

7.4.3 Appendix III - Canyon

7.4.3.1 General Information

7.4.3.1.1 REPORTING SCOPE AND BOUNDARIES

BASIS FOR PREPARATION OF SUSTAINABILITY STATEMENT (CONSOLIDATED OR INDIVIDUAL BASIS)

Canyon's sustainability statement is consolidated and therefore applies to the entire GoForGold Holding GmbH.

FOR CONSOLIDATED SUSTAINABILITY STATEMENTS: SCOPE OF CONSOLIDATION OF CONSOLIDATED SUSTAINABILITY STATEMENT IS SAME AS FOR FINANCIAL STATEMENTS

In accordance with ESRS 1 §102 and ESRS 2 §5(b), Canyon confirms that the scope of consolidation of its consolidated sustainability statement is aligned with its consolidated financial statements.

FOR CONSOLIDATED SUSTAINABILITY STATEMENTS: INDICATION OF SUBSIDIARY UNDERTAKINGS INCLUDED IN CONSOLIDATION THAT ARE EXEMPTED FROM INDIVIDUAL OR CONSOLIDATED SUSTAINABILITY REPORTING

No subsidiary of Canyon included in the consolidated sustainability statement is exempted from individual or consolidated sustainability reporting.

DISCLOSURE OF EXTENT TO WHICH SUSTAINABILITY STATEMENT COVERS UPSTREAM AND DOWNSTREAM VALUE CHAIN

Canyon's sustainability statement includes information on the material impacts, risks and opportunities connected with the undertaking through its direct and indirect business relationships in the upstream and/or downstream value chain.

Canyon established clear reporting boundaries for non-financial disclosures in line with the principles of relevance and materiality. These boundaries encompass all operations directly under Canyon's control, including manufacturing, distribution, and retail activities. Canyon includes critical aspects of the upstream and downstream value chain in the reporting framework. This ensures the key environmental and social impacts beyond immediate operations, such as those involving suppliers, third-party manufacturers, and logistics partners, are addressed.

The focus for value chain reporting relates to the topics identified as material by the Double Materiality Analysis. This analysis allows Canyon to concentrate on the most significant environmental and social issues as well as risks and opportunities identified along the lifecycle of products and services, ensuring that improvement efforts are prioritised where they can have the most impact.

Upstream, Canyon actively engages with suppliers to address material concerns related to carbon emissions, resource efficiency, labour conditions, and ethical sourcing of materials such as aluminium. Canyon's Human Rights Program is aligned with international standards like the United Nations Global Compact and OECD Guidelines for Multinational Enterprises and prioritises collaboration when addressing material topics, such as reducing the carbon footprint of materials and improving social standards in the supply chain.

Downstream, Canyon focuses on optimizing logistics networks to reduce emissions. By implementing measures that support a circular economy, the undertaking aims to reduce waste and enhance resource efficiency, in alignment with long-term sustainability goals.

OPTION TO OMIT SPECIFIC PIECE OF INFORMATION CORRESPONDING TO INTELLECTUAL PROPERTY, KNOW-HOW OR RESULTS OF INNOVATION HAS BEEN USED

ESRS 1, §105 and §106 and ESRS 2 §5(d), specify that no disclosure must be provided by the reporting

entity if it contains classified or sensitive information, even if such information is considered material. Also, when disclosing information about strategy, plans and actions, where a specific piece of information corresponding to intellectual property, know-how or the results of innovation is relevant to meet the objective of a Disclosure Requirement, the undertaking may nevertheless omit that specific piece of information under circumstances outlined in ESRS 1 §106. Canyon exercises safeguard clauses to protect commercially-sensitive information, intellectual property, or where disclosure could compromise ongoing contractual relationships if, in the duly justified opinion of the Board of Directors of Canyon, the disclosure of such information would be seriously prejudicial. In accordance with ESRS 1, §108, Canyon made every reasonable effort to ensure that, beyond the omission of classified or sensitive information, or of specific pieces of information corresponding to intellectual property, know-how, or the results of innovation, the overall relevance of the disclosure in question is not impaired.

7.4.3.1.2 SPECIFIC CIRCUMSTANCES RELATED TO TIME HORIZONS

MEDIUM- OR LONG-TERM TIME HORIZONS DEFINED BY ESRS 1 HAVE BEEN DEVIATED FROM

See Disclosure of definitions of medium- or long-term time horizons

DISCLOSURE OF DEFINITIONS OF MEDIUM- OR LONG-TERM TIME HORIZONS

In accordance with ESRS 1, §77, the short-term time horizon is aligned with the 12-month period adopted by Canyon for the reporting period or its financial statement.

In accordance with ESRS 1, §77, the medium-term time horizon is defined as the period ranging from the end of the short-term reporting period defined above up to 5 years.

In accordance with ESRS 1, §77, the long-term time horizon is defined as any period beyond 5 years.

DISCLOSURE OF REASONS FOR APPLYING DIFFERENT DEFINITIONS OF TIME HORIZONS

Not applicable as Canyon has not deviated from the medium- or long-term time horizons defined by ESRS 1, section 6.4.

7.4.3.1.3 VALUE CHAIN ESTIMATION

METRICS INCLUDE VALUE CHAIN DATA ESTIMATED USING INDIRECT SOURCES

See Disclosure of metrics that include value chain data estimated using indirect sources

DISCLOSURE OF METRICS THAT INCLUDE VALUE CHAIN DATA ESTIMATED USING INDIRECT SOURCES

To comprehensively assess the environmental impacts and social risks within the value chain, Canyon uses a combination of direct supplier data and estimations based on indirect data sources. For metrics not directly provided by suppliers, we rely on benchmark data from leading institutions, national and international databases, and sector-specific information. Metrics that include estimated value chain data encompass data disclosed in ESRS E1 and ESRS E5. The scope 3 calculation encompasses categories 1-7, 11, and 12, which are relevant to Canyon and reported accordingly. In certain instances, values were extrapolated or based on assumptions. Emission factors from the ecoinvent database are used to calculate emissions across all reported scope 3 categories. For category 2, additional monetary emission factors from the US EPA are used. Value chain estimations, which are used in scope 3 are also applicable for metrics for E5 incoming resources (See Description of the methods used to calculate the data and the key assumptions

used). In order to determine the share of biological material in tyres and tubes, in particular natural rubber, the publication of the European tyre and rubber manufacturers' association is used.

DESCRIPTION OF BASIS FOR PREPARATION OF METRICS THAT INCLUDE VALUE CHAIN DATA ESTIMATED USING INDIRECT SOURCES

Canyon's approach to metrics encompasses the inclusion of value chain data and combines direct data from suppliers with estimates from indirect sources. When suppliers cannot provide specific data, industry benchmarks, sector-specific emissions and resource coefficients, and data from authoritative global databases are used.

DESCRIPTION OF RESULTING LEVEL OF ACCURACY OF METRICS THAT INCLUDE VALUE CHAIN DATA ESTIMATED USING INDIRECT SOURCES

Whilst Canyon strives for the highest level of data accuracy, metrics derived from indirect sources involve a degree of estimation and thus may not reach the precision of directly-sourced data. Based on the assessments, data accuracy ranges from high accuracy (for metrics largely based on direct supplier data), moderate accuracy (for metrics combining direct data with significant indirect estimation), to low accuracy (for metrics relying primarily on sector averages or generalised industry data).

DESCRIPTION OF PLANNED ACTIONS TO IMPROVE ACCURACY IN FUTURE OF METRICS THAT INCLUDE VALUE CHAIN DATA ESTIMATED USING INDIRECT SOURCES

To enhance the accuracy of our value chain metrics, we are committed to expanding data collection efforts with our suppliers and investing in improved data integration systems. Planned actions include increasing the number of suppliers reporting direct emissions and resource usage data, implementing digital tools, and participating in industry collaborations aimed at standardising supply chain reporting.

7.4.3.1.4 SOURCES OF ESTIMATION AND OUTCOME UNCERTAINTY

DISCLOSURE OF QUANTITATIVE METRICS AND MONETARY AMOUNTS DISCLOSED THAT ARE SUBJECT TO HIGH LEVEL OF MEASUREMENT UNCERTAINTY

Some of the quantitative measures and monetary amounts disclosed in Canyon's sustainability report are subject to a degree of uncertainty as they are based on estimation techniques such as extrapolation and indirect data sources. The details are disclosed in the respective chapter alongside the topical ESRS standards.

DISCLOSURE OF SOURCES OF MEASUREMENT UNCERTAINTY

The primary sources of measurement uncertainty in Canyon disclosures stem from three main areas: (1) the lack of direct data from certain suppliers, which requires the use of industry averages and third-party benchmarks; (2) regional variability in data accuracy, particularly

for environmental and social metrics in high-risk or under-reported regions; and (3) the inherent variability in estimation models and assumptions used for complex calculations, such as greenhouse gas emissions.

DISCLOSURE OF ASSUMPTIONS, APPROXIMATIONS AND JUDGEMENTS MADE IN MEASUREMENT

In deriving certain metrics, Canyon applied assumptions, approximations, and professional judgements to achieve a balance between completeness and data precision. For instance, where direct emissions data from suppliers was unavailable, Canyon approximated emissions based on similar industry profiles, adjusting for regional production factors. Judgments were also made in selecting the most applicable benchmark data for indirect metrics, prioritising sources that best reflect suppliers'

geographic and operational contexts. Further information on the key estimates, judgements and assumptions are outlined in the specific chapter. Comprehensive information regarding each scope 3 category can be found in "Disclosure of the reporting boundaries and calculation methods used to estimate Scope 3 greenhouse gas emissions". Furthermore, since the data used for the Corporate Carbon Footprint calculation also informs key metrics on incoming resources, the related assumptions and sources are detailed in "Description of the methods used to calculate the data and the key assumptions used". In order to determine the share of biological material in tyres and tubes, in particular natural rubber, the publication of the European tyre and rubber manufacturers' association is used.

7.4.3.1.5 DISCLOSURES STEMMING FROM OTHER LEGISLATION OR GENERALLY ACCEPTED SUSTAINABILITY REPORTING PRONOUNCEMENTS

DISCLOSURE OF OTHER LEGISLATION OR GENERALLY ACCEPTED SUSTAINABILITY REPORTING STANDARDS AND FRAMEWORKS BASED ON WHICH INFORMATION HAS BEEN INCLUDED IN SUSTAINABILITY STATEMENT

Canyon considered the following legislation or generally accepted sustainability reporting standards and frameworks:

- disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation);
- the CDP integrated questionnaire for all sectors was considered when drafting topical standard ESRS E1;
- the French AGEC law against wastage and for circular economy (2020) was considered when drafting topical standard ESRS 5;
- the German Act on Corporate Due Diligence Obligations in Supply Chains (2021) was considered when drafting ESRS S2 and ESRS S1;
- the UK Modern Slavery Act (2015) was considered when drafting ESRS S2;

- the Australian Modern Slavery Act (2018) was considered when drafting ESRS S2;
- the Canadian Fighting Against Forced Labour in the Supply Chain Act (2023) was considered when drafting ESRS S2;
- the California Transparency in Supply Chains Act (2010) was considered when drafting ESRS S2;
- the Norwegian Transparency Act (2022) was considered when drafting ESRS S2;
- the Occupational Safety and Health Act (1996) was considered in ESRS S1, specifically referencing §6 of the legislation.

DISCLOSURE OF REFERENCE TO PARAGRAPHS OF STANDARD OR FRAMEWORK APPLIED

The following references to paragraphs of standards or frameworks are parts of the sustainability report.

- Occupational Safety and Health Act (1996) was considered in ESRS S1, specifically referencing §6 of the legislation.
- Article 72 of the AGEC Law and is referenced in ESRS E5.

LIST OF DRS OR DPS MANDATED BY A DISCLOSURE REQUIREMENT

See Topics (E4, S1, S2, S3, S4) have been assessed to be material

7.4.3.1.6 USE OF PHASE-IN PROVISIONS

Topics (E4, S1, S2, S3, S4) have been assessed to be material

DRs or DP's mandated by a Disclosure Requirement:

The information required under paragraph ESRS S1-6 50a and f is cross-referenced in the appendix to the financial statement under "F Other Disclosures / Average Number of Employees (FTE)". All phase-in

provisions applicable for Canyon were used.

LIST OF SUSTAINABILITY MATTERS ASSESSED TO BE MATERIAL (PHASE-IN)

N/A

DISCLOSURE OF HOW BUSINESS MODEL AND STRATEGY TAKE ACCOUNT OF IMPACTS RELATED TO SUSTAINABILITY MATTERS ASSESSED TO BE MATERIAL (PHASE-IN)

N/A

DESCRIPTION OF ANY TIME-BOUND TARGETS SET RELATED TO SUSTAINABILITY MATTERS ASSESSED TO BE MATERIAL (PHASE-IN) AND PROGRESS MADE TOWARDS ACHIEVING THOSE TARGETS

N/A

DESCRIPTION OF POLICIES RELATED TO SUSTAINABILITY MATTERS ASSESSED TO BE MATERIAL (PHASE-IN)

N/A

DISCLOSURE OF METRICS RELATED TO SUSTAINABILITY MATTERS ASSESSED TO BE MATERIAL (PHASE-IN)

N/A

7.4.3.1.7 GOVERNANCE STRUCTURE AND COMPOSITION

INFORMATION ABOUT REPRESENTATION OF EMPLOYEES AND OTHER WORKERS

Employee representatives were not included in any of the bodies as of 31 December 2024.

INFORMATION ABOUT MEMBER'S EXPERIENCE RELEVANT TO SECTORS, PRODUCTS AND GEOGRAPHIC LOCATIONS OF UNDERTAKING

All members of Canyon's governing body have an international track record in leadership and management. Their diverse expertise at a global level relates to different industries, which reflect the spectrum of Canyon's operations and offering of products and services. Members hold positions such as CFO of Zevia, VP and GM at Google, Founder of Canyon, Chairman of CNP and founder of Carlyle Europe.

BOARD INDEPENDENCE RATIO			GENDER	NUMBER OF BOARD MEMBERS	PERCENTAGE OF THE BOARD
TYPE OF BOARD MEMBER	NUMBER	PERCENTAGE	WOMEN	0.00	0.00
Independent	7.00	80.00	Men	9.00	100.00
Executive	2.00	20.00	Executive	2.00	20.00

7.4.3.1.8 ROLES AND RESPONSIBILITIES OF ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

INFORMATION ABOUT IDENTITY OF ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES OR INDIVIDUAL(S) WITHIN A BODY RESPONSIBLE FOR OVERSIGHT OF IMPACTS, RISKS AND OPPORTUNITIES

P=Permanent Guest

NAME AND CURRENT EMPLOYER	JEAN-PIERRE MILLET (CHAIRMAN CNP)	MICHAEL BREDAL (GBL)	JERRY DISCHLER (VP AND GM GOOGLE)	JONATHAN RUBINSTEIN (GBL)	ROMAN ARNOLD (FOUNDER & SHAREHOLDER CANYON)	KARIM BOHN (CFO CANYON)	NICOLAS DE ROS WALLACE (CEO CANYON)	SIMON ZENNER (GBL)	GRISH SATYA (TSG PRINCIPAL)
Executive/ Non-Executive member	Non-Executive	Non-Executive	Non-Executive	Non-Executive	Non-Executive	Executive	Executive	Non-Executive	Non-Executive
Advisory Board Member	Yes	Yes	Yes	P	Yes	No	No	P	Yes
Audit Committee Member	No	Yes	No	No	No	P	P	Yes	No
Board of Directors Member	No	No	No	No	No	Yes	Yes	No	No

DISCLOSURE ON HOW EACH BODY'S OR INDIVIDUAL'S RESPONSIBILITIES FOR IMPACTS, RISKS AND OPPORTUNITIES ARE REFLECTED IN UNDERTAKING'S TERMS

OF REFERENCE, BOARD MANDATES AND OTHER RELATED POLICIES

Canyon recognises the importance of a governance structure, and the enforcement of rules and

regulations, and has assigned clear roles and responsibilities to the respective governing bodies. Canyon's governance structure is composed of an Advisory Board, an Audit Committee and the Board of Directors. (For further information, please refer to Governance information: Business Conduct).

The roles and responsibilities of the Audit Committee are formalised in the "Regulations of the Audit Committee of The Board of Directors". The primary function of the Audit Committee is to assist the Board of Directors with its responsibility of overseeing the integrity of the company's financial statements, compliance with legal and regulatory requirements, the appointment, the qualifications, independence and performance of the company's independent auditors and internal audit staff. The Committee shall also monitor the company's risk management and safety programs, including those related to environmental, social, financial and governance topics. The Committee's primary responsibility is oversight, including the oversight of the company's non-financial reporting, including impacts, risks and opportunities. The functions of the Committee are exclusively of an advisory nature. The Committee reports on a regular basis to the Advisory Board. For sustainability matters, the members also cooperate with external sustainability experts and consultants, depending on the subject.

The role of the Advisory Board is formalised in the "Shareholders Agreement". The primary function of the Advisory Board is to oversee and advise on the company's strategic direction. This includes ESG topics; the responsibility for the strategic direction, approval, and review of the ESG-related codes and policies has been assigned to the Advisory Board.

The Board of Directors is composed of two General Manager positions, held by the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO), who share the responsibility for executive decisions, driving the direction of the company, supervising other executives, and overseeing growth and strategy plans. The Global Director ESG regularly reports to the Board of Directors on ESG matters relevant to Canyon. In addition, depending on the subject, the Board of Directors seeks advice from internal ESG experts and external consultants as needed. Internal key experts include but are not limited to the Environmental Manager, Chemical Compliance Engineer, Human Rights Manager, ESG Disclosure & Transformation Manager and the Team Manager Health and Safety.

The ESG department at Canyon was created in 2021 with the Global Director ESG and comprised a total of 5 members by the end of the reporting year, including an Environmental Manager, a Human Rights Manager, a Junior Human Rights Manager, an ESG Disclosure & Transformation Manager and a Chemical Compliance Engineer. The department is allocated in the Chief Group Development Officer (CGDO) area due to the holistic nature of the topic, and to guarantee a process-oriented integration of ESG topics on a global company level, as well as direct access to the Board of Directors. Increasing the maturity of the ESG department and embedding ESG processes at a global company level is a key function of the CGDO. The ESG department is also assuming the function of centralizing ESG related information covering risks, impacts and opportunities, which is then shared with the Audit Committee members at least annually and ad hoc if required, followed by above outlined information cascading through the governance structure.

DESCRIPTION OF MANAGEMENT'S ROLE IN GOVERNANCE PROCESSES, CONTROLS AND PROCEDURES USED TO MONITOR, MANAGE AND OVERSEE IMPACTS, RISKS AND OPPORTUNITIES

See Disclosure on how each body's or individual's responsibilities for impacts, risks and opportunities

are reflected in undertaking's terms of reference, board mandates and other related policies

See Disclosure of whether, by whom and how frequently administrative, management and supervisory bodies are informed about material impacts, risks and opportunities, implementation of due diligence, and results and effectiveness of policies, actions, metrics and targets adopted to address them

See Disclosure of how administrative, management and supervisory bodies consider impacts, risks and opportunities when overseeing strategy, decisions on major transactions and risk management process

DESCRIPTION OF HOW OVERSIGHT IS EXERCISED OVER MANAGEMENT-LEVEL POSITION OR COMMITTEE TO WHICH MANAGEMENT'S ROLE IS DELEGATED TO

See Disclosure on how each body's or individual's responsibilities for impacts, risks and opportunities are reflected in undertaking's terms of reference, board mandates and other related policies

See Disclosure of whether, by whom and how frequently administrative, management and supervisory bodies are informed about material impacts, risks and opportunities, implementation of due diligence, and results and effectiveness of policies, actions, metrics and targets adopted to address them

INFORMATION ABOUT REPORTING LINES TO ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

See Disclosure on how each body's or individual's responsibilities for impacts, risks and opportunities are reflected in undertaking's terms of reference, board mandates and other related policies

See Disclosure of whether, by whom and how frequently administrative, management and supervisory bodies are informed about material impacts, risks and opportunities, implementation of due diligence, and results and effectiveness of policies, actions, metrics and targets adopted to address them

See Disclosure of how administrative, management and supervisory bodies consider impacts, risks and opportunities when overseeing strategy, decisions on major transactions and risk management process

DISCLOSURE OF HOW DEDICATED CONTROLS AND PROCEDURES ARE INTEGRATED WITH OTHER INTERNAL FUNCTIONS

The sustainability statement was written under the supervision of the ESG department with contributions from internal experts. The statement was reviewed and approved by the Chief Financial Officer (CFO). The Audit Committee is responsible for the oversight of the sustainability statement.

DISCLOSURE OF HOW ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR EXECUTIVE MANAGEMENT OVERSEE SETTING OF TARGETS RELATED TO MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND HOW PROGRESS TOWARDS THEM IS MONITORED

See Disclosure on how each body's or individual's responsibilities for impacts, risks and opportunities are reflected in undertaking's terms of reference, board mandates and other related policies

See Disclosure of whether, by whom and how frequently administrative, management and supervisory bodies are informed about material impacts, risks and opportunities, implementation of due diligence, and results and effectiveness of policies, actions, metrics and targets adopted to address them

7.4.3.1.9 SKILLS AND EXPERTISE TO OVERSEE SUSTAINABILITY MATTERS

The administrative, management, and supervisory bodies of Canyon, depending on the sustainability topic, seek advice from internal ESG experts and external consultants as needed. Internal key experts include, but are not limited to, the Environmental Manager, Chemical Compliance Engineer, Human Rights Manager, ESG Disclosure & Transformation Manager, and the Team Manager for Health and Safety. The sustainability-related skillsets of members of the bodies are continuously enhanced through the implementation of the Canyon governance structure, where internal ESG experts share knowledge and provide updates on new developments, with a particular, but not exclusive, focus on material topics. Furthermore, ongoing exchanges between members of the bodies foster a culture of knowledge sharing, including on sustainability matters.

INFORMATION ABOUT SUSTAINABILITY-RELATED EXPERTISE THAT BODIES EITHER DIRECTLY POSSESS OR CAN LEVERAGE

See Disclosure on how each body's or individual's responsibilities for impacts, risks and opportunities are reflected in undertaking's terms of reference, board mandates and other related policies

DISCLOSURE OF HOW SUSTAINABILITY-RELATED SKILLS AND EXPERTISE RELATE TO MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

See Disclosure on how each body's or individual's responsibilities for impacts, risks and opportunities are reflected in undertaking's terms of reference, board mandates and other related policies

7.4.3.1.10 INFORMATION PROVIDED TO AND SUSTAINABILITY MATTERS ADDRESSED BY THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

DISCLOSURE OF WHETHER, BY WHOM AND HOW FREQUENTLY ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES ARE INFORMED ABOUT MATERIAL IMPACTS, RISKS AND OPPORTUNITIES, IMPLEMENTATION OF DUE DILIGENCE, AND RESULTS AND EFFECTIVENESS OF POLICIES, ACTIONS, METRICS AND TARGETS ADOPTED TO ADDRESS THEM

The Audit Committee and the Board of Directors are informed at least once per year about material impacts, risks and opportunities, implementation of due diligence, and the results and effectiveness of policies, actions, metrics and targets by the Global Director ESG. If new impacts, risks and opportunities arise, the Board of Directors is informed accordingly. The Audit Committee cascades relevant information to the Supervisory Board for consideration.

DISCLOSURE OF HOW ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES CONSIDER IMPACTS, RISKS AND OPPORTUNITIES WHEN OVERSEEING STRATEGY, DECISIONS ON MAJOR TRANSACTIONS AND RISK MANAGEMENT PROCESS

The Audit Committee oversees the risks inherent to Canyon on a yearly basis, including an IRO-specific risk assessment, and advises the Canyon Board of Directors accordingly. IRO (Impact Risk Opportunity) -specific matters are brought to the attention of the Supervisory Board by the Audit Committee and are considered within the advisory function of the board. The Board of Directors devotes a significant part of its activity to the development of Canyon's company strategy. ESG, specifically the consideration of material IROs, is integrated in the corporate strategy development process. Canyon's governing bodies have considered the trade-offs associated with impacts, risks and opportunities when overseeing strategy and taking strategic decisions, when deciding on major transactions, and during risk-management processes.

DISCLOSURE OF LIST OF MATERIAL IMPACTS, RISKS AND OPPORTUNITIES ADDRESSED BY ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES OR THEIR RELEVANT COMMITTEES

Following a discussion about identified ESG risks within a company-wide holistic risk management approach in 2023, the Audit Committee and the Board of Directors was informed about identified material IROs in 2024. The Human Rights Due Diligence Process was presented and discussed in the Audit Committee and the Board of Directors.	See Description of key characteristics of incentive schemes	1. Embedding due diligence in governance, strategy and business model: Information provided to, and sustainability matters addressed by Canyon's governance bodies (ESRS 2 GOV-2); material IROs and their interaction with strategy and business model (ESRS 2 SBM-3);
7.4.3.1.11 INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES	PERCENTAGE OF VARIABLE REMUNERATION DEPENDENT ON SUSTAINABILITY-RELATED TARGETS AND (OR) IMPACTS 0.00 %	2. Engaging with affected stakeholders: Contribution to stakeholders' engagement is outlined in ESRS 2 GOV-2, ESRS 2 SBM-2, ESRS 2 IRO-1, ESRS 2 MDR-P and related topical ESRS integration;
DESCRIPTION OF KEY CHARACTERISTICS OF INCENTIVE SCHEMES	DESCRIPTION OF LEVEL IN UNDERTAKING AT WHICH TERMS OF INCENTIVE SCHEMES ARE APPROVED AND UPDATED See Description of key characteristics of incentive schemes	3. Identifying and assessing adverse impacts: ESRS 2 IRO-1, ESRS 2 SBM-3;
Canyon has not implemented incentive schemes and remuneration policies linked to sustainability matters for members of the undertaking's administrative, management and supervisory bodies. However, Canyon recognises the importance of such schemes and aims to integrate such incentives into existing schemes within a mid-term time horizon.	7.4.3.1.12 INFORMATION PROVIDED IN SUSTAINABILITY STATEMENT ABOUT DUE DILIGENCE PROCESS DISCLOSURE OF MAPPING OF INFORMATION PROVIDED IN SUSTAINABILITY STATEMENT ABOUT DUE DILIGENCE PROCESS Core elements of Canyon's due diligence, for impacts on people and the environment, are disclosed in the sustainability statement, as set out below.	4. Taking actions to address those adverse impacts: (including transition plan) through which the IROs are addressed (ESRS 2 MDR-A; and related topical ESRS integration;
DESCRIPTION OF SPECIFIC SUSTAINABILITY-RELATED TARGETS AND (OR) IMPACTS USED TO ASSESS PERFORMANCE OF MEMBERS OF ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES		5. Tracking the effectiveness of these efforts and communicating: ESRS 2 MDR-M; ESRS 2 MDR-T and topical ESRS regarding metrics and targets.
CORE ELEMENTS OF DUE DILIGENCE		SECTIONS IN THE SUSTAINABILITY STATEMENTS
f) Embedding due diligence in governance, strategy and business model		General
g) Engaging with affected stakeholders in all key steps of the due diligence		General Social Governance
h) Identifying and assessing adverse impacts		Social Governance
i) Taking actions to address those adverse impacts		Social Governance
j) Tracking the effectiveness of these efforts and communicating		Social Governance
7.4.3.1.13 RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING	chain partners concerning the importance of data availability.	DESCRIPTION OF PERIODIC REPORTING OF FINDINGS OF RISK ASSESSMENT AND INTERNAL CONTROLS TO ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES
DESCRIPTION OF SCOPE, MAIN FEATURES AND COMPONENTS OF RISK MANAGEMENT AND INTERNAL CONTROL PROCESSES AND SYSTEMS IN RELATION TO SUSTAINABILITY REPORTING	<ul style="list-style-type: none"> Timely delivery of information: mitigation through awareness raising and continuous support for data collection provided by the ESG department. 	The administrative, management and supervisory bodies are informed about risks related to the internal control processes over sustainability reporting by adhering to the Canyon governance structure outlined in this standard.
Risks related to the internal control processes over sustainability reporting could arise from completeness and integrity of the data, accuracy of estimation results, availability of upstream and/or downstream value chain data, and the timing of the availability of the information.	Findings of the risk assessment and internal controls are integrated into relevant internal functions and processes as soon as they arise by implementing the outlined mitigation measures.	7.4.3.1.14 ABOUT THE COMPANY'S ACTIVITIES
The risk assessment process related to the internal control process over sustainability reporting includes the identification of risks, the analysis and evaluation of identified risks, implementation of mitigation measures and monitoring.	The sustainability statement was written under the supervision of the ESG department with contributions from internal experts. The statement was reviewed and approved by the Chief Financial Officer (CFO). The Audit Committee is responsible for the oversight of the sustainability report.	DESCRIPTION OF BUSINESS MODEL AND VALUE CHAIN Canyon is a Direct-to-Consumer manufacturer of premium bicycles with key customers comprising athletes, ambassadors, and day-to-day bike riders. The company offers a variety of bikes for various target groups depending on their interests and preferences. The bikes are categorized into four segments: Road, Gravel, Mountain Bikes, and Urban.
During the identification of material topics through the Double Materiality Assessment, risks were identified and discussed internally. A deeper understanding of key risks was developed throughout the reporting process and risk were prioritised according to impact and likelihood. Canyon identified the following key risks and implemented respective mitigation measures.	DESCRIPTION OF MAIN RISKS IDENTIFIED AND THEIR MITIGATION STRATEGIES See Description of scope, main features and components of risk management and internal control processes and systems in relation to sustainability reporting	Canyon is headquartered in Koblenz, Germany, with subsidiaries and external partners around the globe. The Canyon subsidiaries perform local market management and provide customer-focused services. Product research and development, engineering, supply chain
<ul style="list-style-type: none"> Accuracy of estimates: mitigation measures include plausibility checks and four-eye principle. Availability of data: mitigation efforts include deeper supply chain mapping and increased efforts in data collection along the supply chain, as well as awareness raising amongst supply 	DESCRIPTION OF HOW FINDINGS OF RISK ASSESSMENT AND INTERNAL CONTROLS AS REGARDS SUSTAINABILITY REPORTING PROCESS HAVE BEEN INTEGRATED INTO RELEVANT INTERNAL FUNCTIONS AND PROCESSES See Description of scope, main features and components of risk management and internal control processes and systems in relation to sustainability reporting	management, purchasing and other administrative as well as supporting functions are mainly based in Germany. Canyon products are sold in over 50 countries worldwide. A significant proportion of Canyon bikes are assembled in the factory in Koblenz. Further assembly partners are in Portugal, Czech Republic,

Cambodia, and Taiwan. Components for Canyon bicycles and accessories are sourced through local agents and a global partner network of independent brands and suppliers, with production locations stretching across 30 countries.

Further details about Canyon's value chain are disclosed in the following section of this report: Description of main features of upstream and downstream value chain and undertakings position in value chain.

Strategic approach

Canyon's mission "Inspire to ride" drives the strategic approach of the undertaking. Responsible business practices are embedded in the global company strategy.

Achieving set goals and embracing responsibility are deeply integrated into Canyon's business strategy through the systematic assessment, prioritization, mitigation, and monitoring of material impacts, risks, and opportunities (IROs).

DESCRIPTION OF INPUTS AND APPROACH TO GATHERING, DEVELOPING AND SECURING INPUTS

Key inputs to short-term value creation and long-term business success

The successful implementation of Canyon's strategic pillars is fundamentally linked to achieving excellence in operations and digital transformation, fostering deep customer engagement, and upholding core values with a strong sense of purpose and transparency. Central to this approach are the development and empowerment of Canyon's employees, close and collaborative partnerships throughout the value chain, and a robust combination of technical expertise, innovative research, and development. These elements collectively serve as the essential drivers that enable the company to realise its strategic goals.

DESCRIPTION OF SIGNIFICANT GROUPS OF PRODUCTS AND (OR) SERVICES OFFERED

See Description of business model and value chain

DESCRIPTION OF SIGNIFICANT MARKETS AND (OR) CUSTOMER GROUPS SERVED

See Description of business model and value chain

DESCRIPTION OF OUTPUTS AND OUTCOMES IN TERMS OF CURRENT AND EXPECTED BENEFITS FOR CUSTOMERS, INVESTORS AND OTHER STAKEHOLDERS

Short-term value creation

Canyon's innovative products are developed with a deep understanding of diverse customer needs, including those related to sustainability. Employees are recognized as critical contributors to the company's success, and benefit from career advancement and personal growth opportunities. The global supplier network gains access to knowledge exchange and training programs that foster responsible business practices and drive innovation. Investors and shareholders benefit from stable risk-adjusted returns.

Long-term value creation

Canyon's commitment to continuous learning and innovation positions the company to adapt to evolving customer expectations while embedding responsible business practices within its strategy. Employees enjoy the advantages of economic growth and a strong organisational emphasis on lifelong learning. Through long-term partnerships, Canyon advances responsible business practices, supports the transition to low-carbon and climate-resilient

economies, and promotes respect for human rights. Investors and shareholders benefit from sustained, profitable growth underpinned by financial and operational resilience.

DESCRIPTION OF MAIN FEATURES OF UPSTREAM AND DOWNSTREAM VALUE CHAIN AND UNDERTAKINGS POSITION IN VALUE CHAIN

Canyon's value chain stretches from raw material extraction, processing of extracted materials and their transformation into products, and assembly of components into bicycles to sales and use of finished products. Transport of materials, goods and finished products from one production step to the next, as well as end customers completes the value chain setup.

The upstream value chain is a network of many actors based mainly in Asia, and also in Europe and the USA. Canyon has long-term business relationships with most of its upstream suppliers, and activities in Asia have been supported by an agent based in Taiwan for many years.

Canyon purchases ready-made components and Canyon-engineered parts from the supplier network.

Canyon's own operations include the design and development of bicycles, assembly, warehousing and packaging of commercial goods, and sales to end customers.

Sales and distribution through logistics partners, the use-phase and the end-of-life phase of products are key elements of the downstream value chain.

TOTAL REVENUE/GROSS REVENUE

784,057,390.11 EUR

7.4.3.1.15 SUSTAINABILITY-RELATED GOALS

DESCRIPTION OF SUSTAINABILITY-RELATED GOALS IN TERMS OF SIGNIFICANT GROUPS OF PRODUCTS AND SERVICES, CUSTOMER CATEGORIES, GEOGRAPHICAL AREAS AND RELATIONSHIPS WITH STAKEHOLDERS

As a means of transport, bicycles can play an important role in transitioning to a low carbon economy and supporting a healthy lifestyle. However, the production of bicycles has impacts on the environment and people as outlined in this report. One of Canyon's key sustainability goals is to reduce overall greenhouse gas emissions in line with a science-based targets approach. In 2024, Canyon's near- and long-term greenhouse gas reduction targets were approved by the science-based targets initiative and the company started to implement reduction measures to reach the set targets. Progress against targets is monitored on a yearly basis and communicated through the CDP. The last known rating for the CDP was a B, for the 2023 report.

Actions are implemented to not only mitigate impacts, but also to manage associated risks.

The reduction of greenhouse gas emissions is also connected to the use of resources and a circular economy approach.

To address impacts on people and respect for human rights, Canyon follows a human rights due diligence process that is aligned with requirements from regulators and international standards and frameworks. Yearly and ad-hoc risk assessments, supplier monitoring, mitigation and remediation of potential and actual impacts are key elements of this approach, and complement Canyon's sourcing strategy. The focus of this approach is connected to production locations that have been identified as high-risk locations due to, for example, their geographical location, or due to the commodities

they source. Workers in the value chain as well as Canyon's own workforce are all covered by this approach.

Data protection is crucial for data in general, but in a direct-to-consumer business model also specifically concerns customer data. Canyon has implemented relevant policies and safeguards. Due to continuous advancements connected to topics of internet security, Canyon is continuously improving its safeguards and processes to protect critical data.

Further details about goals that were set in relation to identified material topics are disclosed in the relevant topical ESRS topical standards.

DISCLOSURE OF ASSESSMENT OF CURRENT SIGNIFICANT PRODUCTS AND (OR) SERVICES, AND SIGNIFICANT MARKETS AND CUSTOMER GROUPS, IN RELATION TO SUSTAINABILITY-RELATED GOALS

The sustainability-related goals outlined are not tied to a specific product, service, customer group, or market. Instead, they reflect a holistic approach that is integrated into Canyon's overall business model.

DISCLOSURE OF ELEMENTS OF STRATEGY THAT RELATE TO OR IMPACT SUSTAINABILITY MATTERS

See Description of sustainability-related goals in terms of significant groups of products and services, customer categories, geographical areas and relationships with stakeholders

7.4.3.1.16 INTERESTS AND VIEWS OF STAKEHOLDERS

DESCRIPTION OF STAKEHOLDER ENGAGEMENT

Canyon engages with its stakeholders across various levels of the organisation. Through regular and structured dialogue, the company seeks to understand stakeholder perspectives, concerns, and expectations related to financial performance and operational strategies. This interaction is important for informing business decisions and initiatives, and aligns with stakeholder interests.

Insights gathered from these discussions are incorporated into the due diligence process and double materiality assessment, helping to shape an understanding of how stakeholder views relate to Canyon's strategy and business model.

Feedback from stakeholders is communicated as important matters arise to the Board of Directors or through the yearly IRO information to the Canyon governing bodies. This ensures that the views and interests of stakeholders are considered in relation to Canyon's sustainability- related impacts, facilitating informed decision-making at all management levels.

