STIEBEL ELTRON

Comfort through technology – working together for a future worth living

Sustainability Report 2024 of the STIEBEL ELTRON-Group

Content

Introduction – Sustainability at STIEBEL ELTRON

Sustainability is more than a strategic goal for the STIEBEL ELTRON Group (hereinafter "STIEBEL ELTRON") – it is part of our identity and our daily actions. As a leading provider of solutions for efficient and futureproof building services, we acknowledge our responsibility to the environment, society, and future generations. Our ambition is to develop technologies that consistently meet the highest quality standards while delivering measurable contributions to the global energy transition. We are convinced that electricity is the energy source of the future. With our products, 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 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 our vision, STIEBEL ELTRON 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."

In the 2024 fiscal year, a sustainability strategy was published for the first time as a complement to the corporate strategy. The definition of a sustainability vision and mission, along with strategic action fields including goals and measures, enables a focused approach to managing sustainability performance and facilitates the implementation of further sustainability initiatives.

In the same fiscal year, we also published our commitment to the United Nations Sustainable Development Goals (SDGs). STIEBEL ELTRON acknowledges this responsibility and continuously works on further development to achieve these goals.

Our sustainability strategy and our commitment to the SDGs can be downloaded from the STIEBEL ELTRON website.

As outlined in our sustainability strategy, we are publishing the first voluntary Sustainability Report of the STIEBEL ELTRON Group with this document. The report documents our progress, challenges, and ambitions on the path toward a climate-friendly future. It demonstrates how we align ecological, social, and economic aspects–from resource-efficient product development and fair working conditions to transparent supply chains.

10 production facilities

5000+ employees worldwide

37 subsidiaries in 26 countries

Chapter 1 – General Information [ESRS 2]

General basis for preparation of the sustainability statement [BP-1]

This sustainability report has been prepared with reference to the European Sustainability Reporting Standards (ESRS) framework.

The report is structured into the chapters “General information,” “Environmental information,” “Social information,” and “Governance information.” These chapters include the disclosures required by the ESRS as well as information identified as material based on the double materiality assessment. In this report, we outline how we address significant positive and negative impacts, as well as how we manage key risks and opportunities for the following ESRS topical standards:

- E1- Climate change
- E2- Pollution
- E5- Resource use and circular economy
- S1- Own workforce
- S2- Workers in the value chain
- S4- Consumers and end-users
- G1- Business conduct

For the preparation of this report, the “Corrigendum to Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council with sustainability reporting standards,” as published in the official journal of the European Union on 9 August 2024, was used.

This sustainability report has been prepared on a consolidated basis and includes all consolidated subsidiaries of the STIEBEL ELTRON Group. Unless otherwise stated, quantitative data refers to the full consolidation scope as defined in the 2024 annual financial statement.

The reporting period covers the 2024 fiscal year from January 1, 2024, to December 31, 2024. All relevant data available up to August 31, 2025, have been considered.

In preparing this sustainability report, we have considered both our own operations and, where possible, the upstream and downstream value chain. Information relating to the value chain can be found particular in chapters E1, E5, as well as S2 and S4.

In preparing the sustainability statement, we did not make use of the option to omit specific information relating to intellectual property, know-how or the results of innovation.

Disclosures in relation to specific circumstances [BP-2]

Disclosure in relation to time horizons

The information in this sustainability report that relate to time horizons are based on the requirements set out in ESRS 6.4.

- **Short term**: the period adopted by the undertaking as the reporting period in its financial statements;
  → in this case: 1 year
- **Medium term:** from the end of the short-term reporting period up to five years → in this case: 1 to ≤ 5 years
- **Long term:** more than 5 years → in this case: > 5 years

Other Information

STIEBEL ELTRON is not legally required to publish a sustainability report. This voluntary sustainability report has not been externally audited. A German translation of this report is also available; in the event of discrepancies, the German version validates.

To enhance the readability and without any intent of discrimination, only the masculine form is used throughout this report. It is intended to represent all genders and does not imply any discriminatory intent.

The role of the administrative, management and supervisory bodies [GOV-1], as well as information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies [GOV-2]

The management board of the STIEBEL ELTRON Group in the 2024 fiscal year consisted of the following members:

- Dr. Kai Schiefelbein (Chief Executive Officer)
- Heinz Werner Schmidt (Chief Sales Officer)

The supervisory board in the 2024 fiscal year consisted of the following members:

- Dr. Ulrich Stiebel, Industrial Engineer, Obergünzburg (Chairman)
- Lars Roßner, Lawyer Partner of BUSE Rechtsanwälte Steuerberater PartG mbB, Düsseldorf
- Detlef Neuhaus, Graduate Engineer, Managing Partner of SOLARWATT GmbH, Dresden
  (until 31.12.2024)
- Frank Stiebel, Architect, Managing Director of STIEBEL ELTRON USA Inc., Florence/USA (until 07.05.2024)
- Dr. Martin Weger, Lawyer, Frankfurt am Main (until 29.05.2024).

The sustainability management informs the supervisory board of the STIEBEL ELTRON Group once a year about ongoing and planned sustainability activities. Thus, the supervisory board fulfils its oversight of impacts, risks, and opportunities. Regular reporting covers strategies, risks, targets, and actions.

Integration of sustainability-related performance in incentive schemes [GOV-3]

The STIEBEL ELTRON Group does not have any sustainability-related incentive and remuneration systems for members of the administrative, management and supervisory bodies.

Statement on due diligence [GOV-4]

Core elements of due diligence	Paragraphs in the sustainability statement
a) Embedding due diligence in governance, strategy and business model	ESRS GOV 2 – information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies; ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 SBM-2 – Interests and views of stakeholders
c) Identifying and assessing adverse impacts	ESRS IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model
d) Taking actions to address those adverse impacts	Concepts for addressing substantial sustainability matters, including measures in the relevant sections
e) Tracking the effectiveness of these efforts and communicating	Concepts for addressing substantial sustainability matters, including targets in the relevant stories

30, 32, AR 8- AR 10: Overview of how and where the application of key aspects and steps of the due diligence process is reflected in the sustainability statement

Risk management and internal controls over sustainability reporting [GOV-5]

The annual sustainability reporting process is coordinated by the sustainability management team. Group-wide collection of ESRS data is carried out using a software-based system. The data is reviewed for completeness, plausibility and consistency.

At site level, data is collected, and the following controls are carried out:

- The data-collector ensures that the data is accurate, complete, and auditable for future verification.
- The data-validator reviews the entered data and approves it at site level.

At group level, the data is analyzed, consolidated and checked for plausibility. Starting from the 2025 financial year, a plausibility check within the software is planned. If the reported values deviate by more than 10% compared to the previous year, the data provider must enter a comment in the system explaining the reason for the deviation from the last reporting year. All qualitative information is collected across the group and systematically integrated into the reporting process. A review is carried out within the respective departments. The final report is approved by the executive management as part of the management review.

Strategy, business model and value chain [SBM-1]

In 1924, Dr. Theodor Stiebel founded the company "ELTRON" in Berlin, laying the foundation for today's STIEBEL ELTRON Group, which has developed over the past decades into a medium-sized, internationally oriented manufacturer of heating, air conditioning, and ventilation technology. We are an internationally active, family-owned group with around 5,000 employees worldwide. There are a total of 37 companies in 26 countries. Annual sales in 2024 amounted to around 941 million euros.

Our groups headquarter is located in Holzminden, Lower Saxony, Germany. This is not only home to our global administrative and sales organization, but also to our production site for electric water heaters and heating appliances, as well as systems and equipment for utilizing renewable energies. In Germany, we also operate a plant in Eschwege, Hessen, for the manufacture of instantaneous water heaters, small water heaters, domestic hot water appliances, hand dryers, and thermoplastic components for all STIEBEL ELTRON appliances. We also operate production facilities in Freudenberg, Höxter, and Hameln. Abroad, we manufacture at plants in Arvika (Sweden), Poprad (Slovakia), Ayutthaya (Thailand), Tianjin (China), and West Hatfield (USA).

Today's core business focuses on the development, manufacture, and marketing of efficient products and services for space heating, space cooling, hot water, and ventilation in buildings, largely based on renewable energies. The products are marketed globally under the core brand STIEBEL ELTRON and regionally under the brands Thermia, AEG, tecalor, and Proxon.

We pursue a clear strategy and are driving forward the energy transition: renewable electricity is the driving force behind our products. The group of companies has a continuous value chain worldwide – from research and development to production, sales, and customer service.

Interests and views of stakeholders [SBM-2]

An open and continuous dialogue with our stakeholders is of great importance for our daily work and our strategic orientation. As an industrial company with global responsibility, we recognize that sustainable business practices can only succeed in close cooperation with our stakeholders. These include our employees, customers, suppliers, and business partners, the Supervisory Board, the Works Council, local communities, politicians and authorities, investors and banks, associations, academia, and nature as a silent stakeholder.

Our goal in dealing with stakeholders is to identify their expectations, requests, and perspectives at an early stage and integrate them into our decision-making processes. Direct dialogue helps us build and maintain trust and identify risks early on.

We rely on a variety of dialogue formats tailored to the respective stakeholder groups.

Material impacts, risks and opportunities and their interaction with strategy and business model [SBM-3]

A list of the respective positive and negative impacts, risks, and opportunities, as well as information relating to the strategy and business model, is provided at the beginning of each topic-specific section.

Description	Position in the value chain	Time horizon	Impact, risk or opportunity
E1 – Climate Change (*)			
Contribution to climate change through the release of greenhouse gases from the use of fossil fuels within our own business operations for production purposes.	Own operations	1 year – short term	Impact (negative)
Upstream and downstream activities, such as the purchase of raw materials, components, and finished goods, as well as logistics to the customer (transport routes), cause emissions.	Along the value chain	1 year – short term	Impact (negative)
Enabling CO_2-neutral building heating using heat pumps in our own business area.	Own operations	1 year – short term	Impact (positive)
Energy-efficient products: Low energy consumption during the usage phase of STIEBEL ELTRON products with high efficiency classes.	Downstream	1 year – short term	Impact (positive)
Impact on production due to government/legal requirements (e.g., expansion of production, especially heat pump production).	Own operations	2-5 years – middle term	Opportunity /Risk
E5 - Resource use and circular economy			
Generation of waste from production processes (hazardous and non-hazardous waste) within our own operations, as well as non-recyclable components in our product packaging and products, may lead to negative environmental impacts in case of landfilling, incineration or improper disposal.	Along the value chain	1 year – short term	Impact (positive)
As a manufacturer, STIEBEL ELTRON can directly influence the durability and reparability of its products (influence on product development) and thus has a positive impact on the environment by conserving resources.	Own operations	2-5 years – medium term	Impact (positive)
Resale of returned refurbished devices (B-stock) with the aim of not scrapping devices but returning them to the market.	Own operations	1 year – medium term	Opportunity
Failure to comply with legal requirements and/or subsidy conditions may result in revenue losses (e.g., housing cooperatives require the installation of sustainable products).	Own operations	1 year – short term	Risk
Sales and distribution bans (e.g., the use of certain refrigerants) may lead to market restrictions.	Own operations	2-5 years – medium term	Risk
The competitive advantage of sustainable products may lead to increased sales by fulfilling subsidy conditions (heating systems).	Own operations	1 year – short term	Opportunity
S1 - Own workforce			
Stagnation in the area of employee development may lead to a loss of motivation among employees.	Own operations	2-5 years – medium term	Impact (negative)
Poor working conditions, such as excessively long working hours or a lack of occupational safety measures, may lead to health issues or accidents at work for employees.	Own operations	1 year – short term	Impact (negative)
Restrictions on freedom of association, co-determination, or social dialogue can lead to violations of employees' rights (increased health and safety risks, discriminatory practices, etc.).	Own operations	1 year – short term	Impact (negative)
Non-compliance with data protection laws results in the violation of the personal rights of the affected individual (Art. 2 GG).	Own operations	1 year – short term	Impact (negative)
Supporting work-life balance (sports activities, flexible working, health services, etc.) has a positive impact on employees' health.	Own operations	2-5 years – medium term	Impact (positive)
Training and development measures promote motivation and open career opportunities (promotion and career opportunities).	Own operations	1 year – short term	Impact (positive)
Collective agreements and collective bargaining coverage can help to ensure the availability of skilled employees.	Own operations	1 year – short term	Opportunity

Description	Position in the value chain	Time horizon	Impact, risk or opportunity
S2 - Workers in the value chain			
There may be a risk of child labor or forced labor in the extraction of raw materials (in the upstream value chain).	Upstream	1 year – short term	Impact (negative)
Risk of poor working conditions in the value chain (pay, safety, working hours, discrimination, health hazards, etc.).	Upstream	1 year – short term	Impact (negative)
Failure to comply with legal requirements and corresponding due diligence obligations (e.g., within the framework of the LkSG) could indirectly support critical business models of suppliers (human rights violations).	Upstream	1 year – short term	Impact (negative)
The dissemination of environmental and safety standards, e.g., by defining certain environmental requirements and occupational safety standards for suppliers (direct suppliers) embedded in purchasing framework agreements, onboarding processes, or supplier codes of conduct, may have a positive impact on workers in the value chain.	Along the value chain	1 year – short term	Impact (positive)
S4 – Consumers and end-users			
Potential health risks due to refrigerant leakage from defective refrigeration circuits (e.g., fire hazard).	Downstream	1 year – short term	Impact (negative)
Non-compliance with data protection laws results in the violation of the personal rights of consumers and end-users.	Downstream	1 year – short term	Impact (negative)
Switching to competitors if customers are dissatisfied (e.g., due to excessively long response times).	Downstream	1 year – short term	Risk
Customer loyalty among our qualified contractors and wholesalers contributes to revenue growth.	Downstream	2-5 years – medium term	Opportunity
G1 - Business conduct			
The negative effects of corruption, such as procurement bans, blacklisting and claims for damages, put the company at risk.	Along the value chain	2-5 years – medium term	Impact (negative)
In the event of compliance violations, operations may be shut down.	Own operations	1 year – short term	Risk

46, 48 Overview of material risks and opportunities, including their allocation within the value chain and the associated time horizons

(*) Climate risks will be included in the climate risk analysis from the 2026 financial year onwards.

