: controversial weapons; cultivation and production of tobacco; fossil fuels; chemical production according to Section 20.2 of Annex 1 of Regulation (EC) No. 1893/2006.	
BP2	Gender Diversity in Executive Bodies Design composite does not have any female executives.	S 12
BP3	Greenhouse Gas Reduction Targets Design composite has defined its greenhouse gas reduction targets.	S 11
BP4	Climate Protection Transition Plan A climate protection transition plan for Scope 1 and 2 according to GHG has been developed.	S 11
BP5	Climate-related Physical Risks A climate scenario analysis has been conducted. Design composite is not exposed to climate-related physical risks at its location..	
BP6	Radioactive Waste The company does not have radioactive waste.	
BP7	Compliance with Internationally Recognized Instruments The company complies with all Austrian employee protection laws, which align with internationally recognized instruments.	
BP8	Process for Monitoring Compliance and Mechanisms for Addressing Violations Design composite has an internal complaint procedure.	
BP9	Violations of UN Guiding Principles There have been no violations of the UN Guiding Principles.	
BP10	Work-Life Balance Work-life balance is actively promoted with specific measures.	S 12
BP11	Number of Apprentices Design composite has one apprentice.	S 12



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