Canyon's stakeholder management process is decentralised and outlined in the following table:

STAKEHOLDER	HOW ENGAGEMENT IS ORGANIZED	PURPOSE OF STAKEHOLDER ENGAGEMENT	EXAMPLES OF OUTCOMES FROM THE ENGAGEMENTS
ADVISORY BOARD	<ul style="list-style-type: none"> Quarterly meetings Internal reporting structure as per governance policies 	<ul style="list-style-type: none"> Leverage Advisory Boards members expertise and insights to guide the strategic decision-making process; Input helps us stay ahead of market trends, adopt new technologies, and enhance our product offerings (source of innovative ideas and best practices from various sectors); Identify potential risks and challenges; Evaluate our organizational performance and progress toward strategic goals; Maintain a long-term perspective, ensuring that our strategies align with our vision for the future 	<ul style="list-style-type: none"> New product ideas and innovative solutions; Proactive strategies that mitigate risks and enhance the company's resilience; Enhanced brand reputation as a thought leader in the cycling industry; Engagement with other stakeholders, including investors
AUTHORITIES AND REGULATORS	<ul style="list-style-type: none"> Regular reporting on compliance with environmental regulations Active membership in bicycle industry associations for regulatory advocacy 	<ul style="list-style-type: none"> Ensure compliance with safety and environmental standards; Maintain transparency in production practices 	<ul style="list-style-type: none"> Adapted production processes to align with updated regulatory requirements; Enhanced internal practices based on regulatory feedback
CUSTOMERS	<ul style="list-style-type: none"> Direct communication channels Feedback mechanisms (E.g., surveys, reviews, feedback forms, etc.) Community engagement and events Customer service and product development involvement Social media engagement 	<ul style="list-style-type: none"> See S4 Customers & End-Users 	<ul style="list-style-type: none"> Product improvements
EMPLOYEES	<ul style="list-style-type: none"> Internal communication through various channels (Employee Portal, newsletters, etc.) Leadership site visits and town hall meetings Personal development dialogues Surveys and workplace assessments Internal reporting structures 	<ul style="list-style-type: none"> Enhance employee satisfaction by actively listening to and involving employees in decision-making processes; Improve retention and loyalty of employees; Drive performance and productivity; Focus on the well-being of our employees, addressing their needs and concerns; Reinforcing a culture of respect, inclusivity, and collaboration 	<ul style="list-style-type: none"> Internal policy updates; Increased transparency, ensuring that employees feel informed and engaged with company decisions and policies; Global initiatives among the workforce
FINANCIAL INSTITUTIONS	<ul style="list-style-type: none"> Quarterly financial reporting Annual meetings with banks and lenders to discuss financial performance and growth plans Ad-hoc communication if needed (E.g., High impact on deviations to budget) 	<ul style="list-style-type: none"> Secure access to capital for expansion and operational needs; Maintain favorable credit terms and conditions; Ensure transparency regarding financial stability and growth prospects; Build strong, long-term relationships with key financial partners 	<ul style="list-style-type: none"> Adjusted financing structures to align with market conditions; Secured credit lines to support growth and operational stability; Improved understanding of market expectations for financial performance

STAKEHOLDER	HOW ENGAGEMENT IS ORGANIZED	PURPOSE OF STAKEHOLDER ENGAGEMENT	EXAMPLES OF OUTCOMES FROM THE ENGAGEMENTS
INDUSTRY ASSOCIATIONS	<ul style="list-style-type: none"> Membership and networking Workshops and knowledge sharing 	<ul style="list-style-type: none"> Participate in the development and promotion of industry standards and best practices; Valuable networking opportunities with other companies, stakeholders, and leaders; Gain insights into emerging trends, market developments, and regulatory changes; Share of knowledge and best practices among members of industry associations 	<ul style="list-style-type: none"> Enhancing the company's network and creating opportunities for joint initiatives; Raise the profile of Canyon within the industry, attracting attention from media, consumers, and potential collaborators;
INVESTORS	<ul style="list-style-type: none"> Ad-hoc Investor calls, questionnaires and emails Periodic investor updates (E.g., Liquidity, hedging, etc.) Quarterly investor meetings (Board Meetings) 	<ul style="list-style-type: none"> Foster a relationship based on trust and transparency by providing regular updates on our financial performance, strategic initiatives, and operational developments; Gather valuable insights and perspectives that can influence our strategic decision-making; Communicate our commitment to sustainability and corporate social responsibility 	<ul style="list-style-type: none"> Alignment on supporting growth initiatives and expansion projects; Promote a stronger emphasis on sustainability and environmental, social, and governance (ESG) practices
NGOS	<ul style="list-style-type: none"> Partnerships with selected NGOs Joint projects and initiatives Capacity building, sponsorship and support 	<ul style="list-style-type: none"> Raise awareness about important social and environmental issues within the cycling community and beyond; Development of long-term partnerships based on shared values and goals; Enhance brand reputation as a socially responsible company; Create opportunities for our employees to engage in volunteer activities 	<ul style="list-style-type: none"> Access to specialized knowledge and resources to implement effective programs and initiatives that address social and environmental challenges; Increased employee engagement through volunteer programs; Innovative sustainability initiatives that reduce the company's ecological footprint and promote eco-friendly practices
SUPPLIERS	<ul style="list-style-type: none"> Supplier due diligence Human rights and on-site assessments Supplier days 	<ul style="list-style-type: none"> Establish strong partnerships that ensure the consistent quality and reliability of our materials and components; Exchange of ideas and innovations that can enhance our product offerings; Promote sustainable practices throughout our supply chain; Ensure that they adhere to our ethical standards and compliance requirements 	<ul style="list-style-type: none"> Supplier Code of Conduct; Strong relationship that ensures a more reliable supply chain and reducing the risk of disruptions in the procurement of materials and components; Improved quality standards for materials, leading to better overall product quality and customer satisfaction
UNIONS	<ul style="list-style-type: none"> Meetings Collective bargaining process Joint committees with union representatives 	<ul style="list-style-type: none"> Ensure that employees' voices and concerns are represented in discussions with management; Address and resolve workplace conflicts and grievances; Promote a culture of engagement and participation among employees Facilitate the collective bargaining process 	<ul style="list-style-type: none"> Collective bargaining processes, resulting in fair wages, benefits, and working conditions that reflect the needs and expectations of employees; Compliance with labor laws and regulations, reducing the risk of legal issues and fostering a fair workplace;

STAKEHOLDER		HOW ENGAGEMENT IS ORGANIZED	PURPOSE OF STAKEHOLDER ENGAGEMENT	EXAMPLES OF OUTCOMES FROM THE ENGAGEMENTS		
WORK COUNCILS		Regular meetings and joint committees	Ensure that the interests and concerns of employees are represented in decision-making processes;	Development of workplace policies that reflect employee needs and perspectives (E.g., works agreements);		
		Annual reviews and reports	Collaborate on the development and implementation of workplace policies and practices	Interests and concerns are effectively communicated to management;		
			Develop initiatives focused on health, safety, and work-life balance			
DESCRIPTION OF KEY STAKEHOLDERS		ENGAGEMENT IS TAKEN INTO ACCOUNT		DESCRIPTION OF MATERIAL IMPACTS RESULTING FROM MATERIALITY ASSESSMENT		
See Description of stakeholder engagement		See Description of stakeholder engagement		The undertaking discloses the descriptive information required by SBM-3 §46 alongside the disclosures provided under the corresponding topical ESRS in accordance with ESRS 2 SBM-3 §49 with the below statement of its material impacts, risks and opportunities, alongside its disclosures prepared under this chapter of ESRS 2.		
DESCRIPTION OF CATEGORIES OF STAKEHOLDERS FOR WHICH ENGAGEMENT OCCURS		DESCRIPTION OF UNDERSTANDING OF INTERESTS AND VIEWS OF KEY STAKEHOLDERS AS THEY RELATE TO UNDERTAKING'S STRATEGY AND BUSINESS MODEL				
See Description of stakeholder engagement		See Description of stakeholder engagement		The following impacts were assessed to be material in Canyon's 2024 materiality assessment (For further information, please refer to Description of the process to identify and assess material impacts, risks and opportunities).		
DESCRIPTION OF HOW STAKEHOLDER ENGAGEMENT IS ORGANISED		DESCRIPTION OF HOW ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES ARE INFORMED ABOUT VIEWS AND INTERESTS OF AFFECTED STAKEHOLDERS WITH REGARD TO SUSTAINABILITY-RELATED IMPACTS				
See Description of stakeholder engagement		See Description of stakeholder engagement		See table below:		
DESCRIPTION OF PURPOSE OF STAKEHOLDER ENGAGEMENT		See Description of stakeholder engagement				
See Description of stakeholder engagement		7.4.3.1.17 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL				
DESCRIPTION OF HOW OUTCOME OF STAKEHOLDER						
IMPACT ID	DESCRIPTION		ALLOCATION IN THE VALUE CHAIN	TIME HORIZON	IMPACT CATEGORY	ALLOCATED MATERIAL TOPIC
1	Contribution to climate change, with the most significant share of greenhouse gas emissions allocated in Scope 3 (for example driven by production at factories of suppliers, on-site combustion of fossil fuels, transportation of products, purchase of raw materials and fuels).		The main impact is allocated in the upstream value chain and occurs at production locations of direct suppliers and indirect suppliers in the deeper value chain.	Not applicable	Actual, negative	E1 Climate Change
2	Waste is created by materials that cannot be recycled, or which might not be properly disposed.		The main impact is allocated along the whole value chain (upstream, downstream and own operations) during production of bicycles a supplier sited and can also materialize in the end-of-life phase.	Not applicable	Actual, negative	E1 Waste
3	Increase in non-recyclable waste mainly during production and the end-of-life phase.		The impact is allocated along the whole value chain along the whole value chain during production of bicycles a supplier sited and can also materialize in the end-of-life phase.	Not applicable	Actual, negative	E5 Waste and Resources
4	Consumption of primary resources for bicycle production.		The impact is allocated in the upstream value chain at production sites of direct business partners and indirect suppliers.	Not applicable	Actual, negative	E5 Resources
5	Support a circular economy through e.g. the use of more recycled materials in packaging and therefore less use of primary resources.		The impact is allocated in the upstream value chain at direct business partners.	Short-term	Potential, positive	E5 Resources
6	Protecting mental health of employees through Canyons mental health program with Fürstenberg Institute GmbH, which could influence the wellbeing of employees.		The impact is allocated in own operations.	Not applicable	Actual, positive	S1 Health & Safety
7	Occupational health and safety impacts in production locations can influence workers' health. (Human Rights)		The impact is allocated along the whole value chain at direct business partners and potentially in the deeper value chain have been identified.	Short-term (potential impact)	Actual (direct business partners) and potential (deeper value chain), negative	S2 Health & Safety

IMPACT ID	DESCRIPTION	ALLOCATION IN THE VALUE CHAIN	TIME HORIZON	IMPACT CATEGORY	ALLOCATED MATERIAL TOPIC
8	Regular working hours and overtime requirements that are not met in production locations can have an impact on workers' health and safety. (Human Rights)	The impact is allocated in the upstream value chain at direct business partners and could potentially materialize in the deeper value chain.	Short-term (potential impact)	Actual (direct business partners) and potential (deeper value chain), negative	S2 Working Time
9	Forced and child labour. (Human Rights)	The impact is allocated in the upstream value chain and can potentially occur in the deeper value chain.	Short-term	Potential, negative	S2 Forced Labour and Child Labour
10	Modern slavery indicators were identified, such as recruitment fees, whilst no actual incident of modern slavery was identified. (Human Rights)	The impact is allocated in the upstream value chain at direct business partners.	Not applicable	Actual, negative	S2 Forced Labour
11	Violation of customers rights due to the potential loss of personal data in a cyber incident, which could impact customer trust and loyalty.	The impact is allocated in own operations/ downstream value chain and relates to Canyons DTC business model and strategy.	Short-term	Potential, negative	S4 Consumers Information
12	Enabled customers to be less dependent on workshops by offering qualitative information for assembly, maintenance and other topics.	The impact is allocated in the downstream value chain and relates to Canyons DTC business model and strategy.	Not applicable	Actual, positive	S4 Consumers Information
13	Offer a better customer service through traceability of information on each specific part on each customer's bicycle.	The impact is allocated in the downstream value chain and relates to Canyon's DTC business model and strategy.	Not applicable	Actual, positive	S4 Consumers Information
15	Riding a bike improves the health of the cyclist.	The impact is allocated in the downstream value chain and relets to Canyon's core business model and activity.	Not applicable	Actual, positive	S4 Consumers Safety
16	Potential whistleblowers could have a positive impact as they play a critical role in exposing wrongdoing in an organisation.	The impact is allocated along the whole value chain relates to Canyon's own activities but also to impacts allocated at sites of business partners and the deeper value chain.	Short-term	Potential, positive	G1 Whistle-blower

DESCRIPTION OF MATERIAL RISKS AND OPPORTUNITIES RESULTING FROM MATERIALITY ASSESSMENT	below statement of its material impacts, risks and opportunities, alongside its disclosures prepared under this chapter of ESRS 2.	materiality assessment (For further information, please refer to Description of the process to identify and assess material impacts, risks and opportunities).
The undertaking discloses the descriptive information required by SBM-3 §46 alongside the disclosures provided under the corresponding topical ESRS in accordance with ESRS 2 SBM-3 §49 with the	The following risks were assessed to be material from a financial point of view in Canyon's 2024	See table below:

IMPACT ID	DESCRIPTION	ALLOCATION IN THE VALUE CHAIN	TIME HORIZON	IMPACT CATEGORY	ALLOCATED MATERIAL TOPIC
1	Increased cost of raw materials due to transition to lower greenhouse gas emissions technology and products.	n/a	Medium-term	Transitional risk	E1 Climate Change
2	Higher production costs due to rising raw material costs due to a cascading cost effect from mining.	n/a	Medium-term	Transitional risk	E5 Resources

DISCLOSURE OF CURRENT AND ANTICIPATED EFFECTS OF MATERIAL IMPACTS, RISKS AND OPPORTUNITIES ON BUSINESS MODEL, VALUE CHAIN, STRATEGY AND DECISION-MAKING, AND HOW UNDERTAKING HAS RESPONDED OR PLANS TO RESPOND TO THESE EFFECTS	bility matters into the overall company strategy. As outlined in this report, Canyon has already integrated sustainability into its overall strategy to address material topics.	DISCLOSURE OF REASONABLY EXPECTED TIME HORIZONS OF IMPACTS
Canyon acknowledges the importance of adjusting its business model, value chain, strategy and decision-making processes to mitigate material impacts and risks and to seize opportunities. The company started to focus on the importance of sustainability matters at the end of 2021 by founding the ESG department, which serves as a knowledge hub and advisor for different Canyon departments, as well as the governing bodies of the company. Today, the department has six employees with a variety of expertise, and supports the integration of sustaina-	DISCLOSURE OF HOW MATERIAL NEGATIVE AND POSITIVE IMPACTS AFFECT (OR ARE LIKELY TO AFFECT) PEOPLE OR ENVIRONMENT See Description of material impacts resulting from materiality assessment	See Description of material impacts resulting from materiality assessment
	DISCLOSURE OF HOW IMPACTS ORIGINATE FROM OR ARE CONNECTED TO STRATEGY AND BUSINESS MODEL See Description of material impacts resulting from materiality assessment	DESCRIPTION OF NATURE OF ACTIVITIES OR BUSINESS RELATIONSHIPS THROUGH WHICH UNDERTAKING IS INVOLVED WITH MATERIAL IMPACTS See Description of material impacts resulting from materiality assessment
		DISCLOSURE OF CURRENT FINANCIAL EFFECTS OF MATERIAL RISKS AND OPPORTUNITIES ON FINANCIAL POSITION, FINANCIAL PERFORMANCE AND CASH FLOWS AND MATERIAL RISKS AND OPPORTUNITIES FOR WHICH THERE IS SIGNIFICANT RISK OF MATERIAL ADJUSTMENT WITHIN NEXT

ANNUAL REPORTING PERIOD TO CARRYING AMOUNTS OF ASSETS AND LIABILITIES REPORTED IN RELATED FINANCIAL STATEMENTS

Because identified material risks have a mid-term time horizon, and mitigation measures are being assessed and implemented, Canyon does not expect any short-term financial effects of material risks and opportunities to its financial position, financial performance and cash flows. No significant risk of material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities were identified and are thus not expected to be reported in related financial statements.

INFORMATION ABOUT RESILIENCE OF STRATEGY AND BUSINESS MODEL REGARDING CAPACITY TO ADDRESS MATERIAL IMPACTS AND RISKS AND TO TAKE ADVANTAGE OF MATERIAL OPPORTUNITIES

Canyon's strategy responds to identified IROs with mitigation measures driven by actions and targets (For further information, please refer to topical standards E1, E5, S1, S2, S4, and G1). Sustainability matters are embedded in the company strategy and addressed through potential evolutions of the current business model, in-depth due diligence processes, and an organisation that can anticipate material changes to the operational environment. As a learning organisation, focused on innovation, Canyon is working continuously and safeguarding its resilience in a fast-changing environment. Canyon allocates resources to managing material risks and opportunities by e.g. embedding a dedicated ESG team in the company structure, and having a clear governance structure. Canyon considers its strategy related to the material IROs outlined in this report to be resilient.

7.4.3.1.18 PROCESSES TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

DESCRIPTION OF METHODOLOGIES AND ASSUMPTIONS APPLIED IN PROCESS TO IDENTIFY IMPACTS, RISKS AND OPPORTUNITIES

In its double materiality assessment, Canyon identified material information on sustainability IROs and related material matters as well as material information to be reported. Judgement was used when applying the objective criteria, and the related explanations are expected to provide transparency from the undertaking to the users of the sustainability statement. Canyon's Double Materiality Assessment is based on the respective methodology outlined in ESRS 1. The gross perspective was applied (industry/legal standards as baseline without mitigation measures in place are the basis for the evaluation).

The Double Materiality Assessment methodology applied contains four main steps including (i) the identification of the sustainability landscape by also considering the previously conducted Single Materiality Assessment in the Double Materiality Assessment conducted in 2024; (ii) stakeholder engagement based on additionally identified stakeholders, which were not included in the single materiality assessment of 2022; (iii) creation of a longlist of potentially material topics; (iv) identification and evaluation of IROs in materiality workshops involving internal stakeholders through a guided process.

Seven workshops with the responsible internal stakeholders were conducted to identify actual and potential impacts, risks and opportunities. These workshops were conducted separately for the following standards: E1-E3, E4-E5, S1, S2, S3, S4, G1. When identifying the impacts, risks and opportunities the whole value chain was considered once for each assessment.

In order to determine which sustainability aspects are material, Canyon used scales from one to five and set the threshold at 3.5. This means that the top 30% of the identified impacts, risks and opportuni-

ties are covered and must be addressed as they are material. The materiality threshold for impacts was set on the same level as for financial effects at > 3.5.

DESCRIPTION OF PROCESS TO IDENTIFY, ASSESS, PRIORITISE AND MONITOR POTENTIAL AND ACTUAL IMPACTS ON PEOPLE AND ENVIRONMENT, INFORMED BY DUE DILIGENCE PROCESS

Canyon conducted a single materiality analysis in 2022. Globally-relevant ESG topics were used to create a longlist for this assessment. The selected topics were based on a peer benchmarking exercise, internal and external expertise, GRI Framework and potential impacts occurring in different lifecycle stages of a bicycle.

The initial longlist for the double materiality assessment in 2024 was based on the topics used for the previous single materiality assessment. In a preliminary assessment a shortlist of potential ESRS topics/sub-topics/sub-sub-topics was identified and used as a basis for the development of the longlist. The final longlist for the 2024 double materiality assessment contains topics that Canyon had already considered in its 2022 single materiality assessment plus the additional topics/sub-topics/sub-sub-topics required by ESRS. To ensure that the most important material topics of the industry were considered, a peer analysis, which did not lead to any further additions, was conducted.

Furthermore, no company- or sector-specific sustainability aspects (in addition to those listed in ESRS 1.AR 16) of Canyon's own business activities could be identified, as the topics were either covered by the list in ESRS 1.AR 16, or are relevant for peers but not for Canyon's business model.

In the following step, all identified topics were assigned in materiality workshops to the most granular level of the ESRS, which are the sub-sub-topics, according to ESRS 1, AR 16. By matching the topics with the associated standards, it was possible to assess which of the ESRS topics/sub-topics/sub-sub-topics had not yet been covered by the single materiality assessment conducted by Canyon in 2022.

The longlist formed the basis for the development of templates used for the quantitative IRO assessment used in the seven workshops. The templates were structured in line with the topics mapped for Canyon, and by applying different hierarchy levels for the respective ESRS – some were assessed on an aggregated topic-level, and some on a more detail sub- or sub-sub-topic level (as outlined in ESRS 1 Section 3 and related Appendix A).

During the workshops, material positive and negative as well as potential and actual impacts were identified by following the below process.

- Identification of impacts and assignment to ESRS topics/sub-topics/sub-sub-topics.
- Allocation of impacts in the value chain (upstream, downstream, whole value chain).
- Definition of each impacts' time horizon (short-, medium-, long-term).
- Assessment of the severity of negative impacts (scale, scope, remediability) and likelihood by applying a scale from 1 to 5. Positive impacts were assessed by considering scale, scope and likelihood.

The gross perspective was applied throughout the process by considering industry and legal standards without mitigation measures in place as the basis for the evaluation.

An aggregated impact value was calculated. If the impact passed a defined threshold, the impact was assessed as material. According to ESRS 1.AR 11 for ESRS S2, likelihood was not considered but rather if scale, scope or remediability exceeded the threshold, the impact was assessed as material.

Assumptions were made for scope boundaries and unification, to enable consistent evaluation of the scope. Furthermore, to avoid bias and enable comparability, negative impacts and positive impacts were standardised in their respective overall scores. During the assessment, past, present and future impacts derived from past, present or future events were considered.

DESCRIPTION OF HOW PROCESS FOCUSES ON SPECIFIC ACTIVITIES, BUSINESS RELATIONSHIPS, GEOGRAPHIES OR OTHER FACTORS THAT GIVE RISE TO HEIGHTENED RISK OF ADVERSE IMPACTS

Canyon performed a holistic Double Materiality Assessment, covering all geographies, the whole value chain, and all business relationships.

DESCRIPTION OF HOW PROCESS CONSIDERS IMPACTS WITH WHICH UNDERTAKING IS INVOLVED THROUGH OWN OPERATIONS OR AS RESULT OF BUSINESS RELATIONSHIPS

By considering the whole value chain, which includes also Canyon's own operations, and the implementation of due diligence processes which are aligned with international standards and frameworks, the process described above also considers impacts which Canyon is involved in through its own operations, or as a result of business relationships.

DESCRIPTION OF HOW PROCESS INCLUDES CONSULTATION WITH AFFECTED STAKEHOLDERS TO UNDERSTAND HOW THEY MAY BE IMPACTED AND WITH EXTERNAL EXPERTS

Within the process of this single materiality analysis, Canyon identified internal and external key stakeholders. Canyon collected the stakeholders' expectations and views on potential material topics through non-directive interviews.

During the process of the 2024 double materiality analysis, additional stakeholders were identified. To align with the regulatory guidance, these stakeholders were divided into affected stakeholders and users of sustainability statements. All stakeholders' perspectives and interests were considered within the IRO Assessment as part of the double materiality analysis. In this regard, results from the 2022 single materiality and stakeholder analysis, specifically the longlist and answers given by stakeholders, were incorporated into the current assessment of the ESRS topics. External stakeholders that were not part of the single materiality assessment conducted in 2022 and as well as the validation of the 2022 findings were reassessed and validated by representative internal stakeholders during the materiality workshops.

DESCRIPTION OF HOW PROCESS PRIORITISES NEGATIVE IMPACTS BASED ON THEIR RELATIVE SEVERITY AND LIKELIHOOD AND POSITIVE IMPACTS BASED ON THEIR RELATIVE SCALE, SCOPE AND LIKELIHOOD AND DETERMINES WHICH SUSTAINABILITY MATTERS ARE MATERIAL FOR REPORTING PURPOSES

The process prioritised negative impacts based on their relative severity and likelihood, and positive impacts based on their relative scale, scope and likelihood, and determined which sustainability matters are material for reporting purposes in line with the methodology outlined in ESRS 1 - 3.4 (§43-46).

To incorporate the ESRS 1 – 3.4 provision that "Any of the three characteristics (scale, scope, and irremediable character) can make a negative impact severe" into the decision-making process for materiality of impacts, Canyon conducted a severity analysis.

Impacts for which the highest value of the scale for one of the abovementioned characteristics was assigned but did not surpass the total materiality threshold, were listed separately in the IRO assessment. These impacts were reviewed to define whether they should be assessed as material impacts due to their severity, despite not reaching the overall materiality threshold. As a result of this reassessment none of the topics was rated as material.

To comply with paragraph 45 of ESRS 1, "In the case of a potential negative human rights impact, the severity of the impact takes precedence over its likelihood", the likelihood for potential negative human rights impacts was taken out of the calculation of the aggregated value, to prioritise the severity of the impact. Furthermore, for this kind of impact the highest value of any of the three characteristics (scale, scope, and irremediable character) defines the value of the aggregated value.

DESCRIPTION OF PROCESS USED TO IDENTIFY, ASSESS, PRIORITISE AND MONITOR RISKS AND OPPORTUNITIES THAT HAVE OR MAY HAVE FINANCIAL EFFECTS

Financial materiality was assessed according to ESRS 1 - 3.5 (\$47-51). Suitable scales to evaluate IROs according to ESRS requirements were based on the existing risk management scales at Canyon. These have an influence on the likelihood and financial effect scale and were adopted as such. For the other scales, Appendix 2.6 to the PTF-ESRS Batch 1 working papers (publication January 2022) was used as a basis, and corresponding scale was defined.

The process for identifying material risks and opportunities that trigger or could reasonably be expected to trigger material financial effects followed the below cadence.

- Identification of risks and opportunities and assignment to ESRS topics/sub-topics/sub-sub-topics.
- Allocation of impacts in the value chain (upstream, downstream, whole value chain).
- Definition of each impact's time horizon (short-, medium-, long-term).
- Assessment of the financial effect by applying a scale from 1 to 5.
- Assessment of likelihood by applying a scale from 1 to 5.

The gross perspective was applied throughout the process without considering mitigation measures.

An aggregated value was calculated. If the value passed a defined threshold of 3.5, the risk or opportunity was assessed to be material.

To identify, assess, prioritise and monitor potential and actual impacts on people and environment, informed by due diligence process, Canyon implemented below processes specifically for (i) ESRS E1 and (ii) ESRS E5.

(i). ESRS E1 Climate Change

Canyon is continuously deepening its understanding of how to identify and manage climate-related risks and opportunities, and of how to respond to potential impacts. Climate-related risks and opportunities are identified and assessed by the ESG Team with support from functional departments, distinguishing between physical and transition risks. Risks for E1 were identified, investigated and evaluated during the Double Materiality Assessment. In addition, the

extent of the identified risks' impact on Canyon's emissions was investigated.

Transitional risks in particular are directly related to Canyon's emissions; on the one hand, due to carbon pricing, but also due to expected raw material price changes resulting from decarbonization. The risk assessment covers mainly medium- and long-term risks and opportunities. Short-term risks are mostly assessed on an ad hoc basis due to the internal short-term time horizon definition. Preventive actions, mitigation, transfer, acceptance or control reactions to risks and opportunities are proposed by the ESG Team after cross-functional consultations and the evaluation of systemic interdependencies. The final decision on actions taken includes physical risks, transitional risks, price risks and reputational risks, amongst others.

Assessment of physical risks

Canyon used climate and hazard models to map physical climate change hazards. Asset-level data was overlaid on the hazard map to quantify the risk exposure. Canyon considered the sensitivity of the business model, and adjusted the risk exposure according to risk sensitivity. The following hazards were covered: Coastal flooding, fluvial flooding, extreme heat and extreme cold, tropical cyclones, wildfire, water stress and droughts. Data from leading sources including public domain datasets and commercial partnerships were used. Sustainable 1 Climate Change Physical Risk Dataset was used for quantifying the exposure to physical climate-related risks. The dataset includes physical risk Exposure Scores representing exposure to climate hazards relative to global conditions. The dataset leverages a database of asset locations linked to corporate owners and ultimate parent entities that is maintained by SP Global. Since climate physical risk analytics is an emerging and rapidly advancing field Canyon expects that enhancements to the models and methodology underlying the Climate Change Physical Risk

Dataset will be necessary in the future to make informed decisions using the best data available. Chronic and severe hazards with material impacts were identified accordingly, and detailed metrics and indicators analysed at relevant geospatial scales. The framework used for the assessment of physical risks is based on 4 IPCC scenarios (High: SSP5-RCP8.5, Moderate-High: SSP3-RCP7.0, Moderate: SSP2-RCP4.5, Low: SSP1-RCP2.6). Each scenario was assessed yearly by decade from 2020 to 2090, to capture both near-term and long-term risks.

Assessment of transitional risks

Carbon prices related to Emission Trading Schemes (ETS), Carbon Taxes, Fuel Taxes and other policies are expected to rise in the future as governments take action to reduce greenhouse gas emissions in line with the Paris Agreement. The speed and level to which carbon prices may rise is uncertain and likely to vary across countries/ regions. To assess exposure to climate-related policy risk, Canyon used the Trucost database of current carbon taxes, ETS, and fuel taxes, covering 186 geographies. The projected carbon price trajectories used were informed by published research and climate change modelling. Canyon also considered pass-through modelling of rising carbon prices from its electricity suppliers, and performed an analysis to draw insights on the impact of rising carbon prices on Canyon's financial performance. Likelihood was determined using IEA's Net Zero Scenario with a 2030-time horizon, and sector and company impact was considered to evaluate impact.

To effectively manage transition risks according to the TCFD framework, Canyon assessed four key

areas: Policy and Legal, Technology, Market, and Reputation.

- Policy and Legal risks arise from increasing regulations such as carbon pricing, reporting obligations, and mandates on products and services. These can lead to higher costs, non-compliance risks, or exposure to climate-related litigation. To mitigate these risks, businesses must stay updated on regulatory changes and adapt accordingly.
- Technology risks involve the shift to lower-emission alternatives, which can disrupt existing products and services. Additionally, investments in new technologies may fail if they don't meet expectations or are quickly surpassed. Companies must balance innovation with care-full investment to avoid costly missteps.
- Market risks include changing consumer behaviour, uncertain market signals, and rising raw material costs. As demand for sustainable products increases, businesses must stay agile in responding to market shifts and managing supply chain volatility.
- Reputation risks stem from evolving consumer preferences and stakeholder concerns about sustainability. Companies that fail to align with these developments may face negative feedback and stigmatization, potentially losing market share. Transparent communication and strong sustainability efforts can have an influence on the reputation of any company.

Likelihood and magnitude of impact are crucial factors for evaluating potential impact, risks and opportunities. The likelihood of a given risk or opportunity depends on the climate scenario and the time horizon. For the assessment, the likelihood was evaluated based on the IEA's Net Zero Emissions scenario, with a time horizon set for the year 2030. This scenario provides a framework for understanding how the transition to a low-carbon economy may unfold under global climate action goals. The impact is assessed on two levels:

1. Sector impact refers to a broad assessment of how the risk or opportunity could affect the entire sector in which the company operates. This is a general view that reflects the overall industry's vulnerability or resilience to transition risks.
2. Company impact delves into how the risks, impacts and opportunities specifically affect Canyon. This takes into account Canyon's internal management processes, strategies, and policies designed to address these risks, impacts and opportunities.

Canyon identified the following risks, which have not all been assessed as material as described below. The disclosure of the physical risks that have not been assessed as material was evaluated as relevant to facilitate a holistic picture of the risk management process, that also considers interdependencies of isolated risks. The disclosure is aligned with the public disclosure through CDP.

Identified physical risks

Risk 1: Tropical Cyclones

Under the current High Climate Change Scenario SSP5-RCP8.5 from the IPCC, tropical cyclones were determined to be one of the top risks to production locations operating for suppliers of Canyon under a 4C scenario by 2050. Currently, tropical cyclones hit the region of Taiwan on average 12 times a year

during the summer months. The related storm surge and high winds, plus strong precipitation might cause production interruptions due to direct damage to facilities and required infrastructure. If the affected production capacity cannot be replaced, and if damaged infrastructure cannot be repaired in a reasonable amount of time, and if no stock is available to replace lost capacity, these supply chain disruptions might reduce revenues and delay material and/ or component supply. The resulting potential reputational damage, lost sales, or markdowns, could have adverse effects on Canyon, impacting financial performance and operations. 65 sites are highly exposed to physical risks across all indicators, representing 85% of business activity. 21 factories in the region of Taiwan have been identified as especially vulnerable to this risk, representing 28% of Canyon's business activity. The risk has been identified but is below the established threshold and is therefore not material.

Risk 2: Changing temperature

Under the current High Climate Change Scenario SSP5-RCP8.5 from the IPCC, Canyon identified heatwaves as one of the most significant acute physical risks. In its "Working on a warmer Planet" report, the ILO estimates that under the RCP2.6 climate change pathway, which envisages a global average temperature rise of 1.5C by the end of the century, the region of Taiwan will face a loss of around 49,000 full- time jobs due to heat stress by 2030. Estimates for manufacturing show a loss of 0.6% of working hours. For China, estimates show a loss of approx. 5.4 million full-time jobs by 2030 due to heat stress. Estimates for manufacturing show a loss of 0.91% of working hours. Around 26% of Canyon suppliers' facilities are in areas of Moderate Extreme Heat Risk – primarily in the region of Taiwan. Around 30% of business activity at Canyon and all factories in the region of Taiwan are projected to be exposed to moderate extreme heat risk by 2050 under a 4C emissions scenario. The risk has been identified but is below the established threshold and is therefore not material.

Identified transitional risk

Risk: Transition to lower emissions technology and products

According to the IPCC AR6, steel and plastic costs are expected to increase in a deep decarbonisation scenario. In general, the planned net-zero pathway is estimated to be 3–25% costlier compared to the baseline. In addition to the price increase driven by decarbonisation, raw material shortages for low-carbon materials can be expected until the necessary economies of scale can be reached. A direct increase in the prices of raw materials can be expected, as well as the passing-on of these impacts by component manufacturers to Canyon. Key raw materials used to produce Canyon Bikes, including components, are aluminium, carbon fiber, steel,

plastic, and rubber. The main materials used in Canyon bicycles are aluminium, plastic (including composites), steel, and rubber. Together they account for 85% of all materials used by weight. Estimates of cost increases for these materials were partly based on the IPCC AR6 WGII full report in a deep decarbonisation scenario (steel and plastic). Price increases for other materials are best estimates. In a best-case and potential minimum financial impact scenario, a price increase by 2050 of 17% for aluminium, 20% for plastic (including composites), 20% for steel and 5% for rubber was assumed. In a worst-case scenario, the price impact for aluminium was estimated to increase by 20% and for plastic and steel by 30%. In a weighted approach, the forecasted spend for 2030 was linked to the respective share of every material in relation to total spent, and the relevant price increase was applied, leading to a consolidated price increase figure. Since price increases were linked to a 2050-time horizon and spent figures to a 2030-time horizon, additional spend due to price increase of materials was reduced by 50% to consider impacts in a mid-term time horizon. Impacts associated with packaging materials were not included in the calculation.

DESCRIPTION OF HOW CONNECTIONS OF IMPACTS AND DEPENDENCIES WITH RISKS AND OPPORTUNITIES THAT MAY ARISE FROM THOSE IMPACTS AND DEPENDENCIES HAVE BEEN CONSIDERED

The connection between impacts and dependencies with risks, and the opportunities that may arise from those impacts and dependencies were considered during the materiality workshops, including dependencies in the respective template where applicable. This was also addressed during the validation procedure of the IROs.

DESCRIPTION OF HOW SUSTAINABILITY-RELATED RISKS RELATIVE TO OTHER TYPES OF RISKS HAVE BEEN PRIORITISED

Sustainability risks are addressed in the Audit Committee and are an integral part of Canyon's risk management approach. All identified risks are categorised, and mitigation measures are defined.

DESCRIPTION OF DECISION-MAKING PROCESS AND RELATED INTERNAL CONTROL PROCEDURES

The overall goal is to develop an IRO assessment that includes and considers the perspective of relevant stakeholders, and consequently allows Canyon to set thresholds and identify material IROs.

To achieve this goal, three review sessions took place. In the first session, Canyon internally validated the outcome of the IRO assessment templates with internal stakeholders and departments. In the second session, the IRO templates, including the input from the first session, were critically reviewed by an external consulting firm. In the third session, the external consulting firm and Canyon reviewed the IRO results together. Throughout all three review sessions adjustments regarding the overall

assessment of the identified impacts, risks and opportunities were made. Adjusting and finalising each IRO template has been the basis for defining a threshold.

The following guiding questions shaped the review sessions.

- Has the application of both 'Inside-Out' and 'Outside-In' perspectives been consistently applied?
- Are there any obvious impacts, risks or opportunities not yet included in the assessment?
- Is the explanation of the chosen scale, scope, remedy and financial effect sufficient, plausible and audit-proof?
- Has the perspective of internal and external stakeholders been considered?
- Is the picture coherent from a holistic perspective when comparing the impacts, risks and opportunities for the different topics?

After finalizing the IRO assessment, a final validation and approval by the Board of Directors took place on the 11th of June 2024.

DESCRIPTION OF EXTENT TO WHICH AND HOW PROCESS TO IDENTIFY, ASSESS AND MANAGE IMPACTS AND RISKS IS INTEGRATED INTO OVERALL RISK MANAGEMENT PROCESS AND USED TO EVALUATE OVERALL RISK PROFILE AND RISK MANAGEMENT PROCESSES

Canyon's risk management system includes the identification, categorisation and documentation of risks that could have a significant impact not only on the company but also on the environment and society. Risks are assessed and categorised and will be discussed by the Board of Directors and the members of the Audit Committee. Necessary measures to mitigate risks are defined.

DESCRIPTION OF EXTENT TO WHICH AND HOW PROCESS TO IDENTIFY, ASSESS AND MANAGE OPPORTUNITIES IS INTEGRATED INTO OVERALL MANAGEMENT PROCESS

Opportunities are communicated to Canyon's governing bodies at least once per year and prioritised accordingly by the Board of Directors, whilst considering the overall company strategy and availability of resources, know-how and technological developments.

7.4.3.1.19 DISCLOSURE REQUIREMENTS INCLUDED IN THE UNDERTAKING'S SUSTAINABILITY STATEMENT AND OF THE TOPICS THAT HAVE BEEN OMITTED AS NOT MATERIAL

DISCLOSURE OF LIST OF DATA POINTS THAT DERIVE FROM OTHER EU LEGISLATION AND INFORMATION ON THEIR LOCATION IN SUSTAINABILITY STATEMENT

DISCLOSURE REQUIREMENT	DATA POINT	SUSTAINABILITY STATEMENT TOPIC	SFRD REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	SECTION	PAGE
GOV-1		diversity		of Table #1 of Annex 1			Canyon	
					Delegated Regulation (EU) 2020/1816 (27), Annex II			
ESRS 2 GOV-1	21 (e)	Percentage of board members who are independent			Delegated Regulation (EU) 2020/1816, Annex II		reported by Canyon	[7.4.3.1.7]

DISCLOSURE REQUIREMENT	DATA POINT	SUSTAINABILITY STATEMENT TOPIC	SFRD REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	SECTION	PAGE
ESRS 2 GOV-4	30	Statement on due diligence	Indicator number 10 Table #3 of Annex 1				reported by Canyon	[7.4.3.1.12]
ESRS 2 SBM-1	40 (d) i	Involvement in activities related to fossil fuel activities	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 (28) Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		not relevant for Canyon	
ESRS 2 SBM-1	40 (d) ii	Involvement in activities related to chemical production	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		not relevant for Canyon	
ESRS 2 SBM-1	40 (d) iii	Involvement in activities related to controversial weapons	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818 (29) , Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		not relevant for Canyon	
ESRS 2 SBM-1	40 (d) iv	Involvement in activities related to cultivation and production of tobacco			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		not relevant for Canyon	
ESRS EI-1	14	Transition plan to reach climate neutrality by 2050				Regulation (EU) 2021/1119, Article 2(1)	reported by Canyon	[7.4.3.2.2]
ESRS EI-1	16 (g)	Undertakings excluded from Paris-aligned Benchmarks		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book- Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2		reported by Canyon	[7.4.3.2.2]
ESRS EI-4	34	GHG emission reduction targets	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		reported by Canyon	[7.4.3.2.6]
ESRS EI-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				reported by Canyon	[7.4.3.2.9]

DISCLOSURE REQUIREMENT	DATA POINT	SUSTAINABILITY STATEMENT TOPIC	SFRD REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	SECTION	PAGE
ESRS E1-5	37	Energy consumption and mix	Indicator number 5 Table #1 of Annex 1				reported by Canyon	[7.4.3.2.9]
ESRS E1-5	40- 43	Energy intensity associated with activities in high climate impact sectors	Indicator number 6 Table #1 of Annex 1				reported by Canyon	[7.4.3.2.9]
ESRS E1-6	44	Gross Scope 1, 2, 3 and Total GHG and 2 Regulation (EU) No Regulation (EU)	Indicators number 1 Article 449a;	Regulation (EU) No 575/2013; Article 449a; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		reported by Canyon	[7.4.3.2.13]
ESRS E1-6	53- 55	Gross GHG emissions intensity	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation 2020/1818, Article 8(1)		reported by Canyon	[7.4.3.2.11]
ESRS E1-7	56	GHG removals and carbon credits				Regulation (EU) 021/1119, Article 2(1)	not relevant for Canyon	
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risk			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		not relevant for Canyon (Phase In)	
ESRS E1-9	66 (a); 66 (c)	Disaggregation of monetary amounts by acute and chronic physical risk; Location of significant assets at material physical risk		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			not relevant for Canyon (Phase In)	

DISCLOSURE REQUIREMENT	DATA POINT	SUSTAINABILITY STATEMENT TOPIC	SFRD REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	SECTION	PAGE
ESRS E1-9	67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			not relevant for Canyon (Phase In)	
ESRS E1-9	69	Degree of exposure of the portfolio to climate-related opportunities			Delegated Regulation (EU) 2020/1818, Annex II		not relevant for Canyon (Phase In)	
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation emitted to air, water and soil	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				not material for Canyon	
ESRS E3-1	9	Water and marine resources	Indicator number 7 Table #2 of Annex 1				not material for Canyon	
ESRS E3-1	13	Dedicated policy	Indicator number 8 Table 2 of Annex 1				not material for Canyon	
ESRS E3-4	14	Sustainable oceans and seas	Indicator number 12 Table #2 of Annex 1				not material for Canyon	
ESRS E3-4	28 c	Total water recycled and reused	Indicator number 6.2 Table #2 of Annex 1				not material for Canyon	
ESRS E3-4	29	Total water consumption in m3 per net revenue on own operations	Indicator number 6.1 Table #2 of Annex 1				not material for Canyon	
ESRS 2 - IRO 1 -E4	16 (a)		Indicator number 7 Table #1 of Annex 1				not material for Canyon	
ESRS 2 - IRO 1 -E4	16 (b)		Indicator number 10 Table #2 of Annex 1				not material for Canyon	
ESRS 2 - IRO 1 -E4	16 (c)		Indicator number 14 Table #2 of Annex 1				not material for Canyon	
ESRS E4-2	24 (b)	Sustainable land / agriculture practices or policies	Indicator number 11 Table #2 of Annex 1				not material for Canyon	
ESRS E4-2	24 (c)	Sustainable oceans / seas practices or policies	Indicator number 12 Table #2 of Annex 1				not material for Canyon	
ESRS E4-2	24 (d)		Policies to address deforestation	Indicator number 15 Table #2 of Annex 1			not material for Canyon	

DISCLOSURE REQUIREMENT	DATA POINT	SUSTAINABILITY STATEMENT TOPIC	SFRD REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	SECTION	PAGE
ESRS E5-5	37 (d)	Non-recycled waste	Indicator number 13 Table #2 of Annex I				reported by Canyon	[7.4.3.3.11]
ESRS E5-5	39	Hazardous waste and radioactive waste	Indicator number 9 Table #1 of Annex I				reported by Canyon	[7.4.3.3.11]
ESRS 2- SBM3 - S1	14 (f)	Risk of incidents of forced labour	Indicator number 13 Table #3 of Annex I				reported by Canyon	[7.4.3.4.1]
ESRS 2- SBM3 - S1	14 (g)	Risk of incidents of child labour	Indicator number 12 Table #3 of Annex I				reported by Canyon	[7.4.3.4.2]
ESRS S1-1	20	Human rights policy commitments	Indicator number 9 Table #3 and Indicator number 11 Table #1 of				reported by Canyon	[7.4.3.4.2]
ESRS S1-1	21	due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	Annex I		Delegated Regulation (EU) 2020/1816, Annex II		reported by Canyon	[7.4.3.4.2]
ESRS S1-1	22	Processes and measures for prevent- ing trafficking in human beings	Indicator number 11 Table #3 of Annex I				reported by Canyon	[7.4.3.4.2]
ESRS S1-1	23	Workplace accident prevention policy or management system	Indicator number 1 Table #3 of Annex I				reported by Canyon	[7.4.3.4.2]
ESRS S1-3	32 (c)	Grievance/ complaints handling mechanisms	Indicator number 5 Table #3 of Annex I				reported by Canyon	[7.4.3.4.4]
ESRS S1-14	88 (b) and (c)	Number of fatalities and number and rate of work-related accidents	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		reported by Canyon	[7.4.3.4.11]
ESRS S1-14	88 (e)	Number of days lost to injuries, accidents, fatalities or illness	Indicator number 3 Table #3 of Annex I				reported by Canyon	[7.4.3.4.11]
ESRS S1-16	97 (a)	Unadjusted gender pay gap	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		not material for Canyon	
ESRS S1-16	97 (b)	Excessive CEO pay ratio	Indicator number 8 Table #3 of Annex I				not material for Canyon	
ESRS S1-17	103 (a)	Incidents of discrimination	Indicator number 7 Table #3 of Annex I				reported by Canyon	[7.4.3.4.15]
ESRS S1-17	104 (a)	Non-respect of UNGPs on Business and Human Rights and OECD	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		reported by Canyon	[7.4.3.4.15]

DISCLOSURE REQUIREMENT	DATA POINT	SUSTAINABILITY STATEMENT TOPIC	SFRD REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	SECTION	PAGE
ESRS 2-SBM 3-S2	11 (b)	Significant risk of child labour or forced labour in the value chain	Indicators number 12 and n. 13 Table #3 of Annex I				reported by Canyon	[7.4.3.5.1]
ESRS S2-1	17	Human rights policy commitments	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				reported by Canyon	[7.4.3.5.2]
ESRS S2-1	18	Policies related to value chain workers	Indicator number 11 and n. 4 Table #3 of Annex 1				reported by Canyon	[7.4.3.5.2]
ESRS S2-1	19	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		reported by Canyon	[7.4.3.5.2]
ESRS S2-1	19	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			Delegated Regulation (EU) 2020/1816, Annex II		reported by Canyon	[7.4.3.5.2]
ESRS S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	Indicator number 14 Table #3 of Annex 1				reported by Canyon	[7.4.3.5.4]
ESRS S3-1	16	Human rights policy commitments	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				not material for Canyon	
ESRS S3-1	17	Non-respect of UNGPs on Business and Human Rights, and OECD guidelines	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		not material for Canyon	
ESRS S3-4	36	Human rights issues and incidents	Indicator number 14 Table #3 of Annex 1				not material for Canyon	
ESRS S4-1	16	Policies related to consumers and end-users	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				reported by Canyon	[7.4.3.6.2]
ESRS S4-1	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		reported by Canyon	[7.4.3.6.2]
ESRS S4-4	35	Human rights issues and incidents	Indicator number 14 Table #3 of Annex 1				reported by Canyon	[7.4.3.6.5]

DISCLOSURE REQUIREMENT	DATA POINT	SUSTAINABILITY STATEMENT TOPIC	SFRD REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	SECTION	PAGE
ESRS G1-1	10 (b)	United Nations Convention against Corruption	Indicator number 15 Table #3 of Annex 1				not relevant for Canyon	
ESRS G1-1	10 (d)	Protection of whistle- blowers	Indicator number 6 Table #3 of Annex 1				reported by Canyon	[74.3.7.2]
ESRS G1-4	24 (a)	Fines for violation of anti-corruption and anti-bribery laws	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		not material for Canyon	
ESRS G1-4	24 (b)	Standards of anti- corruption and anti-bribery	Indicator number 16 Table #3 of Annex 1				not material for Canyon	

DISCLOSURE OF LIST OF ESRS DISCLOSURE REQUIREMENTS
COMPLIED WITH IN PREPARING SUSTAINABILITY STATEMENT
FOLLOWING OUTCOME OF MATERIALITY ASSESSMENT

DISCLOSURE	ESRS E1 - CLIMATE CHANGE	PAGE
GOVERNANCE		
ESRS 2, GOV-3	Integration of sustainability-related performance in incentive schemes	[74.3.2.1]
STRATEGY		
E1-1	Transition plan for climate change mitigation	[74.3.2.2]
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	[74.3.2.3]
IRO		
ESRS 2, IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	[74.3.2.3]
E1-2	Policies related to climate change mitigation and adaptation	[74.3.2.4]
E1-3	Actions and resources in relation to climate change policies	[74.3.2.5]
METRICS AND TARGETS		
E1-4	Targets related to climate change mitigation and adaptation	[74.3.2.6]
E1-5	Energy consumption and mix	[74.3.2.9]
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	[74.3.2.13]
DISCLOSURE	ESRS E5 – CIRCULAR ECONOMY	PAGE
IRO		
ESRS 2, IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	[74.3.3.1]
E5-1	Policies related to resource use and circular economy	[74.3.3.1]
E5-2	Actions and resources in relation to resource use and circular economy	[74.3.3.4]
METRICS AND TARGETS		
E5-3	Targets related to resource use and circular economy	[74.3.3.5]
E5-4	Resource inflows	[74.3.3.7]
E5-5	Resource outflows	[74.3.3.8]

DISCLOSURE	ESRS S1: OWN WORKFORCE	PAGE
STRATEGY		
ESRS 2, SBM-2	Interests and views of stakeholders	[7.4.3.4.1]
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	[7.4.3.4.1]
IRO		
S1-1	Policies related to own workforce	[7.4.3.4.2]
S1-2	Processes for engaging with own workers and workers' representatives about impacts	[7.4.3.4.3]
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	[7.4.3.4.4]
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those action	[7.4.3.4.5]
METRICS AND TARGETS		
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	[7.4.3.4.6]
S1-6	Characteristics of the undertaking's employee	[7.4.3.4.7]
S1-14	Health and safety metrics	[7.4.3.4.11]
S1-17	Incidents, complaints and severe human rights impacts	[7.4.3.4.15]
DISCLOSURE	ESRS S2: WORKERS IN THE VALUE CHAIN	PAGE
STRATEGY		
ESRS 2, SBM-2	Interests and views of stakeholders	[7.4.3.5.1]
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	[7.4.3.5.1]
IRO		
S2-1	Policies related to value chain workers	[7.4.3.5.2]
S2-2	Processes for engaging with value chain workers about impacts	[7.4.3.5.3]
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	[7.4.3.5.4]
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	[7.4.3.5.5]
METRICS AND TARGETS		
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	[7.4.3.5.6]
DISCLOSURE	ESRS S4: CONSUMERS AND END-USERS	PAGE
STRATEGY		
ESRS 2, SBM-2	Interests and views of stakeholders	[7.4.3.6.1]
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	[7.4.3.6.1]
IRO		
S4-1	Policies related to consumers and end-users	[7.4.3.6.2]
S4-2	Processes for engaging with consumers and end-users about impacts	[7.4.3.6.3]

DISCLOSURE	ESRS S4: CONSUMERS AND END-USERS	PAGE
IRO		
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	[7.4.3.6.4]
S4-4	Taking action on material impacts, and approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users and effectiveness of those actions and approaches	[7.4.3.6.5]

DISCLOSURE	ESRS G1: BUSINESS CONDUCT	PAGE
GOVERNANCE		
ESRS 2, GOV-1	The role of the administrative, supervisory and management bodies	[7.4.3.7.1]
IRO		
ESRS 2, IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	[7.4.3.7.2]
G1-1	Business conduct policies and corporate culture	[7.4.3.7.2]
METRICS AND TARGETS		
G1-4	Incidents of corruption or bribery	[7.4.3.7.3]

EXPLANATION OF NEGATIVE MATERIALITY ASSESSMENT FOR
ESRS E1 CLIMATE CHANGE

ESRS E1 has been assessed as material for Canyon and is accordingly disclosed in this sustainability statement in line with the requirements from respective ESRS.