Description of the process to identify and assess material impacts, risks and opportunities [IRO-1]

The objective of the double materiality assessment is to identify sustainability matters that are material for STIEBEL ELTRON. Sustainability matters are considered material if they either have significant positive or negative impacts on the environment and people (inside-out perspective, impact materiality) or if they give rise to risks and opportunities affecting business performance, financial position and development (outside-in perspective, financial materiality).

The materiality assessment is reviewed annually and approved by the management. In the financial year 2023, the company conducted its first double materiality assessment to identify positive and negative impacts as well as related risks and opportunities. The approval of the materiality assessment was granted by the management in the financial year 2024.

The first step of the materiality assessment consisted in defining the organizational context. This was based on an understanding of STIEBEL ELTRON's activities, business model and business relationships, including its upstream and downstream value chain, as well as on the definition of the stakeholder engagement strategy and its integration into the materiality assessment. The aim of this step is to ensure a comprehensive understanding of the organizational context in order to gather all relevant insights required for conducting the IRO assessment.

The analysis at STIEBEL ELTRON was therefore based on the following foundation:

- Analysis of the business plan, corporate strategy and financial statements
- Analysis of activities, products/services and geographical locations of operations
- Depiction of business relationships and the upstream and downstream value chain (nature and characteristics of business relationships)
- Legal and regulatory considerations
- Media reports
- Benchmarking

In the second step, the stakeholder engagement strategy was defined and established. An analysis of existing stakeholder engagement practices was carried out. Based on these insights, a list of key stakeholders affected by the company's activities across the entire value chain was identified. These stakeholders may be impacted either positively or negatively by the company's activities. The stakeholders were classified, as described in ESRS 1 section 3.1, into "affected stakeholders" and "users of sustainability statements". Engagement with affected stakeholders is essential for the company's due diligence process and for assessing sustainability-related materiality (see ESRS 2 SBM-2).

As part of the initial longlist development, a comprehensive analysis was conducted to identify potential topics and compile a list of potential sustainability topics and IROs relevant to STIEBEL ELTRON. Based on this longlist, a qualitative IRO assessment was carried out, in which STIEBEL ELTRON defined potential and actual positive and negative impacts as well as financial risks and opportunities. The identification of IROs at a qualitative level forms the basis for the subsequent quantitative assessment.

In the last step of the materiality assessment, the final list of material topics was established. This was based on the IRO assessment, which comprised two components:

- Impact materiality
- Financial materiality

The assessment was carried out in accordance with the methodology described in ESRS 1. The evaluation is based on a gross contemplation, meaning that industry and legal standards serve as the basis without considering any existing mitigation measures.

A sustainability aspect is considered material from an impact perspective when it relates to the undertaking's significant actual or potential positive or negative impacts on people or the environment over short-, medium- or long-term time horizons. For actual negative impacts, materiality is determined by the severity of the impact; for potential negative impacts, materiality is assessed based on both severity and likelihood.

Severity is determined by the following factors:

- **scale:** how grave the negative impact is or how beneficial the positive impact is for people or the environment
- **scope:** how widespread the negative or positive impacts are. In the case of environmental impacts, the scope may be understood as the extent of environmental damage or a geographical perimeter. In the case of impacts on people, the scope may be understood as the number of people adversely affected
- **irremediable character:** whether and to what extent the negative impacts could be remediated, i.e., restoring the environment or affected people to their prior state.

Any of the three characteristics (scale, scope, and irremediable character) can make a negative impact severe. In the case of a potential negative human rights impact, the severity of the impact takes precedence over its likelihood.

For positive impacts, materiality is based on:

- the scale and scope of the impact (for actual impacts)
- the scale, scope and likelihood of the impact (for potential impacts)

A sustainability matter is material from a financial perspective if it triggers or could reasonably be expected to trigger material financial effects on the undertaking. This is the case when a sustainability matter generates risks or opportunities that have a material influence or could reasonably be expected to have a material influence on the undertaking's development, financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium- or long-term.

Risks and opportunities may derive from past events or future events:

- possible situations that, following the occurrence of future events, may affect cash flow generation potential,
- capitals that are not recognized as assets from an accounting and financial reporting perspective but have a significant influence on financial performance, such as natural, intellectual (organizational), human, social and relationship capitals, and
- possible future events that may influence the evolution of such capitals.

The financial materiality of a sustainability matter is not constrained to matters that are within the control of the undertaking but includes information on material risks and opportunities attributable to business relationships beyond the scope of consolidation used in the preparation of financial statements.

The materiality of risks and opportunities is assessed based on a combination of the likelihood of occurrence and the potential magnitude of the financial effects.

The perspective of stakeholders was also taken into account in the assessment of the individual IROs. The undertaking may engage with affected stakeholders or their representatives (e.g., employees or trade unions), as well as with users of sustainability reporting and other experts, to obtain input or feedback on its conclusions regarding material impacts, risks and opportunities. Based on the detailed stakeholder analysis performed, proxy stakeholders were used as representatives and external experts to reflect the perspective and conclusions of all stakeholders into the assessment of the IROs.

The objective of the IRO assessment was to establish a list of material impacts, risks and opportunities that serves as the basis for preparing the sustainability statement.

All identified material topics are listed at the beginning of the respective chapters in this sustainability statement.

Validation of the topics was carried out after each review cycle, and an overall validation of all IROs was performed by the sustainability management team. The final outcome of the IRO assessment was subsequently revalidated by the project team upon completion of the analysis. Approval of the material topics and action areas was granted during a dedicated meeting with the executive management.

Disclosure requirements covered by the undertaking's sustainability statement [IRO-2]

The table of Disclosure Requirements covered in this report is provided in Annex 1 of the sustainability statement.

Chapter 2 – Environmental Information

Climate change [ESRS E1]

Climate change represents one of the greatest global challenges of our time and requires decisive action at all levels – including within our company. As a core focus area of our sustainability strategy, climate protection is at the heart of our activities to ensure ecological responsibility.

Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)

As part of voluntary reporting, disclosures pursuant to Article 8 of the Taxonomy Regulation are not yet included. Reporting in accordance with the Taxonomy Regulation is expected to commence from the financial year 2027.

Disclosure Requirement related to ESRS 2 SBM-3

As part of our materiality assessment, the following material negative and positive impacts, as well as risks and opportunities related to climate change, have been identified:

E1 – Climate change	Position in the value chain	Time horizon	Impact, risk or opportunity
Contribution to climate change through the release of greenhouse gases from the use of fossil fuels within our own business operations for production purposes.	Own operations	1 year – short term	Impact (negative)
Upstream and downstream activities, such as the purchase of raw materials, components, and finished goods, as well as logistics to the customer (transport routes), cause emissions.	Along the value chain	1 year – short term	Impact (negative)
Enabling CO_2-neutral building heating using heat pumps in our own business area.	Own operations	1 year – short term	Impact (positive)
Energy-efficient products: Low energy consumption during the usage phase of STIEBEL ELTRON products with high efficiency classes.	Downstream	1 year – short term	Impact (positive)
Impact on production due to government/legal requirements (e.g., expansion of production, especially heat pump production).	Own operations	2-5 years – medium term	Opportunity /Risk

A resilience analysis for climate-related risks is planned for the financial year 2026.

Disclosure requirement related to ESRS 2 GOV-3

STIEBEL ELTRON does not include climate-related considerations in remuneration, currently.

Transition plan for climate change mitigation [E1-1]

The development of a transition plan is scheduled for the financial year 2026.

Policies related to climate change mitigation and adaptation [E1-2]

Our corporate goal is to develop, manufacture, and distribute innovative, market-driven, 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. To address the challenges of climate change, STIEBEL ELTRON develops, produces and sells products which, compared to fossil fueled products, can make a positive contribution to climate protection by reducing CO_2 emissions. With our product portfolio, we consistently focus on electricity as a clean energy source.

We offer our customers solutions that maximize comfort while also giving them the opportunity to contribute to climate protection. Our energy-efficient products can significantly reduce energy consumption and CO_2 emissions in the building sector worldwide.

In the heating sector in particular, our products can contribute to reducing CO_2: as one of the first companies in Germany to start developing, producing and selling heat pumps back in 1976 STIEBEL ELTRON is now one of the technology leaders in the field of electricity-based domestic heating technology.

We are aware that we must contribute to climate protection not only with our products and solutions, but also with our own processes. Our own business activities focus in particular on the STIEBEL ELTRON production sites in Germany, Sweden, Slovakia, the USA, Thailand and China. We rely on an established integrated management system as the basis and foundation for our activities. STIEBEL ELTRON GmbH & Co. KG has been certified according to DIN EN ISO 14001:2015 for environmental management and DIN EN ISO 50001:2018 for energy management since 2013. Further DIN EN ISO 14001 certifications are available for the sites in Thailand, Slovakia and Sweden.

The recording of energy consumption and the identification and evaluation of potential savings are regulated in a binding procedural instruction. Concrete measures and projects are developed and implemented based on these analyses. In addition, strategic and operational energy targets are derived, an energy programme is drawn up and systematic energy planning is carried out. As part of the annual management review at our largest production sites in Holzminden and Eschwege, the targets set, and measures implemented are regularly reviewed and evaluated.

Actions and resources in relation to climate change policies [E1-3]

As part of our responsibility towards climate protection, we implement targeted measures to reduce energy consumption and increase energy efficiency.

Transparency and monitoring

Since the 2024 financial year, we have been systematically recording and analysing our group-wide energy consumption and using this data to calculate our CO_2 emissions. We base our calculations on internationally recognised standards such as the Greenhouse Gas Protocol. In order to develop suitable measures for reducing greenhouse gases in our own annual report in the future, we determined our total Scope 1 and Scope 2 emissions for the first time in the 2024 reporting year. The data obtained serves as a basis for deriving further reduction measures.

Energy efficiency in production

By continuously optimising our production processes, we are reducing energy consumption and associated emissions. 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.

Use of heat pump technology

The conversion of building and factory heating to 100% renewable energy sources is planned for the production facilities in Holzminden, Eschwege, Poprad and Tianjin. At the main production facility in Holzminden, all newly constructed storage and production halls have been heated with STIEBEL ELTRON heat pumps since 2023. The plant in Arvika is already heated by its own heat pumps. Parts of the production facility in Freudenberg are also heated by heat pumps.

Use of renewable energies

A growing proportion of our energy requirements is covered by electricity from renewable sources. We operate our own photovoltaic systems at several locations and are continuously exploring further opportunities for generating our own electricity. The aim is to steadily increase the proportion of renewable energies. The purchase of renewable electricity is being gradually expanded.

The following production facilities and national subsidiaries were already supplied with green electricity in the 2024 financial year:

- Sweden
- Norway
- Finland
- Netherlands
- Austria

Mobility

As part of our integrated management system, we have initiated the gradual conversion of our vehicle fleet to electrical vehicles. The aim of this measure is to significantly reduce direct CO_2 emissions in the area of mobility and, at the same time, to send a clear signal in favour of sustainable, low-emission technologies. The conversion will take place in several phases. The first electric vehicles are already in use today. The charging infrastructure at STIEBEL ELTRON locations is being continuously expanded.

Product development with a view to reducing CO_2 emissions

Our products actively contribute to reducing emissions for our customers – for example, through the use of heat pumps, ventilation systems with heat recovery, and smart energy management systems. Right from the development phase, we focus on resource-saving materials and high energy efficiency. In particular, we invest in research and development in the area of more efficient refrigeration circuits and electrical components.

The use of the natural refrigerant propane (R290) in heat pumps, which launched in the 2025 financial year, delivers a significant increase in efficiency. The use of R290 also contributes to reducing emissions. The conversion of the entire heat pump portfolio from F-gases to natural refrigerants is planned for completion by the end of 2027.

Initial life cycle analyses will be conducted for the new heat pumps in the 2025 financial year. The preparation of a life cycle analysis for each product is planned from 2027 onwards.

