

STIEBEL ELTRON is committed 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 realising a globally sustainable society. This framework essentially 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. As 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 those SDGs where we as a company are already making a contribution to achieving the goals. To do this, we used contextualisation based on our materiality assessment to determine the impact of our business activities. Based on our value chain, we were able to identify and assess our most significant social and environmental impacts. We identified both positive impacts that we can increase and negative impacts that we can minimise through our business activities.

A total of seven SDGs were identified and prioritised, 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. targets 4.3 and 4.4)
- › SDG 5 (Gender Equality, e.g. target 5.1 and 5.5)
- › SDG 7 (Affordable and Clean Energy, e.g. targets 7.1 and 7.3)
- › SDG 9 (Industry, Innovation, and Infrastructure, e.g. target 9.4)
- › SDG 10 (Reduced Inequalities, e.g. target 10.2)
- › SDG 12 (Responsible Consumption and Production, e.g. targets 12.5 and 12.6)
- › SDG 13 (Climate Action, e.g. target 13.2)

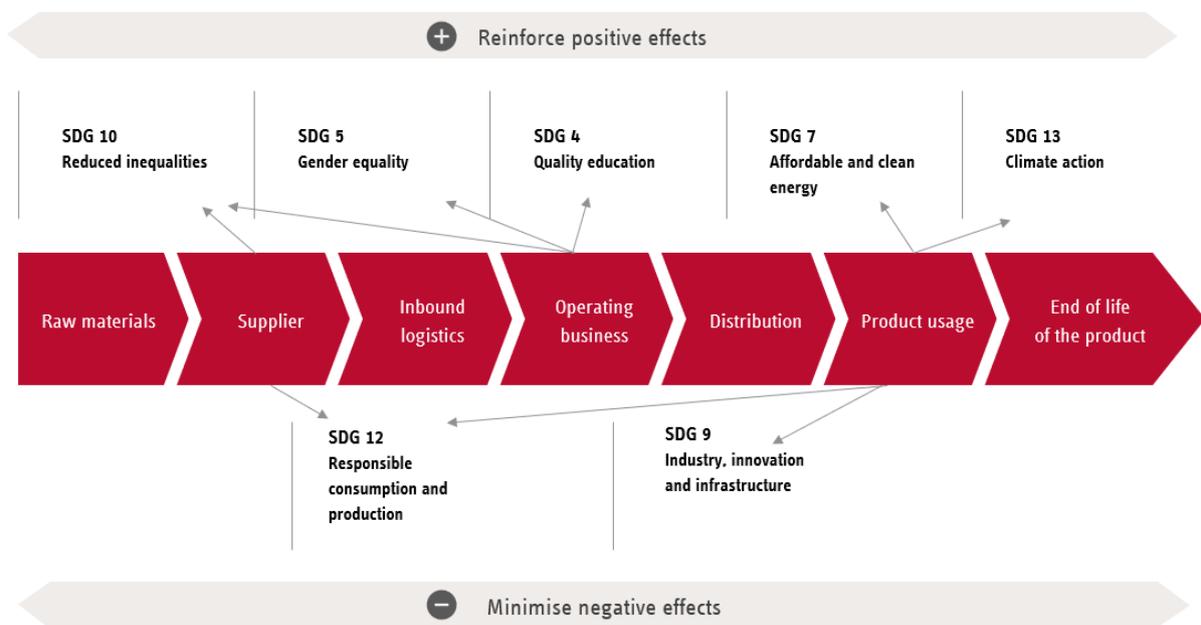


Figure 1: Prioritized SDGs along our value chain

Quality Education

Challenge:

SDG 4 calls for equal access for all to high-quality technical and vocational education and training and higher education.



Our contribution: The STIEBEL ELTRON Group offers all employees (of all genders) equal access to high-quality technical and vocational training, including university education. Training at STIEBEL ELTRON has been a high priority for decades. During an excellent apprenticeship, our trainees and dual students work on exciting projects and benefit from the prospect of being taken on. All employees worldwide also have the opportunity to further their professional and personal development. In total, STIEBEL ELTRON offers eleven different apprenticeships and seven different dual study programs in Germany, for example at the Holzminden and Eschwege sites.

