

Sustainability strategy of the STIEBEL ELTRON Group

Since 1924, STIEBEL ELTRON has combined the success factors of technological expertise, quality, innovation, reliability, and customer proximity. Today, the company is one of the world's market leading suppliers of technology products for building services and green tech. STIEBEL ELTRON is an internationally operating group in family ownership.

Our corporate goal is to develop, manufacture and distribute innovative, market-orientated, and energy-efficient high-quality products in an environmentally friendly and sustainable manner. In doing so, we pursue the claim "Comfort through Technology" and offer sustainable perspectives in the field of building technology. We are convinced that electricity is the energy source of the future. As a company, we are therefore setting the course for a sustainable future. We rely on green technologies instead of oil and gas and on environmental energy from air, water, and earth - which is available in unlimited supply.

STIEBEL ELTRON enhances the quality of life and investment security of its customers with electricity-based, future-proof, highly efficient solutions for the provision of space heating, space cooling, hot water, and ventilation in buildings. In addition to our corporate vision, we add the aspect of preserving the natural basis of life to our **sustainability vision**.

"STIEBEL ELTRON pursues the vision of a sustainable future that enables a decent life worldwide. With our products, we want to enable our customers to lead an environmentally friendly, sustainable, healthy, and comfortable life while preserving the natural basis of life for future generations."

To realize this vision, the STIEBEL ELTRON Group works on its **sustainability mission** every day:

"We owe it to future generations to contribute to climate protection and thus to sustainable development, not only with our products and solutions, but also in our own processes. We are therefore committed to incorporating ecological and social concerns into decision-making processes wherever this is compatible with technical and economic requirements."

Our approach

Climate change is the greatest challenge mankind faces and its consequences affect us all. STIEBEL ELTRON is therefore also called upon to implement ambitious measures to minimize the effects of climate change.

To tackle this challenge, STIEBEL ELTRON develops, produces, and sells products that make a positive contribution to climate protection. With our product portfolio, we consistently rely on electricity as a clean energy source. Our heat pumps and ventilation systems are future-proof heating and ventilation systems and reduce CO₂ emissions.

We offer our customers solutions for maximum comfort and at the same time give them the opportunity to contribute to climate protection. Our efficient products ensure significant reductions in energy consumption and CO₂ emissions in the building sector worldwide. In the heating sector in particular, our products are responsible for a significant contribution to CO₂ reduction: as one of the first companies in Germany, we entered into the development, production, and sale of heat pumps back in 1976 and are now one of the technology leaders in the field of environmentally friendly heating.

Criteria such as environmentally friendly materials, the use of materials with a low environmental impact, durability, reparability, modular design for easy replacement of parts and maximizing energy efficiency

are considered right from the development stage of our products. In addition to these ecological aspects, compliance with fair working conditions and ethical practices is considered.