Targets related to climate change mitigation and adaptation [E1-4]

Our main goal, defined across the entire group, is to reduce emissions. To achieve this goal, the following sub-goals have been defined at our largest production facility in Holzminden:

Target	Target value	Duration	Current Status 12/2024
Complete conversion of building and hall heating to renewable energy sources	100%	12/2040	Due to the current economic situation, the pursuit of objectives has not yet begun.
Reduction of CO_2 emissions in infrastructure (*)	from 0 kWhPrim to 3300 kWhPrim	12/2028	1439 kWhPrim (43,6%)
Reduction of compressed air leaks	from 57,6 m³/h to < 5,8 m³/h	12/2024	0,0m³/h (100%)
Conversion of company vehicles to electric drives	100 %	12/2029	10,9 %
Reduction in the average fuel consumption of customer service vehicles (currently exclusively combustion engines)	from 8,46 l/100km to 8,00 l/100km	12/2027	8,14 l/100km (70%)
Reduction in energy consumption for lighting	from 3819 MWh/a to 3246,2 MWh/a	12/2025	3.193 MWh/a (109%)

(*) Reduction in annual primary energy consumption compared to 2020: (energy savings from natural gas [MWh/a] x 1.1 MWhPrim/MWhEnd + energy savings from electricity [MWh/a] x 1.8 MWhPrim/MWhEnd

Due to our decentralised organization, each location and subsidiary across the Group defines its own specific climate targets that contribute to reducing emissions. The creation of a Group-wide transition plan, including the setting of Group targets, is planned for the 2026 financial year.

Energy consumption and mix [E1-5]

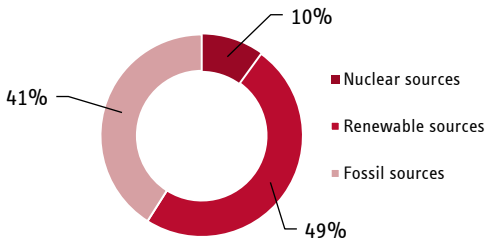
The following table contains the key figures for energy consumption and energy mix from the 2024 financial year:

Energy consumption and mix		2024
1.	Fuel consumption from coal and coal products	0 MWh
2.	Fuel consumption from crude oil and petroleum products	18.144,55 MWh
3.	Fuel consumption from natural gas	41.968,65 MWh
4.	Fuel consumption from other fossil sources	0 MWh
5.	Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	12.809,48 MWh
6.	Total fossil energy consumption (calculated as the sum of lines 1 to 5)	72.922,67 MWh
Share of fossil sources in total energy consumption (%)		79,80 %
7.	Consumption from nuclear sources	3.131,96 MWh
Share of consumption from nuclear sources in total energy consumption (%)		3,43 %
8.	Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	0 MWh
9.	Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	15.156,62 MWh
10.	The consumption of self-generated non-fuel renewable energy	169,32 MWh
11.	Total renewable energy consumption (calculated as the sum of lines 8 to 10)	15.325,93 MWh
Share of renewable sources in total energy consumption (%)		16,77 %
Total energy consumption (calculated as the sum of lines 6, 7 and 11)		91.380,57 MWh

35, 37, 38, AR 34 Information on Energy consumption and mix

The table contains all energy consumption reported in Scope 1 and Scope 2 in E1-6.

Electricity consumption broken down by source



Energy generation at STIEBEL ELTRON

Energy production at STIEBEL ELTRON	2024
Renewable energy production	231,024 MWh
Non-renewable energy production (*)	2.222,53 MWh

(*) The energy generated from non-renewable sources was used for our own needs.

Energy intensity based on net revenue

Energy intensity per net revenue amounted to 0.000097108 MWh/EUR(*) in the 2024 financial year.

To calculate energy intensity, total energy consumption from activities in climate-intensive sectors (in MWh) was divided by net sales revenue from activities in climate-intensive sectors in euros. Net sales correspond to the sales revenues from the consolidated financial statements for the financial year from 1 January 2024 to 31 December 2024 of Dr. Theodor Stiebel Werke GmbH & Co. KG).

* Net sales amounted to EUR 941,022,145.

Gross scopes 1 and 2 and total GHG emissions [E1-6]

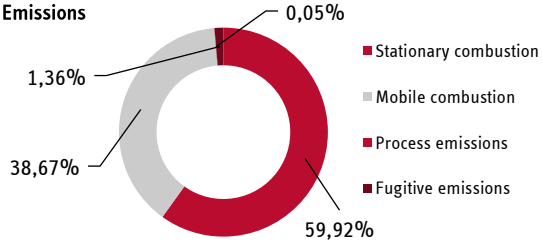
Greenhouse gas emissions in 2024

Scope		2024
Scope 1		13.537,32
Scope 2	location-based Scope 2 GHG emissions (t CO^2e)	9.766,64
	market-based Scope 2 GHG emissions (t CO^2e)	8.799,27
Scope 3	(*)	
Total GHG emissions (Scope 1 and 2)	location-based emissions (t CO^2e)	23.303,96
	market-based emissions (t CO^2e)	22.336,59

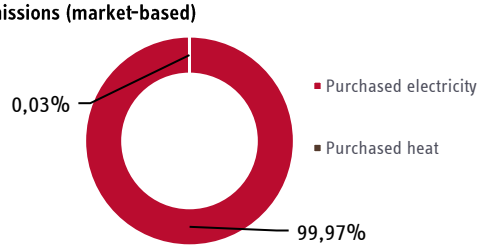
44, 48, 49, 51 AR 48 Gross scopes 1 and 2 and total GHG emissions

(*) The calculation of group-wide material Scope 3 emissions is planned for the 2026 financial year.

Scope 1 - Emissions



Scope 2 - Emissions (market-based)



Pollution [ESRS E2]

The 2024 materiality analysis did not identify any significant impacts, risks or opportunities in the area of ESRS E2.

However, as the topic is still important to the STIEBEL ELTRON Group, this chapter reports on the policies, actions and targets relating to environmental pollution.

Policies related to pollution [E2-1]

Environmental pollution is one of the key challenges of our time. It can damage ecosystems, endanger health and have a negative impact on quality of life. STIEBEL ELTRON takes responsibility for systematically reducing environmental pollution and promoting sustainable solutions. Our actions are based on the DIN EN ISO 14001:2015 certification, which structures and continuously improves our environmental management. The DIN EN ISO 14001:2015 certification has been awarded to our sites in Holzminden and Eschwege, as well as to our international production sites in Thailand, Sweden and Slovakia.

In order to determine the environmental impact of our company, we regularly conduct an environmental aspect analysis. Once the significant environmental aspects are known, it is possible to improve the company's environmental performance through environmental objectives, individual targets and programmes within the framework of our environmental policy. The significant environmental aspects are a prerequisite for deriving strategic target proposals for the annual management review and finding operational targets for improving environmental performance.

All developed targets and actions are compiled into an environmental programme by the environmental team. The environmental programme provides an overview of all operational and strategic goals of the company, which specify the long-term goals of the environmental policy and thus represent steps towards their realisation. The environmental programme includes:

- actions necessary to achieve the targets whether considered or already taken;
- the deadlines set for implementing these actions;
- the responsibilities; and
- the resources required to achieve the objectives.

The achievement of objectives and the effectiveness of existing objectives are reviewed in the management assessment. The handling of environmentally relevant substances is regulated in a procedural instruction within the framework of the integrated management system.

The procedural instruction describes how environmentally relevant substances are handled at STIEBEL ELTRON with the aim of minimising the risk to people and the environment when using these substances. The handling of emergency situations, such as accidents with environmental impact and hazard prevention, is also regulated in a procedural instruction within the framework of the Integrated Management System.

For information on waste management, see the chapter on circular economy [ESRS E5].

Actions and resources related to pollution [E2-2]

The responsible use of resources is a central component of our environmental management. During the reporting period, we implemented targeted actions to reduce our ecological footprint. The focus was on reducing well water consumption, switching to natural refrigerants and reducing plastic packaging.

Reducing well water consumption in Holzminden

Well water is used in several areas to cool production processes.

We have made specific technical changes to reduce water consumption in the long term:

- Optimisation of water consumption for cooling vacuum soldering furnaces
- Optimisation of cooling circuits to increase efficiency

These actions contribute significantly to reducing groundwater extraction and play an important role in protecting local water resources.

Conversion to natural refrigerants

Conversion of our refrigeration technology is another key focus area. Our goal is to completely phase out fluorinated refrigerants (HFCs and PFCs) by the end of 2027. Instead, we are turning to more environmentally friendly hydrocarbons with low global warming potential:

- Introduction of the natural refrigerant R290 (propane) in the WPL-A product series from the end of 2024
- Gradual conversion of all product lines to hydrocarbons
- Avoidance of HFCs/HFKWs in new developments and consistent phasing out of existing applications

These actions not only reduce direct emissions but also strengthen our innovative capabilities in the field of sustainable heating and cooling systems.

Reduction of plastic packaging

As part of our product development, we are placing greater emphasis on sustainable packaging solutions. For all new developments, the use of plastic packaging is critically examined and, where possible, reduced or replaced with alternative materials:

- Avoiding non-recyclable plastics
- Integrating sustainable packaging concepts as early as the development phase
- Working with suppliers to promote environmentally friendly packaging options

These actions contribute to reducing plastic waste and support the transition to a resource-efficient circular economy.

Targets related to pollution [E2-3]

Our environmental management objectives within the framework of the integrated management system for the Holzminden and Eschwege plants are shown in the following table:

Target	Target value	Duration	Current Status 12/2024
Reduction of well water consumption at the Holzminden plant	from 671.561 m³ to <480.000 m³	12/2026	563.434 m³
Use of environmentally friendly refrigerants with a GWP value of <150 to reduce the average GWP	from 2060 to 536	12/2025	1207
Complete avoidance of HFC and HFC refrigerants in our products (*)	Complete avoidance	12/2027	0,06%

(*) The key figure is calculated based on the ratio of the amount of R290 refrigerant to the total amount of refrigerant used in Holzminden. In future, the refrigerant quantities from the Poprad plant will also be included.

Resource use and circular economy [ESRS E5]

The following significant impacts, risks and opportunities were identified as part of the materiality analysis for 2024:

E5 - Resource use and circular economy	Position in the value chain	Time horizon	Impact, risk or opportunity
Generation of waste from production processes (hazardous and non-hazardous waste) within our own operations, as well as non-recyclable components in our product packaging and products, may lead to negative environmental impacts in case of landfilling, incineration or improper disposal.	Along the value chain	1 year – short term	Impact (positive)
As a manufacturer, STIEBEL ELTRON can directly influence the durability and reparability of its products (influence on product development) and thus has a positive impact on the environment by conserving resources.	Own operations	2-5 years – medium term	Impact (positive)
Resale of returned refurbished devices (B-stock) with the aim of not scrapping devices but returning them to the market.	Own operations	1 year – short term	Opportunity
Failure to comply with legal requirements and/or subsidy conditions may result in of revenue losses (e.g., housing cooperatives require the installation of sustainable products).	Own operations	1 year – short term	Risk
Sales and distribution bans (e.g., the use of certain refrigerants) may lead to market restrictions.	Own operations	2-5 years – medium term	Risk
The competitive advantage of sustainable products may lead to increased sales by fulfilling subsidy conditions (heating systems).	Own operations	1 year – short term	Opportunity

Policies related to resource use and circular economy [E5-1]

The circular economy aims to minimise resource consumption, avoid waste and keep materials in the economic cycle for as long as possible. We see the circular economy as a holistic concept that has an impact along the entire value chain – from product development, procurement and production to the use and end of life of a product. Our goal is to create material cycles wherever possible, thereby continuously reducing the ecological footprint of our products and processes.

As part of our commitment to sustainability, STIEBEL ELTRON takes a holistic view of the product life cycle in order to present our efforts to reduce environmental impact and resource consumption in a comprehensive manner.

Design and materials

Developing a sustainable concept and design for a product is crucial to ensuring that its manufacture and use are environmentally friendly and resource efficient. At STIEBEL ELTRON, various factors are taken into account: high-quality materials, durability, repairability, modular design for easy replacement of parts, maximisation of energy efficiency and ensuring compliance with fair working conditions and ethical practices.

The selection of materials and raw materials is a decisive factor in the development of sustainable products. We attach great importance to environmental and energy aspects right from the early stages of product development. During the concept development phase, suitable solutions are developed with environmental protection and energy efficiency in mind. We focus on durable materials with high wear resistance in order to extend the service life of our products. At the same time, we prefer single-type materials that are easy to recycle. We also examine the use of recycled materials. Materials are tested specifically with regard to environmentally relevant properties. When selecting external components, a requirements profile is created that includes ecological criteria. Environmental aspects are systematically examined – in particular with regard to legal requirements for environmentally friendly design, resource-saving use of materials, recyclability, and waste and emission regulations. Suppliers are selected taking into account environmental and energy-related criteria (see also ESRS S2). Environmentally friendly solutions are taken into account when determining the spare parts structure and packaging.

Product

Our product portfolio is characterised by a strong focus on renewable energies and innovative future technologies, enabling us to make a significant contribution to reducing CO_2 emissions. Our products are in the highest efficiency classes in terms of energy efficiency. We are actively working to record the product carbon footprint (PCF) for each of our products. Starting in the 2025 financial year, PCFs will first be created for the new heat pumps and then for existing products. This approach enables a detailed assessment and minimisation of environmental impacts at every stage of the product cycle. In addition to the PCF, we also carry out life cycle assessments (LCA) as part of EPDs (Environmental Product Declarations), thereby considering further environmental criteria of our products.

