

STIEBEL ELTRON is committed to the UN Sustainable Development Goals

The 2030 Agenda, adopted by the Member States of the United Nations in 2015, provides a comprehensive framework for achieving sustainable development¹ worldwide. This framework comprises 17 Sustainable Development Goals (SDGs) and 169 associated targets. The SDGs explicitly call on companies to address these challenges and responsibilities and to contribute to sustainable development through their solutions and business practices.



STIEBEL ELTRON acknowledges this responsibility and continuously works on further developing its processes and measures in relation to these goals. As a company, we cannot contribute equally to all 17 SDGs through our business processes, nor are they all equally relevant to us. We therefore chose to focus on the SDGs for which we identified relevant links based on our materiality assessment. To this end, and with the help of contextualization based on our materiality assessment, we analyzed the impacts of our business activities. Along our value chain, we identified and assessed our material social and environmental impacts. This included both impacts where we see potential for improvement and impacts where measures to limit negative effects are relevant.

¹ Based on the definition in the Brundtland Report (1987).

Overall, seven SDGs were identified and prioritized to which STIEBEL ELTRON has found links in connection with its economic activities and for which the company intends to further develop its measures:

- SDG 4 (Quality Education, e.g. Targets 4.3 and 4.4)
- SDG 5 (Gender Equality, e.g. Targets 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)

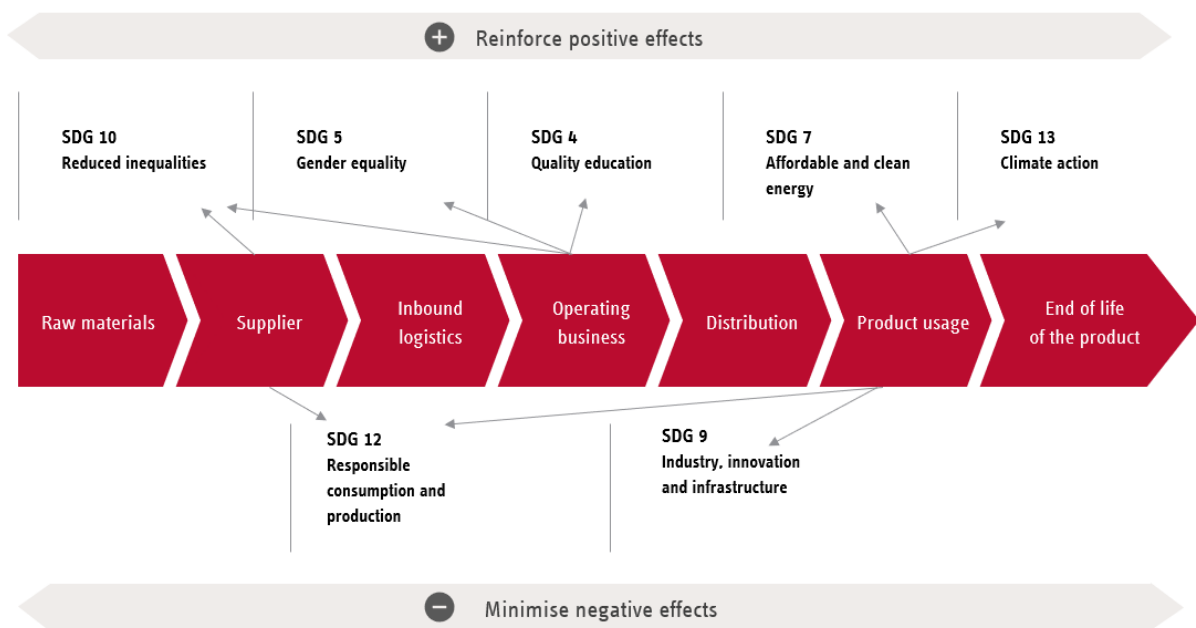


Figure 1: Prioritized SDGs along our value chain

Quality Education



Challenge:

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

Our contribution: The STIEBEL ELTRON Group provides employees with access to technical and vocational education and training opportunities as well as, where offered, dual-study or university qualification pathways.

Training has held a high priority at STIEBEL ELTRON for decades. During their training, our apprentices and dual-study students work on practical projects. Employees at various locations also have opportunities for professional and personal development. Overall, STIEBEL ELTRON offers, for example, eleven different vocational training occupations and seven dual-study programmes in Germany at the Holzminden and Eschwege sites.

Through targeted training measures for all employees, we promote the competence and motivation of our employees toward customer- and quality-oriented as well as environmentally and energy-conscious thinking and action.

The content of these training programmes within the STIEBEL ELTRON Group is systematically adapted to legal and regulatory developments and prepared for specific target groups—for example through e-learning modules, in-person training or workshops supplemented with practical examples.

A particular focus is placed on persons in sensitive or risk-prone functions, 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 carried out. Ongoing review ensures that the training program is continuously adapted to meet evolving needs and helps foster a culture of responsibility within the organization.