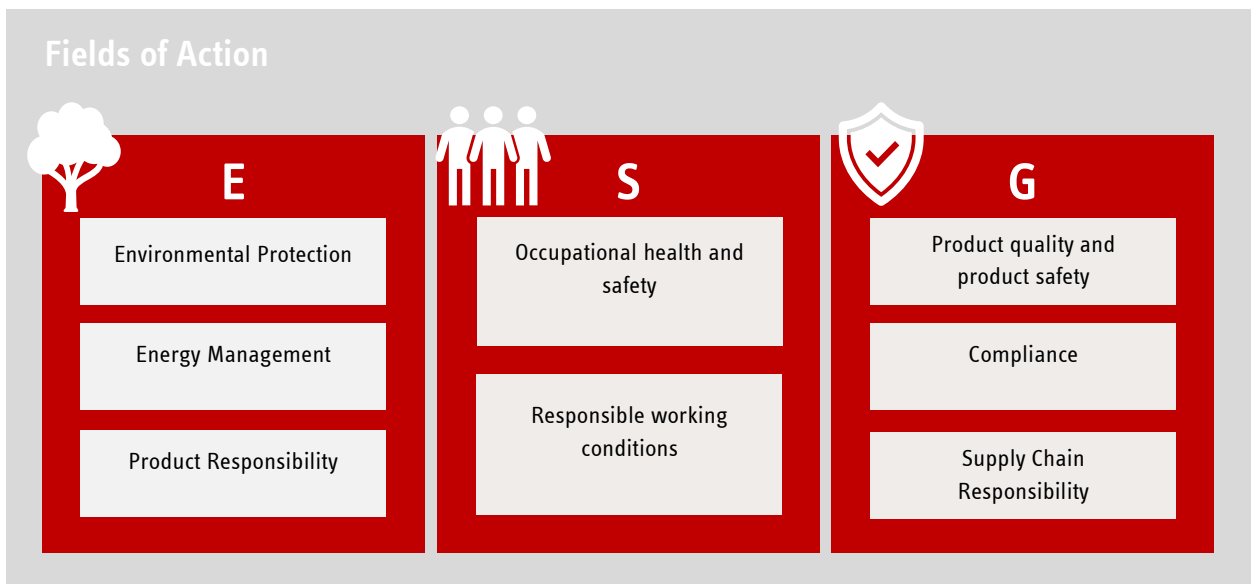
In addition to products that can contribute to climate protection, STIEBEL ELTRON is also dedicated to its own processes. On the one hand, the particularly high level of vertical integration ensures that the high-quality characteristics of our products are maintained. On the other hand, we reduce unnecessary transportation routes and have a direct influence on the quality and energy consumption in the production of our products.

To implement our mission and enable a more sustainable life, we have set ourselves goals within our fields of action that are to be achieved with the help of specific measures and projects in order to make our contribution visible and measurable. The STIEBEL ELTRON Group takes a location-based approach to this. Each subsidiary in the STIEBEL ELTRON Group is required to set its own sub-targets, develop measures, and implement them.

The individual fields of action, on the other hand, were derived from the Group-wide materiality analysis of the company. Based on an analysis of the company's context, eight fields of action were identified, which form the basis of the analysis. In 2023, the company carried out a double materiality assessment for the first time in order to identify both positive and negative impacts as well as opportunities and risks. The interests of the most important stakeholders were taken into account.

Within the scope of the fields of action, we have oriented ourselves to the three dimensions of sustainability - environment, social and governance - and assigned the individual topics accordingly.

Overview Fields of Action:



Sustainability targets

Our main group-wide target is to reduce emissions. In Germany, we have therefore defined the target of achieving climate neutrality on the balance sheet by 2040. In order to achieve this target, various sub-targets have been defined up to 2030. Due to our decentralised organisation, each location and subsidiary throughout the Group has defined its own climate targets that contribute to reducing emissions. There are also already defined social and governance targets. However, due to the decentralised structure of our company, it is also up to each location to set further targets in these areas if necessary.

The status of target achievement is regularly monitored in management reviews. Reporting to the management board takes place annually.

Sustainability measures and activities

Many measures have already been implemented to achieve the defined targets and further measures are being continuously developed. These include, for example:

- › Measures to save energy and emissions, e.g., reduction of CO₂ emissions in the infrastructure (reduction of pump energy, replacement of compressors, burner boilers, conversion to LED lighting) incl. energy data planning and recording (by area)
- › Measures to save energy through changes in behaviour, electricity consumption and compressed air consumption
- › Gradual switch to electricity-based and renewable systems (heating, ventilation)
- › Identification of compressed air leaks and elimination of leaks
- › Conversion of the vehicle fleet to electric engines
- › Development of products with a long service life and repairability
- › Measures to reduce the amount of plastic in packaging
- › Introduction of more environmentally friendly refrigerants and reduction of refrigerant quantities in products
- › Measures to save water, e.g., reduction of well water consumption
- › Continuous measures for correct waste separation

Further measures are developed, introduced, and tracked on an ongoing basis.