Packaging

The packaging for our products consists mainly of cardboard, expanded polystyrene (EPS) and film to ensure that our products are transported undamaged. For larger products, we use reusable wooden packaging instead of cardboard packaging. We do not use plastic as a packaging material for new products. For existing products, we are working hard to reduce the amount of plastic in our packaging. Compared to a baseline value in 2019, we have reduced the amount of plastic in our product packaging by 40%.

Usage

Our products are specially designed to enable energy-efficient use. Comprehensive manufacturer recommendations have been compiled to facilitate use and maintenance. These recommendations serve to assist users and extend the service life of the product. Clear guidelines on use and care enable our customers to use the products optimally, have regular maintenance carried out and arrange for repairs, if necessary, thus ensuring sustainable use and longevity.

Repairability

In all development projects, we focus on reparability and serviceability with the help of modern repair technology. We are committed to keeping all spare parts in stock for up to 15 years after a product has been discontinued. With these actions, we not only aim to extend the service life of our products but also contribute to reducing the amount of electronic waste. The spare parts documentation and repair technology departments specify spare parts during the development process for new products so that they can be ordered and stocked before the products are sold.

For small appliances, spare parts are created and made available that users can easily replace themselves.

Recycling and reuse

The topic of recycling is relevant at STIEBEL ELTRON both in the reuse of components that are still usable, e.g. in reworking (reworking instead of throwing away), in the dismantling and reconditioning of returned customer devices, in customer service training (repairing instead of replacing) and at the end of the life cycle. By taking recycling aspects into account to a greater extent in product development (e.g. avoiding composite materials and not using adhesives in development), we strive to ensure that our products can be recycled not only during their useful life, but also at the end of their life cycle.

We already calculate the recyclability of some of our products and their packaging. In Germany, we work with a specialist recycling company to comply with the take-back requirements of the Electrical and Electronic Equipment Act. In 2024, for example, over 81.5% of devices were recycled and 98% of old devices were recovered.

Appliances returned by wholesalers, from DIY and e-commerce in the specified product areas of hot water, direct heating, bathroom radiators, hand dryers, air conditioning units and ventilation systems are reconditioned by a reseller and resold. The aim is not to scrap the appliances, but to check that they are in working order and put them back on the market. All appliances that can be upgraded by the third-party provider are upgraded. At the same time, STIEBEL ELTRON is working on continuously improving its domestic technology content in order to minimise returns and provide customers with the right information.

Actions and resources related to resource use and circular economy [E5-2]

The sustainable use of resources and consideration of circular economy aspects are becoming increasingly important in our operational processes. The aim is to gradually improve material cycles, reduce waste and extend the service life of our products. We are already implementing various actions and are continuously reviewing further approaches for optimisation.

Integration of environmental protection into product development

Environmental aspects are considered at an early stage of product development.

Procedural instructions ensure that environmental requirements are systematically integrated into the development process.

Requirements such as ‘must have’, ‘should have’ and ‘nice to have’ are clearly defined in the Customer Requirement Specification (CRS). Technical feasibility is then assessed in the Functional Specification (FS). The product roadmap documents all relevant legal requirements, prohibitions and regulations (e.g. ErP) that are considered in the three-year product development cycle.

Packaging and use of materials

We specifically use recyclable packaging materials such as cardboard, paper, wood and expanded polystyrene (EPS). By selecting suitable materials and optimising packaging designs, we contribute to reducing packaging waste.

Waste management and recycling

An important action is the separation of commercial waste by type in order to minimize the amount of non-recyclable waste.

Employees are regularly trained in the correct separation of waste.

In addition, we are actively working to expand our recycling capabilities for plastics, for example by purchasing a larger plastic grinder for our production facility in Eschwege.

Furthermore, the installation of a new pipe welding plant, the switch to coil material instead of bar material, and the purchase of a new pipe cutting system are contributing to a reduction in production waste in Holzminden.

Repairability and spare parts supply

The ease of repair of our products is a key aspect of resource conservation. Various factors contribute to making this easier for our products. These include internal workshops to improve reparability, modular design, and the provision of repair services and an online platform for spare parts with clear information on availability and prices for qualified contractor.

Regular training courses are held for customer service engineer, service partner and customer service technicians to ensure that repairs are carried out professionally. We provide comprehensive repair information and FAQs on our website, which are continuously updated.

Legal and market-related requirements

We continuously monitor legal developments at national and international level and respond to new requirements at an early stage. We help shape legislative and funding processes through associations. In addition, market observations and customer requirements are incorporated into our product roadmap in order to define new products in line with demand.

Targets related to resource use and circular economy [E5-3]

Within the context of our integrated management system, we pursue overarching goals that aim to make our processes and products resource-efficient and environmentally friendly. These include avoiding environmental pollution and reducing waste. We are committed to using environmentally friendly and energy-saving technologies and systematically take ecological aspects into account in our decision-making processes wherever possible. Another key objective is the long service life of our products – with a target service life of 15 years as the basis for selecting and testing the components used.

The specific targets currently apply to the Holzminden and Eschwege production facilities. The formulation of a group-wide target will be reviewed in the coming financial years.

The target of reducing the plastic content of appliance packaging is unlikely to be achieved by the end of 2025. An extension is therefore planned until the end of 2026.

Resource inflows [E5-4]

Significant resource inflows at STIEBEL ELTRON include metals, plastics, packaging and critical raw materials. Critical raw materials are materials that are of high economic importance due to risks relating to availability and security of supply, such as electronic components.

The consideration of resource inflows refers only to product-related inflows, as this is an essential sustainability aspect for STIEBEL ELTRON.

Information about the methods used to collect data:

In future, material data will be determined and queried as standard in order to be able to specify resource inflows using primary or measurement data wherever possible. At present, it is not yet possible to provide a concrete calculation for the 2024 financial year. Due to data availability, no reliable data on metals, plastics, packaging and critical raw materials can be provided.

Target	Target value	Duration	Current Status 12/2024
Waste separation collection rate at the Holzminden plant	>93 %	12/2025	92,5%
Spare parts supply for at least 10 years (building services products) and at least 15 years (system technology products) after the end of production	continuous guarantee	n/a	n/a
Reducing the amount of plastic in device packaging	von 8,28% auf 4,0 %	12/2025	6,87%

Currently, there is no distinction between recyclable and non-recyclable materials in packaging, e.g. cardboard and plastic film. Therefore, no information has been provided in this regard. There is also insufficient data available on biological materials, for example in packaging. Therefore, no information has been provided here.

Resource outflows [E5-5]

As part of our activities relating to resource use, we place particular emphasis on reducing resource consumption and developing durable products.

Products and materials

Durability and repairability of our products

Product group	Expected durability in years
Small water heaters	15 years (depending on water quality)
Hot water	15 years (depending on water quality)
Storage heaters	15 years
Other room heating	15 years
Air conditioning	currently phased out without replacement
wall mounted and floor mounted cylinders	15 years (depending on water quality)
Heat pumps	15 years
DHW heat pumps	15 years (depending on water quality)
Ventilation systems	15 years

36a: Expected durability of products

All product groups are designed for a minimum service life of 15 years. Spare parts for all product groups described can be ordered from the spare parts catalogue, meaning that they are repairable.

Waste

Waste generation of STIEBEL ELTRON-Group	2024
Hazardous Waste	283,26 t
Total amount of hazardous waste diverted from disposal (breakdown by recovery operation types)	194,48 t
Amount of hazardous waste - Recovery type: Preparation for reuse	1,56 t
Amount of hazardous waste - Recovery type: Recycling	40,91 t
Amount of hazardous waste - Recovery type: other recovery operations	152,01 t
Total amount of hazardous waste directed to disposal (breakdown by treatment types)	88,78 t
Amount of hazardous waste - Treatment type: Incineration	14,37 t
Amount of hazardous waste - Treatment type: Landfilling	5,70 t
Amount of hazardous waste - Treatment type: Other disposal operations	68,71 t
Total amount of hazardous waste and radioactive waste generated	0,00 t
Non-hazardous waste	6.355,12 t
Total amount of non-hazardous waste diverted from disposal (breakdown by recovery operation types)	5.138,22 t
Amount of non-hazardous waste - Recovery type: Preparation for reuse	56,38 t

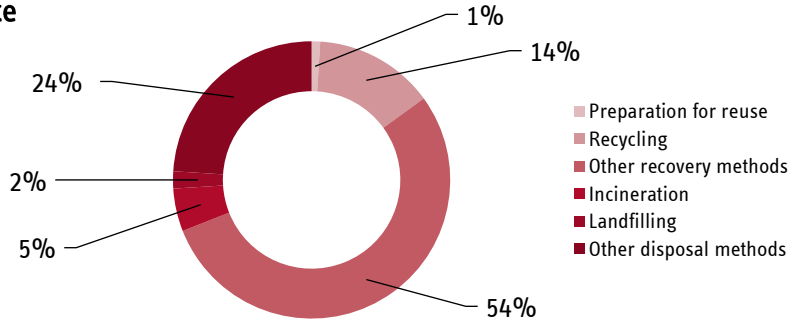
Amount of non-hazardous waste - Recovery type: Recycling	3.585,94t
Amount of non-hazardous waste - Recovery type: other recovery operations	1.495,90 t
Total amount of non-hazardous waste directed to disposal (breakdown by treatment types)	1.216,90 t
Amount of non-hazardous waste - Treatment type: Incineration	834,74 t
Amount of non-hazardous waste - Treatment type: Landfilling	303,17 t
Amount of non-hazardous waste - Treatment type: Other disposal operations	78,99 t
Total amount of waste generated	6.638,38 t

37,39: Overview of Total amount of waste generated

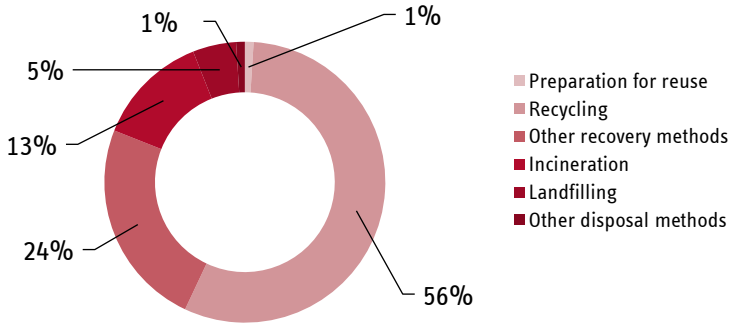
At the time of data collection, not all data was available in full. Assumptions were made and missing data was estimated. Work on data quality and availability will continue in the coming reporting years.

Overall, 95.73% of waste is non-hazardous and 4.27% is hazardous.

Hazardous waste



Non-hazardous waste



Chapter 3 – Social Information

Own workforce [ESRS S1]

Companies are run by people, and corporate success is achieved by people. That is why our employees are at the heart of STIEBEL ELTRON – and never alone. The commitment of our employees, their ideas and their daily work are what make our success possible. That is why it is so important to us to create an environment in which they feel valued, can contribute and grow together within the company.

Disclosure Requirement related to ESRS 2 SBM-3

The following positive and negative impacts and opportunities were identified in the course of the materiality analysis:

S1 - Own workforce	Position in the value chain	Time horizon	Impact, risk or opportunity
Stagnation in the area of employee development may lead to a loss of motivation among employees.	Own operations	2-5 years – medium term	Impact (negative)
Poor working conditions, such as excessively long working hours or a lack of occupational safety measures, may lead to health issues or accidents at work for employees.	Own operations	1 year – short term	Impact (negative)
Restrictions on freedom of association, co-determination, or social dialogue can lead to violations of employees' rights (increased health and safety risks, discriminatory practices, etc.).	Own operations	1 year – short term	Impact (negative)
Non-compliance with data protection laws results in the violation of the personal rights of the affected individual (Art. 2 GG).	Own operations	1 year – short term	Impact (negative)
Supporting work-life balance (sports activities, flexible working, health services, etc.) has a positive impact on employees' health.	Own operations	2-5 years – medium term	Impact (positive)
Training and development measures promote motivation and open career opportunities (promotion and career opportunities).	Own operations	1 year – short term	Impact (positive)
Collective agreements and collective bargaining coverage can help to ensure the availability of skilled employees.	Own operations	1 year – short term	Opportunity

Policies related to own workforce [S1-1]

Our employees are the foundation of our company. Their health, satisfaction and development are at the heart of our commitment to social sustainability. We aim to create a working environment characterised by respect, equal opportunities and participation.

Working conditions and corporate culture

The STIEBEL ELTRON Group respects the human rights of its employees and aims to exceed minimum standards with its working conditions. Cooperation is characterised by mutual respect and the values set out in the company's mission statement. These values determine the expectations placed on the attitude and behaviour of employees worldwide and include aspects such as responsibility, appreciation, transparency, trust and openness. Managers have a special role to play in this regard. They exemplify these values and put them into practice in their day-to-day management activities.

The key priorities relating to our employees' working conditions are summarised in our group-wide Code on Human Rights and Working Conditions. This was signed by the group management in May 2022. The Code on Human Rights and Working Conditions supplements the existing Code of Conduct.