EXPLANATION OF HOW MATERIAL INFORMATION TO BE
DISCLOSED IN RELATION TO MATERIAL IMPACTS, RISKS AND
OPPORTUNITIES HAS BEEN DETERMINED

Canyon conducted a single materiality analysis in 2022. Globally relevant ESG topics were used to create a longlist for this assessment. Topics were selected based on a peer benchmarking exercise, internal and external expertise, GRI Framework and potential impacts occurring in different lifecycle stages of a bicycle. Within the process of this single materiality analysis, Canyon identified internal and external key stakeholders. Canyon collected the stakeholders' expectations and views on potential material topics through non-directive interviews.

During the process of the 2024 double materiality analysis, additional stakeholders were identified. To align with the regulatory guidance, these stakeholders were divided into affected stakeholders and users of sustainability statements. All stakeholders' perspectives and interests were considered within the IRO Assessment as part of the double materiality analysis. In this regard, results from the 2022 single materiality and stakeholder analysis, specifically the longlist and answers given by stakeholders, were incorporated into the current assessment of the ESRS topics. External stakeholders that were not part of the single materiality assessment conducted in 2022 and as well as the validation of the 2022 findings were reassessed and validated by representative internal stakeholders during the materiality workshops.

Suitable scales to evaluate IROs according to ESRS requirements were based on the existing risk management scales at Canyon. These have an influence on the likelihood and financial effect scale and were adopted as such. For the other scales, Appendix 2.6 to the PTF-ESRS Batch 1 working papers (publication January 2022) was used as a basis and a corresponding scale was defined. Assumptions were made for scope boundaries and unification, to enable consistent evaluation of the scope. Furthermore, to avoid bias and enable

comparability, negative impacts and positive impacts were standardised in their respective overall scores.

7.4.3.2 Environmental Information:
Climate Change

7.4.3.2.1 INTEGRATION OF CLIMATE-RELATED
PERFORMANCE IN INCENTIVE SCHEMES

DISCLOSURE OF HOW CLIMATE-RELATED CONSIDERATIONS
ARE FACTORED INTO REMUNERATION OF MEMBERS OF
ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

For the reporting year 2024, the remuneration of members of Canyon's administrative, management and supervisory bodies did not take climate-related aspects into account, and their performance was not assessed against the greenhouse gas emission reduction targets.

PERCENTAGE OF REMUNERATION RECOGNISED THAT IS
LINKED TO CLIMATE RELATED CONSIDERATIONS

N/A

EXPLANATION OF CLIMATE-RELATED CONSIDERATIONS THAT
ARE FACTORED INTO REMUNERATION OF MEMBERS OF
ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

See Disclosure of how climate-related considerations are factored into remuneration of members of administrative, management and supervisory bodies

7.4.3.2.2 TRANSITION PLAN FOR CLIMATE CHANGE
MITIGATION

DISCLOSURE OF TRANSITION PLAN FOR CLIMATE CHANGE
MITIGATION

The Canyon Climate Transition Plan addresses all material impacts, risks and selected opportunities related to climate change mitigation. This includes a breakdown in energy data and all upstream and downstream emission sources. The goal of the climate transition plan is to systematically reduce Canyon's greenhouse gas emissions and align its business operations with global climate goals, specifically limiting global warming to 1.5°C above pre-industrial levels, as outlined in the Paris Agreement. Ultimately, the climate transition plan aims to balance environmental responsibility with economic growth, safeguarding the company's future in a rapidly changing regulatory and market

environment.

EXPLANATION OF HOW TARGETS ARE COMPATIBLE WITH
LIMITING OF GLOBAL WARMING TO ONE AND HALF DEGREES
CELSIUS IN LINE WITH PARIS AGREEMENT

At the beginning of 2024 the Science Based Targets initiative (SBTi) verified Canyon Bicycles GmbH net-zero science-based target of reducing the release of climate-damaging greenhouse gas (GHG) emissions within the company (Scope 1), by its energy suppliers (Scope 2) and in its upstream and downstream supply chain (Scope 3) by 2050. Canyon has committed to reducing absolute Scope 1 and 2 GHG emissions by 51% by 2032 from its base year in 2022 (includes biogenic land-related emissions and removals from bioenergy feedstocks). This is a combined target of Scope 1 and 2. No separate target has been defined for each scope. Canyon has also committed to reducing its indirect Scope 3 GHG emissions per bike produced by 58.2% within the same timeframe. In the long term, Canyon has committed to reducing absolute Scope 1 and 2 GHG emissions by 90% by 2050, and Scope 3 GHG emissions per bicycle produced by 97% within the same timeframe.

DISCLOSURE OF DECARBONISATION LEVERS AND KEY
ACTION

Key decarbonisation levers Scope 1 & 2:

- To reduce Scope 1 emissions, it is essential to transition Canyon's vehicle fleet from internal combustion engine and Plug-In-Hybrid Electric Vehicle as the fleet accounts for around 50% of Scope 1 & 2 emissions. The internal vehicle policy was updated accordingly.
- In the coming years, Canyon will evaluate the possibility of replacing natural gas used for heating with biogas.
- Canyon already sources around 90% renewable electricity, with plans to increase this share.

Key decarbonisation lever Scope 3:

For Scope 3, most emissions come from category 1, relating to materials used in bike production, including pack-aging and accessories. Identified focus areas include:

- Using recycled materials to replace virgin aluminium and plastics,
- Evaluating low-carbon aluminium sourcing,
- Exploring alternative business models,
- Investigating alternative materials like glass and natural fibres,
- Reducing material use through improved product/ packaging design and process optimization,
- Collaborating with key suppliers to assess current impacts, share knowledge, and implement joint re-duction measures,
- For packaging, though a small part of category 1 emissions, Canyon aims to increase recycled material use and eliminate unnecessary single-use plastic.

Additionally, working groups were established in 2024 to develop decarbonization strategies related to raw material usage, particularly for aluminium and carbon fibre, including the use of recycled or low-carbon materials.

DISCLOSURE OF SIGNIFICANT OPERATIONAL EXPENDITURES (OPEX) AND (OR) CAPITAL EXPENDITURES (CAPEX) REQUIRED FOR IMPLEMENTATION OF ACTION PLAN

Significant operational expenditures (OPEX) and capital expenditures (CAPEX) are set to remain below the established financial threshold.

EXPLANATION OF POTENTIAL LOCKED-IN GHG EMISSIONS FROM KEY ASSETS AND PRODUCTS AND OF HOW LOCKED-IN GHG EMISSIONS MAY JEOPARDISE ACHIEVEMENT OF GHG EMISSION REDUCTION TARGETS AND DRIVE TRANSITION RISK

Emissions from Canyon own sites (Scope 1 and 2) are expected to remain constant in the future unless specific reduction measures are implemented, as energy consumption is primarily driven by lighting, heating, and the vehicle fleet. When validating climate targets through the Science-Based Targets initiative, any potential growth assumptions must also be considered. The majority of emissions fall under Scope 3, specifically in category 1 (purchased goods and services) and category 4 (upstream transportation). Due to the relative reduction target per bicycle produced, the measures are largely unaffected by growth. Furthermore, emissions from the use phase are not considered as relevant. Based on this, potential locked-in GHG emissions do not pose a risk.

EXPLANATION OF ANY OBJECTIVE OR PLANS (CAPEX, CAPEX PLANS, OPEX) FOR ALIGNING ECONOMIC ACTIVITIES (REVENUES, CAPEX, OPEX) WITH CRITERIA ESTABLISHED IN COMMISSION DELEGATED REGULATION 2021/2139

Canyon's bike manufacturing activities corresponding to 100% of bike revenue contribute substantially to the environmental objective of climate change mitigation thanks to the products manufactured meeting the Technical Screening Criteria of the EU Taxonomy: personal mobility devices with a propulsion that comes from the physical activity of the user ("push bikes") or a mix of zero-emissions motor and physical activity ("electric bikes"). Canyon did not make any capital expenditures related to economic activities related to coal, oil and gas during the reporting period.

UNDERTAKING IS EXCLUDED FROM EU PARIS-ALIGNED BENCHMARKS

N/A

EXPLANATION OF HOW TRANSITION PLAN IS EMBEDDED IN AND ALIGNED WITH OVERALL BUSINESS STRATEGY AND FINANCIAL PLANNING

The implementation of the transition plan started with the SBTi commitment at the end of 2023, but is not yet finalized, since it covers various aspects. Topics such as internalizing CO2 price or comprehensive financial planning for all climate-relevant measures have not been implemented yet. However, topics such as the assessment of physical and transition risks, greenhouse gas accounting and the externally validated science-based targets (near-term and long-term) have been integrated into key operational business processes and are supported by the overall business strategy. These aspects also represent the most important parts of the transition plan.

TRANSITION PLAN IS APPROVED BY ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

See Explanation of how transition plan is embedded in and aligned with overall business strategy and financial planning

EXPLANATION OF PROGRESS IN IMPLEMENTING TRANSITION PLAN

See Explanation of how transition plan is embedded in and aligned with overall business strategy and financial planning

DATE OF ADOPTION OF TRANSITION PLAN FOR UNDERTAKINGS NOT HAVING ADOPTED TRANSITION PLAN YET

See Explanation of how transition plan is embedded in and aligned with overall business strategy and financial planning

7.4.3.2.3 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

TYPE OF CLIMATE-RELATED RISK

Canyon is continuously deepening its understanding of how to identify and manage climate-related risks and opportunities, and of how to respond to potential impacts. Climate-related risks and opportunities are identified and assessed by the ESG Team with support from functional departments, distinguishing between physical and transition risks.

DESCRIPTION OF SCOPE OF RESILIENCE ANALYSIS

Canyon completed a resilience analysis as part of its 2023 climate risk assessment. The Scope of this analysis mirrors that of the risk assessment, covering both its own operations and also upstream and downstream value chains. As such, the analysis includes both material and non-material risks. The analysis examines the extent to which Canyon's strategy responds to identified IROs, and whether adjustments are necessary. Canyon considers its strategy resilient in the face of material risks, with the transition to lower-emission technologies and products identified as a key material risk. The potential rise in direct costs due to increasing raw material prices is addressed in the following sections and has been discussed internally. One potential mitigation strategy involves sourcing recycled materials, which could help offset the financial impact of price increases for virgin materials. To capitalize on this opportunity and explore other low-carbon materials, continuous investment in research, development, and quality management is necessary to identify optimal use cases. Furthermore, the potential shortage of low-carbon materials must be mitigated by securing long-term contracts with deeper supply chain actors. New business models focused on reducing dependence virgin materials, while extending product lifetimes, are also expected to mitigate the risk of rising raw material costs. These models would decrease the need for new materials and prolong the reuse phase of products. The financial impact of these measures is not included in the current assessment.

DISCLOSURE OF HOW RESILIENCE ANALYSIS HAS BEEN CONDUCTED

See Description of Scope of resilience analysis

DATE OF RESILIENCE ANALYSIS

Canyon completed a resilience analysis as part of its 2023 climate risk assessment.

DESCRIPTION OF RESULTS OF RESILIENCE ANALYSIS

See Description of Scope of resilience analysis

TIME HORIZONS APPLIED FOR RESILIENCE ANALYSIS

See Description of Scope of resilience analysis

DESCRIPTION OF ABILITY TO ADJUST OR ADAPT STRATEGY AND BUSINESS MODEL TO CLIMATE CHANGE

The degree of influence over climate-related impacts and risks varies depending on the specific nature of the impact or risk. For instance, the ability to adapt to acute and chronic physical climate risks, such as extreme weather events or long-term temperature changes, is relatively limited due to external factors beyond direct organizational control.

However, overarching mitigation efforts focus on reducing all identified risks and impacts by prioritizing the reduction of the company's own greenhouse gas emissions. By aligning with science-based targets and fostering collaboration across the value chain, the organization contributes to systemic climate resilience while addressing its direct and indirect climate-related risks.

For further information, please refer to Description of Scope of resilience analysis

Description of the processes to identify and assess material climate-related impacts, risks and opportunities

DESCRIPTION OF PROCESS IN RELATION TO IMPACTS ON CLIMATE CHANGE

Canyon continuously deepens its understanding of identifying and managing climate-related risks and opportunities. The ESG Team, with support from functional departments, distinguishes between physical and transition risks, focusing on medium- and long-term impacts. Actions are proposed by the ESG Team after cross-functional consultations, addressing emissions and systemic interdependencies.

DESCRIPTION OF PROCESS IN RELATION TO CLIMATE-RELATED PHYSICAL RISKS IN OWN OPERATIONS AND ALONG VALUE CHAIN

Physical risks are assessed by overlaying asset-level data on climate and hazard models. Hazards such as coastal and fluvial flooding, extreme temperatures, and droughts are evaluated using leading datasets, including SP Global's Sustainable1 dataset. Chronic and acute hazards are analyzed using IPCC scenarios.

DESCRIPTION OF PROCESS IN RELATION TO CLIMATE-RELATED TRANSITION RISKS AND OPPORTUNITIES IN OWN OPERATIONS AND ALONG VALUE CHAIN

Transition risks were identified and assessed through carbon pricing, regulatory developments, and raw material pricing. The Trucost database and IEA's Net Zero scenario were used to evaluate financial and operational impacts.

EXPLANATION OF HOW CLIMATE-RELATED SCENARIO ANALYSIS HAS BEEN USED TO INFORM IDENTIFICATION AND ASSESSMENT OF PHYSICAL RISKS OVER SHORT, MEDIUM AND LONG-TERM

Canyon conducted scenario analyses yearly by decade from 2020 to 2090 using IPCC scenarios, allowing the identification of chronic and acute hazards and their impacts on operations over varying time horizons.

EXPLANATION OF HOW CLIMATE-RELATED SCENARIO ANALYSIS HAS BEEN USED TO INFORM IDENTIFICATION AND ASSESSMENT OF TRANSITION RISKS AND OPPORTUNITIES OVER SHORT, MEDIUM AND LONG-TERM

Canyon conducted scenario analyses yearly by decade from 2020 to 2090 using IPCC scenarios, allowing the identification of chronic and acute hazards and their impacts on operations over varying time horizons.

CLIMATE-RELATED HAZARDS HAVE BEEN IDENTIFIED OVER SHORT-, MEDIUM- AND LONG-TERM TIME HORIZONS

Hazards were assessed using IPCC scenarios over yearly intervals from 2020 to 2090. Short-term risks are reviewed ad hoc, while medium- and long-term hazards, such as tropical cyclones and heatwaves, are identified under different emissions scenarios.

UNDERTAKING HAS SCREENED WHETHER ASSETS AND BUSINESS ACTIVITIES MAY BE EXPOSED TO CLIMATE-RELATED HAZARDS

Canyon mapped physical climate hazards and overlaid this data with asset-level exposure, focusing on geospatial analysis and sensitivity adjustments. Risks across 65 sites and 21 factories in Taiwan, representing significant business activity, were evaluated for exposure.

SHORT-, MEDIUM- AND LONG-TERM TIME HORIZONS HAVE BEEN DEFINED

Time horizons are defined as short-term (ad hoc assessments), medium-term (2030 horizon), and long-term (2050+), with analysis based on IPCC scenarios from SSP5-RCP8.5 to SSP1-RCP2.6.

EXTENT TO WHICH ASSETS AND BUSINESS ACTIVITIES MAY BE EXPOSED AND ARE SENSITIVE TO IDENTIFIED CLIMATE-RELATED HAZARDS HAS BEEN ASSESSED

Canyon assessed sensitivity to risks such as tropical cyclones and extreme heat, finding 85% of its business activity exposed to physical risks and 30% projected to face moderate extreme heat risks by 2050 under high-emissions scenarios.

IDENTIFICATION OF CLIMATE-RELATED HAZARDS AND ASSESSMENT OF EXPOSURE AND SENSITIVITY ARE INFORMED BY HIGH EMISSIONS CLIMATE SCENARIOS

Risk identification is based on IPCC scenarios, including SSP5-RCP8.5, SSP3-RCP7.0, SSP2-RVP4.5, and SSP1-RCP2.6, ensuring analysis under various climate conditions.

TRANSITION EVENTS HAVE BEEN IDENTIFIED OVER SHORT-, MEDIUM- AND LONG-TERM TIME HORIZONS

Transition events such as carbon pricing, legal mandates, and market shifts are assessed with a primary focus on medium- (2030) and long-term (2050) horizons, using IEA's Net Zero scenario for likelihood evaluation.

UNDERTAKING HAS SCREENED WHETHER ASSETS AND BUSINESS ACTIVITIES MAY BE EXPOSED TO TRANSITION EVENTS

Exposure screening includes sectoral impacts of carbon pricing and decarbonization on raw materials like aluminium, steel, and plastic. Impacts on Canyon's financial performance and supply chain were evaluated.

EXTENT TO WHICH ASSETS AND BUSINESS ACTIVITIES MAY BE EXPOSED AND ARE SENSITIVE TO IDENTIFIED TRANSITION EVENTS HAS BEEN ASSESSED

Sensitivity to transition risks, including rising raw material costs, was evaluated based on the materials' share in Canyon's operations and projected price increases under deep decarbonization scenarios.

IDENTIFICATION OF TRANSITION EVENTS AND ASSESSMENT OF EXPOSURE HAS BEEN INFORMED BY CLIMATE-RELATED SCENARIO ANALYSIS

Scenario analysis using IEA's Net Zero scenario provided insights into the likelihood and magnitude of transition risks, such as carbon pricing and decarbonization impacts, informing Canyon's evaluations.

ASSETS AND BUSINESS ACTIVITIES THAT ARE INCOMPATIBLE WITH OR NEED SIGNIFICANT EFFORTS TO BE COMPATIBLE WITH TRANSITION TO CLIMATE-NEUTRAL ECONOMY HAVE BEEN IDENTIFIED

Key materials (aluminium, steel, plastic, and rubber) were identified as requiring relevant adjustments to align with net-zero goals due to expected cost increases and supply constraints under a decarbonization scenario.

EXPLANATION OF HOW CLIMATE SCENARIOS USED ARE COMPATIBLE WITH CRITICAL CLIMATE-RELATED ASSUMPTIONS MADE IN FINANCIAL STATEMENTS

Canyon conducted scenario analyses yearly by decade from 2020 to 2090 using IPCC scenarios, allowing the identification of chronic and acute hazards and their impacts on operations over varying time horizons.

7.4.3.2.4 POLICIES TO MANAGE ITS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

DESCRIPTION OF KEY CONTENTS OF POLICY

The Canyon Climate Transition Plan addresses all material impacts, risks and opportunities related to climate change. The transition plan aims to reduce Canyon's greenhouse gas emissions. This also contributes to global climate protection goals and thus also addresses identified acute physical risks such as operational disruptions and infrastructure damage caused by cyclones, hurricanes or typhoons. In addition, chronic physical risks from long-term temperature fluctuations that can affect productivity and supply chains are addressed.

Market risks, including rising raw material costs, as well as potential sales declines due to material shortages due to increasing demand for low-carbon technologies such as batteries for electric bicycles, are also covered. The goal of the climate transition plan is to systematically reduce Canyon's greenhouse gas emissions and align its business operations with global climate goals, specifically limiting global warming to 1.5°C above pre-industrial levels, as outlined in the Paris Agreement. Ultimately, the climate transition plan aims to balance environmental responsibility with economic growth, safeguarding the company's future in a rapidly changing regulatory and market environment. The overall goal of reducing emissions is also to minimize the negative impacts of climate change on flora, fauna and humans.

The Transition Plan covers the following aspects:

Carbon accounting is conducted annually, following the GHG Protocol standard to measure and record the company's carbon footprint. This enables Canyon to track its emissions across all Scopes, providing a foundation for strategic decision-making and climate action. The content of the transition plan is monitored by the ESG Department. Progress and changes of the plan are presented to the Advisory Board. This includes in particular the status of annual emissions and progress towards the set targets.

Canyon has established science-based targets to guide its emissions reduction. These targets, explained in further detail below, set clear near-term and long-term goals for reducing carbon emissions and thus aligning the company's actions with the broader climate objectives of the Paris Agreement. In line with these targets, Canyon is implementing value chain engagement and low-carbon initiatives. Engagement across the value chain encompasses various initiatives, including the Climate Action

Trainings and general dialogues with suppliers to encourage the establishment of climate targets. Additionally, this effort includes the development of a supplier engagement program aimed at driving sustainability. These initiatives are evaluated on a project-by-project basis, with cross-functional collaboration between the ESG department and other departments to identify and implement effective measures.

As part of its broader strategy and risk management process, Canyon conducts a thorough assessment of impacts, risks and opportunities related to climate change. Tools used to identify risks and opportunities include the WWF Risk Filter, which evaluates water-related risks (e.g. water scarcity, quality, and flooding) alongside broader physical risks like extreme heat, fire hazards, and landslides. For transition risks, Canyon uses the IEA Net Zero Emissions 2050 scenario and the Transition Pathway Initiative to evaluate future risks and opportunities.

These assessments apply a 2030-time horizon, with the High SSP5-RCP8.5 scenario projecting a potential temperature rise of 3.3-5.7°C by 2100, supported by data from the S&P Global Sustainable 1 Climate Change Physical Risk Dataset.

Policy engagement is another pillar of Canyon's climate strategy. Canyon collaborates with industry associations and civil society organizations, provides feedback on standards, and works to ensure its policies are consistent with climate science. This includes working with Shift Cycling Culture and other brands in the industry to develop the Climate Action Trainings. Collaboration and exchange with Canopy, the Bicycle Industry Association ('Zweirad-Industrie-Verband') and the World Federation of the Sporting Goods Industry.

Financial planning is integrated into the company's climate transition efforts. The financial impacts of low-carbon initiatives and climate-related risks are evaluated within the respective departments that initiate these projects. However, while financial assessments are conducted, there is not yet a holistic financial review or consolidation of the entire climate transition plan. This leaves room for future development in fully integrating financial planning with climate strategy.

Together, the above elements form a cohesive framework that ensures Canyon is not only aware of its climate risks but is actively working to manage the risks and to reduce its carbon footprint, engage its value chain, and position itself for long-term greenhouse gas reduction. The climate transition plan is company-wide and covers actions in all areas of climate change mitigation, adaptation to climate change, energy efficiency and the use of renewable energies. The Scope and extent of the measures may vary annually.

DESCRIPTION OF SCOPE OF POLICY OR OF ITS EXCLUSIONS

The climate transition plan is company-wide and covers actions in all areas of climate change mitigation, adaptation to climate change, energy efficiency and the use of renewable energies.

DESCRIPTION OF MOST SENIOR LEVEL IN ORGANISATION THAT IS ACCOUNTABLE FOR IMPLEMENTATION OF POLICY

Given the Advisory Board's responsibility for the company's strategic direction (For further information, please refer to Chapter G1 Business Conduct), particularly in relation to ESG matters, the Advisory Board plays a central role in overseeing Canyon's climate transition plan and is embedded in an ESG governance structure described in Governance information: Business conduct.

DISCLOSURE OF THIRD-PARTY STANDARDS OR INITIATIVES THAT ARE RESPECTED THROUGH IMPLEMENTATION OF POLICY

Canyon aligns its climate transition plan with internationally recognized standards and initiatives to ensure a transparent and effective climate strategy. Canyon adheres to the Greenhouse Gas Protocol for measuring and reporting its greenhouse gas emissions across Scope 1, 2, and 3, ensuring that the carbon footprint is both transparent and comparable. Additionally, Canyon has committed to setting emissions reduction targets in accordance with the Science-Based Targets initiative to ensure they align with the latest scientific findings and the goals of the Paris Agreement. Furthermore, Canyon follows the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to systematically identify climate-related risks and integrate them into its financial and risk management processes. By adhering to these established standards, Canyon strengthens its sustainability strategy and contributes effectively to global climate action.

DESCRIPTION OF CONSIDERATION GIVEN TO INTERESTS OF KEY STAKEHOLDERS IN SETTING POLICY

See Description of key contents of policy

EXPLANATION OF HOW POLICY IS MADE AVAILABLE TO POTENTIALLY AFFECTED STAKEHOLDERS AND STAKEHOLDERS WHO NEED TO HELP IMPLEMENT IT

The transition plan has been disclosed through the CDP platform and will be available for the public in 2025. Defined elements of the policy are shared with suppliers in the value chain and the Climate Action Training facilitate the creation of a level playing field across different suppliers and regions.

SUSTAINABILITY MATTERS ADDRESSED BY POLICY FOR CLIMATE CHANGE

The organization's climate change policy comprehensively addresses critical sustainability matters to mitigate risks, and align with international climate goals. A core focus is on reducing greenhouse gas emissions through ambitious targets, including long-term commitments to achieve net-zero emissions. To support this, the organization prioritizes improvements in energy efficiency across operations and actively transitions to renewable energy sources, including green electricity procurement and on-site renewable energy generation. Circular economy initiatives are integrated into the policy to minimize resource use, promote recycling, and reduce waste. The organization aligns its efforts with international agreements such as the Paris Agreement, reinforcing its commitment to global climate action.

To ensure transparency and accountability, the policy incorporates frameworks such as the Task Force on Climate-related Financial Disclosures (TCFD) and the EU Taxonomy for sustainable activities. It addresses both transition risks, such as regulatory changes and carbon pricing, and physical risks, including climate-related hazards like floods and droughts. Market and reputation risks are also considered.

By embedding these considerations into its climate change policy, Canyon aims to build resilience, drive sustainable growth, and contribute meaningfully to the transition to a low-carbon economy.

7.4.3.2.5 ACTIONS AND RESOURCES RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

DISCLOSURE OF KEY ACTION

All actions aim to reduce Canyon's greenhouse gas emissions. This also contributes to global climate protection goals and thus also addresses identified acute physical risks such as operational disruptions and infrastructure damage caused by cyclones, hurricanes or typhoons. In addition, chronic physical

risks from long-term temperature fluctuations that can affect productivity and supply chains are addressed. Market risks, including rising raw material costs, as well as potential sales declines due to material shortages due to increasing demand for low-carbon technologies such as batteries for electric bicycles, are also covered.

Industry Climate Action Trainings

Canyon was a key initiator for the development of industry climate action training. In November 2022, Canyon attended the first Shift Cycling Culture Barcamp in Amsterdam and shared a Call to Action with attendees from the bike industry to develop jointly a Climate Action Training. Actors from the USA, Netherlands, Germany and Switzerland came together to co-develop the training with the support of the GIZ, Initiative for Global Solidarity, Shift Cycling Culture and facilitating service providers.

The course is free of charge, and targeted at top management and technical mid-management at factories to raise awareness on their critical role in achieving a net-zero cycling world. The training provides foundational knowledge on measuring and reporting greenhouse gas emissions, how to set reduction targets and monitor progress, as well as relevant case studies of potential solutions to drive down emissions. The open-source Climate Action Training was launched in Q4/2024. All companies in the cycling sector are invited to use this course to engage and collaborate with suppliers, and to catalyse climate action and establishing a level playing field across the industry (<https://www.shiftcyclingculture.com/cat>). The Climate Action Training is designed with an open-end format, allowing participants to start and complete the program at their own pace. This flexibility accommodates varying schedules and ensures accessibility for all participants.

The Climate Action Training is available globally, engaging suppliers and stakeholders across diverse regions to promote a unified approach to sustainability. The program incorporates integrated self-assessments and interactive components, enabling participants to evaluate their current practices, identify gaps, and measure progress over time. This method addresses regional differences while driving collaborative progress and delivering tangible outcomes. By aligning stakeholders and regions through this training, CAT fosters collective action to reduce the cycling industry's environmental impact while enhancing innovation and advancing sustainable business practices.

Quantifying the emission reduction linked to this program at this stage would depend on too many variables but addressing supply chain emissions and facilitating substantial knowledge transfer are crucial for overcoming obstacles and accelerating decarbonization efforts. Canyon expects to specifically engage with third party assemblers and Canyon Engineered Parts suppliers based in Asia within the next 2 years. However, the training courses will definitely continue and have an open time frame so that potential new suppliers can also complete the training. Besides the emission reduction KPI, workers covered in the supply chain also play a crucial part.

Material Working Groups

In 2024, Canyon established Material Working Groups composed of experts from various specialist departments. These groups are tasked with developing and accessing decarbonization strategies, with a primary focus on key materials such as aluminium, plastics, and composites. An additional group is addressing packaging, encompassing both input materials and holistic packaging solutions. The groups have a facilitating character. Various potential

measures were discussed and evaluated within the working groups. These include, for example, the potential use of recycled aluminum for some components or the revision of internal packaging guidelines, the evaluation of incoming packaging materials or general potential for improvement in the area of composite materials.

Actions arising from the working groups will be evaluated on a case-by-case basis. Financial and greenhouse gas emission reduction potentials will be assessed in parallel, in collaboration with other departments. Projects are selected using a holistic approach by considering e.g. cost, reduction potential, time horizon and available resources, including related trade-offs. Canyon envisions that the working groups will support the transition to net-zero in the long term, to account for a fast-changing environment.

Company Car Policy

Efforts to reduce Scope 1 emissions are focused on converting Canyon's company cars from internal combustion engines (ICE) to battery electric vehicles (BEV) and plug-in hybrid vehicles (PHEV). The vehicle fleet contributes approximately 50% of Canyon's total Scope 1 and 2 emissions, prompting a revision of the company's internal car policy to support this transition. The reduction cannot currently be quantified with 100% certainty, but the maximum expected reduction is 35% related to the entire Scope 1 and 2 emissions. Difficulties in the assessment arise due to technological developments and the time horizon of leasing agreements: The leasing contracts of the cars do not expire at the same time and the policy comes into force successively. The policy will come into effect in 2024 and has no limited term as it applies to all new leasing contracts.

Upcoming Activities:

Supplier Engagement Program

The Climate Action Trainings aim to facilitate knowledge sharing on the topics of carbon accounting and target setting, to identify emission hotspots and steer emission reduction in alignment with set targets. The collaborative involvement of suppliers is key to further effectively reduce Scope 3 emissions.

A holistic and formalized supplier engagement program for decarbonization is a strategic initiative that aims to work with suppliers to reduce greenhouse gas emissions along the entire supply chain. It must be developed in the short term. Due to the relevance of Scope 3 emissions, especially category 1, Canyon plans to start developing the supplier engagement program in 2025. The time frame of the program will not be limited. After development, the program must be followed up on, and implementation and progress shall be monitored based on net zero targets for 2050.

- Such a program typically begins with a carbon footprint assessment, where suppliers are encouraged to measure and report their emissions, particularly those contributing to the company's Scope 3 emissions. This step creates a foundation for informed decision-making and aligns with standardized frameworks like the GHG Protocol.
- Once emissions are quantified, the next step involves working with suppliers to establish science-based emissions reduction targets.
- These targets should align with both global climate goals, such as the Paris Agreement, and the company's own decarbonization objectives. This alignment ensures a coordinated approach

<p>to reducing emissions throughout the supply chain.</p> <ul style="list-style-type: none"> As a next step, emission reduction measures should be implemented to reach set targets. 	<p>FUTURE FINANCIAL RESOURCES ALLOCATED TO ACTION PLAN (CAPEX)</p> <p>See Disclosure of significant operational expenditures (Opex) and (or) capital expenditures (Capex) required for implementation of action plan</p>	<p>the plan and an analysis of trends or relevant changes in Canyon's performance against the targets. When setting climate targets through the Science Based Targets initiative (SBTi), all required criteria were met. This includes ensuring that the base year is representative and not influenced by external or internal factors. In the event of relevant changes, the base year must be adjusted accordingly. Canyon adheres to the SBTi's definition of significance, which is defined as a cumulative change of five percent or more in total emissions for the base year. This includes structural changes, modifications in calculation methods, timeline, data errors, or other relevant changes.</p>
<p>To support suppliers in achieving the above steps, the program provides capacity building and training. The focus here is on the suppliers who are involved in the production of the bicycles and who account for a relevant share of the Scope 3 category 1 emissions.</p>	<p>FUTURE FINANCIAL RESOURCES ALLOCATED TO ACTION PLAN (OPEX)</p> <p>See Disclosure of significant operational expenditures (Opex) and (or) capital expenditures (Capex) required for implementation of action plan</p>	
<p>This includes offering resources (like the Climate Action Trainings), tools, and workshops to help suppliers implement energy efficiency measures, adopt renewable energy sources, and explore low-carbon technologies. Collaboration and innovation are also key elements of the program, encouraging suppliers to work alongside Canyon in developing innovative solutions to reduce emissions. This may involve redesigning products, optimizing logistics, or sourcing alternative materials with a reduced carbon footprint, delivering mutual benefits to both parties.</p>	<p>DECARBONISATION LEVER TYPE</p> <p>See Disclosure of key action</p>	<p>EXPLANATION OF HOW CONSISTENCY OF GHG EMISSION REDUCTION TARGETS WITH GHG INVENTORY BOUNDARIES HAS BEEN ENSURED</p> <p>Both the short-term and net zero targets cover all emissions determined under the Scope 1&2 target and the Scope 3 target.</p>
<p>In order to ensure accountability, the program should include performance monitoring and reporting, with regular evaluations of suppliers' progress towards their decarbonization goals. This creates transparency and facilitates continuous improvement, helping the company and its suppliers stay aligned on emissions reduction targets.</p>	<p>EXPECTED AND ACHIEVED GHG EMISSION REDUCTIONS</p> <p>See Disclosure of key action</p>	<p>GHG EMISSION REDUCTION TARGET IS SCIENCE BASED AND COMPATIBLE WITH LIMITING GLOBAL WARMING TO ONE AND HALF DEGREES CELSIUS</p> <p>Both targets were validated by the Science-Based Target initiative (SBTi) and compatible with limiting global warming to 1,5° C.</p>
<p>Finally, the program may offer incentives and recognition to suppliers that demonstrate relevant progress in reducing emissions. This could take the form of preferential procurement, long-term contracts, or public recognition for sustainability achievements.</p>	<p>EXPLANATION OF RELATIONSHIP OF SIGNIFICANT CAPEX AND OPEX REQUIRED TO IMPLEMENT ACTIONS TAKEN OR PLANNED TO RELEVANT LINE ITEMS OR NOTES IN FINANCIAL STATEMENTS</p> <p>See Disclosure of significant operational expenditures (Opex) and (or) capital expenditures (Capex) required for implementation of action plan</p>	<p>DESCRIPTION OF EXPECTED DECARBONISATION LEVERS AND THEIR OVERALL QUANTITATIVE CONTRIBUTIONS TO ACHIEVE GHG EMISSION REDUCTION TARGET</p> <p>In order to achieve these targets, Canyon conducted workshops across various departments to identify and evaluate measures. A key step for reducing Scope 1 emissions is transitioning the company's vehicle fleet from internal combustion engines (ICE) to battery electric (BEV) and plug-in hybrid (PHEV) vehicles, which currently account for around 50% of Scope 1 and 2 emissions. The company is in the process of revising its internal car policy to support this shift. Additionally, the potential switch from natural gas to biogas for heating is being considered and will be further evaluated in the coming years. Canyon sourced around 90% of its electricity in the past from renewable sources, with plans to further increase this share. The majority of Scope 3 emissions falls under category 1, which relates to the materials used in bike production, including packaging and accessories. As a result, Canyon is focusing on optimizing material usage. Measures developed and assessed include increasing the use of recycled materials, particularly for aluminium and various plastics, and exploring the use of low-carbon aluminium.</p>
<p>DESCRIPTION OF SCOPE OF KEY ACTION</p> <p>See Disclosure of key action</p>	<p>EXPLANATION OF RELATIONSHIP OF SIGNIFICANT CAPEX AND OPEX REQUIRED TO IMPLEMENT ACTIONS TAKEN OR PLANNED TO CAPEX PLAN REQUIRED BY COMMISSION DELEGATED REGULATION (EU) 2021/2178</p> <p>See Disclosure of significant operational expenditures (Opex) and (or) capital expenditures (Capex) required for implementation of action plan</p>	
<p>TIME HORIZON UNDER WHICH KEY ACTION IS TO BE COMPLETED</p> <p>See Disclosure of key action</p>	<p>EXPLANATION OF EXTENT TO WHICH ABILITY TO IMPLEMENT ACTION DEPENDS ON AVAILABILITY AND ALLOCATION OF RESOURCES</p> <p>Explanation of extent to which ability to implement action depends on availability and allocation of resources</p>	
<p>DESCRIPTION OF KEY ACTION TAKEN, AND ITS RESULTS, TO PROVIDE FOR AND COOPERATE IN OR SUPPORT PROVISION OF REMEDY FOR THOSE HARMED BY ACTUAL MATERIAL IMPACTS</p> <p>See Disclosure of key action</p>	<p>7.4.3.2.6 TARGETS RELATED TO GHG EMISSIONS REDUCTION</p> <p>DISCLOSURE OF HOW GHG EMISSIONS REDUCTION TARGETS AND (OR) ANY OTHER TARGETS HAVE BEEN SET TO MANAGE MATERIAL CLIMATE-RELATED IMPACTS, RISKS AND OPPORTUNITIES</p> <p>Canyon has set near-term and long-term goals for reducing greenhouse gas (GHG) emissions, aligned with limiting global warming to 1.5°C. Both targets were validated by the Science-Based Target initiative (SBTi). In the near-term, Canyon commits to reducing absolute Scope 1 and 2 GHG emissions by 51% by 2032, with a 2022 base year. Additionally, the company aims to lower Scope 3 emissions by 58.2% per bicycle produced within the same timeframe. For its net-zero target by 2050, Canyon plans to reduce absolute Scope 1 and 2 GHG emissions by 90%, and Scope 3 emissions per bicycle by 97%, both compared to the 2022 baseline. This translates into specific reduction targets: for Scope 1 and 2 emissions, from 751 t CO₂e in 2022 to 368 t CO₂e by 2032, and to 75 t CO₂e by 2050. For Scope 3 emissions per bicycle, the goal is to decrease from 0.46 t CO₂e in 2022 to 0.19 t CO₂e by 2032, and to just 0.01 t CO₂e by 2050. No separate interim target has been defined for 2030, as this is in line with the reduction target for 2032. Progress towards the targets is monitored annually as part of the corporate carbon footprint calculation, which is done in accordance with the GHG Protocol. Annual monitoring includes whether progress is in line with</p>	<p>Canyon is also assessing new business models that could reduce reliance on new materials (whether recycled or virgin) and aim to extend the lifespan of products. This is expected to support the mitigation of the raw material price increase risk. These business models would reduce the sourcing of new materials and lead to an extended re-use phase. A key part of Canyon's strategy involves engaging with suppliers to collaboratively reduce material impacts. This includes assessing the current situation, sharing knowledge, working on joint reduction measures, and involving the deeper supply chain. Although packaging represents only a small portion of category 1 emissions, Canyon is committed to increasing the use of recycled materials and eliminating single-use plastics. In support of these goals, material working groups have been established to develop decarbonization measures, particularly for aluminium and carbon fiber, including evaluating the use of recycled or low-carbon alternatives. To achieve the objectives and evaluate the measures, aspects of climate scenario analysis, in particular transition risk scenarios, are also taken into account (see AR9 and AR12).</p>
<p>DISCLOSURE OF QUANTITATIVE AND QUALITATIVE INFORMATION REGARDING PROGRESS OF ACTIONS OR ACTION PLANS DISCLOSED IN PRIOR PERIODS</p> <p>See Disclosure of significant operational expenditures (Opex) and (or) capital expenditures (Capex) required for implementation of action plan</p>		
<p>DISCLOSURE OF THE TYPE OF CURRENT AND FUTURE FINANCIAL AND OTHER RESOURCES ALLOCATED TO THE ACTION PLAN</p> <p>See Disclosure of significant operational expenditures (Opex) and (or) capital expenditures (Capex) required for implementation of action plan</p>		
<p>CURRENT FINANCIAL RESOURCES ALLOCATED TO ACTION PLAN (CAPEX)</p> <p>See Disclosure of significant operational expenditures (Opex) and (or) capital expenditures (Capex) required for implementation of action plan</p>		
<p>CURRENT FINANCIAL RESOURCES ALLOCATED TO ACTION PLAN (OPEX)</p> <p>See Disclosure of significant operational expenditures (Opex) and (or) capital expenditures (Capex) required for implementation of action plan</p>		

DESCRIPTION OF HOW IT HAS BEEN ENSURED THAT BASELINE VALUE IS REPRESENTATIVE IN TERMS OF ACTIVITIES COVERED AND INFLUENCES FROM EXTERNAL FACTORS

When setting climate targets through the Science Based Targets initiative (SBTi), all required criteria were met. This includes ensuring that the base year is representative and not influenced by external or internal factors. In the event of relevant changes, the base year must be adjusted accordingly. Canyon adheres to the SBTi's definition of significance, which is defined as a cumulative change of five percent or more in total emissions for the base year. This includes structural changes, modifications in calculation methods, timeline, data errors, or other relevant changes.