Basis of the strategy

The sustainability strategy helps STIEBEL ELTRON to view and manage sustainability performance in a more focused way, to anchor it and to implement it with the help of sustainability activities. STIEBEL ELTRON uses an established integrated management system as a basis and foundation. STIEBEL ELTRON GmbH & Co. KG has been certified to ISO 14001 and ISO 50001 since 2013. Certification to OHSAS 18001 and later ISO 45001 followed from 2014. Other companies and locations in the STIEBEL ELTRON Group are certified to ISO 14001.

The individual certificates can be found on the STIEBEL ELTRON website.

STIEBEL ELTRON also relies on policies and guidelines already implemented as part of its sustainability strategy:

- › Integrated management policy
- › Code of Conduct of the STIEBEL ELTRON Group
- › Code on human rights and working conditions of the STIEBEL ELTRON Group
- › Supplier Code of Conduct of the STIEBEL ELTRON Group
- › Guideline on sustainable procurement
- › Policy statement on the LkSG and risk analyses
- › Various other guidelines, procedural instructions, and work instructions in the areas of compliance, environmental and energy management as well as occupational health and safety

Rating by EcoVadis

In order to give our customers the opportunity to assess our sustainability performance through a recognized rating, STIEBEL ELTRON is certified once a year by the EcoVadis rating platform. EcoVadis analyses our sustainability performance in the areas of environment, labour and human rights, ethics and sustainable procurement.

Commitment to the UN Sustainability Development Goals



The 2030 Agenda, which was adopted by the member states of the United Nations in 2015, provides a comprehensive framework for the realization of a globally sustainable society. At its core, this framework comprises a total of 17 Sustainable Development Goals (SDGs) and 169 targets. The SDGs explicitly call on companies to face up to the challenges and responsibilities and to contribute to sustainable development with their solutions and business practices.

STIEBEL ELTRON is committed to this responsibility and is continuously working on further development to achieve the goals. Since we as a company cannot contribute to all 17 SDGs with our business processes and they are not all equally relevant to us, we have decided to focus on the SDGs where we as a company are already making a contribution to achieving the goals.

A total of seven SDGs were identified and prioritized, on which STIEBEL ELTRON has an influence through its business activities and would like to further develop its own contribution to achieving the goals:

- › SDG 4 (Quality education, e.g. sub-target 4.3)
- › SDG 5 (Gender equality, e.g. sub-target 5.1)
- › SDG 7 (Affordable and clean energy, e.g. sub-target 7.1)
- › SDG 9 (Industry, innovation, and infrastructure, e.g. sub-target 9.4)
- › SDG 10 (Reduced inequalities, e.g. sub-target 10.2)
- › SDG 12 (Responsible consumption and production, e.g. sub-target 12.5/12.6)
- › SDG 13 (Climate action, e.g. sub-target 13.2)

Further information on STIEBEL ELTRON's contribution to the SDGs can be found on our website.

UN Global Compact

The United Nation Global Compact (UNGC) is the world's largest initiative for sustainable corporate governance and aims to promote ten principles in the areas of human rights, labour, environmental protection, and anti-corruption.

STIEBEL ELTRON has long been guided by the principles of the UN Global Compact. We plan to officially join the UNGC in the financial year 2025. We are therefore committed to promoting the implementation of the ten principles and making our contribution to the fulfilment of the principles as well as publishing a progress report every year.

Responsibility

The sustainability strategy has been adopted by the management of the STIEBEL ELTRON Group. The Management Board and all managers are responsible for fulfilling this strategy. The strategy is communicated to employees and regular training is provided on the topic of sustainability.

The STIEBEL ELTRON Group's sustainability management is responsible for controlling the targets and measures. It reports to the management board. In addition to the sustainability management, the sustainability team consisting of the specialist departments and the local sustainability teams implements the sustainability strategy operationally.

This sustainability strategy is applied worldwide within the STIEBEL ELTRON Group and is available on the STIEBEL ELTRON website.

From the financial year 2025, sustainability information will be reported within the STIEBEL ELTRON Group management report.

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