The code contains the following key points relating to the working conditions of our employees:

- Prohibition of child labor
- Prohibition of forced labor
- Freedom of association and the right to collective bargaining
- Protection against discrimination
- Right to health and safety at work
- Remuneration
- Working hours
- Training
- Right to privacy – protection of personal data

STIEBEL ELTRON's actions observe the following international standards:

- the ILO Declaration on Fundamental Principles and Rights at Work,
- the OECD Guidelines for Multinational Enterprises,
- the UN Guiding Principles on Business and Human Rights,
- the ten principles of the UN Global Compact.

In the reporting year, the policy statement on social responsibility and human rights was communicated via the intranet. The code is available to employees both on the intranet and on the STIEBEL ELTRON website.

Discrimination, diversity and human rights

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

STIEBEL ELTRON 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 beliefs, ethnic origin, disability, age, sexual orientation or any other characteristics protected by local laws, such as membership of a national minority, pregnancy or former military affiliation (veteran status). As part of its diversity strategy, STIEBEL ELTRON actively promotes diversity within the company and an open, inclusive corporate culture.

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.

Respect for human rights is an integral part of our corporate culture. We already made our position clear in 2012 with the 'STIEBEL ELTRON Group Code of Conduct', which was signed by the management and reconfirmed in 2017.

In the interests of sustainable corporate development, STIEBEL ELTRON's 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.

It is in line with STIEBEL ELTRON's self-image and it is our declared goal to prevent human rights violations. Responsibility in the area of human rights focuses on issues and fields of action in which it can exert its influence as a commercial enterprise. In this respect, it complements the obligations of states and sovereign institutions to protect human rights. Human rights are basic standards which serve to safeguard the dignity and equality of all. They are universal, inalienable and indivisible rights to which every human being is equally entitled. This definition is enshrined in the International Bill of Human Rights. See our Code of Conduct on Human Rights and Working Conditions for more information.

Health and wellbeing

Protecting and promoting the health of its employees is a top priority for STIEBEL ELTRON. The company consistently complies with applicable occupational health and safety laws worldwide and sets its own standards that go beyond these requirements in order to improve occupational safety. Effective management systems and certifications (e.g. DIN EN ISO 45001:2018) enable the relevant occupational health and safety requirements and the ergonomic design of workplaces to be regularly reviewed in order to reduce the risk of accidents. Our sites in Holzminden and Eschwege are DIN EN ISO 45001:2018 certified. Further management systems for occupational safety and health protection have been established at all Group-wide sites and cover 100% of our own employees. (See also S1-14.)

The responsible managers perform their duties in accordance with the applicable occupational health and safety requirements. They ensure that the employees concerned receive regular training on the relevant aspects of health and safety at work. To this end, managers receive repeated training. In addition, the company actively promotes the physical and mental health of its employees through health management initiatives.

Our guidelines – including the Code of Conduct, the Integrated Management Policy and the Code of Conduct on Human Rights and Working Conditions – form the binding framework for our actions. We also rely on clear responsibilities and the appointment of a hazardous substances officer when it comes to hazardous substances management and dealing with legal requirements such as REACH and RoHS. Informing and instructing employees is a central component of our safety concept.

Work-life balance and working hours

Work-life balance is an integral part of our human resources policy. We create an attractive working environment for our employees that can be flexibly adapted to personal plans and interests through mutual agreement.

STIEBEL ELTRON complies with at least the applicable national working time regulations. In addition, our working time principles describe the principles applicable within the STIEBEL ELTRON Group with regard to rest periods, leisure time, holidays and work-life balance. They support STIEBEL ELTRON companies worldwide in shaping their working time regulations. The organization of working hours and breaks considers both operational and individual requirements. It is based on ergonomic criteria, such as medically recognised physical and psychological stress parameters.

Health management is implemented and controlled by means of procedural instructions, among other things. These ensure that all actions are systematically planned, documented and continuously developed.

Training and development

STIEBEL ELTRON promotes the long-term employability of its employees. It hires new employees based on their individual skills and promotes and develops them accordingly. The company specifically expands the skills and talents of its employees through future-oriented training and further education programmes in order to ensure high performance and employability in the long term.

The STIEBEL ELTRON Group offers all employees equal access to high-quality technical and vocational training, including university education. Training at STIEBEL ELTRON has been a high priority for decades. During their excellent training, our apprentices and dual students work on exciting projects and benefit from the prospect of permanent employment. All employees worldwide also have the opportunity to further their professional and personal development.

The key figures for further training and skills development can be found in S1-13.

Co-determination and participation

Freedom of association is a fundamental human right and a central component of our corporate culture. We respect and support the right of all employees to organise freely, to establish interest groups or to join existing employee representative bodies such as works councils or trade unions.

This freedom forms the basis for fair and cooperative collaboration between companies and their workforce. It enables employees to effectively represent their concerns, ideas and reservations and to actively participate in shaping their working conditions.

We maintain a trusting and constructive dialogue with all representative bodies and see their commitment as a valuable contribution to the further development of our company. For us, compliance with freedom of association is not only a legal obligation, but also an expression of our self-image as a responsible employer.

Our works councils and other representative bodies make an important contribution to shaping and developing our working conditions.

Employees are neither favoured nor disadvantaged on the basis of their membership or non-membership of a trade union or employee representative body. At locations that do not have employee representation, STIEBEL ELTRON promotes regular dialogue between employees and the company.

Cooperation with the works councils is conducted on an equal footing and is characterised by openness, mutual respect and the common goal of representing the interests of employees while securing the future viability of the company. At our largest production site in Holzminden, for example, regular discussions take place between the management, the human resources management and the works council.

Employee representatives provide valuable input on topics such as working time arrangements, health and safety, equality and training. They are also important points of contact for employees, particularly when it comes to clarifying individual concerns or raising issues.

This close cooperation not only strengthens co-determination but also trust and satisfaction among the workforce. Across the Group, 16 of our companies have works councils or other bodies within the company to represent the interests of employees (see also S1-8).

Data protection

We adhere to the principle that wherever data is stored and transmitted, a high level of data protection and data security must be guaranteed. This also applies to employee data, because data protection means protecting individuals.

As a globally active company, we therefore consider it our duty to comply with the various legal requirements relating to the collection and processing of personal data around the world. Our aim is to ensure a uniform and globally applicable standard for the handling of personal data. This is because we believe that protecting the personal rights and privacy of each individual is the basis for trusting business relationships.

Our Group Data Protection Policy sets out strict requirements for the processing of employees' personal data. It complies with the requirements of the European General Data Protection Regulation (GDPR) and ensures compliance with the principles of national and international data protection laws applicable worldwide. In this way, we set a globally applicable data protection and data security standard in our company and regulate the exchange of data between our group companies.

We adhere to data protection principles as a benchmark, including transparency, data minimisation and data security.

Processes for engaging with own workforce and workers' representatives about impacts [S1-2]

At least once a year, the majority of employees have performance reviews with their supervisors. For key figures, see S1-13.

Annual performance reviews are a key tool in our employee development and corporate culture. They provide an opportunity for structured, appreciative dialogue between managers and employees and promote transparency, trust and individual development.

In addition to reviewing performance and challenges, the focus is also on personal development, agreeing on targets and coordinating working conditions and collaboration. These discussions enable us to identify individual needs, promote potential and shape perspectives together. Employees have the opportunity to express any concerns they may have – whether in relation to working conditions, cooperation or individual challenges. This openness is important to us because it strengthens mutual trust and contributes to the continuous improvement of our working environment.

By systematically conducting and documenting the reviews, we ensure that the employees who participate in them receive regular feedback and are actively involved in their professional development. The performance reviews make an important contribution to the satisfaction, motivation and loyalty of our workforce.

In addition, all employees can, of course, contact their relevant works council or other representative body. See S1-1 Co-determination and participation.

Processes to remediate negative impacts and channels for own workers to raise concerns [S1-3]

In addition to employee appraisals, employees also have the opportunity to express their concerns through the whistleblower system. A detailed description of the whistleblower system can be found under G1-1: Concepts for corporate governance and corporate culture.

Taking action on material impacts on own workforce, and approaches to managing material risks and pursue material opportunities related to own workforce, and effectiveness of those actions [S1-4]

Work-life balance and working hours

A flexible and transparent working time model is an important part of our corporate culture.

The flexitime scheme allows employees to organise their working hours individually within defined core hours, enabling them to achieve a better work-life balance. Working hours are systematically recorded, which not only ensures transparency but also guarantees fair billing and compliance with legal requirements. Overtime can be flexibly reduced through time off in lieu, which helps us promote a healthy balance between workload and relaxation. In addition, working time violations are regularly evaluated so that we can respond early to potential stress or structural challenges and ensure compliance with labor law standards.

Flexible mobile working options enable employees to organise their work independently of location and according to their needs. In addition, depending on their location, we offer our employees a wide range of different working time models and childcare options to enable them to achieve a good work-life balance at different stages of their careers and lives. We have implemented measures to meet the needs of mothers and fathers and enable a better balance between work and private life. In consultation with managers and colleagues, we design sensible substitution models within the framework of parental leave. We create flexible working time models, for example for childcare or caring for family members, and support young parents at our Holzminden site in finding a nursery place close to the company.

Each location within the STIEBEL ELTRON Group develops appropriate measures with regard to its regional and country-specific circumstances.

Training and further education

STIEBEL ELTRON attaches great importance to the continuous training of its employees worldwide. Training and further education opportunities are open to all employees and promote both personal and professional development. In Germany, the company offers a wide range of entry-level opportunities:

A total of eleven different apprenticeships and seven dual study programmes enable young people to get a practical start to their careers. STIEBEL ELTRON also supports part-time courses and study programmes to promote lifelong learning and actively support individual career paths.

Through targeted training measures, we promote the competence and motivation of our employees to think and act in a customer- and quality-oriented manner as well as in an environmentally and energy-conscious manner.

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

The High Potential Programme is aimed at employees worldwide who wish to qualify for advanced (international) management positions. This programme prepares managers and junior managers to take on strategically relevant management positions.

At management level, our 'Basic' management development programme in Holzminden teaches participants methods for building and developing their team, delegating tasks and moderating discussions on this topic, and organising the team's value-adding tasks effectively and efficiently.

Production employees in Holzminden and Eschwege are trained in group work. Group work equips employees with responsibilities and skills for their group tasks, enabling them to take on additional tasks and responsibilities.

Performance appraisal and collective bargaining agreements

The STIEBEL ELTRON Group attaches great importance to fair and transparent performance appraisal. It forms the basis for individual development discussions and enables performance-related remuneration, which creates both recognition and motivation. Clear criteria and regular feedback ensure that performance is assessed objectively, and development potential is specifically promoted.

At its Holzminden and Eschwege sites, the company is bound by collective agreements and adheres to the applicable collective bargaining agreements. In addition, STIEBEL ELTRON voluntarily applies the collective bargaining regulations at many other German and international locations. In this way, the company guarantees uniform and reliable working conditions for its employees – regardless of location – and underlines its commitment to fair working conditions and social responsibility.

See S1-8 and S1-13 for more information.

Occupational safety and health protection

The safety and health of our employees are top priorities for STIEBEL ELTRON. To ensure a safe working environment, we rely on a comprehensive package of measures that includes both preventive and reactive elements.

The STIEBEL ELTRON Group takes appropriate protective measures to ensure the safety of its employees and visitors at all locations.

Based on site-specific risk analyses, appropriate measures are implemented in accordance with applicable law. Through the systematic identification and assessment of hazards, we are able to evaluate risks and take state-of-the-art preventive measures for occupational health and safety. The health of our employees is very important to us – injuries and illnesses should be avoided. We therefore require our employees to contribute to occupational health and safety, consult with them, involve them or their representatives in decisions, and ensure compliance with the established rules of conduct. All employees receive regular instruction and information, including as part of annual employee training and through targeted training courses for safety officers and managers, who are made aware of their responsibilities. Accidents are analysed in detail to identify causes and derive effective measures, which are then consistently implemented. First aid log entries are systematically evaluated to include even minor incidents in the continuous improvement process. The results and measures are communicated transparently.

Occupational health management

The occupational health management programme at STIEBEL ELTRON takes a holistic approach to promoting health, well-being and performance in the workplace. It is divided into three key areas: integration management, occupational health promotion and social management.

The aim is to find sustainable solutions that ensure both the health of employees and their ability to work in the long term.

Workplace health promotion encompasses a wide range of offerings such as company sports, flu vaccinations and a bonus pass system in Holzminden that rewards health-conscious behaviour, such as participation in sports and health measures. These measures help to strengthen health preventively and promote awareness of an active lifestyle.

In the area of social management, the focus is on topics such as self-management, work organization, work-life balance and dealing with mental stress. Employees have access to counselling and support services that help them overcome individual challenges. We also promote health through occupational health care and medical check-ups.

In addition, we offer training courses in safety-related areas such as electrical systems, hazardous goods and hazardous substances.