DESCRIPTION OF HOW NEW BASELINE VALUE AFFECTS NEW TARGET, ITS ACHIEVEMENT AND PRESENTATION OF PROGRESS OVER TIME

See Description of how it has been ensured that baseline value is representative in terms of activities covered and influences from external factors

DIVERSE RANGE OF CLIMATE SCENARIOS HAVE BEEN CONSIDERED TO DETECT RELEVANT ENVIRONMENTAL, SOCIETAL, TECHNOLOGY, MARKET AND POLICY-RELATED DEVELOPMENTS AND DETERMINE DECARBONISATION LEVERS

For further information, please refer to Description of the process to identify and assess material impacts, risks and opportunities

DISCLOSURE OF PAST PROGRESS MADE IN MEETING TARGET BEFORE CURRENT BASE YEAR

N/A

TRACKING EFFECTIVENESS OF CLIMATE CHANGE POLICIES AND ACTIONS THROUGH TARGETS

Canyon has set near-term and long-term goals for reducing greenhouse gas (GHG) emissions, aligned with limiting global warming to 1.5°C. Both targets were validated by the Science-Based Target initiative (SBTi). In the near term, Canyon commits to reducing absolute Scope 1 and 2 GHG emissions by 51% by 2032, with a 2022 base year. Additionally, the company aims to lower Scope 3 emissions by 58.2% per bicycle produced within the same timeframe. For its net-zero target by 2050, Canyon plans to reduce absolute Scope 1 and 2 GHG emissions by 90%, and Scope 3 emissions per bicycle by 97%, both compared to the 2022 baseline. Progress towards the targets is monitored annually as part of the corporate carbon footprint calculation, which is done in accordance with the GHG Protocol. Annual monitoring includes whether progress is in line with the plan and an analysis of trends or relevant changes in Canyon's performance against the targets.

7.4.3.2.7 TARGET 1

RELATIONSHIP WITH POLICY OBJECTIVES

Canyon's science-based goal is to reduce greenhouse gas emissions and thereby also address identified acute physical risks such as operational disruptions and infrastructure damage caused by cyclones, hurricanes or typhoons or chronic physical risks caused by long-term temperature fluctuations. To minimize the global risks associated with climate change, the science-based targets of the Canyon climate transition plan are an essential component. Canyon has set near-term and long-term goals for reducing greenhouse gas (GHG) emissions, aligned with limiting global warming to 1.5°C. Both targets were validated by the Science-Based Target initiative (SBTi). In the near term, Canyon commits to reducing absolute Scope 1 and 2 GHG emissions by 51% by 2032, with a 2022 base year. Additionally, the company aims to lower Scope 3 emissions by 58.2% per bicycle produced within the same timeframe. [...] Progress towards the targets is monitored annually as part of the corporate carbon footprint calculation,

which is done in accordance with the GHG Protocol. Annual monitoring includes whether progress is in line with the plan and an analysis of trends or relevant changes in Canyon's performance against the targets.

MEASURABLE TARGET

In the near term, Canyon commits to reducing absolute Scope 1 and 2 GHG emissions by 51% by 2032, with a 2022 base year. Additionally, the company aims to lower Scope 3 emissions by 58.2% per bicycle produced within the same timeframe.

NATURE OF TARGET

The scope 1&2 target represents an absolute target, while the scope 3 target is a relative target.

DESCRIPTION OF SCOPE OF TARGET

Both the Scope 1&2 and Scope 3 targets are company-wide targets.

BASELINE VALUE

By 2032, Scope 1 and 2 emissions are set to decrease from 751 t CO₂e in 2022 to 368 t CO₂e. Scope 3 emissions per bicycle aim to drop from 0.46 t CO₂e in 2022 to 0.19 t CO₂e

BASELINE YEAR

2022

PERIOD TO WHICH TARGET APPLIES

See Relationship with policy objectives
See Baseline value

INDICATION OF MILESTONES OR INTERIM TARGETS

See Relationship with policy objectives

DESCRIPTION OF METHODOLOGIES AND SIGNIFICANT ASSUMPTIONS USED TO DEFINE TARGET

See Relationship with policy objectives

TARGET RELATED TO ENVIRONMENTAL MATTERS IS BASED ON CONCLUSIVE SCIENTIFIC EVIDENCE

See Relationship with policy objectives

DISCLOSURE OF HOW STAKEHOLDERS HAVE BEEN INVOLVED IN TARGET SETTING

N/A

DESCRIPTION OF ANY CHANGES IN TARGET AND CORRESPONDING METRICS OR UNDERLYING MEASUREMENT METHODOLOGIES, SIGNIFICANT ASSUMPTIONS, LIMITATIONS, SOURCES AND ADOPTED PROCESSES TO COLLECT DATA

N/A

DESCRIPTION OF PERFORMANCE AGAINST DISCLOSED TARGET

See Relationship with policy objectives

7.4.3.2.8 TARGET 2

RELATIONSHIP WITH POLICY OBJECTIVES

Canyon's science-based goal is to reduce greenhouse gas emissions and thereby also address identified acute physical risks such as operational disruptions and infrastructure damage caused by cyclones, hurricanes or typhoons or chronic physical risks caused by long-term temperature fluctuations. To minimize the global risks associated with climate change, the science-based targets of the Canyon climate transition plan are an essential component. Canyon has set near-term and long-term goals for reducing greenhouse gas (GHG) emissions, aligned with limiting global warming to 1.5°C. Both targets

were validated by the Science-Based Target initiative (SBTi). [...] For its net-zero target by 2050, Canyon plans to reduce absolute Scope 1 and 2 GHG emissions by 90%, and Scope 3 emissions per bicycle by 97%, both compared to the 2022 baseline. Progress towards the targets is monitored annually as part of the corporate carbon footprint calculation, which is done in accordance with the GHG Protocol. Annual monitoring includes whether progress is in line with the plan and an analysis of trends or relevant changes in Canyon's performance against the targets.

MEASURABLE TARGET

See Relationship with policy objectives

NATURE OF TARGET

The scope 1&2 target represents an absolute target, while the scope 3 target is a relative target.

DESCRIPTION OF SCOPE OF TARGET

Both the Scope 1&2 and Scope 3 targets are company-wide targets.

BASELINE VALUE

Scope 1 and 2 emissions are targeted to fall from 751 t CO₂e to 75 t CO₂e by 2050. Scope 3 emissions per bicycle produced are expected to decrease significantly from 0.46 t CO₂e to 0.01 t CO₂e

BASELINE YEAR

2022

PERIOD TO WHICH TARGET APPLIES

See Relationship with policy objectives
See Baseline value

INDICATION OF MILESTONES OR INTERIM TARGETS

See Relationship with policy objectives

DESCRIPTION OF METHODOLOGIES AND SIGNIFICANT ASSUMPTIONS USED TO DEFINE TARGET

See Relationship with policy objectives

TARGET RELATED TO ENVIRONMENTAL MATTERS IS BASED ON CONCLUSIVE SCIENTIFIC EVIDENCE

See Relationship with policy objectives

DESCRIPTION OF PERFORMANCE AGAINST DISCLOSED TARGET

See Relationship with policy objectives

7.4.3.2.9 ENERGY CONSUMPTION AND MIX

TOTAL ENERGY CONSUMPTION RELATED TO OWN OPERATIONS

4,560.00 MWh

TOTAL ENERGY CONSUMPTION FROM ACTIVITIES IN HIGH CLIMATE IMPACT SECTORS

16,414.00 GJ

ENERGY CONSUMED, BY SOURCE

ENERGY SOURCE	TOTAL AMOUNT OF ENERGY CONSUMED FROM ENERGY SOURCE (MWH)	PERCENTAGE OF TOTAL ENERGY CONSUMPTION
Fossil sources	2,498.00	55.00
Nuclear sources	0.00	0.00
Renewable sources	2,061.00	45.00

FUEL CONSUMED, BY SOURCE

ENERGY SOURCE	TOTAL FUEL MWH CONSUMED BY THE ORGANIZATION	PERCENTAGE OF FUEL TYPE CONSUMED
Fuel consumption from renewable sources	123.00	3.00
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	1,545.00	34.00
Consumption of self-generated non-fuel renewable energy	392.00	9.00
Fuel consumption from coal and coal products	0.00	0.00
Fuel consumption from crude oil and petroleum products	1,356.00	30.00
Fuel consumption from natural gas	767.00	17.00
Fuel consumption from other fossil sources	0.00	0.00
Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources	375.00	8.00

7.4.3.2.10 GHG EMISSIONS INTENSITY		NET REVENUE USED TO CALCULATE GHG INTENSITY	ENERGY TYPE	GROSS GENERATION
ENERGY INTENSITY FROM ACTIVITIES IN HIGH CLIMATE IMPACT SECTORS (TOTAL ENERGY CONSUMPTION PER NET REVENUE)		784,057,390.00 EUR	Geothermal	0.00
5.82E-06 MWh/reporting currency		7.4.3.2.12 ENERGY GENERATION	Wave tidal	0.00
HIGH CLIMATE IMPACT SECTORS USED TO DETERMINE ENERGY INTENSITY		NON-RENEWABLE ENERGY GENERATION, BY ENERGY TYPE	Biomass	123.00
NACE 30.92 Manufacture of bicycles and invalid carriages		ENERGY TYPE	GROSS GENERATION	
		Nuclear	0.00	7.4.3.2.13 GHG EMISSIONS - SCOPE 1
DISCLOSURE OF RECONCILIATION TO RELEVANT LINE ITEM OR NOTES IN FINANCIAL STATEMENTS OF NET REVENUE FROM ACTIVITIES IN HIGH CLIMATE IMPACT SECTORS		Coal	0.00	Gross global Scope 1 emissions: Location
Revenue reported in financial statements: 784,057,390 EUR Adjustments: N/A		Natural gas	767.00	524.00 t CO ₂ e
Net revenue for GHG emissions intensity calculation: 784,057,390 EUR		Other non-RE	1,258.00	Gross global Scope 1 emissions: Market
7.4.3.2.11 GHG EMISSIONS INTENSITY		Total non-renewables	2,123.00	524.00 t CO ₂ e
		Oil	98.00	Scope 1 emissions - financial and operational control
GHG EMISSIONS INTENSITY	GHG EMISSIONS INTENSITY (PER NET REVENUE) TCO ₂ E	RENEWABLE ENERGY GENERATION, BY ENERGY TYPE		524.00 t CO ₂ e
Scope 1		ENERGY TYPE	GROSS GENERATION	Disclosure of methodologies, significant assumptions and emissions factors used to calculate or measure GHG emissions
Scope 2 (market-based)	1.25E-07	Total renewables	693.00	Canyon's Scope 1 emissions include fuel used by company cars and fuel used to heat buildings. Emission factors from the internationally- recognised ecoinvent database are used.
Scope 2 (location-based)	1.20E-06	Other RE, please specify:	0.00	
		Wind	0.00	
Scope 3	1.25E-04	Solar	569.00	7.4.3.2.14 GHG EMISSIONS - SCOPE 2
NET REVENUE		Hydro	0.00	Indirect GHG Emissions: Location
784,057,390.00 EUR				939.00 t CO ₂ e

Indirect GHG Emissions: Market	2,069.00 t CO ₂ e		types such as computer systems, software, office furniture, technical systems and machines, and others. Emission factors are based on Supply Chain Greenhouse Gas Emission Factors for US Industries and Commodities from US EPA.
98.00 t CO ₂ e	8.	Upstream leased assets N/A	
Scope 2 emissions - financial and operational control	9.	Downstream transportation and distribution N/A	<u>Category 3</u>
98.00 t CO ₂ e	10.	Processing of sold products N/A	The activity data is based on the amount and types of energy carriers, which are considered in Scopes 1&2. Emission factors used are from ecoinvent.
Disclosure of methodologies, significant assumptions and emissions factors used to calculate or measure GHG emissions	11.	Use of sold products 3,469.00 t CO ₂ e	<u>Category 4</u>
Canyon's Scope 2 (location-based) emissions include purchased electricity and heat. Emission factors used are from ecoinvent. Market-based emissions include purchased electricity and heat. The market-based approach uses supplier-specific emission factors if available. Otherwise, emission factors from the internationally-recognised ecoinvent database are used.	12.	End-of-life treatment of sold products 1,413.00 t CO ₂ e	Canyon differentiates upstream transportation and distribution emissions into inbound and outbound logistics. The same methodology is applied to both. Data on the transportation of our purchased goods, including transport mode, weight and distance data, was compiled for each region from our internal systems. Ecoinvent-specific transportation emission factors are combined with the respective transportation mode and the transported mass and distance. The same method is applied for transportation and distribution of sold products from the point of sale to the customer. Transportation of final products including transport mode, weight and distance data was compiled for each region from our internal systems. Ecoinvent-specific transportation emission factors are combined with the respective transportation mode, and the transported mass and distance.
CONTRACTUAL INSTRUMENTS	13.	Downstream leased assets N/A	
Percentage of contractual instruments, Scope 2 GHG emissions	14.	Franchises N/A	
89.00 %	15.	Investments N/A	<u>Category 5</u>
Disclosure of types of contractual instruments, Scope 2 GHG emissions	Total other indirect GHG emissions (Scope 3 based-figure)		Emissions from waste currently generated in operations is calculated using the average-data method based on waste type, volume and disposal methods, with data collected from our production sites. Emission factors: average emission factors of different disposal methods from ecoinvent are applied.
Canyon uses supply contracts with an electricity supplier to purchase green electricity.	Scope 3 emissions - financial and operational control		
Percentage of contractual instruments used for sales and purchase of energy bundled with attributes about energy generation in relation to Scope 2 GHG emissions	97,839.00 t CO ₂ e		
89.00 %	Percentage of GHG Scope 3 calculated using primary data		
Percentage of contractual instruments used for sales and purchase of unbundled energy attribute claims in relation to Scope 2 GHG emissions	1.00 %		<u>Category 6</u>
0.00 %	Disclosure of reporting boundaries considered and calculation methods for estimating Scope 3 GHG emissions		Canyon's greenhouse gas emissions from business travel result primarily from three different travel categories: air, rental car or train. The distances covered for flights are determined by publicly-available flight distance calculators, and the start and destination locations. For rental cars, an average distance of 160 km per day is assumed. To calculate the greenhouse gas emissions, transport-specific emission factors (plane, car, rail) from ecoinvent were used.
Disclosure of types of contractual instruments used for sales and purchase of energy bundled with attributes about energy generation or for unbundled energy attribute claims	The calculation was performed in accordance with the GHG Protocol and includes all applicable categories. The calculation was performed by collecting inventory data and using the Umberto life cycle assessment software, which uses emission factors from the ecoinvent database. The calculation boundaries cover all company activities and consider all Canyon locations and all applicable Scope 3 categories.		<u>Category 7</u>
The contractual instrument used for the purchase of renewable electricity based on unbundled energy attribute certificates (EACs).	<u>Category 1</u>		Regional employee numbers were provided by Canyon's People department. Emissions were estimated based on regional average commuting modes, applying emission factors from ecoinvent specific to each commuting mode.
7.4.3.2.15 GHG EMISSIONS - SCOPE 3	Canyon defined reference bicycles to determine the impact of the portfolio. Representative bicycles from the road, MTB and urban categories were selected and a distinction was made between frames made of aluminium or carbon, and e-bikes or push-bikes. For the reference bikes, all relevant components such as frames, drives, forks, wheels, saddles, pedals, cockpits, handlebars, batteries and motors for e-bikes and other small attachments were used to achieve the real bike weight. The materials or material compositions used for the respective components were determined and assigned to the component weights. The material information was then assigned to emission factors from the ecoinvent database. In order to cover the entire portfolio, the component composition of the reference bikes was scaled to the other models based on the total bike weight.		<u>Category 8</u>
1. Purchased goods and services 58,055.00 t CO ₂ e			Canyon does not lease its assets for third-party operational control.
2. Capital goods 976.00 t CO ₂ e			<u>Category 9</u>
3. Fuel- and energy related activities (not included in scope 1 or scope 2) 151.00 t CO ₂ e			Due to Canyon's 'direct-to-consumer' business, this category does not apply. Outbound logistics is completely covered within category 4 upstream transportation.
4. Upstream transportation and distribution 30,860.00 t CO ₂ e			<u>Category 10</u>
5. Waste generated in operations 85.00 t CO ₂ e			Canyon only sells finished products, so no further processing steps are necessary.
6. Business travel 761.00 t CO ₂ e	<u>Category 2</u>		
7. Employee commuting	Activity data was taken from Canyon's procurement systems in EUR, differentiated according to cost		

Category 11	Not applicable, since Canyon is calculating the emissions according to GHG Protocol.	GHG CATEGORY	GHG EMISSIONS (T CO ₂ E)
Based on the sales countries, an electricity consumption of 200 kWh per life-time use was assumed for the e-bikes and the country-specific electricity emission factor from the ecoinvent database was taken into account.	7.4.3.2.16 ALTERNATIVE BREAKDOWN EMISSIONS	NF3	0.00
	GHG EMISSIONS, BY COUNTRY	CH4	2.00
	COUNTRY	CO2	521.00
	Germany	HFCs	0.00
	United States	GHG EMISSIONS, BY SOURCE TYPE	
	Belgium	SOURCE TYPE	GHG EMISSIONS (T CO ₂ E)
	Spain	Process emissions	0.00
	Australia	Stationary combustion	201.00
	Finland	Fugitive emissions	0.00
	South Korea	Mobile combustion	323.00
	Japan	7.4.3.2.17 TOTAL GHG EMISSION	
	Italy	TOTAL GHG EMISSIONS (SCOPE 1 (L) + SCOPE 2 (L) + SCOPE 3 (L))	
	Netherlands	99,302.00 t CO ₂ e	
	United Kingdom	TOTAL GHG EMISSIONS (SCOPE 1 (L) + SCOPE 2 (M) + SCOPE 3 (L))	
	Singapore	98,460.00 t CO ₂ e	
	GHG EMISSIONS, BY SUBSIDIARY	TOTAL GHG EMISSIONS - FINANCIAL AND OPERATIONAL CONTROL	
	SUBSIDIARY	98,460.00 t CO ₂ e	
	Canyon GmbH	7.4.3.2.18 CHANGE IN EMISSIONS REPORTING IN THE FISCAL YEAR	
	Canyon US	DISCLOSURE OF SIGNIFICANT CHANGES IN DEFINITION OF WHAT CONSTITUTES REPORTING UNDERTAKING AND ITS VALUE CHAIN AND EXPLANATION OF THEIR EFFECT ON YEAR-TO-YEAR COMPARABILITY OF REPORTED GHG EMISSIONS	
	Canyon Belgium	Canyon adheres to the SBTi's definition of significance, which is defined as a cumulative change of five percent or more in total emissions for the base year. This includes structural changes, modifications in calculation methods, timeline, data errors, or other relevant changes. If such cases occur the base year value needs to be adapted according to the GHG protocol.	
	Canyon Iberia	DISCLOSURE OF THE EFFECTS OF SIGNIFICANT EVENTS AND CHANGES IN CIRCUMSTANCES (RELEVANT TO ITS GHG EMISSIONS) THAT OCCUR BETWEEN THE REPORTING DATES OF THE ENTITIES IN ITS VALUE CHAIN AND THE DATE OF THE UNDERTAKING'S GENERAL PURPOSE FINANCIAL STATEMENTS	
	Canyon Bicycles Australia & New Zealand	See Disclosure of significant changes in definition of what constitutes reporting undertaking and its value chain and explanation of their effect on year-to-year comparability of reported GHG emissions	
	Canyon Finland	7.4.3.2.19 TOTAL GHG EMISSION CALCULATION METHODOLOGY	
	Canyon Japan	DISCLOSURE OF METHODOLOGIES, SIGNIFICANT ASSUMPTIONS AND EMISSIONS FACTORS USED TO CALCULATE OR MEASURE GHG EMISSIONS	
	Canyon Italy	The calculation was performed in accordance with the GHG Protocol and includes all applicable categories. The calculation was performed by collecting inventory data and using the Umberto life cycle assessment software, which uses emission factors from the ecoinvent database. The calculation boundaries cover all company activities and consider all Canyon locations and all applicable Scope 3 categories.	
	Canyon Nederland		
	Canyon UK		
	GHG EMISSIONS, BY GHG CATEGORY		
	GHG CATEGORY	GHG EMISSIONS (T CO ₂ E)	
	N2O	1.00	
	SF6	0.00	
	PFCs	0.00	
Category 12			
Within the end-of-life of sold products, a distinction is made between packaging, accessories and bicycles. Activity data for calculating the end-of-life emissions of the packaging are weights of different packaging materials, which are also used for the calculation within "Purchased goods and services". Generic material-specific end-of-life emission factors from the ecoinvent database with average disposal scenarios (landfill, incineration, recycling) are used to calculate the emissions. Emissions from accessories are calculated using activity data on the total weight of products sold and generic end-of-life emission factors from the ecoinvent database of average disposal scenarios (landfill, incineration, recycling). Emissions from bicycles are calculated using activity data on the number of bicycles produced and bicycle-specific end-of-life emission factors from the ecoinvent database. Since the emission factor is based on average bike weight, the emission factor is scaled using the specific model weights to better account for both lighter and heavier bikes and their material composition.			
Category 13			
Canyon does not lease any downstream assets.			
Category 14			
Canyon has no franchised businesses or assets.			
Category 15			
Canyon has no investment in other businesses.			
Disclosure of why Scope 3 GHG emissions category has been excluded			
No Scope 3 categories are excluded, whereas some categories are simply not applicable (see Disclosure of reporting boundaries considered and calculation methods for estimating Scope 3 GHG emissions).			
List of Scope 3 GHG emissions categories included in inventory			
See Disclosure of reporting boundaries considered and calculation methods for estimating Scope 3 GHG emissions			
Disclosure of methodologies, significant assumptions and emissions factors used to calculate or measure GHG emissions			
See Disclosure of reporting boundaries considered and calculation methods for estimating Scope 3 GHG emissions			
Gross Scope 3 greenhouse gas emissions in metric tonnes of CO ₂ eq			
97,839.00 t CO ₂ e			
Scope 3 GHG emissions (GHG Protocol)			
97,839.00 t CO ₂ e			
Scope 3 GHG emissions (ISO 14064-1)			

Category 1

Canyon defined reference bicycles to determine the impact of the portfolio. Representative bicycles from the road, MTB and urban categories were selected and a distinction was made between frames made of aluminium or carbon, and e-bikes or push-bikes. For the reference bikes, all relevant components such as frames, drives, forks, wheels, saddles, pedals, cockpits, handlebars, batteries and motors for e-bikes and other small attachments were used to achieve the real bike weight. The materials or material compositions used for the respective components were determined and assigned to the component weights. The material information was then assigned to emission factors from the ecoinvent database. In order to cover the entire portfolio, the component composition of the reference bikes was scaled to the other models based on the total bike weight.

Category 2

Activity data was taken from Canyon's procurement systems in EUR, differentiated according to cost types such as computer systems, software, office furniture, technical systems and machines, and others. Emission factors are based on Supply Chain Greenhouse Gas Emission Factors for US Industries and Commodities from US EPA.

Category 3

The activity data is based on the amount and types of energy carriers, which are considered in Scopes 1&2. Emission factors used are from ecoinvent.

Category 4

Canyon differentiates upstream transportation and distribution emissions into inbound and outbound logistics. The same methodology is applied to both. Data on the transportation of our purchased goods, including transport mode, weight and distance data, was compiled for each region from our internal systems. Ecoinvent-specific transportation emission factors are combined with the respective transportation mode and the transported mass and distance. The same method is applied for transportation and distribution of sold products from the point of sale to the customer. Transportation of final products including transport mode, weight and distance data was compiled for each region from our internal systems. Ecoinvent-specific transportation emission factors are combined with the respective transportation mode, and the transported mass and distance.

Category 5

Emissions from waste currently generated in operations is calculated using the average-data method based on waste type, volume and disposal methods, with data collected from our production sites. Emission factors: average emission factors of different disposal methods from ecoinvent are applied.

Category 6

Canyon's greenhouse gas emissions from business travel result primarily from three different travel categories: air, rental car or train. The distances covered for flights are determined by publicly-available flight distance calculators, and the start and destination locations. For rental cars, an average distance of 160 km per day is assumed. To calculate the greenhouse gas emissions, transport-specific emission factors (plane, car, rail) from ecoinvent were used.

Category 7

Regional employee numbers were provided by Canyon's People department. Emissions were estimated based on regional average commuting modes, applying emission factors from ecoinvent specific to each commuting mode.

Category 8

Canyon does not lease its assets for third-party operational control.

Category 9

Due to Canyon's 'direct-to-consumer' business, this category does not apply. Outbound logistics is completely covered within category 4 upstream transportation.

Category 10

Canyon only sells finished products, so no further processing steps are necessary.

Category 11

Based on the sales countries, an electricity consumption of 200 kWh per life-time use was assumed for the e-bikes and the country-specific electricity emission factor from the ecoinvent database was taken into account.

Category 12

Within the end-of-life of sold products, a distinction is made between packaging, accessories and bicycles. Activity data for calculating the end-of-life emissions of the packaging are weights of different packaging materials, which are also used for the calculation within "Purchased goods and services". Generic material-specific end-of-life emission factors from the ecoinvent database with average disposal scenarios (landfill, incineration, recycling) are used to calculate the emissions. Emissions from accessories are calculated using activity data on the total weight of products sold and generic end-of-life emission factors from the ecoinvent database of average disposal scenarios (landfill, incineration, recycling). Emissions from bicycles are calculated using activity data on the number of bicycles produced and bicycle-specific end-of-life emission factors from the ecoinvent database. Since the emission factor is based on average bike weight, the emission factor is scaled using the specific model weights to better account for both lighter and heavier bikes and their material composition.

Category 13

Canyon does not lease any downstream assets.

Category 14

Canyon has no franchised businesses or assets.

Category 15

Canyon has no investment in other businesses.

GROSS SCOPES 1, 2, 3 AND TOTAL GHG EMISSIONS - TOTAL GHG EMISSIONS - VALUE CHAIN

98,460.00 t CO₂e

7.4.3.2.20 BIOGENIC EMISSIONS

BIOGENIC EMISSIONS OF CO₂ FROM THE COMBUSTION OR BIO-DEGRADATION OF BIOMASS NOT INCLUDED IN SCOPE 1 GHG EMISSIONS

49,79 t CO₂e

BIOGENIC EMISSIONS OF CO₂ FROM COMBUSTION OR BIO-DEGRADATION OF BIOMASS NOT INCLUDED IN SCOPE 2 GHG EMISSIONS

N/A

BIOGENIC EMISSIONS OF CO₂ FROM COMBUSTION OR BIO-DEGRADATION OF BIOMASS THAT OCCUR IN VALUE CHAIN NOT INCLUDED IN SCOPE 3 GHG EMISSIONS

N/A

7.4.3.2.21 GHG REMOVALS PROJECTS

DISCLOSURE OF CALCULATION ASSUMPTIONS, METHODOLOGIES AND FRAMEWORKS APPLIED (GHG REMOVALS AND STORAGE)

N/A

7.4.3.3 Environmental Information: Resource use and circular economy

7.4.3.3.1 PROCESSES TO IDENTIFY AND ASSESS MATERIAL RESOURCE USE AND CIRCULAR ECONOMY-RELATED IMPACTS, RISKS AND OPPORTUNITIES

DISCLOSURE OF METHODOLOGIES, ASSUMPTIONS AND TOOLS USED IN THE SCREENING IN ORDER TO IDENTIFY ACTUAL AND POTENTIAL IMPACTS, RISKS AND OPPORTUNITIES IN OWN OPERATIONS AND UPSTREAM AND DOWNSTREAM VALUE CHAIN

In its double materiality assessment, Canyon identified material information on sustainability IROs and related material matters as well as material information to be reported. Judgement was used when applying the objective criteria, and the related explanations are expected to provide transparency from the undertaking to the users of the sustainability statement. Canyon's Double Materiality Assessment is based on the respective methodology outlined in Description of material impacts resulting from materiality assessment. The gross perspective was applied (industry/legal standards as baseline without mitigation measures in place are the basis for the evaluation). For further information, please refer to General Information.

INFORMATION ABOUT PROCESS FOR CONDUCTING CONSULTATIONS (RESOURCE AND CIRCULAR ECONOMY)

Canyon has not conducted specific consultations with affected communities related to resource use and circular economy.

WASTE PREVENTION AND ECODESIGN PLAN

The waste prevention and ecodesign plan from Canyon was developed in line with the requirements of the French Plan de Conception Écologique, which is part of the French Circular Economy Act (AGEC, in force since 10th of February 2020). The overall deadline for the completion of all actions according to the AGEC is 2028. The regulation aims to transform the linear economy into a circular economy. It is divided into five main areas: re-moving disposable plastic; better informing consumers; combating waste and promoting solidarity-based re-use; acting against planned obsolescence; producing better. The implementation of the French legislature and the first report was due in 2023, and is applicable for Canyon. However, Canyon applies its waste prevention and ecodesign plan at a global level.

The plan addresses the following identified material topics and key objectives, which are further detailed in the targets section.

- The reduction of primary resources for bicycle production by setting targets related to the use of recycled aluminium.
- Use of fewer primary materials for packaging, thanks to the use of recycled materials.
- Reduction of pollutants due to waste incineration and reduction of non-recyclable waste is addressed by increasing the recyclability of bicycles through targeted actions.

The plan sets targets through to 2028, with regular progress tracking and reviews every two years to assess the status and ensure alignment with the goals. The most senior level accountable is specified in the Canyon ESG Governance Policy.

Climate Transition Plan

The material risk of higher production costs due to higher material costs is addressed in the Climate Transition Plan, outlined in Environmental information: climate change. For further information please refer to Environmental information: climate change.

DESCRIPTION OF SCOPE OF POLICY OR OF ITS EXCLUSIONS

Forest Conservation Policy

The global policy focuses on reducing the use of primary materials in packaging by prioritizing paper and paper-based products with high- recycled content. Where virgin fiber is required, sourcing aligns with FSC standards to ensure sustainable forestry practices. This policy is specific to forest-derived materials and does not address non-forest-related resources.

Waste prevention and ecodesign plan

The plan applies globally, addressing material topics such as reducing the use of primary resources (e.g., aluminium and packaging materials), minimizing pollutants from waste incineration, and enhancing recyclability. The plan is based on AGECE requirements and sets targets through 2028, with exclusions primarily relating to non-waste-related aspects of product lifecycle management.

For further information, please refer to Environmental information: Resource Use and Circular Economy, Description of key contents of policy.

DESCRIPTION OF MOST SENIOR LEVEL IN ORGANISATION THAT IS ACCOUNTABLE FOR IMPLEMENTATION OF POLICY

The Canyon ESG Governance Policy applies and specifies the most senior level accountable for this policy, including monitoring of progress (For further information, please refer to Governance information: Business Conduct).

DISCLOSURE OF THIRD-PARTY STANDARDS OR INITIATIVES THAT ARE RESPECTED THROUGH IMPLEMENTATION OF POLICY

Forest Conservation Policy

The policy respects the FSC (Forest Stewardship Council) standard for sourcing paper and paper-based packaging when virgin fiber is required, supporting sustainable forest management practices.

Waste prevention and ecodesign plan

The plan aligns with the French Plan de Conception Écologique under the Circular Economy Act (AGECE), focusing on transforming the linear economy into a circular one.

For further information, please refer to Environmental information: Resource Use and Circular Economy, Description of key contents of policy.

DESCRIPTION OF CONSIDERATION GIVEN TO INTERESTS OF KEY STAKEHOLDERS IN SETTING POLICY

Forest Conservation Policy

Stakeholders, such as customers and environmental advocacy groups, benefit from the preference for recycled content and FSC-certified materials, reducing environmental impacts.

Waste prevention and ecodesign plan

Key stakeholders, including regulators and consumers, are addressed through compliance with the AGECE legislation and global application of the plan to enhance transparency and promote sustainable practices.

For further information, please refer to Environmental information: Resource Use and Circular Economy, Description of key contents of policy.

EXPLANATION OF HOW POLICY IS MADE AVAILABLE TO POTENTIALLY AFFECTED STAKEHOLDERS AND STAKEHOLDERS WHO NEED TO HELP IMPLEMENT IT

Forest Conservation Policy

The policy is publicly accessible on Canyon's website, ensuring visibility to affected stakeholders and those responsible for its implementation.

7.4.3.3.3 POLICIES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

DISCLOSURE OF WHETHER AND HOW POLICY ADDRESSES TRANSITIONING AWAY FROM EXTRACTION OF VIRGIN RESOURCES, INCLUDING RELATIVE INCREASES IN USE OF SECONDARY (RECYCLED) RESOURCES

Forest Conservation Policy

The policy explicitly focuses on reducing the use of primary materials by prioritizing recycled content and FSC-certified sources when virgin fiber is required.

Waste prevention and ecodesign plan

The plan targets reductions in primary resources for bicycle production and packaging, emphasizing the increased use of recycled aluminium and materials with higher recyclability.

For further information, please refer to Environmental information: Resource Use and Circular Economy, Description of key contents of policy.

Waste prevention and ecodesign plan

While the plan applies globally, its implementation includes regular reviews, progress tracking, and compliance with AGECE, providing clear guidance for internal and external stakeholders.

For further information, please refer to Environmental information: Resource Use and Circular Economy, Description of key contents of policy.

DISCLOSURE OF WHETHER AND HOW POLICY ADDRESSES SUSTAINABLE SOURCING AND USE OF RENEWABLE RESOURCES

Forest Conservation Policy

Sustainable sourcing is directly addressed by prioritizing recycled content and ensuring virgin fiber sourcing aligns with FSC standards.

Waste prevention and ecodesign plan

The plan supports sustainable sourcing by targeting increased use of recycled materials and promoting design improvements for enhanced recyclability.

For further information, please refer to Environmental information: Resource Use and Circular Economy, Description of key contents of policy.

7.4.3.3.4 ACTIONS AND RESOURCES IN RELATION TO RESOURCE USE AND CIRCULAR ECONOMY

DISCLOSURE OF KEY ACTION

The following actions are aimed at addressing key impacts and risks related to bicycle production and its environmental footprint. These actions focus on minimizing the consumption of primary resources in manufacturing, reducing primary material use in packaging by incorporating recycled materials, and replacing non-degradable plastic packaging with paper-based alternatives to promote a circular economy. Additionally, they address emissions from waste incineration and work to counteract the increase in non-recyclable waste, such as carbon fiber. Together, these actions drive progress toward reducing environmental impacts and enhancing sustainability across the production process.

Matrix

Canyon developed a material decision matrix to guide plastics sourcing decisions with the aim of increasing recyclability and thus reducing non-recyclable waste, aiming to support a circular economy approach and to reduce dependence on primary resources. The matrix is an internal and informal tool providing orientation in Canyon's ongoing efforts to develop and set up a systematic approach regarding its use of resources and certified recycled content. The matrix continues to serve as a decision tree without time limit.

Circularity workshop

Comprehensive awareness-raising trainings on circular economy were conducted by an external service provider in 2024. Departments involved in the training include ESG, R&D, and Legal. The goal of the training is to create a level playing field of know-how in the company, in order to facilitate the operationalization of circular economy goals. The training fosters a shared understanding of material and component circularity, emphasizing their integration into daily business operations. This ensures consistent knowledge across all participants, enabling uniform implementation of circularity principles and potential applications throughout the organization. The training will continue in 2025.

Internal working groups

Canyon established four internal working groups in 2024 and assigned them to evaluate measures and potential actions towards more sustainable resource use related to aluminium, plastic and composites, packaging and batteries. Based on the result of the working groups, Canyon will define further targets and actions covering adjustments to Canyon's production processes and product design, aiming to reduce negative impacts and advance positive ones. This action will support the improvement of Canyon's waste prevention and ecodesign plan, and thus supports the mitigation of all material topics. The work of the working groups is indefinite and not bound to any specific time frame.

Waste prevention and ecodesign plan actions

Within the waste prevention and ecodesign plan, Canyon has set basic targets and outlined measures

for their achievement, but will move on to successively refine targets and include time-horizons based on the working groups' analysis, with the objective of creating a complete and comprehensive roadmap. Key actions are expected to have an effect on the upstream value chain. Based on Canyon's waste prevention and ecodesign plan, and in order to increase the use of recycled materials by incorporating them in a closed loop cycle, Canyon continued its support for Schwalbe's recycling initiative in 2024, which focuses on the collection and recycling of used tubes and tyres. Used tubes and tyres are collected and returned to Schwalbe for recycling. This process was implemented as a long-term process in 2023. Canyon also tested the incorporation of recycled materials by starting a project using new production methods for the company, and new materials. Due to potential competitive disadvantages, further insights will be shared in next year's report. Research related to the use of recycled aluminium started as well. Further information can be found in the target section. Canyon also initiated a plastic injection pilot project to increase the use of recycled plastic in Canyon-engineered parts. Currently, parts with 100% recycled PA, and selected battery and motor covers containing recycled PA ABS are under development.

Reducing intra-logistics packaging waste

In 2024, Canyon reviewed and optimized its internal logistics processes with a focus on reducing pack-aging volumes. As part of this initiative, Canyon introduced reusable transport containers in selected areas and replaced plastic wrap with tension straps to secure pallets where possible. These changes were implemented to minimize packaging waste within the company's internal operations. This is a continuous process and supports the reduction of emissions due to waste incineration.

International EPR schemes

Extended Producer Responsibility (EPR) schemes are environmental policies that hold producers accountable for the entire lifecycle of their products, from design to end-of-life management. This includes responsibilities such as waste collection and recycling. The goal of EPR is to encourage producers to design products with minimal environmental impact and to ensure that they are properly disposed of or recycled at the end of their useful life. In the context of Canyon's operations, the ESG and Legal Departments actively and continuously monitor and comply with global legislation, including EPR schemes in various countries. These schemes are particularly relevant to Canyon's own operations and its material impacts, as they involve the collection and recycling of used packaging materials in the after use phase and the downstream value chain. Adhering to these EPR schemes is part of a broader effort to reduce the environmental footprint of Canyon products and packaging, which is also in line with legal requirements.

Waste management

Canyon follows the waste hierarchy of the Circular Economy Act (Kreislaufwirtschaftsgesetz). The first priority is waste prevention, followed by the reuse of products. Next comes recycling, as well as other forms of recovery, such as energy recovery. Disposal, like landfill, is considered the last resort. Operationally, Canyon has implemented waste separation as a standard continuous process to reduce the environmental impact of the waste treatment methods used by the companies managing the waste streams. Specific waste streams are handled separately by external companies. These include items such as batteries, tyres, tubes, and carbon waste generated at the Koblenz site. Batteries are recycled through the GRS program, while tyres and tubes are returned through the Schwalbe recycling initiative. Carbon

waste is treated by an external company using pyrolysis, enabling the recovery of carbon fibers for use in other applications. This action relates to the material impact of emissions due to waste incineration. None of the waste management measures mentioned are subject to a time frame.

DESCRIPTION OF SCOPE OF KEY ACTION

See Disclosure of key action

TIME HORIZON UNDER WHICH KEY ACTION IS TO BE COMPLETED

See Disclosure of key action

DESCRIPTION OF KEY ACTION TAKEN, AND ITS RESULTS, TO PROVIDE FOR AND COOPERATE IN OR SUPPORT PROVISION OF REMEDY FOR THOSE HARMED BY ACTUAL MATERIAL IMPACTS

See Disclosure of key action

DISCLOSURE OF QUANTITATIVE AND QUALITATIVE INFORMATION REGARDING PROGRESS OF ACTIONS OR ACTION PLANS DISCLOSED IN PRIOR PERIODS

N/A

DISCLOSURE OF THE TYPE OF CURRENT AND FUTURE FINANCIAL AND OTHER RESOURCES ALLOCATED TO THE ACTION PLAN

Operational expenditures (OPEX) and capital expenditures (CAPEX) are set to remain below the established financial threshold.

7.4.3.3.5 TARGET 1: REDUCE CONSUMPTION OF PRIMARY MATERIAL FOR BICYCLE PRODUCTION

RELATIONSHIP WITH POLICY OBJECTIVES

In relation to resource use and circular economy, Canyon has the following policies available. The policies are designed to address key impacts and risks related to bicycle production and its environmental impact. These include the consumption of primary resources in manufacturing, the reduction of primary material use in packaging through increased reliance on recycled materials, and the transition from non-degradable plastic to paper-based packaging to support a circular economy. Furthermore, the policies tackle emissions generated by waste incineration and seek to mitigate the rise in non-recyclable waste, such as carbon fiber. Together, these measures aim to minimize environmental impact and enhance sustainability across the production lifecycle.

Forest Conservation Policy

To reduce the use of primary materials in packaging, Canyon gives preference to paper and paper-based packaging products with high- recycled content, and strives to source in line with the FSC standard where virgin fiber cannot be replaced. Changing the sourcing approach for forest-derived products and reducing the reliance on primary resources, especially for packaging, is one of the key objectives of this policy. The Forest Conversation Policy is available to the public on canyon.com. The Canyon ESG Governance Policy applies and specifies the most senior level accountable for this policy, including monitoring of progress (For further information, please refer to Governance information: Business Conduct).

Waste prevention and ecodesign plan

The waste prevention and ecodesign plan from Canyon was developed in line with the requirements of the French Plan de Conception Écologique, which is part of the French Circular Economy Act (AGEC, in force since 10th of February 2020). The overall deadline for the completion of all actions according to the AGEC is 2028. The regulation aims to transform the linear economy into a circular

economy. It is divided into five main areas: re-moving disposable plastic; better informing consumers; combating waste and promoting solidarity-based re-use; acting against planned obsolescence; producing better. The implementation of the French legislature and the first report was due in

2023, and is applicable for Canyon. However, Canyon applies its waste prevention and ecodesign plan at a global level. The plan addresses the following identified material topics and key objectives, which are further detailed in the targets section.

- The reduction of primary resources for bicycle production by setting targets related to the use of recycled aluminium.
- Use of fewer primary materials for packaging, thanks to the use of recycled materials.
- Reduction of pollutants due to waste incineration and reduction of non-recyclable waste is addressed by increasing the recyclability of bicycles through targeted actions.