In addition to technical skills, 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 implementation of their own ideas.

In the area of personnel development, STIEBEL ELTRON addresses all employees who wish to take on leadership responsibilities in the company through its talent development programme. This prepares managers and emerging leaders to assume a new, higher-level leadership role. The programme is designed so that candidates are prepared for the new task individually and together with other participants.

At management level, we use the “Lean & Leadership” management development programme to teach methods for improving processes together with their teams, making waste visible and eliminating it, and also addressing cross-functional improvement measures. The goal is to focus on value creation and increase efficiency.

Employees in production are trained in group work. Group work equips employees with responsibilities and competencies for their group tasks, enabling them to take on additional duties and responsibility.

Further explanations—for example on training hours offered and completed, as well as on the coverage of risk-prone functions by training programmes—are presented in our sustainability report in the chapter ESRS S1 – Own Workforce (S1-13).

STIEBEL ELTRON assigns its measures and programmes in particular to SDG 4 and Targets 4.3 and 4.4. Through training, education and further development opportunities as well as competence development, the company supports the qualification and professional development of employees.

Gender Equality & Reduced Inequalities



Challenge:

SDG 5 calls for ending 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 assumption of 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 has established rules and processes intended to counter discrimination. 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 other legally protected characteristics. As part of the diversity strategy, measures are implemented to promote diversity and an inclusive corporate culture.

Equal treatment of all employees is a fundamental principle of our corporate policy.

STIEBEL ELTRON's Code of Conduct forms a uniform company-wide code of behaviour that provides employees with guidance for ethical conduct. It is based on applicable legal requirements and our own expectations for responsible behaviour. Compliance with it is strictly monitored and, where possible, extended to the company's suppliers through the requirement of corresponding commitments.

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

The Management Board, as well as all managers, employees and workers, is committed to implementing and complying with legal, regulatory and other binding obligations as well as other relevant rules and standards.

To investigate indications of violations in or by the company in a timely, fair and appropriate manner, STIEBEL ELTRON has established several reporting channels, including an anonymous whistleblower system (EQS Integrity Line), which is open to employees as well as external stakeholders and allows the confidential reporting of potential breaches of rules.

In addition to its own business activities, the STIEBEL ELTRON Group also prioritizes the issues of discrimination and equality in the supply chain. In the Supplier Code of Conduct, we describe our approach to human and labour rights, forced and child labour, discrimination, occupational health and safety, as well as further 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 severe human-rights-related impacts; cases of discrimination are also recorded and explained there. Specific information can be found in the chapter ESRS S1 – Own Workforce (S1-17). In addition, our transparent reporting on gender equality creates further visibility. In the sustainability report, we present the gender distribution at management levels and across the overall workforce. Employees are also reported on a group-wide basis by contract type and gender. These disclosures are explained in detail in the chapter ESRS S1 – Own Workforce, particularly in sections S1-6 and S1-9.

Regardless of gender, female and male employees at STIEBEL ELTRON are supported on their path into leadership levels. This support is based on qualifications and suitability. In addition to a talent development programme, STIEBEL ELTRON offers a management development programme that is equally accessible to all genders. In this way, STIEBEL ELTRON describes measures that can be assigned to Goals 5 and 10 and Targets 5.1, 5.5 and 10.2 and that are aimed at equal opportunities within the company.

Affordable and Clean Energy



Challenge:

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

Our contribution: The STIEBEL ELTRON Group focuses on electricity-based solutions in the building sector and links this with the expectation that the expansion of renewable energies is relevant for the energy transition. From today's perspective, electricity from the sun, wind and hydropower is a key component of future energy supply systems. STIEBEL ELTRON offers its

customers solutions for heating, ventilation and hot water. We work to provide our customers with products in high efficiency classes².

At STIEBEL ELTRON, various factors are already considered during product development: selected materials, durability, reparability, modular design for easy replacement of parts, design features aimed at improving energy efficiency, and supplier-related requirements concerning labour and human rights. Our product portfolio comprises products for electricity-based applications in buildings; depending on the context of use, these can contribute to reducing greenhouse gas emissions compared with certain conventional solutions. High efficiency classes are stated for many products. In the future, we plan to determine the Product Carbon Footprint (PCF) for each of our products. Starting in financial year 2025, PCFs will initially be prepared for new heat pumps and subsequently for existing products. This approach is intended to support a more detailed assessment of environmental impacts along the product cycle. In addition to the PCF, we also prepare life cycle assessments (LCA) as part of EPDs (Environmental Product Declarations), thereby considering further environmental criteria of our products.

We assign our products and activities to SDG 7 because they are geared toward applications in heating, ventilation and hot water using electricity-based technologies and because many products achieve high efficiency classes (SDG 7, e.g. Targets 7.1 and 7.3).