Freedom of association

STIEBEL ELTRON recognises freedom of association and the right to collective bargaining as fundamental human rights and has firmly anchored these in its own human rights code. All employees have the unrestricted right to form employee representatives and to organise themselves into trade unions in order to actively shape their working conditions. Cooperation with existing employee representatives is based on equality and is characterised by openness and mutual respect. This ensures that employees are neither favoured nor disadvantaged, regardless of whether they belong to a trade union or another interest group. At locations without formal employee representation, the company promotes regular dialogue between employees and managers in order to identify concerns and suggestions for improvement at an early stage and develop solutions together.

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities [S1-5]

No specific time-related targets have yet been defined at group level in connection with addressing significant negative impacts, promoting positive impacts and dealing with significant risks and opportunities in the area of 'own workforce'. Only for the sites in Holzminden and Eschwege there are defined targets in the area of occupational safety to reduce the accident rate and reduce the sickness rate.

Nevertheless, there are overarching goals:

- Compliance with internal working time regulations (beyond the legal requirements, e.g. core working hours)
- Permanent employment of trainees and students
- Filling 80% of management positions with our own young talent in Holzminden
- Enabling a healthy work-life balance
- Promoting a healthy working environment
- Compliance with legal regulations in the area of occupational safety
- Maintaining the ability to work
- STIEBEL ELTRON does not tolerate any form of discrimination and is committed to respecting human rights
- Protection of personal data
- Conducting annual performance reviews for all employees (currently not yet group-wide)

As part of the revision of the sustainability strategy, specific time-related targets are to be defined in the coming financial years.

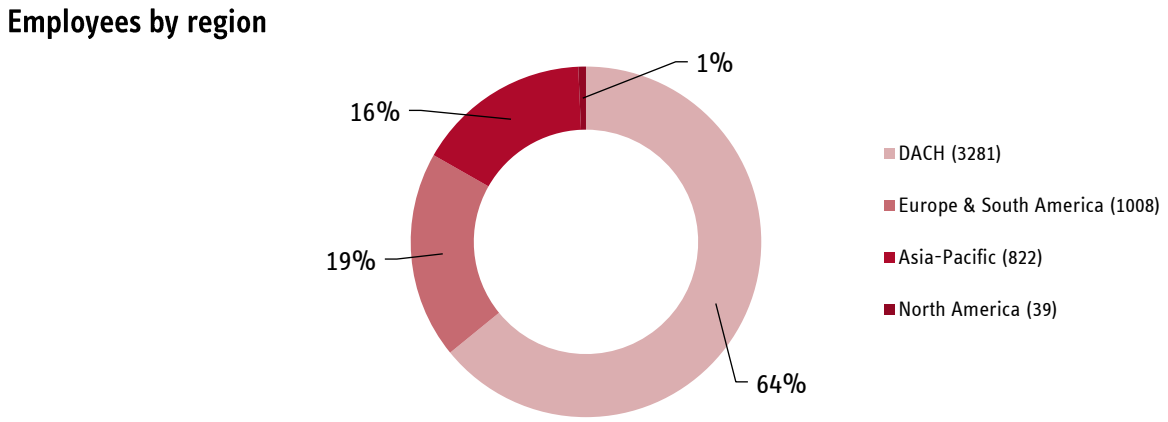
Characteristics of the undertaking's employees [S1-6]

Gender	Number of employees (head count)
Male	3.677
Female	1.427
Other	0
Not reported (*)	46
Total	**5.150**

50a, AR 55: Number of employees (head count)

(*) The subsidiary in Australia was unable to provide a breakdown by gender for this financial year. Employees were included in the category 'not reported'.

The category 'Other' is applicable in 9 countries due to legal requirements. In these countries, employees can also specify 'Other' and the entry of a third or additional gender would be legally possible. In 17 countries where Stiebel Eltron has a company, the category 'Diverse' is not applicable.



Total number of employees by head count for countries in which the company has 50 or more employees who account for at least 10% of the company's total workforce.

Country	Number of employees (head count)
Germany	3026
Thailand	591

50a, AR 55: Number of employees (head count) in countries where the undertaking has at least 50 employees representing at least 10% of its total number of employees.

Information on employees by type of contract, broken down by gender group-wide

Contract type	Female	Male	Other	Not disclosed	Total
Number of employees	1.427	3.677	0	46	**5.150**
Number of permanent employees	1.404	3.613	0	43	**5.060**
Number of temporary employees	23	64	0	3	90
Number of non-guaranteed hours employees	0	1	0	0	1
Number of full-time employees	1.216	3.532	0	41	**4.789**
Number of part-time employees	211	144	0	5	**360**

50b, 51, 52, AR 55: Information on employees by type of contract, broken down by gender

Information on employees by type of contract, broken down by region

Contract type	DACH	Europe & South Africa	Asia-Pacific(*)	North America	Total
Number of employees	3281	1008	822	39	5150
Number of permanent employees	3194	970	857	39	5060
Number of temporary employees	78	6	6	0	90
Number of non-guaranteed hours employees	0	1	0	0	1
Number of full-time employees	2945	990	816	38	4789
Number of part-time employees	336	17	6	1	360

52, AR 55: Information on employees by type of contract, broken down by region

(*) The following countries fall within this region: Thailand, China, Australia, Japan, New Zealand, Vietnam and India.

Background information for comprehension of the data:

All figures are headcounts as of 31 December 2024. The data is based on the figures reported by the locations.

Characteristics of non-employees workers in the undertaking's own workforce [S1-7]

On 31 December 2024, a total of 76 external workers (number of persons) were employed by the STIEBEL ELTRON Group. External workers are either individual contractors supplying labour to the undertaking ('self-employed people') or workers provided by undertakings primarily engaged in 'employment activities' (NACE Code N78) persons who have concluded a contract with the company for the provision of work services ('self-employed persons') or persons who are provided by companies that are primarily active in the field of 'employment placement and supply' (NACE code N78).

Collective bargaining coverage and social dialogue [S1-8]

	Collective bargaining coverage		social dialogue
Coverage Rate	**Employees – EEA (for countries with >50 employees representing >10% total employees)**	**Employees – Non-EEA (estimate for regions with >50 employees representing >10% total employees)**	**Workplace representation (EEA only) (for countries with >50 employees representing >10% total employees)**
0-19%	-	Thailand	-
20-39%	-	-	-
40-59%	-	-	-
60-79%	Germany	-	-
80-100%	-	-	Germany

60, 63, AR 70: Collective bargaining coverage and social dialogue

Collective bargaining agreements apply to 62.9% of employees within the STIEBEL ELTRON Group. This equates to a total of 3,241 employees. In Germany, 72.1% of employees are covered by collective bargaining agreement. In Thailand, no employees are covered by collective bargaining agreements. In Germany, 93.2% of all employees are covered by representation.

Diversity metrics [S1-9]

The gender distribution at the highest management level and the age distribution among its employees are shown in the tables below. Regarding gender equality at the highest management level, STIEBEL ELTRON reports on the first management levels below the supervisory body:

- Group Executive Management
- Managing Directors of the production companies
- Managing Directors of sales companies and national subsidiaries

Gender	Amount of employees	Percentage
Male	37	94,9 %
Female	2	5,1 %
Other	0	0 %
Total	**39**	100%

66a: Top Management Diversity Metrics

Age span	Amount of employees	Percentage
Under 30 years old	885	17,2 %
30-50 years	2.873	55,8 %
Over 50 years old	1.392	27,0 %

66b: Age distribution amongst its employees

Social protection [S1-11]

In all countries where STIEBEL ELTRON operates in the form of production companies or sales companies, employees are protected against loss of earnings due to one or more of the following life events by public programmes or benefits offered by the company:

- Sickness
- Unemployment starting from when the own worker is working for the undertaking
- Employment injury and acquired disability
- Parental leave
- Retirement

Training and skills development metrics [S1-13]

Employees per gender category	Amount that participated in regular performance and career development reviews	Percentage that participated in regular performance and career development reviews
Male	3.005	81,7 %
Female	1235	86,5 %
Other	0	0 %
Not reported	46	100%
Total employees	4286	83,2 %

83a, AR 77: Percentage that participated in regular performance and career development reviews

Employees per gender category	Total number of training hours offered to and completed	Training average per employee
Male	23.341,58	6,34
Female	6.083,17	4,26
Other	0	0
Not reported	92	2,0
Total employees	29.516,75	5,73

83b, AR 78: Training hours

Health and safety metrics [S1-14]

The following tables show the number of employees covered by a health and safety management system. Cases of work-related injuries, ill health and fatalities are also reported. In addition, the number of fatalities arising from work-related injuries and ill health of other workers at the company's sites is given.

Health and safety metrics	2024
Percentage of people in its own workforce who are covered by the undertaking's health and safety management system based on legal requirements and/or recognised standards or guidelines	99,73 %
Percentage of people in its own workforce who are covered by the undertaking's health and safety management system based on legal requirements and/or recognised standards or guidelines: employees	100 %
Percentage of people in its own workforce who are covered by the undertaking's health and safety management system based on legal requirements and/or recognised standards or guidelines: non-employees	81,58 %
Amount of employees who are covered by the undertaking's health and safety management system based on legal requirements and/or recognised standards or guidelines: employees	5.150
Amount of employees who are covered by the undertaking's health and safety management system based on legal requirements and/or recognised standards or guidelines: non-employees	62
Number of fatalities as a result of work-related injuries and work-related ill health: other workers working on the undertaking's sites	0
Number of fatalities as a result of work-related injuries and work-related ill health: total	0
Number of fatalities as a result of work-related injuries and work-related ill health: Employees	0
Number of fatalities as a result of work-related injuries and work-related ill health: Non-Employees	0
Number of recordable work-related accidents: total	159
Number of recordable work-related accidents: employees	159
Number of recordable work-related accidents: non-employees	0
Rate of recordable work-related accidents (based on hours worked): total	19,78
Rate of recordable work-related accidents (based on hours worked): employees	20,04
Rate of recordable work-related accidents (based on hours worked): non-employees	0
Number of cases of recordable work-related ill health: Total	1
Number of cases of recordable work-related ill health: employees	1
Number of cases of recordable work-related ill health: non-employees	0
Number of total hours worked by employees and non-employees	8.037.331
Number of total hours worked by employees	7.934.800
Number of total hours worked by non-employees	102.531
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health: total	1.687,5
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health: employees	1.687,5
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health: non-employees	0

86, 88, AR 80 Overview Health and safety metrics

Work-life balance metrics [S1-15]

The following table shows the number and percentage of employees who are entitled to take family-related leave and who do so. Reasons for family-related leave include maternity leave, paternity leave, parental leave and leave to care for relatives, as granted under national law or collective agreements.

Work-life balance metrics	Number of employees	Percentage of employees
Number of employees entitled to take family-related leaves	5.145	99,9 %
Number of entitled employees that took family-related leaves: Female	133	2,59 %
Number of entitled employees that took family-related leaves: Male	261	5,08%
Number of entitled employees that took family-related leaves: Total	394	7,66 %

91: Overview Work-life balance metrics

In all countries where STIEBEL ELTRON operates in the form of production companies or sales companies, employees are entitled to time off work. Due to national regulations, a small proportion of the company's employees in one country are not entitled to time off work.

Incidents, complaints and severe human rights impacts [S1-17]

In the 2024 reporting year, no cases of discrimination, including harassment, were reported at STIEBEL ELTRON. A total of one complaint was submitted via channels through which the company's employees can express concerns. There were no complaints to the OECD National Contact Points for Multinational Enterprises. There were no fines, sanctions or compensation payments in connection with incidents and complaints in the reporting year.

Total number of incidents of discrimination, including harassment, reported in the reporting period	The number of complaints filed through channels for own workforce to raise concerns (including grievance mechanisms)	Number of complaints filed to the National Contact Points for OECD Multinational	Total amount of material fines, penalties, and compensation for damages
0	1	0	0 EURO

100: Overview Incidents, complaints and severe human rights impacts

No serious incidents relating to human rights (e.g. forced labor, human trafficking or child labor) were identified in the reporting year. Consequently, there were no incidents that violated the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises. Accordingly, there were no fines, sanctions or compensation payments in connection with human rights violations.

Workers in the value chain [ESRS S2]

Disclosure Requirement related to ESRS 2 SBM-3

During our materiality analysis, the following material negative and positive impacts were identified:

S2 - Workers in the value chain	Position in the value chain	Time horizon	Impact, risk or opportunity
There may be a risk of child labor or forced labor in the extraction of raw materials (in the upstream value chain).	Upstream	1 year – short term	Impact (negative)
Risk of poor working conditions in the value chain (pay, safety, working hours, discrimination, health hazards, etc.).	Upstream	1 year – short term	Impact (negative)
Failure to comply with legal requirements and corresponding due diligence obligations (e.g., within the framework of the LkSG) could indirectly support critical business models of suppliers (human rights violations).	Upstream	1 year – short term	Impact (negative)
The dissemination of environmental and safety standards, e.g., by defining certain environmental requirements and occupational safety standards for suppliers (direct suppliers) embedded in purchasing framework agreements, onboarding processes, or supplier codes of conduct, may have a positive impact on workers in the value chain.	Along the value chain	1 year – short term	Impact (positive)

STIEBEL ELTRON is committed to ensuring that workers throughout the supply chain are employed under conditions that guarantee they are treated with respect and dignity, and that companies conduct their business in a legally compliant, environmentally friendly and ethically sound manner. We expect the same sense of responsibility from our suppliers, service providers and partners.