The plan sets targets through to 2028, with regular progress tracking and reviews every two years to assess the status and ensure alignment with the goals. The most senior level accountable is specified in the Canyon ESG Governance Policy.

Climate Transition Plan

The material risk of higher production costs due to higher material costs is addressed in the Climate Transition Plan, outlined in Environmental information: Climate Change. For further information please refer to Policies related to climate change mitigation and adaptation and Description of key contents of policy.

MEASURABLE TARGET

Canyon aims to increase the use of recycled aluminium in Canyon frames to 25%, covering the 2028 bike portfolio from a 2024 baseline with 0% of recycled aluminium. Measurement of target achievement will be related to the % of recycled aluminium sourced for frames as % of total aluminium sourced.

NATURE OF TARGET

Both targets are relative targets and are measured as a percentage change from the target year to the base year. For further information, please refer to Environmental information: Resource Use and Circular Economy, Measurable target.

DESCRIPTION OF SCOPE OF TARGET

Target 1 includes the aluminium recycled content in Canyon frames covering the 2028 bike portfolio.

BASELINE VALUE

0

BASELINE YEAR

2024

PERIOD TO WHICH TARGET APPLIES

Target 1 covers the period from 2024 to 2028 (For further information, please refer to Chapter Environmental information: Resource Use and Circular Economy, Measurable target.)

INDICATION OF MILESTONES OR INTERIM TARGETS

To achieve this target, Canyon will engage with partners in the value chain, assess the impact on

product quality when using recycled instead of primary material to guarantee performance needs and consequently source recycled material and integrate it into its products.

DESCRIPTION OF METHODOLOGIES AND SIGNIFICANT ASSUMPTIONS USED TO DEFINE TARGET

Targets were defined by applying current knowledge about feasibility.

TARGET RELATED TO ENVIRONMENTAL MATTERS IS BASED ON CONCLUSIVE SCIENTIFIC EVIDENCE

In opposition to the greenhouse gas emission reduction target described in ESRS E1, the ambition of the targets in ESRS E5 are not based on scientific evidence due to a lack of relevant frameworks. However, Scientific evidence suggests that recycled aluminium has a reduced environmental impact due to less energy consumption with up to 95% savings (<https://international-aluminium.org/new-iai-study-reveals-environmental-benefits-of-increased-global-aluminium-can-recycling/>). According to the findings of the Environmental Paper Network, evidence suggests that recycled paper has a lower environmental impact than primary paper (<https://environmentalpaper.org/>). Concerning plastic, impacts vary depending on the material. In general, however, the environmental impact of recycled plastic materials is lower. For example, carbon emissions during pellet production from plastic waste are 22.6% lower, and other environmental impacts are reduced by between 11% and 40% compared to primary polypropylene <https://www.sciencedirect.com/science/article/pii/S2352186423002857>. No target for positive impacts has been developed.

DISCLOSURE OF WHETHER AND HOW STAKEHOLDERS HAVE BEEN INVOLVED IN TARGET SETTING

Internal stakeholders participated in the target setting process, specifically representatives from the R&D and Packaging Departments at Canyon.

7.4.3.3.6 TARGET 2: USE LESS PRIMARY MATERIAL FOR PACKAGING DUE TO THE USE OF RECYCLED MATERIALS

RELATIONSHIP WITH POLICY OBJECTIVES

In relation to resource use and circular economy, Canyon has the following policies available. The policies are designed to address key impacts and risks related to bicycle production and its environmental impact. These include the consumption of primary resources in manufacturing, the reduction of primary material use in packaging through increased reliance on recycled materials, and the transition from non-degradable plastic to paper-based packaging to support a circular economy. Furthermore, the policies tackle emissions and pollutants generated by waste incineration and seek to mitigate the rise in non-recyclable waste, such as carbon fiber. Together, these measures aim to minimize environmental impact and enhance sustainability across the production lifecycle.

Forest Conservation Policy

To reduce the use of primary materials in packaging, Canyon gives preference to paper and paper-based packaging products with high- recycled content, and strives to source in line with the FSC standard where virgin fiber cannot be replaced. Changing the sourcing approach for forest-derived products and reducing the reliance on primary resources, especially for packaging, is one of the key objectives of this policy. The Forest Conversation Policy is available to the public on canyon.com. The Canyon ESG Governance Policy applies and specifies the most senior level accountable for this policy, including monitoring of progress (For further information, please refer to Governance information: Business Conduct).

Waste prevention and ecodesign plan

The waste prevention and ecodesign plan from Canyon was developed in line with the requirements of the French Plan de Conception Écologique, which is part of the French Circular Economy Act (AGEC, in force since 10th of February 2020). The overall deadline for the completion of all actions according to the AGEC is 2028. The regulation aims to transform the linear economy into a circular economy. It is divided into five main areas: re-moving disposable plastic; better informing consumers; combating waste and promoting solidarity-based re-use; acting against planned obsolescence; producing better. The implementation of the French legislature and the first report was due in

2023, and is applicable for Canyon. However, Canyon applies its waste prevention and ecodesign plan at a global level. The plan addresses the following identified material topics and key objectives, which are further detailed in the targets section.

- The reduction of primary resources for bicycle production by setting targets related to the use of recycled aluminium.
- Use of fewer primary materials for packaging, thanks to the use of recycled materials.
- Reduction of pollutants due to waste incineration and reduction of non-recyclable waste is addressed by increasing the recyclability of bicycles through targeted actions.

The plan sets targets through to 2028, with regular progress tracking and reviews every two years to assess the status and ensure alignment with the goals. The most senior level accountable is specified in the Canyon ESG Governance Policy.

Climate Transition Plan

The material risk of higher production costs due to higher material costs is addressed in the Climate Transition Plan, outlined in Environmental information: Climate Change. For further information please refer to Policies related to climate change mitigation and adaptation and Description of key contents of policy.

MEASURABLE TARGET

Canyon aims to increase the use of recycled content in its Bike Guard globally, starting from the base year 2024, with 61% recycled cardboard and 27% recycled plastic. By the end of 2030, the target is to achieve minimum 80% recycled cardboard and 75% recycled plastic. With this goal and the associated measures, Canyon aims to reduce the consumption of primary materials for packaging. The focus is on the Bike Guard, as it represents 96% of all packaging materials by weight sourced by Canyon.

NATURE OF TARGET

Both targets are relative targets and are measured as a percentage change from the target year to the base year. For further information, please refer to Environmental information: Resource Use and Circular Economy, Measurable target.

DESCRIPTION OF SCOPE OF TARGET

Target 2 includes the use of recycled content in the Bike Guard globally. (For further information, please refer to Environmental information: Resource Use and Circular Economy, Measurable target.)

BASELINE VALUE

61

BASELINE YEAR

2024

EXPLANATION BASELINE VALUE

Target 2 has a baseline value of 61% recycled cardboard and 27% recycled plastic.

For further information, please refer to Environmental information: Resource Use and Circular Economy, Measurable target.

PERIOD TO WHICH TARGET APPLIES

Target 2 covers the period from 2024 to 2030. (For further information, please refer to Environmental information: Resource Use and Circular Economy, Measurable target.)

INDICATION OF MILESTONES OR INTERIM TARGETS

To achieve this target, Canyon will engage with partners in the value chain, assess the impact on product quality when using recycled instead of primary material to guarantee performance needs and consequently source recycled material and integrate it into its products.

DESCRIPTION OF METHODOLOGIES AND SIGNIFICANT ASSUMPTIONS USED TO DEFINE TARGET

Targets were defined by applying current knowledge about feasibility.

TARGET RELATED TO ENVIRONMENTAL MATTERS IS BASED ON CONCLUSIVE SCIENTIFIC EVIDENCE

In opposition to the greenhouse gas emission reduction target described in ESRS E1, the ambition of the targets in ESRS E5 are not based on scientific evidence due to a lack of relevant frameworks. However, Scientific evidence suggests that recycled aluminium has a reduced environmental impact due to less energy consumption with up to 95% savings (<https://international-aluminium.org/new-iai-study-reveals-environmental-benefits-of-increased-global-aluminium-can-recycling/>). According to the findings of the Environmental Paper Network, evidence suggests that recycled paper has a lower environmental impact than primary paper (<https://environmentalpaper.org/>). Concerning plastic, impacts vary depending on the material. In general, however, the environmental impact of recycled plastic materials is lower. For example, carbon emissions during pellet production from plastic waste are 22.6% lower, and other environmental impacts are reduced by between 11% and 40% compared to primary polypropylene <https://www.sciencedirect.com/science/article/pii/S2352186423002857>.

DISCLOSURE OF WHETHER AND HOW STAKEHOLDERS HAVE BEEN INVOLVED IN TARGET SETTING

Internal stakeholders participated in the target setting process, specifically representatives from the R&D and Packaging Departments at Canyon.

DISCLOSURE OF HOW TARGET RELATES TO RESOURCES (RESOURCE USE AND CIRCULAR ECONOMY)

Target 1 Reduce consumption of primary material for bicycle production

The target directly addresses resource use by reducing reliance on primary aluminium in bicycle production. This shift supports a circular economy by integrating recycled materials into the production process

Target 2 Use less primary material for packaging due to the use of recycled materials

The target focuses on reducing the use of primary materials in packaging by increasing recycled

content in Bike Guards. This aligns with circular economy principles by prioritizing recycled inputs over virgin resources.

For further information, please refer to Environmental information: Resource Use and Circular Economy, Relationship with policy objectives.

DISCLOSURE OF HOW TARGET RELATES TO INCREASE OF CIRCULAR DESIGN

Target 1 Reduce consumption of primary material for bicycle production

Circular design principles are supported through the integration of recycled aluminium, promoting resource efficiency and reducing waste in the production process.

Target 2 Use less primary material for packaging due to the use of recycled materials

The target fosters circular design by incorporating recycled cardboard and plastic into packaging, ensuring materials remain within the production cycle rather than being disposed of.

For further information, please refer to Environmental information: Resource Use and Circular Economy, Relationship with policy objectives.

DISCLOSURE OF HOW TARGET RELATES TO INCREASE OF CIRCULAR MATERIAL USE RATE

Target 1 Reduce consumption of primary material for bicycle production

By aiming for 25% recycled aluminium in frames by 2028, the target increases the rate of circular material use in the production of bicycles.

Target 2 Use less primary material for packaging due to the use of recycled materials

The target seeks to increase recycled material content in Bike Guards to 80% for cardboard and 75% for plastic by 2030, thereby boosting the circular material use rate for packaging.

For further information, please refer to Environmental information: Resource Use and Circular Economy, Relationship with policy objectives.

DISCLOSURE OF HOW TARGET RELATES TO MINIMISATION OF PRIMARY RAW MATERIAL

Target 1 Reduce consumption of primary material for bicycle production

The target explicitly reduces reliance on primary aluminium by replacing it with recycled content, minimizing the extraction of virgin resources.

Target 2 Use less primary material for packaging due to the use of recycled materials

The target reduces primary raw material usage for packaging by prioritizing recycled cardboard and plastic, directly addressing resource consumption.

For further information, please refer to Environmental information: Resource Use and Circular Economy, Relationship with policy objectives.

DISCLOSURE OF HOW TARGET RELATES TO REVERSAL OF DEPLETION OF STOCK OF RENEWABLE RESOURCES

Target 1 Reduce consumption of primary material for bicycle production

While the target focuses on aluminium, a non-renewable resource, it indirectly supports the preservation of renewable resources by reducing overall environmental impacts through lower energy use and emissions.

Target 2 Use less primary material for packaging due to the use of recycled materials

By increasing recycled content in packaging materials, the target contributes to reducing pressure on renewable resources like forests, as less virgin paper is required.

For further information, please refer to Environmental information: Resource Use and Circular Economy, Relationship with policy objectives.TARGET RELATES TO WASTE MANAGEMENT

Target 1 Reduce consumption of primary material for bicycle production

The target supports waste management by promoting the use of recycled aluminium, aligning with recycling principles to divert waste from landfills.

Target 2 Use less primary material for packaging due to the use of recycled materials

The target aligns with waste management practices by incorporating recycled cardboard and plastic, reducing packaging waste and supporting recycling efforts.

For further information, please refer to Environmental information: Resource Use and Circular Economy, Relationship with policy objectives.

DISCLOSURE OF HOW TARGET RELATES TO WASTE MANAGEMENT

Target 1 Reduce consumption of primary material for bicycle production

The target contributes to waste management by reducing the need for primary aluminium extraction and processing, promoting the use of post-consumer materials.

Target 2 Use less primary material for packaging due to the use of recycled materials

The target enhances waste management by increasing the use of recycled materials in packaging, ensuring that materials are reused rather than discarded.

For further information, please refer to Environmental information: Resource Use and Circular Economy, Relationship with policy objectives.

DISCLOSURE OF HOW TARGET RELATES TO OTHER MATTERS RELATED TO RESOURCE USE OR CIRCULAR ECONOMY

Target 1 Reduce consumption of primary material for bicycle production

The target supports Canyon's climate goals by reducing the carbon footprint associated with aluminium production, as recycled aluminium requires less energy.

Target 2 Use less primary material for packaging due to the use of recycled materials

The target aligns with EU Packaging and Packaging Waste Regulation requirements, exceeding regulatory goals and demonstrating leadership in sustainable packaging practices.

For further information, please refer to Environmental information: Resource Use and Circular Economy, Relationship with policy objectives.

LAYER IN WASTE HIERARCHY TO WHICH TARGET RELATES

Target 1 Reduce consumption of primary material for bicycle production

The target relates to the "Recycle" layer of the waste hierarchy, as it focuses on the use of recycled aluminium to reduce resource extraction.

Target 2 Use less primary material for packaging due to the use of recycled materials

The target aligns with the "Recycle" layer of the waste hierarchy by increasing recycled content in packaging materials, reducing dependency on primary inputs.

For further information, please refer to Environmental information: Resource Use and Circular Economy, Relationship with policy objectives.

THE TARGETS BEING SET AND PRESENTED ARE MANDATORY (REQUIRED BY LEGISLATION)

The target ambition is voluntary, and the target was included in the waste prevention and ecodesign plan delivered in line with the requirements of the French regulation (For further information, please refer to Environmental information: Resource Use and Circular Economy, Relationship with policy objectives).

7.4.3.3.7 RESOURCE INFLOWS

DISCLOSURE OF INFORMATION ON MATERIAL RESOURCE INFLOWS

Overview of materials and critical materials used

Critical raw materials are essential for modern bicycles, especially high-performance and electric models. Aluminium, derived from bauxite, is widely used in frames for its lightweight and durable properties. Cobalt and lithium are key in e-bike batteries, providing necessary energy storage and longevity. Copper supports wiring and braking systems due to its excellent conductivity, while magnesium serves as a lightweight alternative for example in suspension forks, enhancing agility. Titanium alloys, strengthened with vanadium, offer strong, corrosion-resistant material. Rare earth elements are critical for powerful magnets in e-bike motors, ensuring efficient propulsion.

The main materials used in bicycle production can be broken down as follows (in % of annual purchasing volume): 40% aluminium, 15% composites, 11% steel and 12% rubber.

After careful consideration, we identified aluminium as a key material due to its impact and mass volume. Nevertheless, the environmental impact was assessed holistically, taking all materials into account.

For packaging, the main raw materials used are plastic and forest-derived products.

PERCENTAGE OF BIOLOGICAL MATERIALS (AND BIOFUELS USED FOR NON-ENERGY PURPOSES)

42.00 %

THE ABSOLUTE WEIGHT OF SECONDARY REUSED OR RECYCLED COMPONENTS, SECONDARY INTERMEDIARY PRODUCTS AND SECONDARY MATERIALS USED TO MANUFACTURE THE UNDERTAKING'S PRODUCTS AND SERVICES (INCLUDING PACKAGING)

1,189.00 t

PERCENTAGE OF SECONDARY REUSED OR RECYCLED COMPONENTS, SECONDARY INTERMEDIARY PRODUCTS AND SECONDARY MATERIALS

24.00 %

DESCRIPTION OF METHODOLOGIES USED TO CALCULATE DATA AND KEY ASSUMPTIONS USED

The calculation of the weight of products and materials takes place in the course of determining Canyon's Carbon Footprint. Canyon defines reference bicycles to determine the impact of the portfolio. Representative bicycles from the road, MTB and urban categories were selected and a distinction was made between frames made of aluminium or carbon, and e-bikes or push-bikes. For the reference bikes, all relevant components such as frames, drives, forks, wheels, saddles, pedals, cockpits, handlebars, batteries and motors for e-bikes and other small attachments were used to achieve the real bike weight. The materials or material compositions used for the respective components were determined and assigned to the component weights. In order to cover the entire portfolio, the component composition of the reference bikes was scaled to the other models based on the total bike weight. Information about GEAR products is collected based on product weight and essential composition.

For packaging material management, the quantity of material purchased is tracked and cross-referenced with a packaging master file. This file includes essential details such as weight, recycled content, and relevant certifications. By combining this data with production records from each site, it's possible to calculate the amount of packaging material used per bicycle. In cases where data on packaging material is missing, estimates are based on the location's production data and the average packaging use per bicycle in the Koblenz facility. In these instances, a worst-case assumption is applied, treating the material as 100% primary.

All metals are considered 100% recyclable. Other materials may also be partially recyclable; however, this largely depends on local conditions and infrastructure. Consequently, in the worst-case scenario, only metals are assumed to be recyclable.

DESCRIPTION OF HOW DOUBLE COUNTING WAS AVOIDED AND OF CHOICES MADE

By considering both topics separately, double counting between reuse and recycling is avoided, especially since both topics represent different life cycle stages. Reuse takes place before the actual end of life, whereas recycling takes place afterward.

7.4.3.3.8 RESOURCE OUTFLOWS

DESCRIPTION OF THE KEY PRODUCTS AND MATERIALS THAT COME OUT OF THE UNDERTAKING'S PRODUCTION PROCESS

Canyon Bicycles specializes in the production of high-performance bicycles, including road, mountain, gravel, urban, and e-bikes, designed for a wide range of cycling disciplines and user needs. The key materials used in the production process include aluminum, carbon fiber, steel, plastic composites, and rubber, which together account for the majority of the bicycles' components by weight.

OVERALL TOTAL WEIGHT OF PRODUCTS AND TECHNICAL AND BIOLOGICAL MATERIALS USED DURING THE REPORTING PERIOD

TYPE OF WASTE

Hazardous

Hazardous

Hazardous

Non-hazardous

2,875.00 t

7.4.3.3.9 PRODUCT RECYCLABILITY AND REUSABILITY

DISCLOSURE OF THE REPARABILITY OF PRODUCTS

Canyon emphasizes reparability by providing access to replacement parts and repair services. The direct-to-consumer model allows Canyon to offer specific spare parts directly to customers. The design philosophy increasingly incorporates modular components (e.g. removable derailleur hangers, replaceable bearings) and tool-free access points, making it easier for customers or local bike shops to perform repairs. For advanced repairs, Canyon's service network can provide specialized support, reinforcing the brand's commitment to extending the product lifecycle.

THE RATES OF RECYCLABLE CONTENT IN PRODUCTS

47.00 %

THE RATES OF RECYCLABLE CONTENT IN PRODUCTS PACKAGING

99.00 %

EXPLANATION EXPECTED DURABILITY OF PRODUCTS PLACED ON THE MARKET

Currently, there is no universally applicable industry standard for defining durability in the bicycle sector, which is why Canyon focused on the main components—frame and battery—as key indicators of durability.

Durability of Batteries

The durability of the batteries used in Canyon's bicycles is determined based on information provided by the manufacturers. The key indicator for the durability of the batteries is the performance over charging cycles. The batteries are built to endure up to 500 full charging cycles in average while retaining a relevant portion of their original capacity. These specifications provide measurable insights into the longevity of Canyon's products, ensuring compliance with reporting requirements.

Durability of Frames

The durability of our bicycle frames is tested according to legal standards and internal testing conditions, based on ISO 4210:2023. This standard defines the testing requirements for various bike types, including road bikes, mountain bikes, e-bikes, and others. While all bikes, from entry-level models to high-performance bicycles, meet these basic requirements, Canyon products are designed to handle more demanding conditions.

In addition to the legal requirements, Canyon applies individual Canyon Testing Conditions, which divide the portfolio into the following categories:

- Condition 1: Road Bike, Cyclocross
- Condition TCX: Gravel Bike
- Condition 2: Trekking & City Bikes
- Condition 3: Sport, Trail, Race, Marathon and

RECOVERY OPERATION TYPE

Preparation for reuse

Recycling

Other

Preparation for reuse

Allmountain MTB

- Condition 4: Enduro MTB

- Condition 5: Freeride, Slopestyle, Downhill and Dirt MTB

The Fatigue Testing applies an additional load (+15-20%) to all frames, regardless of bike category, to ensure they exceed standard fatigue testing requirements. This approach guarantees the performance and longevity of Canyon bicycles under real-world conditions.

7.4.3.3.10 WASTE GENERATED, BY COMPOSITION

DISCLOSURE OF COMPOSITION OF WASTE

For Canyon, waste streams generated from its own operations are categorized into non-hazardous and hazardous waste. Non-hazardous waste includes materials such as aluminium, carbon fiber, plastics, and packaging materials like cardboard, primarily resulting from manufacturing and shipping activities.

DISCLOSURE OF WASTE STREAMS RELEVANT TO UNDERTAKING'S SECTOR OR ACTIVITIES

For further information, please refer to Environmental information: Resource Use and Circular Economy, Disclosure of composition of waste

DISCLOSURE OF MATERIALS THAT ARE PRESENT IN WASTE

For further information, please refer to Environmental information: Resource Use and Circular Economy, Disclosure of composition of waste

DESCRIPTION OF METHODOLOGIES USED TO CALCULATE DATA (WASTE GENERATED)

For the locations in Germany, figures are provided by the external service provider. For small market locations (where shared offices are sometimes rented), only the quantity in liters in relation to the ton size may be known. This quantity is converted into kg using a conversion table (based on <https://www.umweltberatung.at/>).

DESCRIPTION OF METHODOLOGIES USED TO CALCULATE DATA (RESOURCE OUTFLOWS)

Resource outflows are based on the resource inflows data and are assumed to be identical. Waste is excluded in this analysis and is treated separately.

7.4.3.3.11 WASTE DISPOSAL, BY DISPOSAL TYPE

NON-RECYCLED WASTE

159.52 t

PERCENTAGE OF NON-RECYCLED WASTE

18.00 %

TOTAL WASTE GENERATED

890.76 t

TOTAL AMOUNT OF HAZARDOUS WASTE

0.14 t

WASTE: DIVERTED FROM DISPOSAL

TOTAL (T)

0.00

0.00

0.00

0.00

TYPE OF WASTE	RECOVERY OPERATION TYPE	TOTAL (T)
Non-hazardous	Recycling	0.00
Non-hazardous	Other	731.24
Radioactive	Preparation for reuse	0.00
Radioactive	Recycling	0.00
Radioactive	Other	0.00

WASTE: DIRECTED TO DISPOSAL

WASTE TYPE	TREATMENT TYPE	TOTAL (T)
Hazardous	Incineration	0.13
Hazardous	Landfill	0.00
Hazardous	Other	0.01
Non-hazardous	Incineration	155.43
Non-hazardous	Landfill	3.95
Non-hazardous	Other	0.00
Radioactive	Incineration	0.00
Radioactive	Landfill	0.00
Radioactive	Other	0.00
TOTAL		159.52

7.4.3.4 Social Information: Own Workforce

7.4.3.4.1 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

DESCRIPTION OF TYPES OF EMPLOYEES AND NON-EMPLOYEES IN ITS OWN WORKFORCE SUBJECT TO MATERIAL IMPACTS

Canyon has addressed issues connected to the health of its workforce at a local level since 2014. Due to the international expansion of the business, Canyon adopted a global approach in 2023 to offer professional preventive mental health services to all employees worldwide. This global approach is intended to ensure that Canyon employees, regardless of their location and role, have equal and unlimited access to the health program, which includes services provided by high-quality resources and certified professionals at the Fürstenberg Institute. The program is available to the entire Canyon workforce except for temporary Canyon employees. In addition to its permanent employees, Canyon has commissioned self-employed workers worldwide, to whom the program is not available. Managers at Canyon are encouraged to promote the program and support their team in using its resources.

To ensure clarity in workforce definitions, Canyon applies the following terms:

- Employee: All individuals employed by the company, regardless of the type of contract or the number of weekly working hours. This includes full-time and part-time employees, as well as those with permanent or temporary contracts. Additionally, it includes students, trainees, and apprentices involved in the company's workforce.
- Permanent employee: Employees who hold a permanent employment contract with no predefined end date. These employees have an ongoing, indefinite employment relationship with the company. They are distinct from non-permanent employees, whose contracts have a specific end date.

- Non-permanent employee: Employees who hold a fixed-term employment contract that specifies a defined end date for their employment.
- Full-time employee: An employee whose individually agreed working hours correspond to 100% of the standard weekly working time, equivalent to one Full-Time Equivalent (FTE).
- Part-time employee: An employee whose individually agreed working hours are less than 100% of the standard weekly working time, equivalent to less than one Full-Time Equivalent (FTE).

MATERIAL NEGATIVE IMPACTS OCCURRENCE (OWN WORKFORCE)

N/A – only one positive material impact identified (For further information, please refer to General information Material impacts, risks and opportunities and their interaction with strategy and business model)

DESCRIPTION OF ACTIVITIES THAT RESULT IN POSITIVE IMPACTS AND TYPES OF EMPLOYEES AND NON-EMPLOYEES IN ITS OWN WORKFORCE THAT ARE POSITIVELY AFFECTED OR COULD BE POSITIVELY AFFECTED

As Canyon itself is part of a wider ecosystem, Canyon further acknowledges that its employees may face internal and external challenges. Canyon therefore decided to support its employees beyond work-related issues with a preventive approach, regardless of their role, and in 2023 partnered with the Fürstenberg Institute (www.fuerstenberg-institut.de) to offer comprehensive certified corporate mental health counselling and coaching to the Canyon workforce. By investing in overall employee health and well-being, Canyon aims to reduce illness- related absences and maintain a low turnover rate in the mid- and long-term through this targeted support. Improved mental health can contribute to better concentration, improve risk awareness, and enhance the ability to assess potential hazards, further supporting a safe and productive work environment.

Individual counselling and coaching

The health program provides various health services including individual counselling sessions for all Canyon employees. Support is available covering various topics, including professional challenges, personal difficulties, and health concerns, as well as specific counselling for leadership-related issues. Participation in the program is entirely free for Canyon employees, who can access the services anonymously, with their privacy ensured at all times. Counselling and coaching options serve as preventive measures aimed at mitigating potential health issues before they arise. A designated member of the People Team, under the lead of the Vice President People, serves as the primary contact for the Fürstenberg Institute, and handles all inquiries related the program, ensuring seamless coordination and support.

myFürstenberg Platform

The concept includes self-help resources, such as an extensive media library with videos, podcasts, meditation exercises, and various documents on demand. Consultations or attendance at educational events can be booked online. Users can create personal profiles using their email address and a custom password, allowing them to save and revisit content, such as a 5-minute meditation for a lunch break. While personal profiles facilitate a more customised experience, confidentiality and anonymity are guaranteed. Access through a general company login is also available, ensuring that all usage remains confidential, and that Canyon does not receive information about individual use.

DESCRIPTION OF MATERIAL RISKS AND OPPORTUNITIES ARISING FROM IMPACTS AND DEPENDENCIES ON OWN WORKFORCE

N/A – only one positive material impact identified (For further information, please refer to General information Material impacts, risks and opportunities and their interaction with strategy and business model)

DESCRIPTION OF MATERIAL IMPACTS ON WORKERS THAT MAY ARISE FROM TRANSITION PLANS FOR REDUCING NEGATIVE IMPACTS ON ENVIRONMENT AND ACHIEVING GREENER AND CLIMATE-NEUTRAL OPERATIONS

N/A

INFORMATION ABOUT TYPE OF OPERATIONS AT SIGNIFICANT RISK OF INCIDENTS OF FORCED LABOUR OR COMPULSORY LABOUR

None of Canyon's own operations is at significant risk of incidents of forced labour or compulsory labour, or of incidents of child labour. With regard to those risks in the value chain (For further information, please refer to Social information: Workers in the Value Chain).

INFORMATION ABOUT COUNTRIES OR GEOGRAPHIC AREAS WITH OPERATIONS CONSIDERED AT SIGNIFICANT RISK OF INCIDENTS OF FORCED LABOUR OR COMPULSORY LABOUR

See Information about type of operations at significant risk of incidents of forced labour or compulsory labour

INFORMATION ABOUT TYPE OF OPERATIONS AT SIGNIFICANT RISK OF INCIDENTS OF CHILD LABOUR

See Information about type of operations at significant risk of incidents of forced labour or compulsory labour

INFORMATION ABOUT COUNTRIES OR GEOGRAPHIC AREAS WITH OPERATIONS CONSIDERED AT SIGNIFICANT RISK OF INCIDENTS OF CHILD LABOUR

See Information about type of operations at significant risk of incidents of forced labour or compulsory labour

DISCLOSURE OF HOW UNDERSTANDING OF PEOPLE IN ITS OWN WORKFORCE / VALUE CHAIN WORKERS WITH PARTICULAR CHARACTERISTICS, WORKING IN PARTICULAR CONTEXTS, OR UNDERTAKING PARTICULAR ACTIVITIES MAY BE AT GREATER RISK OF HARM HAS BEEN DEVELOPED

As Canyon itself is part of a wider ecosystem, Canyon further acknowledges that its employees may face internal and external challenges. Canyon therefore decided to support its employees beyond work-related issues with a preventive approach, regardless of their role, and in 2023 partnered with the Fürstenberg Institute (www.fuerstenberg-institut.de) to offer comprehensive certified corporate mental health counselling and coaching to the Canyon workforce. Canyon has addressed issues connected to the health of its workforce at a local level since 2014. Due to the international expansion of the business, Canyon adopted a global approach in 2023 to offer professional preventive mental health services to all employees worldwide. This global approach is intended to ensure that Canyon employees, regardless of their location and role, have equal and unlimited access to the health program, which includes services provided by high-quality resources and certified professionals at the Fürstenberg Institute. The program is available to the entire Canyon workforce except for temporary Canyon employees. In addition to its permanent employees, Canyon has commissioned self-employed workers worldwide, to whom the program is not available (For further information, please refer to Chapter S2 Workers in the Value Chain).

DISCLOSURE OF WHICH OF MATERIAL RISKS AND OPPORTUNITIES ARISING FROM IMPACTS AND DEPENDENCIES ON PEOPLE IN ITS OWN WORKFORCE RELATE TO SPECIFIC GROUPS OF PEOPLE

N/A – only one positive material impact identified (For further information, please refer to General information, Material impacts, risks and opportunities and their interaction with strategy and business model)

ALL PEOPLE IN ITS OWN WORKFORCE WHO CAN BE MATERIALLY IMPACTED BY UNDERTAKING ARE INCLUDED IN SCOPE OF DISCLOSURE

Canyon has addressed issues connected to the health of its workforce at a local level since 2014. Due to the international expansion of the business, Canyon adopted a global approach in 2023 to offer

professional preventive mental health services to all employees worldwide. This global approach is intended to ensure that Canyon employees, regardless of their location and role, have equal and unlimited access to the health program, which includes services provided by high-quality resources and certified professionals at the Fürstenberg Institute. The program is available to the entire Canyon workforce except for temporary Canyon employees. In addition to its permanent employees, Canyon has commissioned self-employed workers worldwide, to whom the program is not available. Managers at Canyon are encouraged to promote the program and support their team in using its resources.

7.4.3.4.2 POLICIES TO MANAGE MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO ITS OWN WORKFORCE

POLICIES TO MANAGE MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO OWN WORKFORCE, INCLUDING FOR SPECIFIC GROUPS WITHIN WORKFORCE OR ALL OWN WORKFORCE

The Canyon Code of Ethics is closely aligned with the positive material impact of protecting employee mental health, which is addressed within Canyon's own operations through the mental health program in collaboration with Fürstenberg Institute GmbH.

Canyon Code of Ethics

The Canyon Code of Ethics forms the basis of our collaboration, giving guidance to the entire workforce about desired behaviours and

non-tolerated behaviours at Canyon. It supports the company goal of creating an environment that empowers Canyon employees to deliver top-tier performance. Specifically, chapter 2 of the Canyon Code of Ethics outlines the commitment to the Occupational Health and Safety of the workforce: "It's of paramount importance for us to safeguard the health and safety of our employees at Canyon. We want the workplace to be a place that respects both the physical and mental health of our employees." It addresses specific risk areas like financial crime, whistleblowing, health and safety, competition law, diversity and inclusion, intellectual property, data privacy, environmental responsibility, and human rights. Any non-compliance with this Code can be reported anonymously through the Speak Up platform (For further information, please refer to Chapter G1 Business Conduct). The Canyon Code of Ethics is available via the Intranet and on canyon.com. The responsibility for the strategic direction, approval, and review of the ESG codes and policies has been assigned to the Advisory Board. The Chief Executive Officer (CEO) remains responsible for the overall compliance, monitoring of progress, and implementation of the policies (For further information, please refer to Chapter G1 Business Conduct).

DESCRIPTION OF KEY CONTENTS OF POLICY

See Policies to manage material impacts, risks and opportunities related to own workforce, including for specific groups within workforce or all own workforce

DESCRIPTION OF SCOPE OF POLICY OR OF ITS EXCLUSIONS

See Policies to manage material impacts, risks and opportunities related to own workforce, including for specific groups within workforce or all own workforce

DESCRIPTION OF MOST SENIOR LEVEL IN ORGANISATION THAT IS ACCOUNTABLE FOR IMPLEMENTATION OF POLICY

See Policies to manage material impacts, risks and opportunities related to own workforce, including for specific groups within workforce or all own workforce

DISCLOSURE OF THIRD-PARTY STANDARDS OR INITIATIVES THAT ARE RESPECTED THROUGH IMPLEMENTATION OF POLICY

See Policies to manage material impacts, risks and opportunities related to own workforce, including for specific groups within workforce or all own workforce

DESCRIPTION OF CONSIDERATION GIVEN TO INTERESTS OF KEY STAKEHOLDERS IN SETTING POLICY

See Policies to manage material impacts, risks and opportunities related to own workforce, including for specific groups within workforce or all own workforce

EXPLANATION OF HOW POLICY IS MADE AVAILABLE TO POTENTIALLY AFFECTED STAKEHOLDERS AND STAKEHOLDERS WHO NEED TO HELP IMPLEMENT IT

See Policies to manage material impacts, risks and opportunities related to own workforce, including for specific groups within workforce or all own workforce

DESCRIPTION OF RELEVANT HUMAN RIGHTS POLICY COMMITMENTS RELEVANT TO OWN WORKFORCE

See Disclosure of whether and how policies are aligned with relevant internationally recognised instruments

DISCLOSURE OF GENERAL APPROACH IN RELATION TO RESPECT FOR HUMAN RIGHTS INCLUDING LABOUR RIGHTS, OF PEOPLE IN ITS OWN WORKFORCE

Canyon has implemented a human rights due diligence process aligned with international human rights frameworks and standards. This process encompasses the entire value chain, including Canyon's own workforce (For further information, please refer to Social information: Workers in the Value Chain).

DISCLOSURE OF GENERAL APPROACH IN RELATION TO ENGAGEMENT WITH PEOPLE IN ITS OWN WORKFORCE

Engagement with people in Canyon's own workforce is conducted through management roadshows and bi-weekly Works Council and management meetings, represented by the VP People, Senior Director People EMEA/APAC, and Global Director Operations, ensuring open dialogue and alignment with workforce needs and expectations.

DISCLOSURE OF GENERAL APPROACH IN RELATION TO MEASURES TO PROVIDE AND (OR) ENABLE REMEDY FOR HUMAN RIGHTS IMPACTS

For further information, please refer to General information

DISCLOSURE OF WHETHER AND HOW POLICIES ARE ALIGNED WITH RELEVANT INTERNATIONALLY RECOGNISED INSTRUMENTS

Connection to international frameworks

The Canyon Code of Ethics in chapter 8 references the Canyon Environmental, Social and Governance policy (For further information, please refer to Chapter G1 Business Conduct), which includes the principles of fundamental international key frameworks, such as:

- The Universal Declaration of Human Rights and the two main international instruments through which it has been codified: The International Covenant on Civil and Political Rights (ICCPR) and its two Protocols, and the International Covenant on Economic Social and Cultural Rights (ICESCR)
- The UN Guiding Principles on Business and Human Rights
- Organisation of Economic Cooperation and

Development ("OECD") Guidelines for Multinational Enterprises

- The Dhaka Principles for Migration with Dignity
- The International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work and its core Conventions and Recommendations.

Chapter 1 of the Canyon Code of Ethics references other company policies. Amongst these policies, the Canyon Supply Chain Code of Conduct and the Child and Forced Labour Policy address the topics of human trafficking, forced labour and child labour. Specifically, the Child and Forced Labour Policy addresses Modern Slavery, which is an umbrella term for specific legal concepts including forced labour, debt bondage, forced marriage, slavery and slavery-like practices and human trafficking. It is linked to situations of exploitation that a person cannot refuse or leave because of threats, violence, coercion, deception, and/or abuse of power.

POLICIES EXPLICITLY ADDRESS TRAFFICKING IN HUMAN BEINGS, FORCED LABOUR OR COMPULSORY LABOUR AND CHILD LABOUR

See Disclosure of whether and how policies are aligned with relevant internationally recognised instruments

WORKPLACE ACCIDENT PREVENTION POLICY OR MANAGEMENT SYSTEM IS IN PLACE

Workplace accident prevention

Canyon has implemented thorough processes to ensure workplace safety throughout the organisation. This includes a dedicated system available to all employees via the employee portal, where they can access a variety of preventive safety documents and protocols. For example, employees can find detailed risk assessments that identify and evaluate potential workplace hazards, as well as emergency and evacuation plans that outline procedures for responding to emergencies. Additionally, Canyon recognises that mental health plays a crucial role in workplace safety and accident prevention. Stress, fatigue, and mental strain can increase the likelihood of workplace incidents, which is why Canyon's mental health program provides employees with access to support services, training, and resources to enhance their resilience and overall health. These resources are continually reviewed, updated, and refined by the Health & Safety Team to align with the latest safety standards and best practices.

Canyon has implemented a robust tracking system for workplace accidents. All incidents are documented in a digital first aid book, which is accessible to all employees via the intranet. Each incident is shared with the respective leadership team member and analysed by the Health & Safety Team with a special focus on identifying its causes and implementing preventive measures.

The preventive measures above currently cover approximately 80% of Canyon's global workforce. The program is being rolled out continuously to all international locations, in line with local Health & Safety regulations.

SPECIFIC POLICIES AIMED AT ELIMINATION OF DISCRIMINATION ARE IN PLACE

The commitment to ensuring that the workplace is free from harassment, discrimination and abuse (chapter 2.3 of the Canyon Code of Ethics) is embedded into the Canyon Code of Ethics. Discrimination, sexual harassment, and any other form of inappropriate behaviour, whether it is based on ethnicity, culture, religion, age, gender and sexual identity or orientation, are not tolerated. The Works Council was informed and briefed, and supported the

implementation of the Code of Ethics. The Code of Ethics was introduced through internal communication channels, such as newsletters and roadshows, with visual materials. The Canyon Code of Ethics will be reviewed in alignment with the Canyon Environmental, Social, and Governance (ESG) Policy (Chapter IV Assigned Responsibilities). In line with the ESG Policy, policies are subject to revision every three years or sooner if required by legal changes or other circumstances that call for an immediate review. Employee representatives (E.g., Works Council) will also be consulted if changes are required based on employee feedback or experience.

GROUND FOR DISCRIMINATION ARE SPECIFICALLY COVERED IN POLICY

See Specific policies aimed at elimination of discrimination are in place

DISCLOSURE OF SPECIFIC POLICY COMMITMENTS RELATED TO INCLUSION AND (OR) POSITIVE ACTION FOR PEOPLE FROM GROUPS AT PARTICULAR RISK OF VULNERABILITY IN OWN WORKFORCE

See Specific policies aimed at elimination of discrimination are in place

DISCLOSURE OF WHETHER AND HOW POLICIES ARE IMPLEMENTED THROUGH SPECIFIC PROCEDURES TO ENSURE DISCRIMINATION IS PREVENTED, MITIGATED AND ACTED UPON ONCE DETECTED, AS WELL AS TO ADVANCE DIVERSITY AND INCLUSION

See Specific policies aimed at elimination of discrimination are in place (For further information, please refer to Governance information: Business Conduct).

7.4.3.4.3 PROCESSES FOR ENGAGING WITH OWN WORKERS AND WORKERS' REPRESENTATIVES ABOUT IMPACTS

DISCLOSURE OF WHETHER AND HOW PERSPECTIVES OF OWN WORKFORCE INFORM DECISIONS OR ACTIVITIES AIMED AT MANAGING ACTUAL AND POTENTIAL IMPACTS

Effective communication and active employee engagement are essential for fostering a collaborative and inclusive workplace. The operational responsibility for driving employee engagement initiatives, including the positive material impact of safeguarding employee mental health through Canyon's mental health program in collaboration with Fürstenberg Institute GmbH lies with the People Department, led by the

Vice President People. The People Department ensures that these efforts are strategically implemented and continuously enhanced (See Disclosure of the stage at which engagement occurs, type of engagement and frequency of engagement).

ENGAGEMENT OCCURS WITH OWN WORKFORCE OR THEIR REPRESENTATIVES

Several channels for communication and employee involvement are available. Canyon's employees are represented by various bodies (See Disclosure of the stage at which engagement occurs, type of engagement and frequency of engagement).

DISCLOSURE OF THE STAGE AT WHICH ENGAGEMENT OCCURS, TYPE OF ENGAGEMENT AND FREQUENCY OF ENGAGEMENT

In Germany, the Works Council (Betriebsrat) represents the interests of all Canyon employees. Its ongoing involvement is regulated in the Works Constitution Act (Betriebsverfassungsgesetz). Collective agreements are applicable for approximately 90% of Canyon's workforce based in Germany. The Youth Representation addresses the specific needs and concerns of Canyon's apprentices and dual students.

Additionally, Canyon has a representative for employees with disabilities. For new hires, follow-up conversations after 100 days serve the purpose of

reviewing their initial experience and addressing any concerns. Furthermore, annual individual feedback reviews with follow-up discussions support ongoing employee development and performance improvement. Canyon also engages in an ongoing dialogue with the business areas to stay informed about employee needs and preferences. Lastly, exit interviews and consulting with the employee assistance provider are important for understanding the causes of fluctuations, and to support informed management decisions and strategies that enhance employee satisfaction.

DISCLOSURE OF FUNCTION AND MOST SENIOR ROLE WITHIN UNDERTAKING THAT HAS OPERATIONAL RESPONSIBILITY FOR ENSURING THAT ENGAGEMENT HAPPENS AND THAT RESULTS INFORM UNDERTAKING'S APPROACH

Effective communication and active employee engagement are essential for fostering a collaborative and inclusive workplace. The operational responsibility for driving employee engagement initiatives lies with the People Department, led by the Vice President People.