Industry, Innovation and Infrastructure & Responsible Consumption and Production



Challenge:

SDG 9 aims at sustainable and resilient infrastructure and industries. The goal calls on industries to establish sustainable processes and to use resources and clean technologies efficiently. SDG 12 likewise aims to transform the way economies operate. Specifically, it addresses both consumption and production, which

must take place within planetary boundaries. It is about transforming value creation patterns, the circular economy and sustainable supply chains, as well as handling waste responsibly. Companies are also encouraged to report on their sustainability information.

Our contribution: STIEBEL ELTRON has formulated the goal of reducing part of its greenhouse gas emissions within its own operations by 2030. To this end, STIEBEL ELTRON implements various measures to improve energy efficiency and increasingly uses technologies that, compared with previous solutions, may have lower environmental impacts.

Targets and measures have been developed to further improve production processes and reduce the use of resources. The basis of these initiatives is our Integrated Management System (IMS). STIEBEL ELTRON is certified according to ISO 9001, ISO 14001, ISO 50001 and ISO 45001. Through certification to ISO 14001 and ISO 50001, the company documents structured management approaches in the areas of environment and energy within production. In addition to the main site in Holzminden, Eschwege as well as the production sites in Thailand, Sweden and Slovakia are also certified to ISO 14001.

To reduce our own emissions in production, we continuously optimize our production processes. This includes investments in modern technologies such as the renewal and replacement of burners, compressed-air generation and treatment systems, as well as the reduction of pump energy. Where applicable, these measures also aim to reduce energy use.

The switch to LED lighting and projects to reduce and eliminate compressed-air leakages is intended to reduce energy consumption.

² The energy efficiency classes can be found in the technical specifications and ErP product data sheets on the STIEBEL ELTRON website.

The conversion of building and hall heating to renewable energy sources is envisaged for newly constructed warehouse and production halls in Holzminden, Eschwege, Poprad and Tianjin. The plant in Arvika is already heated by its own heat pumps. Parts of the plant in Freudenberg are also heated by heat pumps.

There are also sub-targets with defined time frames, for example regarding the conversion of company vehicles to electric drives or the purchase of electricity from renewable sources, the share of which is to be increased gradually.

Since financial year 2024, we have been systematically recording our Group-wide energy consumption and calculating our CO₂ emissions on that basis. In doing so, we follow internationally recognized standards such as the Greenhouse Gas Protocol. In our sustainability report, we have published detailed information on Group-wide energy consumption and the energy mix. Relevant key figures and defined climate-related targets can be found in the sustainability report (Chapter E1).

The topic of circular economy is also reflected at STIEBEL ELTRON, starting with the selection of suppliers, the durability and repairability of our products, through to recycling and waste handling. Environmental and social concerns are taken into account in decision-making processes where this is compatible with technical and economic requirements. In this way, we address both product-related and operational environmental impacts within our own business area. Circular economy is understood within the company as a holistic concept; material cycles are to be further developed wherever possible in order to reduce environmental impacts along the value chain.

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

STIEBEL ELTRON assigns the measures described above in particular to environmental targets 9.4, 12.5 and 12.6.

Climate Action



Challenge:

At its core, SDG 13 addresses both climate action and adaptation to the consequences of climate change. Climate action measures are to be incorporated into planning and strategies so that the reduction of greenhouse gas emissions to mitigate climate change is advanced.

Our contribution: The company vision describes the aim of providing comfortable solutions for buildings while promoting the use of electricity-based technologies. STIEBEL ELTRON offers its customers electricity-based solutions for providing space heating, space cooling, hot water and ventilation in buildings.

We offer our customers electricity-based solutions. The company's goal is to help promote the adoption of electric home automation products. Depending on the application, the solutions which have proven efficiency ratings can help reduce energy consumption and greenhouse gas emissions in the building sector.

STIEBEL ELTRON has been active in the development, production and distribution of heat pumps since 1976. Climate change is a central global challenge. STIEBEL ELTRON therefore also implements measures within its own production to reduce energy consumption and emissions. This is achieved, among other things, through measures to improve energy efficiency in production, the development of products with stated efficiency classes and products with potentially lower greenhouse gas impacts compared with previous solutions, as well as the expanded use of renewable energies and our own heat pump technologies. For the first time, the full Scope 1 and Scope 2 greenhouse gas emissions were recorded in the sustainability report; the data obtained serve as a basis for deriving further reduction measures for energy consumption and CO₂ emissions.

To further specify our climate-related planning, and in line with the requirements of the ESRS, a climate transition plan is to be prepared from financial year 2026 onward. This plan is intended to explain how long-term business strategies, processes and investments can be aligned with a transformation pathway. Climate-related information is explained in the sustainability report in Chapter 2 under “Climate Change [ESRS E1]”.

We assign the measures described above to SDG 13, in particular Target 13.2.

Through our business activities and our products, we can contribute to sustainable development, although the actual impacts depend on the specific context and implementation. At the same time, we are aware that we must continue working every day to further develop measures and reduce negative impacts.