All information refers to the following types of workers in the value chain who may be significantly affected by STIEBEL ELTRON, including the impact associated with STIEBEL ELTRON's own activities and value chain, including through its products or services, as well as through its business relationships:

- Workers employed by direct suppliers and suppliers in the upstream value chain
- Workers employed by business partners who work for us as service providers at our sites
- Workers employed by business partners who work as (logistics) service providers in the value chain
- Workers who work in the downstream value chain.

In this standard, we do not refer to workers who are employed by third-party companies in the field of recruitment and temporary employment. These workers are covered by the ESRS S1 standard.

Within the framework of the Supply Chain Due Diligence Act (LkSG), STIEBEL ELTRON conducts an annual risk analysis and continuous risk monitoring. In particular, risks relating to workers in the value chain are considered.

At STIEBEL ELTRON, we take risks relating to child labor and forced labor very seriously. According to the Integrity Next platform, which we use to conduct a risk analysis in accordance with the Supply Chain Due Diligence Act once a year or as required, there are potential abstract risks relating to child labor and forced labor, particularly in Asia. This assessment is based on country-specific indices and industry-specific studies. It represents an initial risk assessment and indicates potentially existing or imminent risks.

STIEBEL ELTRON is aware that young workers may be confronted with various human rights risks (e.g. forced labor and child labor, for example in raw material extraction). In addition, minorities in particular may be exposed to negative effects such as discrimination and unequal treatment in the value chain.

STIEBEL ELTRON does not directly source raw materials from high-risk areas.

However, we do source copper, aluminium, and brass in processed form, for example. We also source active and passive electronic components, among other things, which may contain critical raw materials. The suppliers of these product groups are also reviewed as part of the LkSG through an annual risk analysis. Depending on the results of this analysis, we implement preventive or remedial measures, as necessary.

As part of a risk analysis conducted via Integrity Next and through year-round risk monitoring, STIEBEL ELTRON did not identify any specific risks of child labor or forced labor among its suppliers.

In the 2024 reporting year, STIEBEL ELTRON was not aware of any cases within its supply chain that indicated possible actual negative impacts in connection with environmental pollution or human rights violations.

Policies related to value chain workers [S2-1]

STIEBEL ELTRON is committed to respecting human rights and treating workers fairly along the value chain as part of a code of conduct, a supplier code, a declaration of principles on social responsibility and human rights, and a sustainable procurement policy. The codes form a common framework for employees and business partners.

In our sustainable procurement policy and 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. We respect the human rights and working conditions of our employees worldwide and are committed to compliance with applicable law. We strictly reject any form of forced and child labor and transfer the same responsibility for respecting human rights to our suppliers. Furthermore, we reject any form of discrimination, violence and harassment.

STIEBEL ELTRON itself undertakes to comply with all regulatory and legal requirements relating to occupational health and safety applicable in any country where we conduct business. We also expect our business partners to respect human rights in their companies, to treat their employees fairly and respectfully at all times, and to apply.

Our business partners shall not resort to any form whatsoever of servitude, forced or compulsory labor, bonded labor, human trafficking or involuntary labor. When directly or indirectly using or employing migrant workers, our business partners shall be particularly conscientious. Our business partners shall grant their employees the right to leave their place of work and to terminate their working relationship with their employer, subject to a reasonable notice period. Our business partners shall ensure that their employees are not subjected to any inhumane and/or demeaning treatment, corporal punishment, mental and/or physical duress or verbal abuse. All disciplinary measures shall be recorded in writing and verbally explained to employees in clear and comprehensible language.

Any form of child labor is prohibited. The minimum age for employment is observed in accordance with the respective local legal regulations. If no legal regulations exist, our business partners undertake not to employ children under the age of 15, either directly or indirectly. Exceptions only apply if they comply with the regulations recognized by the International Labor Organization (ILO) in accordance with Articles 6 and 7. As part of their recruitment process, our business partners must establish reliable mechanisms for determining age, which under no circumstances may lead to degrading or undignified treatment of employees.

Our Supplier Code of Conduct is based on international agreements such as the Universal Declaration of Human Rights, the Guidelines on Children's Rights and Business, the United Nations Guiding Principles on Business and Human Rights, the OECD Guidelines, the UN Global Compact and the conventions and recommendations of the International Labor Organization (ILO), which are instrumental in improving working conditions in the supply chain. Our business partners are obliged to comply with the requirements set out in this Supplier Code of Conduct and to fulfil their responsibility to respect human rights within their sphere of influence.

The Supplier Code of Conduct was introduced in the 2017 financial year; its signature is being gradually requested from key suppliers – alternatively, an equivalent code of conduct of their own may be submitted. The aim is to avoid negative impacts in the supply chain, promote safe working conditions and raise awareness of sustainability issues.

Processes for engaging with value chain workers about impacts [S2-2]

The STIEBEL ELTRON Group is committed to ensuring that affected individuals throughout the supply chain have access to the Group's whistleblower system to raise concerns about actual or suspected human rights violations, whether by their own employer, an employer in their community or elsewhere. The whistleblower system allows employees to draw attention to potential negative impacts so that these can be identified at an early stage, avoided or, if they do occur, eliminated or minimized as quickly as possible. STIEBEL ELTRON is committed to addressing all issues that arise and to seriously investigating any reports it receives.

We are working to engage stakeholders throughout the supply chain to ensure that the interests of those affected are known so that they can be properly considered. Workers are engaged when reports are received through a complaint procedure or via the compliance hotline.

We undertake to respond appropriately if we become aware of any violation of the provisions set out in our Code of Conduct. Complaints and reports of violations of the Code of Conduct can be submitted at any time, anonymously if desired, to the departments specified in the Supplier Code of Conduct.

STIEBEL ELTRON attaches great importance to continuous transparency in its supply chains, right back to the extraction of raw materials. Information on upstream value creation steps must be provided to STIEBEL ELTRON upon request. In the event of complaints from the supply chain in particular, STIEBEL ELTRON is required to initiate an analysis of possible risks and take corrective measures. We expect the full support and cooperation of our business partners in creating the necessary transparency, unless legal or contractual obligations expressly prevent this.

The highest-ranking position within the company with operational responsibility for integration is the Head of Corporate Compliance Audit.

Processes to remediate negative impacts and channels for value chain workers to raise concerns [S2-3]

Should STIEBEL ELTRON become aware of any negative effects on workers in the value chain, we will make every appropriate and reasonable effort in accordance with our Code of Conduct to continuously implement and apply the principles and values described.

We undertake to promote compliance with the contents of the Code of Conduct among our suppliers and further along the value chain within the scope of our respective possibilities and spheres of action.

We commit to taking appropriate measures if we become aware of any violation of the provisions set out in this Code of Conduct. Complaints and reports of violations of our Code of Conduct can be submitted at any time, with the option of anonymity.

In particular, in the event of complaints from the supply chain, STIEBEL ELTRON is required to initiate an analysis of possible risks and take corrective measures, and expects the full support and cooperation of its business partners in creating the necessary transparency, unless legal or contractual obligations expressly prevent this (see Supplier Code of Conduct).

The whistleblower system can be found on the STIEBEL ELTRON website, where workers in the value chain can express their concerns or needs.

The Supplier Code of Conduct addresses reporting misconduct and complaint management. It also provides a link to the whistleblower system. Further information can be viewed, reports submitted, and concerns raised. See also G1-1.

All reports submitted are processed by the Corporate Compliance Audit department as part of the compliance management system. Internal audits are also carried out by the Corporate Compliance Audit department. An external adequacy review of our whistleblower system and compliance management system was conducted in the reporting year. An effectiveness review of the systems is planned for the 2026 financial year.

Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities [S2-4]

We implement specific measures to prevent and mitigate significant negative impacts on workers in the value chain and to ensure significant positive impacts on workers in the value chain.

As part of the business initiation process, all potential suppliers undergo an onboarding process. In this process, self-assessments are requested for the purposes of appropriateness, which include sustainability and CSR topics.

In addition, tool-based risk monitoring based on media analyses is already being used for permanent supply chain monitoring. The aim is to monitor all strategically important suppliers and to transfer the process to the subsidiaries. This will enable us to be proactively informed about potential risks relating to natural disasters, labor practices and human rights, as well as other risks associated with these suppliers and their production facilities. We also strive to increase transparency in the supply chains in close coordination with our direct suppliers and thus extend monitoring to indirect suppliers. Other measures include on-site or remote audits and reviews to check and improve working conditions at our suppliers.

As part of the annual risk analysis in accordance with the Supply Chain Due Diligence Act (LkSG), we identify potential negative impacts and risks both in our supply chain and in our own business area. To this end, we also rely on the aforementioned tool-based risk monitoring to identify potential risks at an early stage and record them systematically.

In addition, suppliers who present a high abstract risk and from whom we purchase large volumes receive self-assessments covering topics such as child labor, forced labor and other human rights and environmental issues. If self-assessments are not completed or are insufficiently answered, we contact the respective suppliers, taking into account the appropriateness of doing so, and, if necessary, request that they sign the STIEBEL ELTRON Group's Supplier Code of Conduct.

We systematically identify critical industries and countries and take responsibility for identified risks and their assessment, elimination or reduction through targeted corrective and remedial measures. We take sensible preventive measures with our direct suppliers in advance and agree binding contracts to commit to our partners. The associated minimum social and environmental standards are part of our onboarding processes and are therefore mandatory for our suppliers.

If risks are identified at our suppliers as part of the measures presented, we address them with appropriate and sensible preventive or remedial measures, which are followed up by STIEBEL ELTRON. We prioritise the suppliers concerned according to their degree of risk. Suppliers with increased risk are dealt with specifically by a sustainability team consisting of the procurement and compliance departments. The aim is to review and, if necessary, remedy risks or already known problems. Our sustainability and supplier management platforms can be used to assign appropriate corrective measures to suppliers, the implementation of which is systematically tracked.

Through regular dialogue with our suppliers, we intensify business relationships to promote and further develop sustainability aspects within these suppliers' organizations and make them a matter of course.

By combining integrated sustainability issues in our onboarding process, annual risk analysis, self-assessments and the STIEBEL ELTRON Group's supplier code of conduct, we want to ensure that our suppliers and the entire value chain remain free of negative impacts. We also hope that the measures described above will raise awareness of sustainability issues in the value chain and that suppliers and their business partners will also take appropriate action.

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities [S2-5]

We are currently pursuing two specific targets in the area of addressing potential material negative impacts and promoting positive impacts in relation to workers in the value chain:

Target	Target value	Term	Current status 12/2024
Signing of the Supplier Code of Conduct for all suppliers of strategic importance for production materials and trade goods (suppliers may provide their own equivalent code of conduct if applicable)	>90% for all relevant sites	12/2026	Implementation began in the reporting year
Implementation of group-wide risk monitoring for the relevant locations	all relevant sites	12/2026	Implementation began in the reporting year

Consumers and end-users [ESRS S4]

Disclosure requirements related to ESRS 2 SBM-3

In the course of our materiality analysis, the following material negative impacts and positive impacts, as well as risks and opportunities, were identified:

S4 – Consumers and end-users	Position in the value chain	Time horizon	Impact, risk or opportunity
Potential health risks due to refrigerant leakage from defective refrigeration circuits (e.g., fire hazard).	Downstream	1 year – short term	Impact (negative)
Non-compliance with data protection laws results in the violation of the personal rights of consumers and end-users.	Downstream	1 year – short term	Impact (negative)
Switching to competitors if customers are dissatisfied (e.g., due to excessively long response times).	Downstream	1 year – short term	Risk
Customer loyalty among our qualified contractors and wholesalers contributes to revenue growth.	Downstream	2-5 years – medium term	Opportunity

The following consumer groups and/or end-user groups may be significantly affected:

- Private users of our products (end customers, product users)
- Qualified contractors
- Customers (wholesalers, house manufacturers, housing associations, DIY stores, OEMs, component distributors)[1]

Policies related to consumers and end-users [S4-1]

Our corporate goal is to develop, manufacture and distribute innovative, market-driven and energy-efficient products of high quality in an environmentally friendly manner worldwide. We understand quality as the fulfilment of customer requirements, expectations and wishes. Customer benefit and customer satisfaction are our measure of quality. Through the process-oriented structure of our company, we ensure the transparency of our processes and align them in a dynamic manner with the needs of our employees, the company and those interested in our company's services.

Our integrated management system contributes to the fulfilment of contractually agreed customer requirements, planning, implementation, monitoring and improvement of all quality-related activities, and to the improvement of customer satisfaction. The quality of our products is therefore crucial to customer satisfaction and thus a prerequisite for economic success.

Our production sites in Holzminden, Eschwege, Hameln, Poprad, Arvika, Tianjin and Ayutthaya are DIN EN ISO 9001:2015 certified. Through consistent application of the DIN EN ISO 9001:2015 standard, we ensure structured and transparent processes. This not only enables continuous improvement of our services, but also the early identification and minimisation of potential risks to product safety.

Our quality standard is as follows: We produce and develop products that are safe and of unblemished quality.