DISCLOSURE OF GLOBAL FRAMEWORK AGREEMENT OR OTHER AGREEMENTS RELATED TO RESPECT OF HUMAN RIGHTS OF WORKERS

Collective agreements cover approximately 90% of Canyon's workforce in Germany. In 2023, a new collective agreement was successfully negotiated and implemented between Canyon and the IG Metal labor union. This agreement establishes a framework for regulated working conditions and structured collaboration between the company and its employees.

DISCLOSURE OF HOW THE EFFECTIVENESS OF ENGAGEMENT WITH ITS WORKFORCE IS ASSESSED

The effectiveness of engagement with Canyon's workforce is assessed through various mechanisms. New hire follow-up conversations at the 100-day mark provide insights into the onboarding experience and help identify areas for improvement. Annual individual feedback reviews, complemented by follow-up discussions, help to measure employee development and performance improvements. Additionally, Canyon evaluates engagement through ongoing dialogues with business areas, exit interviews, and consultations with the employee assistance provider, which offer insights into employee satisfaction, causes of turnover, and areas for improvement. These processes collectively inform management decisions and strategies to enhance workforce engagement and satisfaction.

DISCLOSURE OF STEPS TAKEN TO GAIN INSIGHT INTO PERSPECTIVES OF PEOPLE IN ITS OWN WORKFORCE THAT MAY BE PARTICULARLY VULNERABLE TO IMPACTS AND (OR) MARGINALISED

See Disclosure of the stage at which engagement occurs, type of engagement and frequency of engagement

STATEMENT IN CASE THE UNDERTAKING HAS NOT ADOPTED A GENERAL PROCESS TO ENGAGE WITH ITS OWN WORKFORCE

N/A

7.4.3.4.4 PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKERS TO RAISE CONCERNS

DISCLOSURE OF GENERAL APPROACH TO AND PROCESSES FOR PROVIDING OR CONTRIBUTING TO REMEDY WHERE AN UNDERTAKING HAS CAUSED OR CONTRIBUTED TO A MATERIAL NEGATIVE IMPACT ON PEOPLE IN ITS WORKFORCE

N/A – only one positive material impact identified (For further information, please refer to General information, Material impacts, risks and opportunities and their interaction with strategy and business model). For details about channels for raising concerns via the Speak Up platform and the respective policy please refer to Governance information: Business Conduct.

DISCLOSURE OF SPECIFIC CHANNELS IN PLACE FOR ITS
WORKFORCE TO RAISE CONCERNS OR NEEDS DIRECTLY WITH
UNDERTAKING AND HAVE THEM ADDRESSED

For details about channels for raising concerns via
the Speak Up platform and the respective policy
please refer to Governance information: Business
Conduct

GRIEVANCE OR COMPLAINTS HANDLING MECHANISMS
RELATED TO EMPLOYEE MATTERS EXIST

For details about channels for raising concerns via
the Speak Up platform and the respective policy
please refer to Governance information: Business
Conduct

DISCLOSURE OF PROCESSES THROUGH WHICH
UNDERTAKING SUPPORTS OR REQUIRES THE AVAILABILITY
OF CHANNELS

For details about channels for raising concerns via
the Speak Up platform and the respective policy
please refer to Governance information: Business
Conduct

DISCLOSURE OF HOW ISSUES RAISED AND ADDRESSED ARE
TRACKED AND MONITORED AND HOW EFFECTIVENESS OF
CHANNELS IS ENSURED

For details about channels for raising concerns via
the Speak Up platform and the respective policy
please refer to Governance information: Business
Conduct

DISCLOSURE OF WHETHER AND HOW IT IS ASSESSED THAT
ITS OWN WORKFORCE IS AWARE OF AND TRUST
STRUCTURES OR PROCESSES AS WAY TO RAISE THEIR
CONCERNS OR NEEDS AND HAVE THEM ADDRESSED

In general, the Works Council is responsible for
addressing any topics raised by employees based in
Germany. Based on employee feedback, the Works
Council has requested and implemented several
works agreements. Specifically, hybrid work arrange-
ments were completed in 2024, and learning and
development initiatives are currently in progress.

POLICIES REGARDING PROTECTION AGAINST RETALIATION
FOR INDIVIDUALS THAT USE CHANNELS TO RAISE CONCERNS
OR NEEDS ARE IN PLACE

For details about channels for raising concerns via
the Speak Up platform and the respective policy,
please refer to Governance information: Business
Conduct.

7.4.3.4.5 ACTIONS AND RESOURCES IN RELATION TO OWN
WORKFORCE

DISCLOSURE OF KEY ACTION

In 2024, Canyon took several key actions to promote
employee health and mental well-being. These
included launching a global e-learning platform to
ensure access to learning for its entire workforce,
and improving training access for factory and
warehouse workers. Canyon also integrated safety
training into the onboarding process for new
employees in Germany, providing tailored role-spec-
ific training. Safety training sessions were conducted
to maintain high safety awareness across all roles,
supported by accessible safety materials at higher-
risk locations. To address mental health, Canyon
dedicated the entire month of May 2024 to Mental
Health Awareness in the US, offering activities such
as yoga classes. Additionally, Canyon is planning to
introduce long-term measures, including reducing
working hours to 37.5 hours per week with full wage
compensation by 2028 and expanding employee
benefits, such as voluntary accident insurance (For
further information, please refer to Social informa-
tion: Own workforce, Taking action on material
impacts on own workforce, and approaches to
mitigating material risks and pursuing material
opportunities related to own workforce, and
effectiveness of those actions).

DESCRIPTION OF SCOPE OF KEY ACTION

In 2024, Canyon launched key initiatives to enhance
employee health and mental well-being. These
measures included the introduction of a global
e-learning platform to ensure training availability
across its global workforce, as well as improving
access to training resources for factory and
warehouse workers. Additionally, Canyon imple-
mented safety training during the onboarding
process for new employees in Germany, focusing on
role-specific safety practices. Safety training
sessions were also conducted for all employees, with
accessible safety materials available at higher-risk
locations. mental health awareness activities, such
as yoga classes, were organized in the US to
highlight the importance of mental well-being (For
further information, please refer to Social informa-
tion: Own workforce, Taking action on material
impacts on own workforce, and approaches to
mitigating material risks and pursuing material
opportunities related to own workforce, and
effectiveness of those actions).

TIME HORIZON UNDER WHICH KEY ACTION IS TO BE
COMPLETED

In 2024, Canyon implemented initiatives aimed at
enhancing employee well-being, including the
introduction of a global e-learning platform to
provide learning opportunities to the global
workforce and improved access to training for
factory and warehouse employees. Additionally,
Canyon integrated safety training into the onboard-
ing process for new employees in Germany, ensuring
they are informed about safety procedures. Canyon
also dedicated May 2024 to Mental Health Aware-
ness in the US, offering activities such as on-site
yoga classes. To further support employee well-be-
ing, Canyon plans to reduce regular working hours to
37.5 hours per week with full wage compensation by
2028 and to invest in additional employee benefits,
such as voluntary accident insurance (For further
information, please refer to Social information: Own
workforce, Taking action on material impacts on own
workforce, and approaches to mitigating material
risks and pursuing material opportunities related to
own workforce, and effectiveness of those actions).

DISCLOSURE OF THE TYPE OF CURRENT AND FUTURE
FINANCIAL AND OTHER RESOURCES ALLOCATED TO THE
ACTION PLAN

In 2024, Canyon invested approximately 30,000€ in
measures related to the Fürstenberg mental health
program.

Operational expenditures (OPEX) and capital
expenditures (CAPEX) are set to remain below the
established financial threshold.

DESCRIPTION OF ACTION TAKEN, PLANNED OR UNDERWAY
TO PREVENT OR MITIGATE NEGATIVE IMPACTS ON OWN
WORKFORCE

N/A – only one positive impact identified (For further
information, please refer to General information,
Material impacts, risks and opportunities and their
interaction with strategy and business model)

DISCLOSURE ON WHETHER AND HOW ACTION HAS BEEN
TAKEN TO PROVIDE OR ENABLE REMEDY IN RELATION TO
ACTUAL MATERIAL IMPACT

N/A – only one positive material impact identified
(For further information, please refer to General
information, Material impacts, risks and opportuni-
ties and their interaction with strategy and business
model)

DESCRIPTION OF ADDITIONAL INITIATIVES OR ACTIONS WITH
PRIMARY PURPOSE OF DELIVERING POSITIVE IMPACTS FOR
OWN WORKFORCE

The following initiatives, implemented in 2024, are
directly connected to the positive material impact of
protecting employee mental health, which is
addressed within Canyon's own operations through

the mental health program in collaboration with
Fürstenberg Institute GmbH.

In August 2024, Canyon launched a new global
e-learning platform to make learning available
throughout its global workforce. Also, factory and
warehouse workers are given time and space to
train and learn with improved access to computers.

As part of Canyon's commitment to health and safety,
and as a preventive measure for all new employees
based in Germany, Canyon incorporates training into
the onboarding process. During this phase, individu-
als receive tailored training specific to their roles,
with an emphasis on safety practices relevant to
their job functions. This early training is intended to
ensure that employees are well-informed about
safety procedures from the outset of their employ-
ment. Canyon's leadership team is also trained by the
Health & Safety Team. To maintain a high level of
safety awareness, Canyon conducts additional
training sessions throughout the employment. These
sessions cover a range of topics, from general safety
procedures to specific hazards associated with
particular job roles. Information and additional
material (e.g. instructions, safety sheets, handbooks,
etc.) is also available at locations with higher risk
factors, such as the Canyon factory, to provide
employees with immediate access to critical safety
information. These preventive measures focused
initially on Germany, and will be rolled out to other
Canyon locations starting next year, in line with
Canyon's international expansion plans.

Understanding that a healthy mind is crucial for
productivity, creativity, and overall job satisfaction,
Canyon US dedicated the entire month of May 2024
to Mental Health Awareness, with various activities
recognizing the importance of mental wellbeing, for
example on-site yoga classes.

DESCRIPTION OF HOW EFFECTIVENESS OF ACTIONS AND
INITIATIVES IN DELIVERING OUTCOMES FOR OWN
WORKFORCE IS TRACKED AND ASSESSED

Canyon conducts a quarterly evaluation of its
corporate mental health program to ensure its
effectiveness and continuous improvement. This
assessment, carried out in collaboration with the
Fürstenberg Institute, is based on key performance
indicators (KPIs) that track and assess the initiative's
impact and effectiveness. By protecting employees'
mental health through Canyon's mental health
program with Fürstenberg Institute GmbH, the
company aims to positively influence their well-be-
ing. Additionally, the evaluation is complemented by
voluntary feedback gathered directly from program
participants. Given the users' highly individual needs,
Canyon's approach must not follow a one- size-fits-
all standard practice. Instead, the goal of the
assessment is to reflect the diverse and personal
nature of mental health challenges.

The KPIs are collected and shared with Canyon twice
a year, with the utmost respect for confidentiality
and anonymity. The Key Performance Indicators (KPI)
include:

- Utilisation Rates: Frequency and patterns of
service usage.
- Employee Satisfaction: Feedback on the quality
and impact of the services provided.
- Program Outcomes: Assessments of improve-
ments in mental health and wellbeing.

Data protection is guaranteed by compliance with
the General Data Protection Regulation (GDPR).

Moreover, no personal data will be shared with Canyon. The report is based on numbers only, with no possibility of identifying individuals or groups of people.

DESCRIPTION OF PROCESS THROUGH WHICH IT IDENTIFIES WHAT ACTION IS NEEDED AND APPROPRIATE IN RESPONSE TO PARTICULAR ACTUAL OR POTENTIAL NEGATIVE IMPACT ON OWN WORKFORCE

N/A – only one positive material impact identified (For further information, please refer to General information, Material impacts, risks and opportunities and their interaction with strategy and business model)

DESCRIPTION OF WHAT ACTION IS PLANNED OR UNDERWAY TO MITIGATE MATERIAL RISKS ARISING FROM IMPACTS AND DEPENDENCIES ON OWN WORKFORCE AND HOW EFFECTIVENESS IS TRACKED

N/A – only one positive material impact identified (For further information, please refer to General information, Material impacts, risks and opportunities and their interaction with strategy and business model)

DESCRIPTION OF WHAT ACTION IS PLANNED OR UNDERWAY TO PURSUE MATERIAL OPPORTUNITIES IN RELATION TO OWN WORKFORCE

In the mid-term, Canyon plans to introduce additional measures to support employee health and safety. These initiatives include reducing regular working hours, as outlined in the collective agreement, to 37.5 hours per week with full wage compensation by 2028. This aims

to create an attractive working environment for skilled labour, and enhance employee wellbeing. Canyon is also investing in individual employee benefits, such as voluntary accident insurance, which not only covers work-related incidents but also provides the significant advantage of covering private accidents.

DISCLOSURE OF WHETHER AND HOW IT IS ENSURED THAT OWN PRACTICES DO NOT CAUSE OR CONTRIBUTE TO MATERIAL NEGATIVE IMPACTS ON OWN WORKFORCE

Based on a collective agreement negotiated with the Works Council, Canyon closely monitors employee attrition and sickness leave rates in Germany. We systematically monitor these metrics to identify potential risks or emerging trends that may impact our workforce. Canyon's goal in analysing this data is to be able to implement targeted interventions to address potential issues. In particular, in 2024, Canyon focused on managing working hours to prevent overwork and support adequate and sufficient recovery times for its employees. To support this goal, Canyon has introduced a traffic light system that monitors working time and indicates when employees may need additional rest.

DISCLOSURE OF RESOURCES ALLOCATED TO THE MANAGEMENT OF MATERIAL IMPACTS

A designated member of the People Team, under the lead of the Vice President People, serves as the

primary contact for the Fürstenberg Institute, and handles all inquiries related the program, ensuring seamless coordination and support.

7.4.3.4.6 TRACKING EFFECTIVENESS OF POLICIES AND ACTIONS THROUGH TARGETS

RELATIONSHIP WITH POLICY OBJECTIVES

The Canyon Code of Ethics is closely aligned with the positive material impact of protecting employee mental health, which is addressed within Canyon's own operations through the mental health program in collaboration with Fürstenberg Institute GmbH.

Canyon Code of Ethics

The Canyon Code of Ethics forms the basis of our collaboration, giving guidance to the entire workforce about desired behaviours and non- tolerated behaviours at Canyon. It supports the company goal of creating an environment that empowers Canyon employees to deliver top- tier performance. Specifically, chapter 2 of the Canyon Code of Ethics outlines the commitment to the Occupational Health and Safety of the workforce: "It's of paramount importance for us to safeguard the health and safety of our employees at Canyon. We want the workplace to be a place that respects both the physical and mental health of our employees."

MEASURABLE TARGET

Canyon does not set specific or time-bound targets for the utilisation rate of its mental health program, as participation is voluntary and maintaining anonymity is a top priority. Nonetheless, the company is committed to supporting employee well-being and monitors the program's usage through regular reporting (For further information, please refer to Social information: Own Workforce, Description of how effectiveness of actions and initiatives in delivering outcomes for own workforce is tracked and assessed). Increases in utilisation rates are observed following targeted awareness and communication initiatives, such as informational events or campaigns aimed at promoting the program among employees.

NATURE OF TARGET

Canyon's primary goal at this point is to increase awareness of the program and ensure that all employees know how to access the services offered.

DESCRIPTION OF SCOPE OF TARGET

Canyon's primary goal is to increase awareness of its mental health program and ensure that all employees understand how to access the services provided. To achieve this, Canyon implements various measures, including prominently placing and linking the program on the internal learning platform, hosting online information sessions led by the Fürstenberg Institute (accessible without prior registration), and distributing posters and flyers. Additionally, twice a year, physical information

booths are set up at all Koblenz locations to provide direct access to program details. Canyon plans to introduce internal "People Ambassadors" to promote the mental health program across markets and additional locations. This initiative is scheduled for implementation in Q2 2025.

BASELINE VALUE

There is no specific or time-bound target regarding the utilisation rate of the mental health program, as the service is voluntary and anonymity a top priority.

BASELINE YEAR

There is no specific or time-bound target regarding the utilisation rate of the mental health program, as the service is voluntary and anonymity a top priority.

PERIOD TO WHICH TARGET APPLIES

There is no specific or time-bound target regarding the utilisation rate of the mental health program, as the service is voluntary and anonymity a top priority.

INDICATION OF MILESTONES OR INTERIM TARGETS

Canyon will continue to take steps to ensure the program is known and accessible, and quarterly evaluate how Canyon can improve its offerings to meet the needs of its workforce. To improve the visibility and accessibility of the program, Canyon will continue to enhance its communication about the programme through newsletters, the intranet and direct communications, e.g. in team meetings.

DISCLOSURE OF HOW STAKEHOLDERS HAVE BEEN INVOLVED IN TARGET SETTING

Canyon is working closely with its leadership to foster a supportive and open culture where the mental health program is viewed positively and perceived as a tool for employee wellbeing.

7.4.3.4.7 CHARACTERISTICS OF THE UNDERTAKING'S EMPLOYEES

EMPLOYEES, BY GENDER (HEADCOUNT)

GENDER	# OF EMPLOYEES
Women	397
Men	1,239
Other	23
Not Disclosed	0
TOTAL	1,659

EMPLOYEES, BY CONTRACT TYPE, BY GENDER (FTE)

TYPE	GENDER	# OF EMPLOYEES	AVERAGE # OF EMPLOYEES
Permanent employees	Women	294.10	303.20
Permanent employees	Men	996.80	998.70
Permanent employees	Other	19.00	12.80
Temporary employees	Women	40.10	41.30
Temporary employees	Men	115.40	131.00
Temporary employees	Other	1.10	0.90

TYPE	GENDER	# OF EMPLOYEES	AVERAGE # OF EMPLOYEES
Non-guaranteed hours employees	Women	10.50	11.00
Non-guaranteed hours employees	Men	35.10	34.60
Non-guaranteed hours employees	Other	0.30	0.30

EMPLOYEES, BY COUNTRIES WITH 50 OR MORE
EMPLOYEES (FTE)

COUNTRY WITH 50 OR MORE EMPLOYEES (REPRESENTING AT LEAST 10% OF TOTAL NUMBER OF EMPLOYEES)	# OF EMPLOYEES	AVERAGE # OF EMPLOYEES
Germany	1,183.1	1,201.00
United States	95.10	100.70
Netherlands	75.50	75.50

7.4.3.4.8 METHODOLOGIES AND ASSUMPTIONS USED TO
COMPILE THE DATA

DESCRIBE THE METHODOLOGIES AND ASSUMPTIONS USED
TO COMPILE THE DATA, INCLUDING WHETHER THE NUMBERS
ARE REPORTED: I. IN HEADCOUNT, FULL-TIME EQUIVALENT
(FTE), OR USING ANOTHER METHODOLOGY;
II. AT THE END OF THE REPORTING PERIOD, AS AN AVERAGE
ACROSS THE REPORTING PERIOD, OR USING ANOTHER
METHODOLOGY

Canyon reports its workforce data in full-time
equivalents (FTE). FTEs are determined based on the
agreed standard weekly working hours for each
respective market and the actual working hours of
each employee. Changes to FTE status are recorded
continuously, allowing for real-time analysis based
on average values. Where workforce data is
specifically required in headcount, Canyon provides
the information accordingly; otherwise, FTE is used
as the standard reporting metric.

REPORT CONTEXTUAL INFORMATION NECESSARY TO
UNDERSTAND THE DATA REPORTED ON EMPLOYEE
DEMOGRAPHIC

Employee demographic data is tracked through an
HR IT system and is analyzed and evaluated by the
People Department, under the leadership of the Vice
President People. The definitions used for this data
collection are consistent across all markets and align
with the requirements of German labor law, ensuring
a uniform and legally compliant basis for the
reported data.

DISCLOSURE OF CROSS-REFERENCE OF INFORMATION
REPORTED UNDER PARAGRAPH 50 (A) TO MOST
REPRESENTATIVE NUMBER IN FINANCIAL STATEMENTS

The information required under paragraph 50 (a) is
cross-referenced in the appendix to the financial
statement under "F Other Disclosures / Average
Number of Employees (FTE)".

NUMBER OF EMPLOYEES (HEADCOUNT)

1,660.00

AVERAGE NUMBER OF EMPLOYEES (HEADCOUNT)

1,675.70

7.4.3.4.9 TURNOVER RATE

NUMBER OF EMPLOYEE WHO HAVE LEFT THE UNDERTAKING

177

PERCENTAGE OF EMPLOYEE TURNOVER

12.00 %

EXPLANATION PERCENTAGE OF EMPLOYEE TURNOVER

Canyon calculates the total number of leavers by
summing both voluntary and involuntary departures,
while excluding fixed-term contracts. According to
the ESRS S1 standard, voluntary departures refer to
employees who leave the organisation at their own
request, which includes resignations and retire-
ments. In contrast, involuntary departures refer to
employees who leave the organisation without their
consent, encompassing layoffs, dismissals, and
contract terminations.

The turnover rate is calculated as follows:

Turnover rate = (Total leavers in 2024 / Average
number of employees in 2024) x 100

7.4.3.4.10 FATALITIES

NUMBER OF FATALITIES IN OWN WORKFORCE AS RESULT OF
WORK-RELATED INJURIES AND WORK-RELATED ILL HEALTH

0.00

NUMBER OF FATALITIES AS RESULT OF WORK-RELATED
INJURIES AND WORK-RELATED ILL HEALTH OF OTHER
WORKERS WORKING ON UNDERTAKING'S SITES

0.00

NUMBER OF FATALITIES IN OWN WORKFORCE AS RESULT OF
WORK-RELATED INJURIES

0.00

NUMBER OF FATALITIES IN OWN WORKFORCE AS RESULT OF
WORK-RELATED ILL HEALTH

0.00

7.4.3.4.11 HEALTH AND SAFETY

PERCENTAGE OF PEOPLE IN ITS OWN WORKFORCE WHO ARE
COVERED BY HEALTH AND SAFETY MANAGEMENT SYSTEM
BASED ON LEGAL REQUIREMENTS AND (OR) RECOGNISED
STANDARDS OR GUIDELINES

80.00 %

EXPLANATION PERCENTAGE OF PEOPLE IN ITS OWN
WORKFORCE WHO ARE COVERED BY HEALTH AND SAFETY
MANAGEMENT SYSTEM BASED ON LEGAL REQUIREMENTS
AND (OR) RECOGNISED STANDARDS OR GUIDELINES

Approximately 80% of employees are currently
covered by the health and safety management
system. The focus has been on Germany and will be
extended to other Canyon sites next year in line with
Canyon's international expansion plans. Coverage is
based on the Occupational Health and Safety Act §1
and applies to all operations in Germany.

7.4.3.4.12 RECORDABLE WORK-RELATED ACCIDENTS

RATE OF RECORDABLE WORK-RELATED ACCIDENTS FOR OWN
WORKFORCE

0.9%

NUMBER OF RECORDABLE WORK-RELATED ACCIDENTS FOR
OWN WORKFORCE

14.00

EXPLANATION NUMBER OF RECORDABLE WORK-RELATED
ACCIDENTS FOR OWN WORKFORCE

Recording of occupational accidents

According to the Occupational Safety and Health Act
§6, all accidents at work must be documented. At
Canyon, documentation is managed via a digital first
aid book. Every employee has access to it. Either by
barcode (on each first aid book) or via the Canyon
employee portal.

Analysis of accident statistics

The entire health and safety system is based on the
principle of risk analysis. In order to correctly
classify risks, it is necessary to investigate and
evaluate accidents and, if necessary, occupational
illnesses.

Accident statistics are therefore compiled on a
monthly basis in order to identify the causes of
accidents. The analysis is based on the digital first
aid book and an Excel file. The basis is the Occupa-
tional Health and Safety Act §6.

7.4.3.4.13 INCIDENTS OF DISCRIMINATION, COMPLAINTS
AND CORRECTIVE ACTIONS TAKEN

TOTAL NUMBER OF INCIDENTS OF DISCRIMINATION DURING
THE REPORTING PERIOD

10

NUMBER OF COMPLAINTS FILED THROUGH CHANNELS FOR
PEOPLE IN OWN WORKFORCE TO RAISE CONCERNS

29.00

NUMBER OF COMPLAINTS FILED TO NATIONAL CONTACT
POINTS FOR OECD MULTINATIONAL ENTERPRISES

0.00

DISCLOSURE OF CONTEXTUAL INFORMATION NECESSARY TO
UNDERSTAND DATA AND HOW DATA HAS BEEN COMPILED
(WORK-RELATED GRIEVANCES, INCIDENTS AND COMPLAINTS
RELATED TO SOCIAL AND HUMAN RIGHTS MATTERS)

In the reporting period, 29 cases were submitted
through the reporting channels, which are available

to all employees (for further information, please refer to Chapter G1 Business Conduct), by the company's own workforce. These cases covered a range of issues, including 10 cases of discrimination (accounting for 34% of all reported cases), 2 cases of fraud, 2 cases related to working hours, 1 case concerning health and safety, and 14 cases categorized as 'Others,' which addressed various topics. Each case was thoroughly investigated, with appropriate measures, including disciplinary actions, taken as necessary. By the end of the reporting period in 2024, 97% of the cases reported during this time had been closed and resolved, with no financial penalties resulting from reported cases of discrimination.

TOTAL NUMBER OF INCIDENTS OF DISCRIMINATION DURING THE REPORTING PERIOD

10

NUMBER OF COMPLAINTS FILED THROUGH CHANNELS FOR PEOPLE IN OWN WORKFORCE TO RAISE CONCERNS

29.00

NUMBER OF COMPLAINTS FILED TO NATIONAL CONTACT POINTS FOR OECD MULTINATIONAL ENTERPRISES

0.00

DISCLOSURE OF CONTEXTUAL INFORMATION NECESSARY TO UNDERSTAND DATA AND HOW DATA HAS BEEN COMPILED (WORK-RELATED GRIEVANCES, INCIDENTS AND COMPLAINTS RELATED TO SOCIAL AND HUMAN RIGHTS MATTERS)

In the reporting period, 29 cases were submitted through the reporting channels, which are available to all employees (for further information, please refer to Governance information: Business Conduct), by the company's own workforce. These cases covered a range of issues, including 10 cases of discrimination (accounting for 34% of all reported cases), 2 cases of fraud, 2 cases related to working hours,

1 case concerning health and safety, and 14 cases categorized as 'Others,' which addressed various topics. Each case was thoroughly investigated, with appropriate measures, including disciplinary actions, taken as necessary. By the end of the reporting period in 2024, 97% of the cases reported during this time had been closed and resolved, with no financial penalties resulting from reported cases of discrimination.

7.4.3.4.14 LEGAL PROCEEDINGS, FINES AND SETTLEMENTS ASSOCIATED WITH EMPLOYMENT DISCRIMINATION

AMOUNT OF MATERIAL FINES, PENALTIES, AND COMPENSATION FOR DAMAGES AS RESULT OF VIOLATIONS REGARDING SOCIAL AND HUMAN RIGHTS FACTORS

0.00 EUR

INFORMATION ABOUT RECONCILIATION OF MATERIAL FINES, PENALTIES, AND COMPENSATION FOR DAMAGES AS RESULT OF VIOLATIONS REGARDING SOCIAL AND HUMAN RIGHTS FACTORS WITH MOST RELEVANT AMOUNT PRESENTED IN FINANCIAL STATEMENTS

See Disclosure of contextual information necessary to understand data and how data has been compiled (work-related grievances, incidents and complaints related to social and human rights matters)

Additionally, no severe human rights violations have been reported within Canyon's workforce during the reporting period.

7.4.3.4.15 INCIDENTS, COMPLAINTS AND SEVERE HUMAN RIGHTS IMPACTS

NUMBER OF SEVERE HUMAN RIGHTS ISSUES AND INCIDENTS CONNECTED TO OWN WORKFORCE

0.00

NUMBER OF SEVERE HUMAN RIGHTS ISSUES AND INCIDENTS CONNECTED TO OWN WORKFORCE THAT ARE CASES OF NON RESPECT OF UN GUIDING PRINCIPLES AND OECD GUIDELINES FOR MULTINATIONAL ENTERPRISES

0.00

NO SEVERE HUMAN RIGHTS ISSUES AND INCIDENTS CONNECTED TO OWN WORKFORCE HAVE OCCURRED

See Disclosure of contextual information necessary to understand data and how data has been compiled (work-related grievances, incidents and complaints related to social and human rights matters)

Additionally, no severe human rights violations have been reported within Canyon's workforce during the reporting period.

AMOUNT OF MATERIAL FINES, PENALTIES, AND COMPENSATION FOR SEVERE HUMAN RIGHTS ISSUES AND INCIDENTS CONNECTED TO OWN WORKFORCE

0.00 EUR

INFORMATION ABOUT RECONCILIATION OF AMOUNT OF MATERIAL FINES, PENALTIES, AND COMPENSATION FOR SEVERE HUMAN RIGHTS ISSUES AND INCIDENTS CONNECTED TO OWN WORKFORCE WITH MOST RELEVANT AMOUNT PRESENTED IN FINANCIAL STATEMENTS

See Disclosure of contextual information necessary to understand data and how data has been compiled (work-related grievances, incidents and complaints related to social and human rights matters)

Additionally, no severe human rights violations have been reported within Canyon's workforce during the reporting period.

7.4.3.5 Social Information: Workers in the Value Chain

7.4.3.5.1 VALUE CHAIN WORKERS WHO ARE LIKELY TO BE MATERIALLY IMPACTED BY THE UNDERTAKING

DESCRIPTION OF TYPES OF VALUE CHAIN WORKERS SUBJECT TO MATERIAL IMPACTS

Several stages of Canyons value chain involve workers who are not employed by Canyon. Workers provided by third party undertakings who work for Canyons own operations include mainly bike assemblers in the Koblenz factory, and pickers as well as generalists in the logistics department. Workers in Canyons upstream value chain who are not employed by Canyon engage in a wide variety of different tasks along the value chain. Some key tasks include raw material extraction, production of intermediate materials and components, and assembly of parts and bikes. Workers in the downstream value chain engage mainly in logistics activities. Depending on the tasks performed, the country of operation and the materials handled, workers could potentially be affected by material impacts.

ALL VALUE CHAIN WORKERS WHO CAN BE MATERIALLY IMPACTED BY UNDERTAKING ARE INCLUDED IN SCOPE OF DISCLOSURE UNDER ESRS 2

See Description of types of value chain workers subject to material impacts

TYPE OF VALUE CHAIN WORKERS SUBJECT TO MATERIAL IMPACTS BY OWN OPERATIONS OR THROUGH VALUE CHAIN

Several stages of Canyon's value chain involve workers who are not employed by Canyon. Workers provided by third party undertakings who work for Canyon's own operations include mainly bike assemblers in the Koblenz factory, and pickers as well as generalists in the logistics department. Workers in Canyon's upstream value chain who are not employed by Canyon engage in a wide variety of different tasks along the value chain. Some key tasks include raw material extraction, production of

intermediate materials and components, and assembly of parts and bikes. Workers in the downstream value chain engage mainly in logistics activities. Depending on the tasks performed, the country of operation and the materials handled, workers could potentially be affected by material impacts.

Migrant workers

Canyon identified migrant workers as one of the most vulnerable groups in the value chain. The human rights risk assessment, third party social audits, and media research led to the conclusion that the vulnerability of migrant workers in the Canyon supply chain can be associated with structural conditions in the country of origin, as well as in the country of destination. This also relates to the absence of global, regional or bilateral policy agreements on the global movement of labour. As for migrant workers, individual conditions, such as a lack of knowledge of the local language or of the rights and laws in the country of destination, or a lack of a safety network can contribute to their vulnerability. With regard to Asia, which has been identified as a high-risk region, most foreign migrant workers in the Canyon value chain come from Vietnam, Thailand and Indonesia. Migrant workers from these regions might be charged recruitment fees in the origin country, as well as service fees in the destination region. Domestic migrants – migrants within a country travelling from one region to another for work – are most prevalent in China and Vietnam.

Health and safety

The impacts are material along Canyon's whole value chain. Regarding Occupational Health and Safety (OHS), it must be noted that a negative impact of injuries is considered as inherent in all production locations due to the nature of the work performed. Hazards can occur for example when handling chemical substances, when using machines, or due to human error.

Working time

Working hours-related impacts at direct Canyon business partners are mainly allocated in Asia, and can generally be classified as a systemic issue with a lot of interdependencies: minimum wage not being a living wage, production planning, and purchasing practices can all potentially influence working hours.

DISCLOSURE OF GEOGRAPHIES OR COMMODITIES FOR WHICH THERE IS SIGNIFICANT RISK OF CHILD LABOUR, OR OF FORCED OR COMPULSORY LABOUR, AMONG WORKERS IN UNDERTAKING'S VALUE CHAIN

Based on a 2024 in-depth human rights risk assessment, Canyon identified an inherent risk for forced and child labour in South America, Asia and North America in Canyon's upstream supply chain. Through the risk assessment, Canyon also identified some commodities with an inherent risk for forced and child labour, including aluminium, natural rubber, electronics, cobalt, copper, and polysilicon.

MATERIAL NEGATIVE IMPACTS OCCURRENCE (VALUE CHAIN WORKERS)

Material impacts related to workers in the value chain have been identified in a double materiality assessment, details of which are described in the chapter General information, ESRS 2. To address supply chain due diligence, specifically in connection with Human Rights, Canyon conducted an in-depth risk assessment, which was part of its 2024 Human Rights Due Diligence process. The risk assessment results fed into the double materiality assessment. Through this process, Canyon has identified four material negative impacts within its upstream value chain, associated with the ESRS sub-topics Working

conditions and other work-related rights. These material impacts are:

- Actual negative impact on occupational health and safety at direct business partners and potential impacts beyond direct suppliers in the deeper value chain.
- Actual negative impact on regular working hours and overtime at direct business partners and potential impact in the deeper value chain
- Potential human rights violations beyond direct business partners in the deeper value chain related to forced labour and child labour
- Modern slavery indicators at direct business partners

All the identified negative impacts are widespread and systemic. No risks or opportunities have been identified.

DESCRIPTION OF ACTIVITIES THAT RESULT IN POSITIVE IMPACTS AND TYPES OF VALUE CHAIN WORKERS THAT ARE POSITIVELY AFFECTED OR COULD BE POSITIVELY AFFECTED

N/A

DESCRIPTION OF MATERIAL RISKS AND OPPORTUNITIES ARISING FROM IMPACTS AND DEPENDENCIES ON VALUE CHAIN WORKERS

N/A

DISCLOSURE OF WHETHER AND HOW THE UNDERTAKING HAS DEVELOPED AN UNDERSTANDING OF HOW WORKERS WITH PARTICULAR CHARACTERISTICS, THOSE WORKING IN PARTICULAR CONTEXTS, OR THOSE UNDERTAKING PARTICULAR ACTIVITIES MAY BE AT GREATER RISK OF HARM

Material impacts related to workers in the value chain have been identified in a double materiality assessment, details of which are described in the chapter General information, ESRs 2. To address supply chain due diligence, specifically in connection with Human Rights, Canyon conducted an in-depth risk assessment, which was part of its 2024 Human Rights Due Diligence process. The risk assessment results fed into the double materiality assessment. Through this process, Canyon has identified four material negative impacts within its upstream value chain, associated with the ESRs sub-topics working conditions and other work-related rights. The 2024 risk approach was twofold:

As a first step, the risk assessment was informed by indices from Canyon's 3rd party end-to-end due diligence platform and international child and forced labour reports published by the U.S. Department of Labor, sanction lists, and news monitoring through Sentinel for social and environmental scoring. Sector-specific and country risks were considered. In a second step, the concrete risk assessment targeted the production location level, assigning corresponding inherent risk ratings to each production location by taking into account Canyon's available value chain data. Due to limited supply chain transparency, analysis was mostly confined to the production locations and subcontracted operations of direct business partners. However, the severity (scale, scope, remedy) of specific human rights risks was assessed for the entire value chain using the available data.

DISCLOSURE OF WHICH OF MATERIAL RISKS AND OPPORTUNITIES ARISING FROM IMPACTS AND DEPENDENCIES ON VALUE CHAIN WORKERS ARE IMPACTS ON SPECIFIC GROUPS

N/A

7.4.3.5.2 POLICIES ADOPTED TO MANAGE IMPACTS, RISKS AND OPPORTUNITIES RELATED TO VALUE CHAIN WORKERS

POLICIES TO MANAGE MATERIAL IMPACTS, RISKS AND

OPPORTUNITIES RELATED TO WORKERS IN THE VALUE CHAIN, INCLUDING FOR SPECIFIC GROUPS OF VALUE CHAIN WORKERS OR ALL VALUE CHAIN WORKERS

Canyon developed several policies that aim to set clear standards for doing business. The following policies are globally applicable, and available in the compliance section of canyon.com: the Supply Chain Code of Conduct covers all material impacts, whilst the Child and Forced Labour Policy relates to the child and forced labour impact. The Speak Up Policy (For further information about the Speak Up Policy, please refer to Chapter G1 Business Conduct) facilitates access to Canyon's grievance mechanism, where all impacts can be reported anonymously.

DESCRIPTION OF KEY CONTENTS OF POLICY

Supply Chain Code of Conduct

Canyon requires all suppliers, business partners and their subcontractors to comply with the principles reflected in the Supply Chain Code of Conduct. The general objective of the Supply Chain Code of Conduct is to define the baseline for doing business together, as we believe that business should not be done at all costs. Rather, it requires appropriate conditions and circumstances, particularly respect for human rights and environmental protection, as well as fair, open and honest relationships with partners. The code refers to legal and human rights requirements that Canyon commits to uphold together with its supply chain partners. This commitment is a pre-condition to entering into a contractual relationship between Canyon and its suppliers or business partners. This policy covers all material topics related to workers in

the value chain: Actual and potential Occupational Health and Safety impacts along the value chain, actual and potential impacts connected to regular working hours and overtime along the whole value chain, potential forced labour in the deeper upstream value chain and actual modern slavery indicators at direct business partners. For further information about the identified impacts, please refer to the actions specified in this standard and to ESRs 2.

Child and Forced Labour Policy

Canyon and its affiliated companies have a zero-tolerance policy towards any form of forced or child labour. The general objective of the Child and Forced Labour Policy is to reflect Canyon's commitment to act ethically, respectfully and with integrity. The policy lays out the definitions of child and forced labour, clear requirements concerning preventive measures, enhanced due diligence requirements for suppliers at risk of operating in areas of state-imposed forced labour, and in the case of non-compliance with the policy being suspected or detected in its supply chain, it defines remediation measures. Canyon works together with supply chain partners and a non-governmental organization (NGO) to prevent, mitigate, and remediate violations of human rights in any form (Read more about the interviews and surveys in the Social information: Workers in the Value Chain, Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action). This policy covers specifically material impacts related to potential forced labour in the deeper upstream value chain and the material topic of actual modern slavery indicators (such as recruitment fees) in the upstream value chain at direct business partners.

DESCRIPTION OF SCOPE OF POLICY OR OF ITS EXCLUSIONS

These policies apply to all workers in Canyon's upstream and downstream value chain.

DESCRIPTION OF MOST SENIOR LEVEL IN ORGANISATION

THAT IS ACCOUNTABLE FOR IMPLEMENTATION OF POLICY

The responsibility for the implementation and enforcement of the policies is headed by the Global Director ESG, while the Chief Executive Officer (CEO) is responsible for monitoring the status of implementation and enforcement of the policies together with the Global Director ESG. The approval and review of policies in general has been assigned to the Advisory Board (For further information about the Speak Up Policy, please refer to Governance information: Business Conduct).

DISCLOSURE OF THIRD-PARTY STANDARDS OR INITIATIVES THAT ARE RESPECTED THROUGH IMPLEMENTATION OF POLICY

The Canyon Supply Chain Code of Conduct was drafted based on international regulations and internationally recognised standards. These include, at a minimum, the International Bill of Human Rights, the Declaration of Fundamental Principles and the Rights at Work of the International Labour Organisation (ILO) and its fundamental Conventions. The UN Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance for Responsible Business Conduct are the main frameworks that guide Canyon's due diligence processes. Standards considered in the Child and Forced Labour Policy are the ones referred to in the Supply Chain Code of Conduct as well as the Dhaka Principles for migration with dignity due to the vulnerability of migrant workers.

DESCRIPTION OF CONSIDERATION GIVEN TO INTERESTS OF KEY STAKEHOLDERS IN SETTING POLICY

Key stakeholders were considered in the alignment of international human rights standards within Canyon's policies, ensuring that their interests are represented and their rights protected. As formalised in the Environmental, Social and Governance Policy, Canyon's policies shall be revised every 3rd year or ad hoc if required due to legal requirements or other circumstances which would require such a review (for further information about the Environmental, Social, and Governance Policy, please refer to Governance information: Business Conduct). The policies referenced in this section were last updated in 2022 and reviewed by an independent consultancy specializing in human rights to ensure alignment with key human rights standards. All Canyon policies shall be revised every 3rd year or ad hoc if required due to legal requirements or other circumstances which would require such a review.

EXPLANATION OF HOW POLICY IS MADE AVAILABLE TO POTENTIALLY AFFECTED STAKEHOLDERS AND STAKEHOLDERS WHO NEED TO HELP IMPLEMENT IT

Canyon educates and informs Canyon staff about ESG policies and commitments. As formalized in the Canyon Code of Conduct, the company encourages supply chain partners to appoint someone in their own organisation to be responsible for the implementation of the requirements outlined in the Canyon policies, including making their content available to all workers, and making sure that training is provided where needed to facilitate compliance with all legal, human rights and environmental requirements. Additionally, Canyon expects its partners to monitor such implementation and upon request, to report on progress. The Supply Chain Code of Conduct and the Child and Forced Labour Policy are available under Compliance at Canyon | CANYON DE.

DESCRIPTION OF RELEVANT HUMAN RIGHTS POLICY COMMITMENTS RELEVANT TO VALUE CHAIN WORKERS

Introduced in 2023, the Canyon Human Rights Programme defines the procedures for implementing the due diligence approach at Canyon. The programme is based on the United Nations Guiding Principles for Business and Human Rights (UNGPs) and the OECD Due Diligence Guidance for Responsible Business Conduct frameworks. Canyon follows the Human Rights Due Diligence process steps as

outlined in the OECD Due Diligence Guidance for responsible Business Conduct. Detailed process steps are outlined Disclosure of general approach in relation to respect for human rights relevant to value chain workers".

DISCLOSURE OF GENERAL APPROACH IN RELATION TO RESPECT FOR HUMAN RIGHTS RELEVANT TO VALUE CHAIN WORKERS

Canyon Human Rights Programme

Engagement, Transparency & Commitment: To ensure compliance with Canyon's human rights policy commitments and international standards, all suppliers are onboarded onto the Human Rights Programme. During this process, suppliers are required to acknowledge Canyon's Human Rights Policies and provide details and evidence to the Canyon ESG team, such as certificates, audit reports, questionnaires etc. Canyon requires all suppliers to formally acknowledge and sign the Supply Chain Code of Conduct and the Child and Forced Labour Policy. This acknowledgement is a pre-condition for entering into a contractual relationship with Canyon.

Risk and Impact Assessment: To identify risks for human rights violations within relevant regions, materials, products and production locations, Canyon conducts both yearly and ad hoc risk assessments. These assessments are based on internationally recognized Human Rights key indicators and social audit results. Canyon then prioritises monitoring, remediation, and preventive measures. This is done based on the severity level of the actual or potential impacts.