Through targeted training measures for all employees, we promote the skills and motivation of our employees to think and act in a customer- and quality-orientated manner as well as in an environmentally and energy-conscious way. The content of the STIEBEL ELTRON Group's training programs is systematically adapted to legal and regulatory developments and customized to specific target groups – for example, through e-learning modules, classroom training or workshops, which are supplemented with practical examples.

Particular emphasis is placed on individuals in sensitive positions or with functions-at-risk, for whom additional measures are provided to raise awareness of compliance risks. To ensure quality and effectiveness, participation rates are documented, feedback mechanisms are established, and regular internal audits are conducted. Continuous review helps to adapt the training concept to meet requirements and ensure its contribution to strengthening a responsible corporate culture.

In addition to professional expertise, we also promote the personal development of our employees. We stand for an open error culture and give our employees room for creativity and the realisation of their own ideas.

In the area of personnel development, STIEBEL ELTRON's high-potential programme is aimed at all employees who would like to take on management tasks within the company. This programme prepares managers and junior managers for taking on a new senior management role. The programme is structured in such a way that candidates are prepared individually and together with other participants in a targeted manner for their new role.

At management level, our "Lean & Leadership" management development programme teaches methods for improving processes together with your team, making wastage visible and eliminating it, as well as tackling cross-divisional improvement measures. The aim is to focus on value creation and increasing efficiency.

Employees in production are trained in the area of group work. Group work equips employees with responsibilities and competences for their group task so that additional tasks and responsibilities can be taken on.

Further details – for example, on training hours completed, and on the coverage of high-risk functions by training programs – are provided in our Sustainability Report in the chapter ESRS S1 – Own workforce (S1-13).

STIEBEL ELTRON therefore prioritises the positive effects on SDG 4, in particular targets 4.3 and 4.4, and thus contributes to a well-trained skilled workforce. Educational opportunities through training and skills development strengthen society but also promote motivation and open up career opportunities.

Gender Equality & Reduced Inequalities



Challenge:

SDG 5 calls for an end to all discrimination against women and girls and for unrestricted access to economic and natural resources regardless of gender. It is about equal participation and equal opportunities for women, including in the context of taking on leadership roles. In addition, the core objective of SDG 10 is to

promote self-determination and equal opportunities for all people, regardless of age, gender, disability, ethnicity, origin, religion, or other differences.

Our contribution: The STIEBEL ELTRON Group does not tolerate discrimination against its employees. No one may be disadvantaged, favoured, or harassed on the basis of characteristics such as gender, skin colour, religion, nationality, political or other convictions, ethnic origin, disability, age, sexual orientation, or any other legally protected characteristics. As part of our diversity strategy, we actively promote diversity within the company and an open, inclusive corporate culture.

The equal treatment of all employees is a fundamental principle of our company policy.

The STIEBEL ELTRON Code of Conduct is a uniform code of conduct applicable throughout the company, which is intended to provide employees with guidance on ethical conduct in their daily activities. These guidelines are based on the applicable legal provisions and the requirements for our actions. Compliance

with the Code of Conduct is strictly monitored internally and, as far as possible, extended to the company's suppliers by requiring them to make corresponding commitments.

In addition to the Code of Conduct, the Code for Human Rights and Working Conditions explains how our company promotes human rights and good working conditions. STIEBEL ELTRON is clearly committed to preventing human rights violations. Our commitment focuses on areas where we as a company can exert influence, thereby complementing the obligations of states and sovereign institutions to protect human rights. Human rights are universal, inalienable and indivisible rights that guarantee dignity and equality.

The management, together with all executives, staff and employees, undertakes to implement and comply with legal, regulatory and other binding obligations, as well as other relevant rules and standards.

In order to investigate reports of violations within or by the company in a timely, fair and appropriate manner, STIEBEL ELTRON has set up several reporting channels, including an anonymous whistleblower system (EQS Integrity Line), which is open to employees and external stakeholders and allows confidential reporting of potential violations.