Monitoring/ Social Audits: The formalised Human Rights Programme sets out the rules for monitoring production locations and how Canyon collaborates with suppliers to stop, prevent and mitigate potential and actual human rights violations. Social audits are a central part of the Canyon human rights due diligence process. The objective of social audits is to evaluate compliance with local laws and regulations and international labour standards, with the aim of identifying and consequently mitigating adverse human rights impacts and risks. In 2024, Canyon prioritised production locations for social auditing that were identified as high-risk locations during the risk assessment. Five main pillars were assessed during the audits: health and safety, environment, business ethics, management systems and labour. The audits are conducted by an Association of Professional Social Compliance Auditors (APSCA) independent third-party monitoring firm to ensure that the process is impartial.

Corrective Action Plan (CAPA): After the social audit is completed, the supplier is requested to develop and implement a time-bound corrective action plan (CAPA) addressing any findings observed during the social audits, or any issues observed by other monitoring processes. Those processes can include worker sentiment, LRQA EIQs Sentinel media monitoring system, and internal checklists to track observations from site visits and identify concerns.

The development of a CAPA includes assessing the root cause, proposing immediate corrective actions and long-term preventive actions, setting clear targets and responsibilities for the subsequent implementation, and aiming to establish a continuous improvement process. Canyon supports suppliers during the development of the CAPA, and communicates about progress made and potential challenges related to the implementation of the CAPA with suppliers.

Any instances of non-compliance classified as zero-tolerance must be addressed without delay, and are followed up on by Canyon and the supplier to ensure appropriate remediation.

Human Rights Capacity Building: In recurring calls with suppliers, Canyon explores evidence and discusses the status of the implementation of corrective actions with a focus on the highest severity issues. Canyon aims to support suppliers in their capacity-building process, aiming for long term compliance. Canyon also facilitates awareness raising and technical trainings for suppliers.

Communication: We communicate about actions taken and progress made in the compliance section of canyon.com, in line with the requirements of the following international legislation: UK Modern Slavery Act, the California Transparency in Supply Chain Act, the Norwegian Transparency Act, the Australian Modern Slavery Act and the Canadian Fighting Against Forced Labour in the Supply Chain Act.

In 2024, 41 social audits were processed for production locations in Asia and Europe, covering approximately 21% of the high-risk production locations of Canyon's direct suppliers. These 41 audits assessed the working conditions of approximately 25,000 workers in the supply chain and identified 563 instances of non-compliance with applicable laws, regulations and Canyon's policy requirements. Non-compliances were mainly related to the Health & Safety pillar (62%), with Chemical Management and Emergency Preparedness identified as the key areas of improvement. The remaining non-compliances were related to Labor (25%), Management Systems (9%), Environment (3%), and Business Ethics (1%) topics. In total, Canyon monitored a total of 75 production locations, including locations that were audited in previous years. The audit cadence is dependent on the audit outcome and extends from either one year over two or three to four years.

DISCLOSURE OF GENERAL APPROACH IN RELATION TO ENGAGEMENT WITH VALUE CHAIN WORKERS

As part of the social audits, the independent auditors conduct private, confidential and voluntary worker interviews, and, where indicated, all workers are invited to participate in a worker sentiment assessment to receive feedback and insights regarding general working conditions.

DISCLOSURE OF GENERAL APPROACH IN RELATION TO MEASURES TO PROVIDE AND (OR) ENABLE REMEDY FOR HUMAN RIGHTS IMPACTS

General approach: Canyon's Human Rights Programme clearly defines the steps required to ensure appropriate mitigation of risks, or remediation of actual impacts. Canyon requires time-bound corrective action plans to be developed by the suppliers, and collaborates with them to help them identify the root cause of the issues, together with the appropriate immediate corrective actions and long-term preventive actions, setting implementation timelines and allocating clear responsibilities. Canyon follows up on the implementation of the actions in meetings with the suppliers where they share evidence and details of the implementation. New social audits are conducted to formally confirm the effective implementation of the corrective actions, and ensure sustained compliance.

Specific approach: The Canyon Child and Forced Labour Policy details the investigation and remediation process applicable for non-compliances regarding modern slavery: In case of the occurrence and reporting of harm, an investigation at site level shall be conducted. In the event of legal violations, the respective local regulators must be informed by the supplier. The analysis and remediation process shall be assisted by appropriate expertise. Canyon is committed to following up on the investigation and remediation process until non-compliances are fully remediated. This includes a root cause analysis together with the affected company, designed to prevent further cases of non-compliance by implementing preventive measures.

Canyon works together with supply chain partners and an NGO to prevent, mitigate, and remediate violations of human rights in any form (For further information, please refer to Social information: Workers in the Value Chain, Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action).

POLICIES EXPLICITLY ADDRESS TRAFFICKING IN HUMAN BEINGS, FORCED LABOUR OR COMPULSORY LABOUR AND CHILD LABOUR

Canyon and its affiliated companies have a zero-tolerance policy towards any form of forced or child labour. The general objective of the Child and Forced Labour Policy is to reflect Canyon's commitment to act ethically, respectfully and with integrity. The policy lays out the definitions of child and forced labour, clear requirements concerning preventive measures, enhanced due diligence requirements for suppliers at risk of operating in areas of state-imposed forced labour, and in the case of non-compliances with the policy being suspected or detected in its supply chain, it defines remediation measures. The Supply Chain Code of Conduct also addresses human trafficking, as it states that employment must be freely chosen.

UNDERTAKING HAS SUPPLIER CODE OF CONDUCT

Yes – See Description of key contents of policy

DISCLOSURE OF WHETHER AND HOW POLICIES ARE ALIGNED WITH RELEVANT INTERNATIONALLY RECOGNISED INSTRUMENTS

The Canyon Supply Chain Code of Conduct was drafted based on international regulations and internationally recognised standards. These include, at a minimum, the International Bill of Human Rights, the Declaration of Fundamental Principles and the Rights at Work of the International Labour Organisation (ILO) and its fundamental Conventions. The UN Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance for Responsible Business Conduct are the main frameworks that guide Canyon's due diligence processes. Standards considered in the Child and Forced Labour Policy are the ones referred to in the Supply Chain Code of Conduct as well as the Dhaka Principles for migration with dignity due to the vulnerability of migrant workers. Introduced in 2023, the Canyon Human Rights Programme defines the procedures for implementing the due diligence approach at Canyon. The programme is based on the United Nations Guiding Principles for Business and Human Rights (UNGPs) and the OECD Due Diligence Guidance for Responsible Business Conduct frameworks. Canyon follows the Human Rights Due Diligence process steps as outlined in the OECD Due Diligence Guidance for responsible Business Conduct.

DISCLOSURE OF EXTENT AND INDICATION OF NATURE OF CASES OF NON-RESPECT OF THE UN GUIDING PRINCIPLES ON BUSINESS AND HUMAN RIGHTS, ILO DECLARATION ON FUNDAMENTAL PRINCIPLES AND RIGHTS AT WORK OR OECD GUIDELINES FOR MULTINATIONAL ENTERPRISES THAT INVOLVE VALUE CHAIN WORKERS

In 2024, Canyon did not receive any reports through its grievance mechanism from value chain workers, neither were any severe cases reported. The mechanism was established at the end of 2023, and initial efforts have been made in 2024 to increase the accessibility of the mechanism.

7.4.3.5.3 PROCESSES FOR ENGAGING WITH VALUE CHAIN WORKERS ABOUT IMPACTS

DISCLOSURE OF HOW PERSPECTIVES OF VALUE CHAIN WORKERS INFORM DECISIONS OR ACTIVITIES AIMED AT MANAGING ACTUAL AND POTENTIAL IMPACTS

In 2023 and 2024, risk-based worker sentiment surveys were conducted, complementing the interviews that are part of the social audits process

that engages with value chain workers. Workers are encouraged by posters in the facility to scan a QR code, which directs them to an anonymous survey in relevant languages. The system is managed and hosted by a third-party service provider. The survey questions address both actual and potential impacts workers may be affected by.

The interviews and the worker sentiment surveys are related to all material impacts affecting workers in the value chain. Questions about those impacts are embedded in both formats, including topics such as working hours, workplace conditions, safe working environment. For further information about the identified impacts, please refer to the actions specified in this standard and to ESRS 2.

ENGAGEMENT OCCURS WITH VALUE CHAIN WORKERS OR THEIR LEGITIMATE REPRESENTATIVES DIRECTLY, OR WITH CREDIBLE PROXIES

Although Canyon does not directly engage with supply chain workers, we gathered insights through interviews as part of the social audit process, and from anonymous worker sentiment surveys. Both tools can highlight risks and high priority issues from a workers' point of view, specifically the most vulnerable groups. It is therefore especially important that worker sentiment surveys are carried out in regions with a high percentage of foreign migrant workers.

Furthermore, Canyon engages with migrant workers in high-risk areas through an additional assessment. The Foreign Migrant Worker Assessment is an add-on to the social audit process conducted by a third-party monitoring firm, and provides further visibility into the risks and impacts foreign migrant workers face in the supply chain. It covers the topics of management systems, recruitment and deployment, employment, and return or onward migration, and provides full details of the number of workers, their nationalities, and any violations observed, together with a review of the documents and records and voluntary, private and confidential worker interviews, which are conducted in their own language with the use of translation services.

DISCLOSURE OF STAGE AT WHICH ENGAGEMENT OCCURS, TYPE OF ENGAGEMENT AND FREQUENCY OF ENGAGEMENT

See Disclosure of how perspectives of value chain workers inform decisions or activities aimed at managing actual and potential impacts

See Engagement occurs with value chain workers or their legitimate representatives directly, or with credible proxies

DISCLOSURE OF FUNCTION AND MOST SENIOR ROLE WITHIN UNDERTAKING THAT HAS OPERATIONAL RESPONSIBILITY FOR ENSURING THAT ENGAGEMENT HAPPENS AND THAT RESULTS INFORM UNDERTAKINGS APPROACH

At Canyon the Human Rights Officer (a role required by the German Supply Chain Act) is responsible for overseeing the activities in relation to workers in the supply chain. The duties of the Human Rights Officer are carried out by the Chief Executive Officer (CEO), who is also responsible for validating the human rights risk management approach and therefore also for the process of engaging with value chain workers.

DISCLOSURE OF GLOBAL FRAMEWORK AGREEMENT OR OTHER AGREEMENTS RELATED TO RESPECT OF HUMAN RIGHTS OF WORKERS

No Global Framework Agreement or other agreements related to respect of human rights of workers in place.

DISCLOSURE OF HOW EFFECTIVENESS OF ENGAGEMENT WITH VALUE CHAIN WORKERS IS ASSESSED

Canyon engages with workers in its supply chain indirectly through social audits and various

mechanisms that allow workers to participate in the process. Independent auditors, acting on behalf of Canyon, conduct individual and group interviews, with a special focus on migrant workers where relevant. Workers at audited companies are invited to take part in an anonymous worker sentiment survey and are encouraged to contact the independent third-party audit firm in case of any retaliation after the audit. Based on the anonymous and aggregated information gathered from interviews and surveys, Canyon has identified the need to increase awareness of the Canyon Speak Up platform, providing workers in the value chain with an additional grievance mechanism.

DISCLOSURE OF STEPS TAKEN TO GAIN INSIGHT INTO PERSPECTIVES OF VALUE CHAIN WORKERS THAT MAY BE PARTICULARLY VULNERABLE TO IMPACTS AND (OR) MARGINALISED

See Engagement occurs with value chain workers or their legitimate representatives directly, or with credible proxies

STATEMENT IN CASE THE UNDERTAKING HAS NOT ADOPTED A GENERAL PROCESS TO ENGAGE WITH VALUE CHAIN WORKERS

N/A

7.4.3.5.4 CHANNELS FOR VALUE CHAIN WORKERS TO RAISE CONCERNS

DISCLOSURE OF GENERAL APPROACH TO AND PROCESSES FOR PROVIDING OR CONTRIBUTING TO REMEDY WHERE UNDERTAKING HAS IDENTIFIED THAT IT CONNECTED WITH A MATERIAL NEGATIVE IMPACT ON VALUE CHAIN WORKERS

Canyons Human Rights Programme clearly defines the steps required to ensure appropriate mitigation of risks, or remediation of actual impacts. The programme addresses actual and potential impacts along the value chain. For further information about the identified impacts, please refer to the actions specified in this standard and to ESRS 2.

Canyon requires time-bound corrective action plans to be developed by the suppliers, and collaborates with them to help them identify the root cause of the issues, together with the appropriate immediate corrective actions and long-term preventive actions, setting implementation timelines and allocating clear responsibilities. Canyon follows up on the implementation of the actions in meetings with the suppliers where they share evidence and details of the implementation. New social audits are conducted to formally confirm the effective implementation of the corrective actions, and ensure sustained compliance.

Remedies can take a range of forms, such as restitution, rehabilitation, financial or non-financial compensation, and punitive sanctions (whether criminal or administrative). As an example, a remedy concerning child labour or the employment of young workers under hazardous conditions shall include, but is not limited to:

- Enabling the child to attend school, including the payment of fees related to schooling.
- The family receiving compensation for their financial losses due to the ending of the employment of the child, covering at least minimum wage until the child can be employed under conditions that no longer relate to the definition of child labour or jeopardise the wellbeing of a young worker. Compensation can also be given by offering the child's job to a qualified adult member of the family.
- Offering the child an equivalent job after schooling and reaching the minimum working age.

DISCLOSURE OF SPECIFIC CHANNELS IN PLACE FOR VALUE CHAIN WORKERS TO RAISE CONCERNS OR NEEDS DIRECTLY WITH UNDERTAKING AND HAVE THEM ADDRESSED

The Speak Up platform facilitates access for workers in the value chain to Canyons own grievance mechanism, where all impacts can be reported anonymously. The Speak Up platform is accessible to the public under <https://canyon.integrityline.app/>. (For further information about the Speak Up platform, please refer to Chapter G1 Business Conduct).

DISCLOSURE OF PROCESSES THROUGH WHICH UNDERTAKING SUPPORTS OR REQUIRES AVAILABILITY OF CHANNELS

Canyon will continue to engage with key suppliers in high-risk countries in 2025 to raise awareness of the Canyon Speak Up platform amongst workers in the value chain and thus further increase accessibility of the platform for potentially affected persons (For further information about the Speak Up platform and associated actions, please refer to Governance information: Business Conduct). Canyon also supports the establishment of factory-based grievance mechanisms at its suppliers' production locations. Their existence is assessed through social audits. Awareness of value chain workers is assessed through worker interviews and workers sentiment surveys. Read more about the interviews and surveys in the Social information: Workers in the Value Chain, Processes to remediate negative impacts and channels for value chain workers to raise concerns. By the end of 2024, such a mechanism existed in 97% of all monitored production locations.

DISCLOSURE OF HOW ISSUES RAISED AND ADDRESSED ARE TRACKED AND MONITORED AND HOW EFFECTIVENESS OF CHANNELS IS ENSURED

To ensure the adequacy of the process, the effectiveness of the whistleblowing procedure described in the Speak Up Policy will be reviewed at least once every year and on an ad hoc basis if required. Canyon also encourages whistleblowers to make improvement proposals by sending in a separate report through the Speak Up platform.

DISCLOSURE OF HOW IT IS ASSESSED THAT VALUE CHAIN WORKERS ARE AWARE OF AND TRUST STRUCTURES OR PROCESSES AS WAY TO RAISE THEIR CONCERNS OR NEEDS AND HAVE THEM ADDRESSED

N/A

POLICIES REGARDING PROTECTION AGAINST RETALIATION FOR INDIVIDUALS THAT USE CHANNELS TO RAISE CONCERNS OR NEEDS ARE IN PLACE

In accordance with Canyons values, legal requirements and the Speak Up Policy, any form of retaliation against whistleblowers is not allowed. The confidentiality of the whistleblower is maintained, and their identity is protected. In this context, retaliation means adverse conduct taken when an individual reports an actual or perceived violation of human rights. However, deliberate misreporting or reports only intended to cause harm will not be covered by the whistleblower protection, Canyon may then share whistleblower's name and take actions against them under the law.

STATEMENT IN CASE THE UNDERTAKING HAS NOT ADOPTED A CHANNEL FOR RAISING CONCERNS

N/A

7.4.3.5.5 ACTIONS AND RESOURCES IN RELATION TO VALUE CHAIN WORKERS

DISCLOSURE OF KEY ACTION

Canyon has strengthened its human rights due diligence process, in line with the requirements of internationally recognized standards and legislation. This process was set up as a continuous improvement cycle which includes the prevention, mitigation and remediation of adverse human rights impacts.

For 2025, Canyon will extend the human rights due diligence approach, and the related programme, throughout its value chain. As outlined in Social information: Workers in the Value Chain, Policies related to value chain workers, this covers several steps which all contribute to managing the risk of human rights violations (For further information, please refer to Social information: Workers in the Value Chain, Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities).

DESCRIPTION OF SCOPE OF KEY ACTION

The key actions listed below address all identified material impacts related to workers in the value chain as they are embedded in the holistic human rights due diligence process. The key focus of the actions is on direct business partners. As outlined in ESRS 2, material impacts at direct business partners include actual Occupational Health and Safety impacts along the whole value chain, actual impacts related to not meeting regular working hours and overtime requirements in upstream production locations and modern slavery indicators in the upstream supply chain, such as recruitment fees (whilst no actual incident of modern slavery was identified). However, the potential deeper value chain impacts are addressed indirectly through cascading effects. These potential impacts include Occupational Health and Safety, regular working hours, and forced labour.

Social Audits and corrective action plans

41 high risk production locations were monitored through social audits in 2024 and existing corrective action plans (CAPA) from previous years were followed up on. For more information about social audits and the handling of CAPAs, please refer to the respective section above.

Awareness raising amongst suppliers

During Canyons 2024 supplier meeting, key Canyon suppliers were informed about progress made in human rights due diligence, about its importance for Canyon and its partners, and the joint efforts needed to address human rights and reduce associated negative impacts.

Collaboration

In September 2024, Canyon joined the Mekong Club (<https://themekongclub.org/>) to work closely with other companies and experts on forced labour risks, in particular preventive measures and remediation.

Training offer for Canyon staff

Further preventive measures to address impacts on workers in the value chain were implemented, include training for Canyon staff. The training supports individuals who work with suppliers and regularly visit production locations in building human rights competences across different functions and regions. The rollout of the high-level training started in 2023. In 2024, the human rights training was integrated in the general company training strategy and will be made available to the employees through the internal learning platform to reach a wider audience and continue to raise internal awareness on the topic beyond 2024. The training focuses on the concepts of business and human rights, the development of related frameworks and regulations, several case studies on the impact of global business activities on human rights, and how we ensure Canyon addresses respect for human rights throughout the value chain. It also focuses on what each one of the participants can do individually to help ensure human rights are respected at every level of the organisation. During these sessions we also cover the Canyon Crew Check List for supplier

visits. The checklist is intended for Canyon employees who visit a supplier production location and help to identify human rights issues as well as track potential violations. The effectiveness of the 2023 trainings was evaluated through a survey leading to a consolidated course rating of 4,5 out of 5 points.

Training offer for agents and suppliers

In 2024 there were three technical training sessions specifically prepared for the agent Canyon works with in Asia. During the training sessions, topics like the handling and management of corrective action plans, Canyons Speak Up platform and social audits requirements and procedures were addressed. Canyon started to support suppliers in 2024 with specific, online trainings provided by a third-party platform. The training was tailored according to the findings of the third-party social audits and the associated corrective action plans.

The training aims to support and empower suppliers in addressing and preventing adverse human rights impacts. In 2024 20 suppliers were granted access to 314 training sessions related to Occupational Health and Safety, modern slavery and working hours. Out of the 314 sessions, 171 were completed in 2024. Additionally, 5 Canyon suppliers from Vietnam participated in an onsite training from the Mekong

Club focused on understanding the importance of addressing social risks within their companies' operations and supply chains, familiarising themselves with the ILO indicators of forced labour for identification and assessment, and developing strategies and best practices for mitigating forced labour risks. Canyon will continue to offer training sessions so suppliers in 2025.

Continuously refining internal processes and structures

Integrating human rights policies into internal processes and management systems is a core element of the human rights due diligence process and represents an ongoing effort with no defined endpoint. Canyon has refined internal processes to focus on the prevention and mitigation of actual and potential human rights violations in the value chain. To drive the effectiveness of its efforts related to human rights impacts, Canyon has derived measures from the findings of the double materiality analysis to adapt internal structures and processes.

Consequently, clear responsibilities have been assigned to the ESG department to address those impacts together with the Operations Team at an operational level. Canyon also increased its capacity in the ESG department focusing on Human Rights, and hired a Junior Human Rights Manager in 2024 to support the Human Rights Manager. Oversight has been assigned to the Advisory Board, Audit Committee and the Chief Executive Officer (CEO) (For further information, please refer to Governance information: Business Conduct).

TIME HORIZON UNDER WHICH KEY ACTION IS TO BE COMPLETED

All actions outlined above are part of a continuous improvement process inherent to a human rights due diligence process and have therefore no fixed end date.

DESCRIPTION OF KEY ACTION TAKEN, AND ITS RESULTS, TO PROVIDE FOR AND COOPERATE IN OR SUPPORT PROVISION OF REMEDY FOR THOSE HARMED BY ACTUAL MATERIAL IMPACTS

N/A

DISCLOSURE OF QUANTITATIVE AND QUALITATIVE INFORMATION REGARDING PROGRESS OF ACTIONS OR ACTION PLANS DISCLOSED IN PRIOR PERIODS

N/A	
DISCLOSURE OF THE TYPE OF CURRENT AND FUTURE FINANCIAL AND OTHER RESOURCES ALLOCATED TO THE ACTION PLAN	
	Operational expenditures (OPEX) and capital expenditures (CAPEX) are set to remain below the established financial threshold.
DESCRIPTION OF ACTION PLANNED OR UNDERWAY TO PREVENT, MITIGATE OR REMEDIATE MATERIAL NEGATIVE IMPACTS ON VALUE CHAIN WORKERS	
	See Description of scope of key action
DESCRIPTION OF HOW EFFECTIVENESS OF ACTIONS OR INITIATIVES IN DELIVERING OUTCOMES FOR VALUE CHAIN WORKERS IS TRACKED AND ASSESSED	
	The effectiveness of the outlined actions or initiatives in delivering outcomes for value chain works is tracked and assessed in general through the Human Rights Program (described in this standard) and more specifically through the monitoring of non-compliances via social audits and the implementation of corrective action plans, aiming to mitigate adverse impacts.
DESCRIPTION OF PROCESSES TO IDENTIFYING WHAT ACTION IS NEEDED AND APPROPRIATE IN RESPONSE TO PARTICULAR ACTUAL OR POTENTIAL MATERIAL NEGATIVE IMPACT ON VALUE CHAIN WORKERS	
	See Description of scope of key action
DISCLOSURE OF APPROACH TO TAKING ACTION IN RELATION TO SPECIFIC MATERIAL IMPACTS ON VALUE CHAIN WORKERS	
	See Description of scope of key action
DISCLOSURE OF WHETHER AND HOW IT IS ENSURED THAT OWN PRACTICES DO NOT CAUSE OR CONTRIBUTE TO MATERIAL NEGATIVE IMPACTS ON VALUE CHAIN WORKERS	
	Canyon increased its focus on taking negative human rights impacts in the value chain into consideration in its purchasing practices. In general, the awarding of contracts and orders is based on a weighted cross-functional scorecard approach which includes suppliers' ESG performance. Canyons human rights policies must be signed by suppliers, and general alignment with Canyons Human Rights Program is a precondition for entering into a business relationship with Canyon. Lastly, Canyon reserves the right to terminate business relationships with its partners and suppliers that are not willing or able to adhere to the requirements outlined in the Supply Chain Code of Conduct and the Child and Forced Labour Policy. This is particularly relevant in cases where the implementation of an action plan with measures does not remedy the situation, or where, despite leveraged and joint efforts to enable the supplier to comply, no mitigation or remediation appear possible and human rights violations persist. Ending a business relationship, however, is considered a last resort, and the main goal is to remedy actual impacts, and prevent and mitigate potential impacts (in line with the German Supply Chain Act).
DISCLOSURE OF SEVERE HUMAN RIGHTS ISSUES AND INCIDENTS CONNECTED TO UPSTREAM AND DOWNSTREAM VALUE CHAIN	
	The following significant human rights risks associated with specific sourcing countries and commodities were identified by an abstract risk assessment in 2024:
	<ul style="list-style-type: none">• Inherent risk of child and forced labour;• Inherent risk of violation of occupational health and safety standards;• Inherent risk of exceeding regular working hour and overtime thresholds;

<ul style="list-style-type: none">• Inherent risk of negative impacts on the environment.	
The analysis assessed inherent country risks related to potential human rights violations. East Asia was identified as the highest-risk region, given the significant concentration of Canyon's suppliers' factories in this area. Alongside the country risk classification, the analysis highlighted a high presence of vulnerable groups, particularly foreign migrant workers, in the region. As a result, Canyon prioritized these locations for auditing, monitoring, and remediation efforts to address and mitigate potential risks.	
Severe human rights risks and related incidents outlined above were identified in the human rights risk assessment and due diligence process that defined material impacts.	
DISCLOSURE OF RESOURCES ALLOCATED TO MANAGEMENT OF MATERIAL IMPACTS	
	Canyon has an ESG department based in Koblenz, where a Human Rights Manager and a Junior Human Rights Manager manage and continuously improve the human rights due diligence processes. They are supported by Canyons Agent Asia. This is relevant because Asia has been assessed as a high-risk region for human rights violations. The on-site team in Asia supports the remediation of negative impacts, particularly those that concern health and safety matters, directly at the production locations. Respect for human rights and related risk mitigation are supported by the whole company and across the global supply chain through the cross-functional collaboration of Human Rights experts in the ESG department. Canyon has a dedicated yearly budget for human rights topics, including the end-to-end due diligence platform it uses, the fulfilment of social audits, and the implementation of corrective actions (For further information, please refer to Governance information: Business Conduct).
7.4.3.5.6 TARGETS RELATED TO VALUE CHAIN WORKERS	
	RELATIONSHIP WITH POLICY OBJECTIVES
	<u>Occupational Health and Safety</u>
	Occupational Health and Safety impact in production locations are allocated in the along the whole value chain at direct business partners and potentially in the deeper value chain. To address these challenges, Canyon's Supply Chain Code of Conduct explicitly requires the implementation of robust occupational health and safety measures to safeguard workers health and safety. The policy highlights Canyon's commitment to minimizing negative impacts and fostering safe working environments across its value chain. The target of mitigate Occupational Health & Safety impacts in minimum 5 active factories located in Cambodia and Vietnam is related to this commitment.
<u>Regular working hours and overtime requirements</u>	
	Regular working hours and overtime requirements were not met in the upstream value chain at direct business partners and could potentially materialize in the deeper value chain. Canyon's Supply Chain Code of Conduct outlines established thresholds for regular working hours and overtime. The policy reflects Canyon's commitment to promoting fair labour practices throughout the value chain. Raising awareness and offering training opportunities for suppliers with findings related to regular working hours and overtime is directly connected to the Canyon Supply Chain Code of Conduct.

Modern slavery indicators	
	Modern slavery indicators were identified at direct business partners, such as recruitment fees, whilst no actual incident of modern slavery was identified. Forced labour could potentially occur in the deeper value chain. Canyon's Child and Forced Labour Policy together with the Supply Chain Code of Conduct enforces a zero-tolerance approach to modern slavery practices. Raising awareness and facilitate training opportunities for 100% of suppliers where forced labour indicators have been identified is directly related to both policies.
MEASURABLE TARGET	
	<u>Occupational Health and Safety</u>
	Consolidated average decrease of Occupational Health and Safety non-compliances for targeted sites
<u>Regular working hours and overtime</u>	
	Trainings completed by suppliers in relation to suppliers invited to participate in trainings
<u>Modern slavery indicators</u>	
	Trainings completed by suppliers in relation to suppliers invited to participate in trainings
NATURE OF TARGET	
	<u>Occupational Health and Safety</u>
	The target for Occupational Health and Safety is of a relative nature and describes the reduction of the average number of non-compliances related to Occupational Health and Safety in selected production locations. (Indicator: Consolidated average decrease for targeted sites)
<u>Regular working hours and overtime</u>	
	The total number of training sessions conducted to address working hours and overtime compliance is established as an absolute target. (Indicator: Trainings completed in relation to suppliers invited)
<u>Modern Slavery Indicators</u>	
	The relative target is defined as the proportion of suppliers covered by training sessions conducted to address indicators of modern slavery. (Indicator: Trainings completed in relation to suppliers invited)
DESCRIPTION OF SCOPE OF TARGET	
	<u>Occupational Health and Safety</u>
	Mitigate Occupational Health & Safety impacts in minimum 5 active factories located in Cambodia and Vietnam.
<u>Regular working hours and overtime</u>	
	Facilitate awareness raising and training opportunities for China based suppliers with findings related to regular working hours and overtime.
<u>Modern slavery indicators</u>	
	Raise awareness and facilitate training opportunities for 100% of suppliers where forced labour indicators have been identified.
BASELINE VALUE	
	<u>Occupational Health and Safety</u>

Average number of non-compliances related to Occupational Health and Safety in selected production locations.

Regular working hours and overtime

Baseline is zero.

Modern slavery indicators

Baseline is zero.

BASELINE YEAR

Occupational Health and Safety

2024

Regular working hours and overtime

January to November 2024

Modern slavery indicators

January to November 2024

PERIOD TO WHICH TARGET APPLIES

Occupational Health and Safety

FY 2025 (1st January – 31st December 2025)

Regular working hours and overtime

1st November 2024 – 31st December 2025

Modern slavery indicators

1st November 2024 – 31st December 2025

INDICATION OF MILESTONES OR INTERIM TARGETS

N/A

DESCRIPTION OF METHODOLOGIES AND SIGNIFICANT ASSUMPTIONS USED TO DEFINE TARGET

Occupational Health and Safety

Cambodia and Vietnam were chosen as a region for target implementation due to the findings of social audits conducted before the end of 2023. Based on these social audits, production locations based in Cambodia had the highest average of Occupational health and Safety non-compliances (NCs) per audit, followed by production locations based in Vietnam. These two countries are also relevant from a severity perspective, with zero tolerance and critical NCs related to Occupational Health and Safety.

Regular working hours and overtime

Based on findings in social audits, China was prioritised for the implementation of preventive measures related to regular working hours and overtime. Training opportunities to raise awareness on this topic are shared through an online platform.

Modern Slavery Indicators

Canyon joined the Mekong Club in 2024. The target of raising awareness of Modern Slavery and forced labour among high-risk suppliers is supported by aligning and cooperating with experts from the Mekong Club. Building internal and external capacity at suppliers to identify forced labour indicators is a preventive measure.

TARGET RELATED TO ENVIRONMENTAL MATTERS IS BASED ON CONCLUSIVE SCIENTIFIC EVIDENCE

N/A

DISCLOSURE OF WHETHER AND HOW STAKEHOLDERS HAVE BEEN INVOLVED IN TARGET SETTING

Canyon engaged with internal experts for target setting. Insights from regular exchanges with suppliers and Canyon representatives based in Germany and Asia, who regularly visit the production locations of our partners, supported the process. Additionally, during the development of the corrective action plans, key insights are gained which feed into the target setting process. Reports from civil society were considered during the whole due diligence process as well.

DESCRIPTION OF ANY CHANGES IN TARGET AND CORRESPONDING METRICS OR UNDERLYING MEASUREMENT METHODOLOGIES, SIGNIFICANT ASSUMPTIONS, LIMITATIONS, SOURCES AND ADOPTED PROCESSES TO COLLECT DATA

N/A

DESCRIPTION OF PERFORMANCE AGAINST DISCLOSED TARGET

N/A

DISCLOSURE OF HOW VALUE CHAIN WORKERS, THEIR LEGITIMATE REPRESENTATIVES OR CREDIBLE PROXIES WERE ENGAGED DIRECTLY IN SETTING TARGETS

Canyon engaged with internal experts for target setting. Insights from regular exchanges with suppliers and Canyon representatives based in Germany and Asia, who regularly visit the production locations of our partners, supported the process. Additionally, during the development of the corrective action plans, key insights are gained which feed into the target setting process. Reports from civil society were considered during the whole due diligence process as well.

DISCLOSURE OF HOW VALUE CHAIN WORKERS, THEIR LEGITIMATE REPRESENTATIVES OR CREDIBLE PROXIES WERE ENGAGED DIRECTLY IN TRACKING PERFORMANCE AGAINST TARGETS

N/A

DISCLOSURE OF HOW VALUE CHAIN WORKERS, THEIR LEGITIMATE REPRESENTATIVES OR CREDIBLE PROXIES WERE ENGAGED DIRECTLY IN IDENTIFYING LESSONS OR IMPROVEMENTS AS RESULT OF UNDERTAKING'S PERFORMANCE

N/A

7.4.3.6 Social Information:
Consumers and End-Users

7.4.3.6.1 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

ALL CONSUMERS AND END-USERS WHO CAN BE MATERIALLY IMPACTED BY UNDERTAKING ARE INCLUDED IN SCOPE OF DISCLOSURE UNDER ESRs 2

See Description of types of consumers and end-users subject to material impacts

DESCRIPTION OF TYPES OF CONSUMERS AND END-USERS SUBJECT TO MATERIAL IMPACTS

All impacts relate to all of Canyon's customers and are not specific to certain groups.

TYPE OF CONSUMERS AND END-USERS SUBJECT TO MATERIAL IMPACTS BY OWN OPERATIONS OR THROUGH VALUE CHAIN

All impacts relate to all of Canyon's customers and are not specific to certain groups.

MATERIAL NEGATIVE IMPACTS OCCURRENCE (CONSUMERS

AND END-USERS)

Potential loss of personal data in the event of a cyber incident

Due to the increasing risk of cyber incidents, such as data breaches or phishing attacks, customers face a higher likelihood of personal data loss. The exposure of sensitive information, including bank account or credit card details, can lead to identity theft or fraud. To protect customer data, Canyon relies on its Legal & Privacy Council and the IT-Security team and constant monitoring of potential impacts as well as legal developments.

DESCRIPTION OF ACTIVITIES THAT RESULT IN POSITIVE IMPACTS AND TYPES OF CONSUMERS AND END-USERS THAT ARE POSITIVELY AFFECTED OR COULD BE POSITIVELY AFFECTED

Empowering Canyon customers

Canyon supports the ability of its customers to repair and maintain their bikes independently, and apply self service to their purchases. Canyon provides a variety of information resources on its website www.canyon.com. Customers can access detailed repair instructions via brief instructional videos and comprehensive manuals. These resources are designed to support customers to independently repair, maintain, and assemble their bikes. The goal is to empower users with the necessary knowledge and tools to maintain their bikes safely and efficiently. Additionally, bike build and maintenance information is presented in an accessible format with clear and detailed descriptions. This information is made available to customers in multiple formats via the Canyon app, the Canyon.com support pages, and YouTube. All customer-specific information pertaining to compatible spare parts, accessories, and maintenance topics is also collated in the customer account section. This allows customers to access personalised product information using their bike's unique serial number, ensuring they have all the necessary details to maintain their bikes in the most effective way.

Improving customer services through traceability of information

Canyon recognises the importance of traceability of information about every part of each customer's bike for improving customer service, and identified this topic as a positive material impact. Canyon invests in increasing the traceability of customer information, resulting in clearer, more efficient processes related to the customer journey. Some of the benefits include faster problem identification followed by quick issue resolution. Transparent processes also make it easier to determine who can be held accountable in the event of an issue. This may be connected to the order process to identify the cause for delays, as well as identifying who might be responsible for other issues after delivery. Efficient follow-up procedures save time and reduce potential waiting times for Canyon's customers. Any improvement in the services Canyon provides for its customers enhances customer trust, helps build long-term customer relationships, and helps anticipate customer needs.

Customer safety and health benefits

Canyon actively promotes cycling as a means to improve the health of its customers. Regular cycling enhances cardiovascular health, increases physical fitness, and helps prevent chronic conditions such as obesity and heart disease. By offering a wide range of high-performance road, gravel, MTB and urban bikes, Canyon makes cycling accessible for a variety of needs and fitness levels. Canyon's commitment to innovation and ergonomic design ensures that its customers can ride comfortably and safely, encouraging a consistent, active lifestyle. Numerous independent studies show that riding a bike tends to

improve the health of the cyclist. Canyon advocates for cycling as a means of transportation and recreational activity through its membership of trade associations. To ensure that cyclists can ride a bike safely and benefit from the health benefits connected to cycling, Canyon has an assurance program in place as outlined below.

DISCLOSURE OF HOW UNDERSTANDING OF HOW CONSUMERS AND END-USERS WITH PARTICULAR CHARACTERISTICS, WORKING IN PARTICULAR CONTEXTS, OR UNDERTAKING PARTICULAR ACTIVITIES MAY BE AT GREATER RISK OF HARM HAS BEEN DEVELOPED

See Description of types of consumers and end-users subject to material impacts"

DISCLOSURE OF WHICH OF MATERIAL RISKS AND OPPORTUNITIES ARISING FROM IMPACTS AND DEPENDENCIES ON CONSUMERS AND END-USERS ARE IMPACTS ON SPECIFIC GROUPS

See Description of types of consumers and end-users subject to material impacts

7.4.3.6.2 POLICIES TO MANAGE MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO CONSUMERS AND END-USERS

POLICIES TO MANAGE MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO AFFECTED COMMUNITIES, INCLUDING SPECIFIC GROUPS OR ALL CONSUMERS / END-USERS

See Description of key contents of policy

DESCRIPTION OF KEY CONTENTS OF POLICY

Market and Consumer Insights Plan 2024

The Market and Consumer Insights Plan is a central policy for managing customer satisfaction and identifying customer needs, e.g. in relation to customer service. This policy is connected to two actual and positive material topics in the downstream value chain:

- Enabling customers to be less dependent on workshops by offering qualitative information for assembly, maintenance and other topics;
- Offer a better customer service through traceability of information on each specific part on each customer's bicycle.

Customer safety and health benefits

Safety, reliability, and functional testing requirements are clearly defined and validated for each bike to ensure a safe riding experience for cyclists. When riders have confidence in the safety of their bicycle, they are more likely to use it regularly, which contributes to improved physical fitness and overall health. Additionally, enhanced riding comfort encourages more frequent use, while a secure and reliable bicycle further motivates cyclists to ride longer and more often. This policy is connected to the positive actual and material health impact of riding a bike.

Data Protection Policy

To protect its customers' personal data, Canyon has implemented a comprehensive internal data protection policy, which provides detailed, step-by-step instructions on the actions to take in the event of data loss. This policy relates to the negative material impact of violation of customers rights due to the potential loss of personal data in a cyber incident.

Major Incident Guideline

This guideline sets out the steps and measures to take in the event of a major cyber incident. This policy relates as well to the negative material impact

of violation of customers rights due to the potential loss of personal data in a cyber incident.

DESCRIPTION OF SCOPE OF POLICY OR OF ITS EXCLUSIONS

Market and Consumer Insights Plan 2024

The concept combines several methods of analysing customer needs, such as research or feedback processes in order to better understand customer needs as well as identify customer trends. It serves as a confidential and internal tool to steer customer satisfaction and develop the Canyon net promoter score. The plan is updated yearly.

Customer safety and health benefits

Canyon's target setting process for quality and safety is integrated into the annual organisational planning. Quality targets are established across the entire company to ensure alignment with regulatory requirements and industry standards. The Standards & Requirements team is responsible for ensuring that all products comply with the relevant regulations and industry norms. For each bike, the applicable global standards and requirements are identified during the product evolution process. Compliance is then verified through rigorous testing and evaluation procedures, ensuring that all safety and quality benchmarks are met before the product reaches the market.

Data Protection Policy

According to this policy, every employee is required to contact the legal department within 72 hours to report any loss of data. Once reported, the case is promptly managed by our external Data Protection Officer. It is their responsibility to make sure that all necessary measures are taken to address any related issues and mitigate actual damages or the risk of damages. To prevent data breaches, we have implemented several key precautions. Our IT systems are monitored 24/7 in collaboration with an external SOC partner, ensuring continuous security oversight. Yearly penetration tests are conducted to identify and address vulnerabilities in our systems. Additionally, we have an Information Security Management System (ISMS) in place to manage and enhance our security processes. Our Information Security Risk Management framework is designed to identify, assess, treat, monitor, and report risks. The policy was last updated in 2023. The policy was last updated in 2023, and the next update is planned for 2025. Future updates will be made as needed to address important or relevant matters requiring adjustments.

Major Incident Guideline

The policy focuses on technical and organizational measures. The policy is updated annually and whenever important or relevant matters arise that require adjustments.

DESCRIPTION OF MOST SENIOR LEVEL IN ORGANISATION THAT IS ACCOUNTABLE FOR IMPLEMENTATION OF POLICY

Market and Consumer Insights Plan 2024

The Market and Consumer Insights Plan is managed by the Head of Market & Consumer Insights and overseen and monitored by the VP Customer Journey & Strategy.

Customer safety and health benefits

The Chief Operations Officer (COO) is responsible for the implementation and compliance with policies related to customer safety and health benefits within the organization.

Data Protection Policy

The implementation of the Data Protection Policy is overseen by the Global Director Legal, who is responsible for ensuring its effective execution within the organization.

Major Incident Guideline

The Chief Financial Officer (CFO) holds the responsibility for overseeing the implementation of the Major Incident Guideline within the organization.

DISCLOSURE OF THIRD-PARTY STANDARDS OR INITIATIVES THAT ARE RESPECTED THROUGH IMPLEMENTATION OF POLICY

N/A

DESCRIPTION OF CONSIDERATION GIVEN TO INTERESTS OF KEY STAKEHOLDERS IN SETTING POLICY

N/A

EXPLANATION OF HOW POLICY IS MADE AVAILABLE TO POTENTIALLY AFFECTED STAKEHOLDERS AND STAKEHOLDERS WHO NEED TO HELP IMPLEMENT IT

N/A

DESCRIPTION OF RELEVANT HUMAN RIGHTS POLICY COMMITMENTS RELEVANT TO CONSUMERS AND/OR END-USERS

There are no customer policies in place that include human rights policy commitments in relation to customers, or which address measures to provide or enable remedies for human rights impacts in relation to customers. Canyon's IRO assessment did not identify any human rights issues that could directly impact customers, apart from ensuring that bikes provided are fit for purpose through quality processes that meet or exceed legal requirements. Additionally, no other human rights topics were deemed material during the assessment.

DISCLOSURE OF GENERAL APPROACH IN RELATION TO RESPECT FOR HUMAN RIGHTS OF CONSUMERS AND END-USERS

See Description of relevant human rights policy commitments relevant to consumers and/or end-users

DISCLOSURE OF GENERAL APPROACH IN RELATION TO ENGAGEMENT WITH CONSUMERS AND/OR END-USERS

See Description of relevant human rights policy commitments relevant to consumers and/or end-users

DISCLOSURE OF GENERAL APPROACH IN RELATION TO MEASURES TO PROVIDE AND (OR) ENABLE REMEDY FOR HUMAN RIGHTS IMPACTS

See Description of relevant human rights policy commitments relevant to consumers and/or end-users

DESCRIPTION OF WHETHER AND HOW POLICIES ARE ALIGNED WITH RELEVANT INTERNATIONALLY RECOGNISED INSTRUMENTS

The above-mentioned policies are not fully aligned with internationally recognised instruments specifically relevant to consumers and/ or end-users, including United Nations Guiding Principles on Business and Human Rights. However, the Canyon Code of Ethics, which is applicable at a global level, outlines key human rights principles that all Canyon staff must adhere to, with the aim of protecting customers via Canyon's aligned standards.

In 2024, no cases of non-respect for human rights involving consumers have been reported in Canyon's downstream value chain.

DISCLOSURE OF EXTENT AND INDICATION OF NATURE OF CASES OF NON-RESPECT OF THE UN GUIDING PRINCIPLES

ON BUSINESS AND HUMAN RIGHTS, ILO DECLARATION ON FUNDAMENTAL PRINCIPLES AND RIGHTS AT WORK OR OECD GUIDELINES FOR MULTINATIONAL ENTERPRISES THAT INVOLVE CONSUMERS AND/OR END-USERS

See Description of whether and how policies are aligned with relevant internationally recognised instruments

7.4.3.6.3 PROCESSES FOR ENGAGING WITH CONSUMERS AND END-USERS ABOUT IMPACTS

DISCLOSURE OF HOW PERSPECTIVES OF CONSUMERS AND END-USERS INFORM DECISIONS OR ACTIVITIES AIMED AT MANAGING ACTUAL AND POTENTIAL IMPACTS

Empowering Canyon Customers and Improving Customer Service

Canyon provides its customers with tools and general processes in order to enable and assist them in the assembly and maintenance of their bikes. There are also processes to help improve customer service. This activity is connected to the following impacts: Enabling customers to be less dependent on workshops by offering qualitative information and offering a better customer service through traceability of information on each specific part on each customer's bicycle. Both positive impacts were assessed to be material in the downstream value chain.

Potential loss of personal data

When using the Canyon website, all customers are routinely asked for permission to share personal data via a cookie banner. Customers have the option to decline sharing their personal data, in which case their information is not tracked, according to GDPR regulations. Those who consent to tracking are asked to re-confirm their consent whenever they clear their browser history or after a prolonged period between site visits. This activity relates to the prevention of violation of customers rights due to the potential loss of personal data in a cyber incident, which was identified as a material impact in the downstream value chain.

Customer safety and health benefits

Canyon engages directly with customers during the purchasing process and events to promote cycling. At events, Canyon provides test bikes where potential or actual customers can share feedback. Canyon also gathers feedback from journalists during press camps. Canyon's own employees are engaged through different offers like Stadtradeln and Canyon group rides. This activity relates to the positive actual impact of riding a bike, which improves the health of the cyclist. The material impact is allocated in the downstream value chain.

ENGAGEMENT OCCURS WITH CONSUMERS AND END-USERS OR THEIR LEGITIMATE REPRESENTATIVES DIRECTLY, OR WITH CREDIBLE PROXIES

Empowering Canyon Customers and Improving Customer Service

See Disclosure of stage at which engagement occurs, type of engagement and frequency of engagement

Potential loss of personal data

See Disclosure of how perspectives of consumers and end-users inform decisions or activities aimed at managing actual and potential impacts

Customer safety and health benefits

See Disclosure of how perspectives of consumers and end-users inform decisions or activities aimed at managing actual and potential impacts

DISCLOSURE OF STAGE AT WHICH ENGAGEMENT OCCURS, TYPE OF ENGAGEMENT AND FREQUENCY OF ENGAGEMENT

Empowering Canyon Customers and Improving Customer Service

QUICK START GUIDE

Every Canyon bike comes with a Quick Start Guide with instructions for the initial set-up. These instructions describe the essential steps required to assemble the bike, thus enabling a quick and uncomplicated set-up. The Quick Start Guide is supplied with every bike as a hard-copy, and can also be accessed digitally using the supplied QR code.

Unboxing and Service Videos

Canyon provides unboxing and service videos on its website and YouTube channel. These videos guide users through the unboxing process and demonstrate essential maintenance tasks, offering a visual reference for those who prefer learning via video content.

User Manual

The user manual is supplied with every e-bike purchased and is available online for all other bikes as well as e-bikes. It contains detailed information on various aspects of the bike, including assembly instructions and maintenance advice. It covers both routine checks and more technical procedures, and serves as a comprehensive reference guide for Canyon owners.

Canyon App

The Canyon App offers step-by-step instructions for assembly and maintenance. It also provides reminders for scheduled maintenance tasks and includes access to a library of tutorials. The app serves as a resource for customers to access the relevant information they need for the upkeep of their bikes.

Exploded Drawings

Exploded drawings provide detailed diagrams that illustrate the arrangement and assembly of bike components. These drawings help to identify and understand how individual parts fit together, which is useful for diagnosing issues and guiding repairs. They serve as a reference for both customers and service agents to accurately address component-related problems.

Spare Parts Finder

The Spare Parts Finder is a tool designed to help customers locate and order specific replacement parts for their bikes. By entering the serial number and relevant specifications, customers can identify the exact parts they need, minimizing errors in parts selection. This tool streamlines the process of obtaining the correct components for repairs and maintenance.

Bike Garage

The Bike Garage feature allows customers to manage information about their bike's components and maintenance history. It provides a centralised system for recording details such as part specifications, purchase dates, and service records. This feature helps both customers and service agents access relevant information efficiently, supporting better informed maintenance and support decisions.

Customer Service and Service Agents

Canyon's customer service team is available to assist with any questions or issues. Customers can contact service agents via phone, email, or live chat. These agents are trained to provide support, including guidance on the assembly process and troubleshooting bike-related issues.

Canyon Factory Service

Canyon Factory Service (CFS) locations offer customers professional assembly and maintenance services. Customers can bring their bikes to these certified service centers for expert care and maintenance. Currently, Canyon operates CFS locations in several key regions, including Eindhoven (Netherlands), Tres Cantos near Madrid (Spain), Carlsbad (California, USA), and Rotselaar (Belgium). Through its expanding network of Canyon Factory Service locations, Canyon offers customers convenient local service options, ensuring high-quality support wherever they are. In addition to these dedicated centers, over 300 affiliated workshops worldwide further extend Canyon's service network, delivering expert maintenance and repairs at the local level.

Potential loss of personal data

See Disclosure of how perspectives of consumers and end-users inform decisions or activities aimed at managing actual and potential impacts

Customer safety and health benefits

See Disclosure of how perspectives of consumers and end-users inform decisions or activities aimed at managing actual and potential impacts

DISCLOSURE OF FUNCTION AND MOST SENIOR ROLE WITHIN UNDERTAKING THAT HAS OPERATIONAL RESPONSIBILITY FOR ENSURING THAT ENGAGEMENT HAPPENS AND THAT RESULTS INFORM UNDERTAKINGS APPROACH

Empowering Canyon Customers and Improving Customer Service

The Vice President Customer Journey & Strategy is responsible for the process of engaging with Canyon's customers.

Potential loss of personal data

The Chief Financial Officer (CFO) is responsible for overseeing and safeguarding personal data through robust processes and controls, ensuring compliance with data protection regulations and minimizing risks associated with data breaches.

Customer safety and health benefits

The Chief Operations Officer (COO) has the overarching responsibility for the implementation of measures that ensure customer safety and promote health-related benefits, aligning Canyon's products and services with the highest standards of user well-being.

DISCLOSURE OF HOW EFFECTIVENESS OF ENGAGEMENT WITH CONSUMERS AND END-USERS IS ASSESSED

Empowering Canyon Customers and Improving Customer Service

See Disclosure of stage at which engagement occurs, type of engagement and frequency of engagement

Potential loss of personal data

See Disclosure of how perspectives of consumers and end-users inform decisions or activities aimed at managing actual and potential impacts

CUSTOMER SAFETY AND HEALTH BENEFITS

See Disclosure of how perspectives of consumers and end-users inform decisions or activities aimed at managing actual and potential impacts

7.4.3.6.4 PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR CONSUMERS AND END-USERS TO RAISE CONCERNS

DISCLOSURE OF GENERAL APPROACH TO AND PROCESSES FOR PROVIDING OR CONTRIBUTING TO REMEDY WHERE UNDERTAKING HAS IDENTIFIED THAT IT CONNECTED WITH A MATERIAL NEGATIVE IMPACT ON CONSUMERS AND END-USERS

Privacy

The violation of customers rights due to the potential loss of personal data in a cyber incident was identified as negative material impact in the downstream value chain. The following approach was implemented as a remediation measure. Personal data protection and privacy

are subject to the General Data Protection Regulation (GDPR), which Canyon complies with. In particular, Canyon ensures compliance with Article 28 of the GDPR by entering into data processing agreements with every contractual partner. To further reinforce data protection measures, Canyon mandates that all employees complete annual data protection training to raise awareness and understanding of this critical topic. Additionally, Canyon has established a comprehensive data protection guideline that outlines the necessary steps employees must take in the event of a data protection incident, ensuring a swift and effective response to any potential breaches. In the event of a major incident, processes to remediate the loss of data or a breach of data privacy are included in the Canyon data protection guideline. The Canyon data protection guideline contains instructions on what employees must do in the event of a data breach.

DISCLOSURE OF SPECIFIC CHANNELS IN PLACE FOR CONSUMERS AND END-USERS TO RAISE CONCERNS OR NEEDS DIRECTLY WITH UNDERTAKING AND HAVE THEM ADDRESSED

Any concerns may be reported via the Speak Up platform (For further information, please refer to Governance information: Business Conduct). For data protection inquiries, customers are directed to the specific email address provided in Canyon's data protection statement. This email address (privacy@canyon.com) is prominently displayed on the Canyon website, ensuring customers are aware of how to address their data protection concerns.

DISCLOSURE OF PROCESSES THROUGH WHICH UNDERTAKING SUPPORTS OR REQUIRES AVAILABILITY OF CHANNELS

See Disclosure of specific channels in place for consumers and end-users to raise concerns or needs directly with undertaking and have them addressed

DISCLOSURE OF HOW ISSUES RAISED AND ADDRESSED ARE TRACKED AND MONITORED AND HOW EFFECTIVENESS OF CHANNELS IS ENSURED

See Disclosure of specific channels in place for consumers and end-users to raise concerns or needs directly with undertaking and have them addressed

DISCLOSURE OF HOW IT IS ASSESSED THAT CONSUMERS AND END-USERS ARE AWARE OF AND TRUST STRUCTURES OR PROCESSES AS WAY TO RAISE THEIR CONCERNS OR NEEDS AND HAVE THEM ADDRESSED

At present, Canyon does not assess the effectiveness of mechanisms that ensure consumers and end-users are aware of and trust the processes in place to raise their concerns or needs (E.g. Speak Up platform).

POLICIES REGARDING PROTECTION AGAINST RETALIATION FOR INDIVIDUALS THAT USE CHANNELS TO RAISE CONCERNS OR NEEDS ARE IN PLACE

See Disclosure of specific channels in place for consumers and end-users to raise concerns or needs directly with undertaking and have them addressed

7.4.3.6.5 ACTION PLANS AND RESOURCES TO MANAGE ITS MATERIAL IMPACTS, RISKS, AND OPPORTUNITIES RELATED TO CONSUMERS AND END-USERS

DISCLOSURE OF KEY ACTION

Below key actions relate to the respective material impacts disclosed in this standard in the section about processes for engaging with consumers and end-users about impacts.

Increased customer safety and health benefits

To secure a safe riding experience for cyclists, Canyon bikes comply with all relevant standards, including ASTM, CPSC, ISO 4210, DIN EN 14766, DIN EN 14781, and DIN EN 15194, which cover a wide range of safety and performance requirements. For example, the ASTM and CPSC standards are focused on ensuring product safety in the United States, while ISO 4210 sets international safety criteria for bicycles. DIN EN 14766 and DIN EN 14781 are specific to mountain bikes and racing bikes respectively, outlining rigorous requirements for strength, durability, and overall performance. DIN EN 15194 provides standards for electrically assisted bicycles, ensuring their safety and reliability.

In the development of new projects, Canyon Engineered Parts (CEP) undergo rigorous testing as formalised in the Canyon Testing Conditions (CTC), which not only meet but often exceed these established standards. This ensures that Canyon's products are not only compliant, but also excel in safety, durability, and performance.

During mass production, Canyon has established regular in-process inspections and end-of-line (EOL) checks both at its suppliers' facilities and within its own bike assembly processes. These quality control measures are designed to detect and address any deviations from Canyon's high standards as early as possible. Canyon also conducts ongoing requalification tests throughout the product lifecycle, ensuring that its products maintain consistent stability and safety during mass production.

This approach facilitates a safe riding experience for Canyon customers and thus supports the healthy lifestyle of cyclists as outlined above.

Potential loss of personal data in the event of a cyber incident

The scope of the Incident Response action is to enhance the organization's ability to detect, monitor, and respond to cyber incidents through 24/7 SOC coverage, refined response processes, and external assessments. The Application Security action focuses on identifying and addressing vulnerabilities in digital assets through penetration testing and secure coding training for software developers.

Continuously advancing customer service

Canyon systematically monitors the functionality and effectiveness of its Spare Parts Finder to enhance customer service and ensure access to necessary spare parts. Specifically, the company evaluates the proportion of queries for bicycles manufactured after 2015 that result in successful matches. This initiative is aimed at improving customer satisfaction by facilitating efficient access to spare parts, thereby supporting product longevity and usability. Canyon has set a target of achieving a 90% success rate for these queries, reflecting its commitment to measurable improvement and customer-oriented service.

DESCRIPTION OF SCOPE OF KEY ACTION

Increased customer safety and health benefits

Failure Mode and Effect Analysis: In 2023 and 2024, Canyon improved the structured approach used to assess potential risks in products, known as Failure Mode and Effect Analysis (FMEA). This method, which is widely used in industries such as aerospace and automotive, systematically identifies potential failure modes within a product and evaluates their impact, severity, and likelihood of occurrence. For example, in the context of bike development, FMEA helps to anticipate potential issues like component fatigue, material weaknesses, or design flaws that could lead to product failure. By identifying these risks early in the development process, proactive steps can be taken to mitigate them, thus ensuring that Canyon bikes meet the highest safety and performance standards.

Field Testing Process: In 2024 Canyon also improved the systematic field-testing process, which enables Canyon to collect statistically relevant data and gain valuable insights about new bike models before they enter production. This process involves real-world testing under various conditions to assess durability, performance, and user experience.

Through targeted initiatives, such as the "#MyCanyon" campaign, Canyon engages directly with the cycling community and motivates customers to share their cycling experiences, inspiring others to incorporate riding into their daily routines. Furthermore, Canyon supports its customers by integrating its products with leading indoor cycling and training platforms, enabling them to maintain their fitness when outdoor cycling is not possible. By offering virtual training environments and digital tools, Canyon helps its customers stay active year-round, enhancing the long-term health benefits of cycling and promoting a healthier lifestyle through consistent physical activity.

Potential loss of personal data in the event of a cyber incident

Incident Response: By June 2024, the Security Operations Centre (SOC) extended its logging and monitoring capabilities to 24/7 coverage. This included renewing and enhancing the incident response processes and actions to ensure full operational efficiency. Additionally, three external security assessments were completed by the end of 2024, covering the evaluation of incident detection and response capabilities, and providing actionable insights for ongoing improvements.

Application Security: By August 31, 2024, a penetration test for the Canyon web shop (canyon.com) was conducted, identifying vulnerabilities and leading to the implementation of at least seven security improvements. In parallel, a secure coding training program was completed for all software developers from various departments, achieving a 100% participation rate by the end of 2024. The training focused on enhancing secure coding practices, with all participants obtaining secure coding certification.

Continuously advancing customer service

Canyon systematically monitors the functionality and effectiveness of its Spare Parts Finder to enhance customer service and ensure access to necessary spare parts. Specifically, the company evaluates the proportion of queries for bicycles manufactured after 2015 that result in successful matches. This initiative is aimed at improving customer satisfaction by facilitating efficient access to spare parts, thereby supporting product longevity and usability. This initiative is an ongoing effort aimed at improving customer satisfaction by facilitating efficient access to spare parts, thereby supporting product longevity

and usability. Since no specific timeframe has been set for completion, this process continues on a continuous basis. Canyon has set a target of achieving a 90% success rate for these queries, reflecting its commitment to measurable improvement and customer-oriented service.

TIME HORIZON UNDER WHICH KEY ACTION IS TO BE COMPLETED

Increased customer safety and health benefits

See Description of scope of key action

Potential loss of personal data in the event of a cyber incident

See Description of scope of key action

Continuously advancing customer service

See Description of scope of key action

DESCRIPTION OF KEY ACTION TAKEN, AND ITS RESULTS, TO PROVIDE FOR AND COOPERATE IN OR SUPPORT PROVISION OF REMEDY FOR THOSE HARMED BY ACTUAL MATERIAL IMPACTS

N/A

DISCLOSURE OF QUANTITATIVE AND QUALITATIVE INFORMATION REGARDING PROGRESS OF ACTIONS OR ACTION PLANS DISCLOSED IN PRIOR PERIODS

N/A

DISCLOSURE OF THE TYPE OF CURRENT AND FUTURE FINANCIAL AND OTHER RESOURCES ALLOCATED TO THE ACTION PLAN

Operational expenditures (OPEX) and capital expenditures (CAPEX) are set to remain below the established financial threshold.

DESCRIPTION OF ACTION PLANNED OR UNDERWAY TO PREVENT, MITIGATE OR REMEDIATE MATERIAL NEGATIVE IMPACTS ON CONSUMERS AND END-USERS

See Disclosure of key action

See Description of scope of key action

DESCRIPTION OF ACTION TO PROVIDE OR ENABLE REMEDY IN RELATION TO AN ACTUAL MATERIAL IMPACT

See Disclosure of key action

See Description of scope of key action

DESCRIPTION OF ADDITIONAL INITIATIVES OR PROCESSES WITH PRIMARY PURPOSE OF DELIVERING POSITIVE IMPACTS FOR CONSUMERS AND END-USERS

See Disclosure of key action

See Description of scope of key action

DESCRIPTION OF HOW EFFECTIVENESS OF ACTIONS OR INITIATIVES IN DELIVERING OUTCOMES FOR CONSUMERS AND END-USERS IS TRACKED AND ASSESSED

The effectiveness of actions and initiatives for consumers and end-users is tracked through compliance with safety standards, rigorous testing processes (E.g., Canyon Testing Conditions, Failure Mode and Effect Analysis, and systematic field testing), and ongoing quality inspections during production. Cybersecurity measures, such as 24/7 monitoring, penetration testing, and secure coding training, are also assessed through external audits and continuous process improvements.

DESCRIPTION OF APPROACH TO IDENTIFYING WHAT ACTION IS NEEDED AND APPROPRIATE IN RESPONSE TO PARTICULAR

ACTUAL OR POTENTIAL MATERIAL NEGATIVE IMPACT ON CONSUMERS AND END-USERS

Canyon identifies appropriate actions to address the potential loss of personal data in the event of a cyber incident (For further information, please refer to General information, Material impacts, risks and opportunities and their interaction with strategy and business model) through 24/7 monitoring by the Security Operations Centre (SOC), yearly external security assessments, and penetration testing to detect vulnerabilities. Additionally, secure coding training for software developers ensures continuous improvement in application security. These measures enable Canyon to systematically evaluate and respond to this material negative impact.

DESCRIPTION OF APPROACH TO TAKING ACTION IN RELATION TO SPECIFIC MATERIAL IMPACTS ON CONSUMERS AND END-USERS

Canyon addresses specific material impacts on consumers and end-users (For further information, please refer to General information, Material impacts, risks and opportunities and their interaction with strategy and business model) by implementing comprehensive safety and quality measures, including adherence to international standards (e.g., ASTM, ISO 4210) and rigorous testing protocols such as Canyon Testing Conditions (CTC) and Failure Mode and Effect Analysis (FMEA). During production, regular in-process inspections and end-of-line checks ensure product integrity. Additionally, Canyon engages with customers through initiatives like the 'MyCanyon' campaign and provides digital tools for enhanced user experience. To safeguard consumer data, the company has established 24/7 cybersecurity monitoring, conducted penetration testing, and implemented secure coding practices.

DESCRIPTION OF APPROACH TO ENSURING THAT PROCESSES TO PROVIDE OR ENABLE REMEDY IN EVENT OF MATERIAL NEGATIVE IMPACTS ON CONSUMERS AND END-USERS ARE AVAILABLE AND EFFECTIVE IN THEIR IMPLEMENTATION AND OUTCOMES

In 2024, measures were implemented to ensure effective processes for addressing material negative impacts on consumers and end-users (For further information, please refer to General information, Material impacts, risks and opportunities and their interaction with strategy and business model). These included enhancing incident response processes through 24/7 monitoring by the Security Operations Centre (SOC), conducting external security assessments, and performing a penetration test of the web shop. Identified vulnerabilities were addressed with security improvements, and secure coding practices were strengthened through a training program with full participation and certification of all software developers.

DISCLOSURE OF HOW IT IS ENSURED THAT OWN PRACTICES DO NOT CAUSE OR CONTRIBUTE TO MATERIAL NEGATIVE IMPACTS ON CONSUMERS AND END-USERS

In the development of new projects, Canyon Engineered Parts (CEP) undergo rigorous testing as formalised in the Canyon Testing Conditions (CTC), which not only meet but often exceed these established standards. This ensures that Canyon's products are not only compliant, but also excel in safety, durability, and performance. During mass production, Canyon has established regular in-process inspections and end-of-line (EOL) checks both at its suppliers' facilities and within its own bike assembly processes. These quality control measures are designed to detect and address any deviations from Canyon's high standards as early as possible. Canyon also conducts ongoing requalification tests throughout the product lifecycle, ensuring that its products maintain consistent stability and safety during mass production. This approach facilitates a safe riding experience for Canyon customers and thus supports the healthy lifestyle of cyclists as outlined above.

DISCLOSURE OF SEVERE HUMAN RIGHTS ISSUES AND INCIDENTS CONNECTED TO CONSUMERS AND/OR END-USERS

In 2024, no cases of non-respect for human rights involving consumers have been reported in Canyon's downstream value chain.

DISCLOSURE OF RESOURCES ALLOCATED TO MANAGEMENT OF MATERIAL IMPACTS

Potential loss of personal data in the event of a cyber incident

Canyon has dedicated teams and processes in place to manage the risk of personal data loss from cyber incidents. The Legal & Privacy Counsel and the IT Security Team oversee the implementation of cybersecurity measures, monitor potential risks, and ensure compliance with data protection regulations. These efforts align with the requirements of the German Data Protection Act and include initiatives such as working toward certification under ISO 27001, the international standard for information security management systems.

Empowering Canyon Customers and Improving Customer Service

The Chief Operations Officer (COO), in collaboration with the Chief Digital Officer (CDO), holds overall responsibility for managing resources related to customer empowerment and improving customer services. This includes a wide range of teams, such as the Customer Service department, UX/UI Design, and the Connected department. Canyon allocates dedicated teams to enhance customer information traceability and develop customer-facing resources. These teams focus on improving processes throughout the customer journey, including the Canyon app, website, and instructional videos, which are produced in-house at the Canyon studio to ensure high-quality production standards. Efforts to improve traceability enable faster identification of issues, quicker resolutions, and enhanced accountability, especially in the event of delays or issues after delivery. Additionally, personalized product information—such as spare parts and maintenance instructions—can be accessed through customer accounts, linked to each bike's unique serial number.

Customer safety and health benefits

The management of resources related to customer safety and health benefits at Canyon Bicycles is driven by a cross-functional approach, with multiple departments working collaboratively to address these aspects. Teams from Customer Service, Marketing, Product Development, and Brand Management, among others, are involved in ensuring that Canyon's products meet the highest standards of safety and health benefits for customers. Canyon allocates resources to engage with customers throughout their purchasing journey, particularly during events where test bikes are made available for direct feedback. Insights are also gathered from journalists at press camps, which help Canyon refine its offerings based on both customer and industry feedback. These initiatives aim to enhance the safety and health benefits of cycling, ensuring that Canyon bicycles are designed to provide a safe and healthy experience for riders. Through the continuous collection of feedback and the development of educational resources, such as instructional videos and user manuals, Canyon works to improve the cycling experience. These efforts are part of Canyon's commitment to providing bikes that contribute to a safer, healthier lifestyle for all cyclists.

7.4.3.6.6 TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

DISCLOSURE OF HOW CONSUMERS AND END-USERS WERE ENGAGED DIRECTLY IN SETTING TARGETS

Canyon continuously monitors the satisfaction levels of customers who have recently purchased and received a Canyon bike using the Net Promoter Score (NPS).

Three weeks after bike delivery, customers world-wide are invited via email to evaluate their complete experience by answering the question: "How likely are you to recommend Canyon bicycles to a friend or colleague?" Responses are collected on a scale from 0 to 10. Customers rating 9-10 are categorised as "Promoters," those rating 7-8 as "Passives," and those rating 0-6 as "Detractors."

Passives and Detractors are invited to participate in a targeted survey designed to pinpoint the underlying reasons for their (partial) dissatisfaction. This survey allows them to address issues across the entire customer journey, including finding the right bike, payment options, delivery, self-assembly, product quality, and customer service.

Canyon uses this feedback to further enhance bikes and services.

DISCLOSURE OF HOW CONSUMERS AND END-USERS WERE ENGAGED DIRECTLY IN TRACKING PERFORMANCE AGAINST TARGETS

Canyon engages consumers and end-users in tracking performance against targets through direct feedback mechanisms. For instance, customer satisfaction is monitored using the Net Promoter Score (NPS), which provides insights into consumer experience and guides improvements. Additionally, the usage data from the Spare Parts Finder is tracked to evaluate the effectiveness of customer service for bikes built after 2015, aiming for a 90% return rate. These direct engagements allow Canyon to assess progress toward targets and make adjustments based on consumer input.

TARGET 1

RELATIONSHIP WITH POLICY OBJECTIVES

The internal Data Protection Policy for Canyon employees is a formalised framework for mitigating the risk of data loss through risk management and an increased application security.

Application Security

Security awareness is key element of application security and prioritized by providing yearly training to all employees, with a specific focus on software developers. Increased awareness about potential cyber security threats contributes to protecting customer rights related to the potential loss of personal data in a cyber incident. A relative target, measured as participation rate in offered trainings of Canyon employees at global level in offered training, was set for 2025: The training outlined above will be offered again twice in 2025 with changing contents, and a 100% participation rate in 2025 shall be reached. Data protection is a key topic for Canyon to guarantee a safe environment for customers, which is reflected in the 100% participation rate.

MEASURABLE TARGET

See Relationship with policy objectives

NATURE OF TARGET

See Relationship with policy objectives

DESCRIPTION OF SCOPE OF TARGET

See Relationship with policy objectives

BASLINE VALUE

0

BASLINE YEAR

2024

PERIOD TO WHICH TARGET APPLIES

See Relationship with policy objectives

DESCRIPTION OF METHODOLOGIES AND SIGNIFICANT ASSUMPTIONS USED TO DEFINE TARGET

See Relationship with policy objectives

DISCLOSURE OF WHETHER AND HOW STAKEHOLDERS HAVE BEEN INVOLVED IN TARGET SETTING

Targets were set by involving experts from IT-Security and the Consumer Insights Team.

TARGET 2

RELATIONSHIP WITH POLICY OBJECTIVES

ISO 27001 Certification Preparation

The Information Security Risk Management framework is designed to identify, assess, treat, monitor, and report risks. The implementation of an information security management system shall contribute to the protection of customer rights related to the potential loss of personal data in a cyber incident. A relative target measured as total number of relevant policies aligned with ISO 27001 Certification in relation to relevant policies that are not aligned at global company level was set accordingly. By the end of 2025, Canyon will review and update all security policies and processes to align with ISO 27001 certification standards. New processes and documentation will be developed in accordance with these standards to ensure compliance. This work will serve as preparation for achieving full ISO 27001 certification for Canyon's Information Security Management System (ISMS) by the end of 2026. The target was set as an initial key step to prepare for ISO 27001 certification.

MEASURABLE TARGET

See Relationship with policy objectives

NATURE OF TARGET

See Relationship with policy objectives

DESCRIPTION OF SCOPE OF TARGET

See Relationship with policy objectives

BASLINE VALUE

0

BASLINE YEAR

2024

PERIOD TO WHICH TARGET APPLIES

See Relationship with policy objectives

DESCRIPTION OF METHODOLOGIES AND SIGNIFICANT ASSUMPTIONS USED TO DEFINE TARGET

See Relationship with policy objectives

DISCLOSURE OF WHETHER AND HOW STAKEHOLDERS HAVE BEEN INVOLVED IN TARGET SETTING

Targets were set by involving experts from IT-Security and the Consumer Insights Team.

TARGET 3

RELATIONSHIP WITH POLICY OBJECTIVES

The Market and Consumer Insights Plan is a central policy for managing customer satisfaction and identifying customer needs, e.g. in relation to customer service. It serves as a confidential and internal tool to steer customer satisfaction and develop the Canyon net promoter score

Net Promoter Score (NPS)

The Net Promoter Score (NPS) serves as a tool to track and assess customer satisfaction, reflecting the positive impact of improvements. By providing customers with qualitative information for assembly, maintenance, and other topics, they become less dependent on workshops. Additionally, enhanced traceability of information for each specific part on their bicycle enables better customer service. These improvements contribute to a better overall customer experience, which is measured through the NPS. Key areas of customer satisfaction that are assessed through the NPS are product quality, self-assembly, delivery, customer service, product information, search and payment options. Canyon targets a 70 NPS. As customer satisfaction is a core element of Canyons overall business strategy, the target was set to reflect the ambition level of Canyon for customer satisfaction. The timeframe for this target is not specified yet. More detailed information can be found in the chapter on NPS.

MEASURABLE TARGET

See Relationship with policy objectives

NATURE OF TARGET

See Relationship with policy objectives

DESCRIPTION OF SCOPE OF TARGET

See Relationship with policy objectives

BASLINE VALUE

55

BASLINE YEAR

2023

PERIOD TO WHICH TARGET APPLIES

See Relationship with policy objectives

DESCRIPTION OF METHODOLOGIES AND SIGNIFICANT ASSUMPTIONS USED TO DEFINE TARGET

See Relationship with policy objectives

DISCLOSURE OF WHETHER AND HOW STAKEHOLDERS HAVE BEEN INVOLVED IN TARGET SETTING

Targets were set by involving experts from IT-Security and the Consumer Insights Team.

7.4.3.7 Governance Information: Business Conduct

7.4.3.7.1 ETHICAL CONDUCT OVERSIGHT

DISCLOSURE OF ROLE OF ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES RELATED TO BUSINESS CONDUCT

Canyon's governing body is composed of an Advisory Board, an Audit Committee and the Board of Directors. The Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) form the Board of Directors and are responsible for the overall and strategic management of Canyon. Further details regarding the roles and responsibilities of the

governing body are set out in the section General information, ESRS 2, which also provides information about the strategy of Canyon (Strategy, business model and value chain) and the management of impacts, risks and opportunities (Material impacts, risks and opportunities and their interaction with strategy and business model).

DISCLOSURE OF EXPERTISE OF ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES ON BUSINESS CONDUCT MATTERS

All members of Canyon's governing body have an international track record in leadership and management. Their diverse expertise at a global level relates to different industries, which reflect the spectrum of Canyon's operations and offering of products and services (For further information, please refer to General information, The role of the administrative, management and supervisory bodies).

7.4.3.7.2 BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE

DESCRIPTION OF THE MECHANISMS FOR IDENTIFYING, REPORTING AND INVESTIGATING CONCERNS ABOUT UNLAWFUL BEHAVIOUR OR BEHAVIOUR IN CONTRADICTION OF ITS CODE OF CONDUCT OR SIMILAR INTERNAL RULES

Canyon has adopted a set of codes and policies to ensure that employees and interest groups are aware of the company values as well as of legal requirements relevant to Canyon. Everyone who works with and for Canyon worldwide is required to comply with these fundamental principles, to familiarise themselves with Canyon's policies, adhere to mandatory guidelines and regulations in all cases, and speak up in the event of any potential or actual violations of our values and principles. In connection with the protection of whistleblowers, two Canyon policies are essential and aligned: the Environmental, Social and Governance Policy and the Speak Up Policy. Both policies are communicated across Canyon worldwide, and they are publicly accessible via the Canyon website at Canyon Codes and Policies (<https://www.canyon.com/en-de/about-content/compliance/codes-and-policies/>).

Environmental, Social, and Governance Policy

In the Environmental, Social and Governance Policy, Canyon expresses its commitment to corporate sustainability and ethical business practices. The objective of the policy is to connect both, and formalise how Canyon integrates its ESG policies and codes through structured governance in its core business strategy and key processes. In addition, based on this policy, Canyon encourages its own employees, business partners, or any potentially affected persons to report non-compliance with Canyon's policies.

Speak Up Policy

The Speak Up Policy provides details on how to make a report, the available reporting channels, the responsibilities, and the handling procedures. Canyon employees and external interest groups can report any actual or suspected cases of violations that are connected to Canyon activities via the web-based Speak Up platform while being granted full anonymity. Violations may include, for example, human rights or environmental law violations, criminal or administrative offences, violations of the Canyon Code of Ethics (read more about the Canyon Code of Ethics in Social information: Own workforce, ST), violations of product safety or consumer protection laws, or breaches of competition or antitrust laws, including anti-corruption as outlined in the Canyon Code of Conduct (Chapter 5.5 "Fighting corruption") etc.

The responsibility for the implementation and enforcement of these policies is headed by the

Global Director ESG, while the Chief Executive Officer (CEO) is responsible for monitoring the status of implementation and enforcement of the policies together with the Global Director ESG. The approval and review of policies in general has been assigned to the Advisory Board.

TIMETABLE FOR IMPLEMENTATION OF POLICIES ON PROTECTION OF WHISTLEBLOWERS

The implementation of policies regarding the protection of whistleblowers has been completed. This includes the Speak Up Policy and the Environmental, Social, and Governance Policy, which together provide a comprehensive framework to ensure that individuals can raise concerns confidentially and without fear of retaliation.

7.4.3.7.3 REPORTING ON BREACHES TO THE CODE OF CONDUCT

UNDERTAKING IS COMMITTED TO INVESTIGATE BUSINESS CONDUCT INCIDENTS PROMPTLY, INDEPENDENTLY AND OBJECTIVELY

Investigation, remedy, and effectiveness

Any report is to be handled by the ombudsperson in a timely manner within a defined, time-bound process. Canyon's ombudsperson will determine the responsible case manager and direct the report to the relevant Canyon Whistleblowing Officers. The assigned Whistleblowing Officer will conduct the investigation and establish the material facts in line with the applicable laws and regulations. This process may include documentation review, interviews, and data analysis. The duration of this investigation process will depend on each individual case and the whistleblower will be updated regularly on its status. Based on the conclusions of the investigation, if it is found that misconduct has occurred, actions will be proposed, and appropriate remedial measures implemented. Once the case is closed, final feedback is provided to the whistleblower. To assess the effectiveness of the processes, the procedure is reviewed at least once every year, and additionally on an ad hoc basis, if required. We also encourage whistleblowers to make improvement proposals via the Speak Up platform.

INFORMATION ABOUT POLICY FOR TRAINING WITHIN ORGANISATION ON BUSINESS CONDUCT

Information about the Speak Up platform is currently part of the Welcome Day for new employees in Germany. The plan to expand this introduction to the Welcome Days globally across all markets is scheduled for Q1 2025. Additionally, the grievance mechanism is part of the Canyon internal human rights training program, which also covers the Speak Up platform to raise awareness. (For further information, please refer to Social information: Workers in the Value Chain, Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action). As outlined below under actions, awareness raising for the Speak Up platform took place amongst Canyon's own workforce. New training for the Whistleblowing Officers and the ombudsperson is planned for 2025.

DISCLOSURE OF SAFEGUARDS FOR REPORTING IRREGULARITIES INCLUDING WHISTLEBLOWING PROTECTION

Mechanisms for the protection of Whistleblowers

Canyon has appointed an external, neutral and independent lawyer (ombudsperson) to advise on and manage any reported incidents, ensuring that all of them are addressed by the relevant Canyon Whistleblowing Officers. There are five Whistleblowing Officers at Canyon: the Global Legal Director, the Global ESG Director, the Vice President People, the Senior Director People, and the Human Rights Manager. All Whistleblowing Officers are entitled and

required to operate independently; they are not subject to any instructions from management in this function, and they ensure that case management aligns seamlessly with compliance needs. They also ensure confidentiality at all times. This is supported by the fact that all identity-related information is not processed on Canyon's IT-infrastructure but exclusively on servers belonging to the provider of the Speak Up platform. Only the Whistleblowing Officers, the ombudsperson and the employees of the platform provider have access to the whistleblowing data on the servers of the platform provider, with whom a data processing agreement pursuant to the General Data Protection Regulation has been concluded. Confidentiality is also ensured through secure electronic file management. These mechanisms ensure non-retaliation against whistleblowers in accordance with the applicable law transposing Directive (EU) 2019/1937.

For internal reports, Canyon's own employees can also approach their direct managers, who may be able to address their concern or redirect it to the appropriate person. In case this is inappropriate, or the employee does not feel comfortable approaching the corresponding manager, he or she can also approach any other company representative or manager. In accordance with Canyon company values and legal requirements, no form of retaliation against whistleblowers is allowed.

DESCRIPTION OF KEY CONTENTS OF POLICY

Canyon has adopted a set of codes and policies to ensure that employees and interest groups are aware of the company values as well as of legal requirements relevant to Canyon. Everyone who works with and for Canyon worldwide is required to comply with these fundamental principles, to familiarise themselves with Canyon's policies, adhere to mandatory guidelines and regulations in all cases, and speak up in the event of any potential or actual violations of our values and principles. In connection with the protection of whistleblowers, two Canyon policies are essential and aligned: the Environmental, Social and Governance Policy and the Speak Up Policy. Both policies are communicated across Canyon worldwide, and they are publicly accessible via the Canyon website at Canyon Codes and Policies. The monitoring of the policy is aligned with the process described in the Environmental, Social and Governance Policy. For further information, please refer to General information.

Potential whistleblowers could have a positive impact as they play a critical role in exposing wrongdoing in an organisation.

DESCRIPTION OF SCOPE OF POLICY OR OF ITS EXCLUSIONS

Environmental, Social, and Governance Policy

In the Environmental, Social and Governance Policy, Canyon expresses its commitment to corporate sustainability and ethical business practices. The objective of the policy is to connect both, and formalise how Canyon integrates its ESG policies and codes through structured governance in its core business strategy and key processes. In addition, based on this policy, Canyon encourages its own employees, business partners, or any potentially affected persons to report non-compliance with Canyon's policies. The policy is applicable for all Canyon ESG policies at global level.

Speak Up Policy

The Speak Up Policy provides details on how to make a report, the available reporting channels, the responsibilities, and the handling procedures. Canyon employees and external interest groups can report any actual or suspected cases of violations that are connected to Canyon activities via the

web-based Speak Up platform while being granted full anonymity. Violations may include, for example, human rights or environmental law violations, criminal or administrative offences, violations of the Canyon Code of Ethics (For further information, please refer to Social information: Own Workforce), violations of product safety or consumer protection laws, or breaches of competition or antitrust laws, including anti-corruption as outlined in the Canyon Code of Conduct (Chapter 5.5 "Fighting corruption") etc. The policy is applicable for all internal and external interest groups a global level.

DESCRIPTION OF MOST SENIOR LEVEL IN ORGANISATION THAT IS ACCOUNTABLE FOR IMPLEMENTATION OF POLICY

The responsibility for the implementation and enforcement of these policies is headed by the Global Director ESG, while the Chief Executive Officer (CEO) is responsible for monitoring the status of implementation and enforcement of the policies together with the Global Director ESG. The approval and review of policies in general has been assigned to the Advisory Board. For further information, please refer to General information.

DESCRIPTION OF CONSIDERATION GIVEN TO INTERESTS OF KEY STAKEHOLDERS IN SETTING POLICY

The policies were developed by internal stakeholders (mainly Legal- and ESG department members). During the development, interests of external stakeholders were indirectly considered by this group.

EXPLANATION OF HOW POLICY IS MADE AVAILABLE TO POTENTIALLY AFFECTED STAKEHOLDERS AND STAKEHOLDERS WHO NEED TO HELP IMPLEMENT IT

Both policies are communicated across Canyon worldwide and are publicly accessible via the Canyon website under Canyon Codes and Policies. Additionally, these policies are readily available to employees through the internal employee portal.

Canyon's Own Operations

One of the key challenges for the implementation of a grievance mechanism is to create trust in the process connected to the handling of any concerns raised. To increase the level of trust, the Speak Up platform was promoted by the Chief Group Development Officer (CGDO) during an all-hands meeting for employees based in Germany. The gathering was organized by the works council in January 2024. The aim was to raise awareness and increase trust of this mechanism amongst Canyon employees based in Germany. Globally, stickers with QR Codes linking to the Speak Up platform were distributed across Canyon's own operations to support and facilitate easy and confidential access to the tool.

Value Chain Workers

For workers in the value chain, questions about governmental and factory-based grievance mechanisms are embedded in the workers' sentiment survey, which is part of selected social audits performed in high-risk production locations by a third party. Concerning Canyon's own Speak Up platform, Canyon engaged with selected suppliers to increase accessibility for workers in the value chain. The respective workforce was informed about the existence of the platform and how to report any relevant concerns using visuals.

nism can be increased through the reduction of potential accessibility barriers. (e.g. review and alignment of available languages in the grievance mechanism in line with the needs of the most vulnerable groups).

- Canyon will evaluate the level of awareness of the grievance mechanism within the company at a global level using a survey in 2025/2026, and build on the results of the assessment in 2026/2027.
- Canyon will continue to engage with key suppliers in high-risk countries in 2025 to raise awareness of the Canyon Speak Up platform amongst workers in the value chain and thus further increase accessibility of the platform for potentially affected persons.

All actions contribute to increased accessibility of the Peak Up Platform at global level. Potential whistleblowers could have a positive impact as they play a critical role in exposing wrongdoing in an organisation.

DESCRIPTION OF SCOPE OF KEY ACTION

See Disclosure of key action

TIME HORIZON UNDER WHICH KEY ACTION IS TO BE COMPLETED

See Disclosure of key action

DESCRIPTION OF KEY ACTION TAKEN, AND ITS RESULTS, TO PROVIDE FOR AND COOPERATE IN OR SUPPORT PROVISION OF REMEDY FOR THOSE HARMED BY ACTUAL MATERIAL IMPACTS

No negative material impact identified (For further information, please refer to General information, Material impacts, risks and opportunities and their interaction with strategy and business model).

DISCLOSURE OF THE TYPE OF CURRENT AND FUTURE FINANCIAL AND OTHER RESOURCES ALLOCATED TO THE ACTION PLAN

Operational expenditures (OPEX) and capital expenditures (CAPEX) are set to remain below the established financial threshold.

ACTION

DISCLOSURE OF KEY ACTION

- In 2024, Canyon identified migrant workers as a most vulnerable group. In Q1 2025, the most vulnerable groups will be re-assessed at a global level, based on the social audit information from 2024. By re-assessing the most vulnerable groups, accessibility to the grievance mecha-