Next to its own business activities, the STIEBEL ELTRON Group also prioritizes the topic of discrimination and equal rights in its supply chain. In our Supplier Code of Conduct, we describe our approach to human and labor rights, forced and child labor, discrimination, occupational health and safety, and other requirements for our suppliers, particularly with regard to workers in the value chain.

In our sustainability report, we report annually on relevant incidents, complaints and serious impacts related to human rights, including cases of discrimination, which are also recorded and explained. Specific details can be found in the ESRS S1 – Own Workforce (S1-17) section of the report. Further, we create additional visibility through transparent reporting on gender equality. In the Sustainability Report, we present the gender distribution at management level and across the entire workforce. Employees are also reported by contract type and gender across the group. This information is explained in detail in the ESRS S1 – Own Workforce particularly in chapters S1-6 and S1-9.

Regardless of gender, STIEBEL ELTRON supports employees on their way to management levels. This is based on qualifications and suitability. In addition to a high-potential programme, STIEBEL ELTRON offers a management development programme that is open to all genders on an equal basis. STIEBEL ELTRON thus makes a positive contribution to the achievement of goal 5 and 10, in particular targets 5.1, 5.5 and 10.2, thus enabling equal opportunities for all.

Affordable and Clean Energy



Challenge:

The challenge of SDG 7 is to give people access to affordable, reliable, and modern energy.

Our contribution: The STIEBEL ELTRON Group believes in the future of electricity from renewable energies and therefore in the success of the energy transition. Electricity from the sun, wind and hydropower is energy that will still be available to us the day

after tomorrow. With intelligent green building technology, STIEBEL ELTRON ensures independence, investment security and thus a sustainable future for its customers. We work every day to provide our customers with energy-efficient heat pumps and ventilation systems through more than 120 sales organisations and representatives worldwide.

At STIEBEL ELTRON, various factors are already taken into account when developing our products: environmentally friendly materials¹, durability, reparability, modular design for easy replacement of

¹ Testing of materials with consideration for environmental protection: Wherever possible, no use of toxic, water-polluting, or bioaccumulative substances, as well as testing for health hazards and use of materials with low CO2 emissions.

parts, maximising energy efficiency and ensuring compliance with fair working conditions and ethical practices. Our product portfolio is characterised by a strong focus on renewable energy, innovative future technologies, and a contribution to reducing CO₂ emissions. Our products are in the top efficiency classes in terms of energy efficiency. In future, we plan to record the product carbon footprint (PCF) for each of our products. Starting from the financial year 2025, PCFs will first be created for new heat pumps and then for existing products. This approach enables a detailed assessment and minimization of environmental impacts at every stage of the product cycle. In addition to PCFs, we also carry out life cycle assessments (LCA) as part of environmental product declarations (EPD), thereby taking further environmental criteria into account for our products.

We prioritise the positive effects of SDG 7, as our products enable us to increase the proportion of the population that primarily uses clean energy sources for heat generation and ventilation and as the energy efficiency of our products is constantly increasing (SDG 7, e.g. targets 7.1 and 7.3).

Industry, Innovation and Infrastructure & Responsible Consumption and Production



Challenge:

SDG 9 is aimed at sustainable and resilient infrastructures and industries. The goal calls on industries to establish sustainable processes and utilise resources and clean technologies efficiently. SDG 12 also aims to change the way we do business. This is specifically about both consumption and production, which must

take place within planetary boundaries. It is about reorganising value creation patterns, the circular economy and sustainable supply chains as well as responsible waste management. Companies should also be encouraged to report on their sustainability information.

Our contribution: STIEBEL ELTRON has set itself the goal of reducing a significant proportion of greenhouse gas emissions from its own business activities by 2030 and achieving climate neutrality on the balance sheet in Germany by 2040. To achieve this, STIEBEL ELTRON is implementing various energy efficiency measures and increasingly using cleaner and more environmentally friendly technologies. The company's own production processes are being upgraded. For this purpose, targets and measures have been developed to make its own processes more sustainable and resource efficient. Our Integrated Management System (IMS) provides the basis for these resource conservation initiatives.

STIEBEL ELTRON is certified according to ISO 9001, ISO 14001, ISO 50001, and ISO 45001. The ISO 14001 and ISO 50001 certifications in particular ensure that environmental and energy requirements are met in our production. In addition to our main location in Holzminden, our location in Eschwege and our international production sites in Thailand, Sweden and Slovakia are also ISO 14001 certified.

In order to reduce our own emissions in production, we are continuously optimizing our production processes. This includes investments in modern, energy-efficient technologies such as the renewal and replacement of burners and compressed air generation and treatment systems, as well as the reduction of pump energy.

The switch to LED lighting and projects to reduce and eliminate compressed air leaks also contribute to improved energy efficiency.

The conversion of building and hall heating to 100% renewable energy sources is planned for all newly constructed storage and production halls at our main plants in Holzminden, Eschwege, Poprad and Tianjin. The plant in Arvika is already heated by its own heat pumps. Parts of the factory in Freudenberg are also heated by heat pumps.

Furthermore, there are additional defined sub-targets with corresponding timeframes, such as converting company vehicles to electric vehicles or purchasing renewable electricity, with the amount to be increased gradually.

Since the 2024 financial year, we have been systematically recording our group-wide energy consumption and using this data to calculate our CO₂ emissions. In doing so, we adhere to internationally recognized standards such as the Greenhouse Gas Protocol (GHGP). We have published detailed information on group-wide energy consumption and energy mix in our sustainability report. Relevant key figures and defined targets in connection to climate change can be found in the Sustainability Report (Chapter E1).

At STIEBEL ELTRON, the issue of recycling is also reflected in our choice of suppliers, the durability and repairability of our products, and the issue of recycling and waste management. We incorporate environmental and social concerns into our decision-making processes wherever this is compatible with technical and economic requirements. In this way, we reduce our negative impact on both our products and our own operations. We see the circular economy as a holistic concept and are continuously working towards our goal of creating material cycles wherever possible in order to reduce our ecological footprint along the entire value chain.

Further information on our concepts relating to the circular economy can be found in the sustainability report in chapter E5-1.

In this way, STIEBEL ELTRON will contribute in particular to environmental goals 9.4, 12.5 and 12.6.

Climate Action



Challenge:

At its core, SDG 13 deals with both climate protection and adaptation to the consequences of climate change. Climate protection measures should be included in planning and strategies so that a reduction in greenhouse gas emissions is driven forward to mitigate climate change.

Our contribution: Our corporate vision has always been to enable an environmentally friendly and comfortable life. The future is electricity from renewable energies. 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. STIEBEL ELTRON remains an independent family business through sustainable business practices.

We provide our customers with solutions that offer the highest level of comfort while enabling them to make a contribution to climate protection. Our mission is therefore "To make a significant contribution to the worldwide diffusion of highly efficient, electricity-based home technology products". Our efficient products have the potential to significantly reduce energy consumption and CO₂ emissions in the global building sector, especially in the heating sector: We were one of the first companies in Germany to start developing, manufacturing, and selling heat pumps back in 1976 and are now one of the technology leaders in the field of environmentally friendly heating. Climate change is the greatest challenge facing humanity and its consequences affect us all. STIEBEL ELTRON is therefore committed to implementing ambitious measures to minimise the effects of climate change, including in its own production. This is being implemented through targeted approaches such as increasing energy efficiency in production, developing energy-efficient and lower-carbon products, and expanding the use of renewable energies and our own heat pump technologies, enabling us to make an effective contribution to climate protection. For the first time, the sustainability report includes a complete inventory of Scope 1 and Scope 2 greenhouse gas emissions; the data obtained serves as a basis for deriving further reduction measures for energy consumption and CO₂ emissions.

To give concrete form to our climate-related ambitions, we will draw up a transition plan for climate protection in line with the requirements of the ESRS from the 2026 financial year onwards, setting out how

we will adapt our long-term business strategies, processes and investments to the necessary transformation path. All climate-related information is explained in the Sustainability Report in Chapter 2 under 'Climate Change [ESRS E1]'.

We are therefore making a positive contribution to achieving SDG 13, in particular target 13.2.

Our business and products contribute to climate-friendly and sustainable development. However, we also recognise that we must work every day to increase the positive effects and reduce the negative effects.