The safety of our products has highest priority. They may not have any faults or properties that could be harmful to our customers' health in any way. Our Group data protection policy sets out strict requirements for the processing of personal data belonging to customers, prospective customers, business partners and employees. The Group Data Protection Officer is the point of contact for all international locations. See also the topic of data protection under S1.

[1] The groups listed under "Customers" are not direct consumers and end users of Stiebel Eltron products. Nevertheless, for the sake of completeness, we mention this customer group in this chapter.

Processes for engaging with consumers and end-users about impacts [S4-2]

Measuring customer satisfaction is an important means for STIEBEL ELTRON of capturing the 'voice of the customer' in order to determine, evaluate and continuously improve the performance of the organization. The results are intended to provide impulses for the highest possible customer orientation and optimised quality management.

An analysis of customer satisfaction can generally be carried out based on internal and external data. We essentially distinguish between:

- Personal interviews, e.g. by field staff
- Telephone interviews, e.g. by interviewers from a market research institute
- Written surveys, e.g. questionnaires sent by post, via the Internet or by e-mail
- Workshops, e.g. internal or external workshops with users (acceptance tests)

Our sales departments are responsible for selecting, introducing and implementing procedures for determining customer satisfaction in consultation with the Executive Management. Satisfaction analysis in the specialist trade is carried out by means of an online survey of purchasing customers (B2B).

In addition, to determine customer satisfaction, a completion notification for the order is sent by email (with a link to the online form) to the service recipients. Our customers are asked about criteria such as deadlines, order processing and customer service technicians. The resulting feedback and the data collected in this way provide key figures for the percentage of satisfied customers.

Special attention is paid to handling complaints via social media. The internal guideline is that complaints must be responded to within 4 hours.

Processes to remediate negative impacts and channels for consumers and end-users to raise concerns [S4-3]

In addition to other forms of violations that could seriously affect STIEBEL ELTRON, the EQS Integrity Line whistleblower system can also be used to report information on product safety and conformity as well as on the protection of privacy and personal data. Reports are treated with strict confidentiality. The identity or means of identifying the person making the report will not be disclosed, except in exceptional cases (as witness testimony in court) where this is required by law. In certain cases, we are obliged to inform the accused person that a report has been made about them. This would happen if the disclosure of this information would no longer affect the further investigation of the case. The data will only be stored for as long as necessary for the case to be pursued. The information will then be deleted or anonymised so that any link to the identity of the whistleblower is irrevocably removed.

The procedural instruction for the STIEBEL ELTRON Group's whistleblower procedure serves to provide information on the whistleblower procedure process.

Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions [S4-4]

STIEBEL ELTRON implements the following measures with regard to material impacts on consumers and end-users and approaches to managing material risks and exploiting material opportunities in relation to consumers and end-users:

- Customer satisfaction surveys and measurements
- Regular trainings
- Occupational safety training and training for qualified contractors
- Provision of operating and installation instructions for end-users, as well as manuals and user guides
- Safety instructions for consumers and end-users
- Customer service
- Implementation of a loyalty programme and exclusive incentives
- Product safety through ISO certifications, VDE certifications, laboratory and development tests

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities [S4-5]

Providing safe products is an overarching goal. Strengthening customer loyalty is also an overarching goal. We are working to achieve this goal with the help of the Net Promoter Score (NPS) and by monitoring the ISG rate. An additional goal is to improve customer service and response times.

In the sales department, NPS targets are tracked, and the achievement of these targets is regularly monitored in management reviews. Customer service tickets and orders are also monitored so that targeted improvement measures can be derived and frequently occurring customer service reports can be tracked.

In terms of customer satisfaction, our corporate goal is to achieve the highest possible index value according to the CSI (Customer Satisfaction Index) method and to continuously improve this value. Another goal of evaluating our feedback is to increase satisfaction figures, which show the percentage of satisfied and very satisfied customers in relation to less satisfied to very dissatisfied customers. If target values are significantly undershot, measures will be taken.

No specific time-related targets have been defined for the Group as a whole to date. Specific Group-wide targets are to be reviewed in the coming years.

Chapter 4 - Governance Information

Business Conduct [ESRS G1]

The following impacts (positive and negative) and risks were identified in the course of the materiality analysis:

G1 - Business conduct	Position in the value chain	Time horizon	Impact, risk or opportunity
The negative effects of corruption, such as procurement bans, blacklisting and claims for damages, put the company at risk.	Along the value chain	2-5 years – medium term	Impact (negative)
In the event of compliance violations, operations may be shut down.	Own operations	1 year – short term	Risk

The role of the administrative, supervisory and management bodies [Disclosure Requirement related to ESRS 2 GOV-1]

A clear separation and delineation of responsibilities between the administrative, management and supervisory bodies forms the basis for the corporate governance of our company. The management is responsible for the operational control and strategic orientation of the STIEBEL ELTRON Group. The supervisory board monitors the management and acts in an advisory capacity on important decisions.

The management bodies ensure that all legal requirements, internal guidelines and sustainability-related obligations are complied with. This includes, among other things, the implementation and monitoring of an internal control system for sustainability reporting, the establishment of risk management and the integration of sustainability goals into the corporate strategy.

The Supervisory Board is regularly informed about sustainability risks, compliance issues and progress in implementing the sustainability strategy.

This structured governance approach ensures responsible corporate management and promotes transparent and sustainable corporate development.

The members of the Executive Management and Supervisory Board have in-depth expertise in key areas of corporate management. These include strategic management, finance, risk management, compliance and legal frameworks. This expertise is complemented by industry-specific experience and skills in the field of sustainable corporate management.

To ensure that current developments and regulatory requirements, particularly in the context of sustainability, are considered, the bodies regularly participate in training and further education measures. In FY 2024, this included internal training courses on topics such as EU taxonomy, the Corporate Sustainability Reporting Directive (CSRD), climate-related risk management and sustainability reporting.

As part of a structured onboarding process, new members are familiarized with the principles of corporate governance and sustainability commitments. Continuous competence management ensures that the governing bodies can make informed decisions in the interests of responsible and sustainable corporate development.

Business conduct policies and corporate culture[G1-1]

Our maxim is: zero tolerance for corruption, competition violations and other breaches of applicable law – and, where such violations do occur, a consistent response. But at STIEBEL ELTRON, compliance means much more than just adhering to laws and internal regulations with our Code of Conduct at its core. Compliance forms the basis of all our decisions and activities and is the key to integrity in business conduct. Our premise is: only a 'clean' business is a STIEBEL ELTRON business. This applies worldwide and at all organizational levels.

Codes of the STIEBEL ELTRON Group

Our company-wide Code of Conduct provides employees with guidance on legally compliant behaviour and ethical conduct in their daily work. These guidelines are based on the applicable legal provisions and the standards we set for our own actions. Compliance with the Code of Conduct is strictly monitored within the company and, where possible, extended to the company's suppliers by requiring them to make corresponding commitments.

Our Supplier Code of Conduct comprises a set of principles and values that reflect STIEBEL ELTRON's beliefs and expectations of its business partners. For more information, see ESRS S2 – Workers in the value chain.

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 and implements the core labor standards of the International Labor Organization (ILO). The Code is based on key international standards on human rights and working conditions, such as the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. Respect for human rights and fair working conditions are an integral part of our corporate culture.

The codes are published on our website.

Compliance management system

Our compliance management system aims to ensure that all relevant laws, regulations, internal guidelines and ethical standards are observed throughout the group. The main objectives of the CMS at STIEBEL ELTRON are:

- Promoting accountability through clear assignment of roles and responsibilities to ensure that all employees are aware of and comply with their duties
- Transparency and responsibility in corporate governance
- Legal compliance by adhering to all relevant laws, regulations and regulatory requirements
- Identification, assessment and management of compliance risks
- Promotion of a compliance culture to raise awareness of compliance
- Protection of assets
- Transparency and traceability
- Protection of reputation

The following compliance topics are key to integrity at STIEBEL ELTRON:

- Anti-corruption
- Competition and cartel law
- Data protection
- Money laundering prevention

- Sustainability / Supply chain compliance & LkSG
- Inspections by authorities

Handling compliance cases

The basis for compliant behaviour is a constantly alert and attentive attitude. Only through the attentiveness of each individual employee can STIEBEL ELTRON meet the requirements for compliant behaviour. All compliance enquiries are examined carefully and competently. Concerns and questions raised are handled in strict confidence by case managers in the Compliance department.

The systematic recording of compliance cases and the derivation of appropriate measures is of crucial importance. Complete documentation of compliance cases is essential for ongoing evaluation. Compliance cases are handled based on systematic recording in a group-wide database.

If necessary, possible consequences of compliance cases are implemented at short notice, if possible, in consultation with the respective management. Necessary measures are initiated by the Compliance Officer in cooperation with the responsible department. The Compliance Officer is authorised to make recommendations regarding sanctions against employees and/or authorised representatives. The recommendations are forwarded to the management teams responsible for the respective issues and for managing the employees. The implementation of the recommendations is monitored by the compliance organization. If implementation fails to take place, appropriate consultations are held.

Issues such as anti-corruption, data protection, HR compliance, tax compliance, export compliance and money laundering compliance are queried by the compliance officer from the managing directors of the subsidiaries once a quarter as part of a standard report and reported to the Group Executive Management. In serious cases involving a high risk for STIEBEL ELTRON, the report is submitted immediately after becoming aware of the issue. The Compliance Officer's standard report to the Supervisory Board is submitted annually at one of the four scheduled Supervisory Board meetings.

STIEBEL ELTRON has established procedures for the immediate, independent and objective investigation of incidents relating to corporate governance, particularly in the areas of corruption, bribery and ethical misconduct.

Whistleblower system

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. This allows both STIEBEL ELTRON employees and external third parties to report possible violations of legal provisions or internal regulations. The reporting procedure enables individuals to report violations of laws, STIEBEL ELTRON compliance guidelines, STIEBEL ELTRON standards (e.g. social standards/human rights policy statement), human rights and environmental risks, and violations of human rights or environmental obligations arising from the economic activities of STIEBEL ELTRON or a direct supplier, as well as other compliance violations.

There is no need for employees to fear any negative consequences when addressing compliance-related issues or cases. Anonymous reporting is also possible, for example via the EQS Integrity Line whistleblower system: https://stiebel-eltron.integrityline.app/.

The reports received are first reviewed and assessed by the internal compliance office. Among other things, attention is paid to conflicts of interest, to ensuring that investigators are selected impartially, and to maintaining the confidentiality of the personal data concerned. If necessary, external investigators or legal advisors are consulted.

The results of the investigation are documented and, if necessary, disciplinary, organizational or legal consequences follow. The effectiveness of the procedures is regularly reviewed and adjusted as necessary.

Trainings

The company pursues a structured training concept to strengthen skills in the area of corporate governance. The aim is to ensure that all relevant managers and employees have up-to-date knowledge of governance requirements, compliance, ethical behaviour and sustainability-related aspects.

All employees (group-wide) participate in basic compliance training in their respective national language via the e-learning platform on an annual basis and upon joining the company. A basic training course is available for all employees, as well as special management training (Part 1 and Part 2) exclusively for executives. The applicable guidelines are distributed to all employees for signature via the EQS 'Policy Manager' system.

Participation is documented and the training content is regularly adapted to new legal and regulatory developments. Feedback mechanisms and internal audits are used to continuously review the effectiveness of the training concept.

Clear communication of governance and compliance principles

STIEBEL ELTRON ensures that all relevant concepts and guidelines in the area of corporate governance – in particular those relating to ethical conduct, corruption prevention, compliance and governance – are communicated to internal and external target groups in a clear, accessible and understandable manner.

Internal communication

Employees have access to all valid guidelines and governance requirements via the central intranet, the integrated management system and the EQS Policies tool. The IMS serves as a structured and certified platform for documented procedures, work instructions and regulations – ensuring that compliance requirements are integrated into processes. EQS Policies are used to distribute and update relevant documents in a targeted manner and to provide them with binding proof of reading. Employees are actively informed of changes by email. New employees receive all essential concepts as part of their onboarding process.

External communication

Relevant external stakeholders, such as suppliers, service providers or partners, are informed about applicable standards (e.g. Code of Conduct, Supplier Code, Anti-Corruption Policy) in the context of tenders, contract negotiations or cooperation agreements.

The documents are available on the company website (stiebel-eltron.com/en/home/company/compliance) or can be obtained on request.

Prevention and detection of corruption and bribery [G1-3]

STIEBEL ELTRON has a multi-level, comprehensive anti-corruption and compliance system that is an integral part of its corporate management. It aims to effectively prevent, detect, investigate and prosecute corruption and bribery. The system is based on established compliance principles and internal guidelines (such as the STIEBEL ELTRON Group's anti-corruption policy) and is supported by clear guidelines, internal control mechanisms and regular training. The procedures are based on national and international standards and are continuously reviewed and further developed to ensure the highest level of integrity and transparency.

Prevention

To effectively prevent corruption, STIEBEL ELTRON has established a comprehensive package of measures that includes binding rules of conduct, an anti-corruption policy and clear guidelines for dealing with gifts, invitations and other benefits. Particularly high-risk processes such as purchasing, sales, contract awarding and sponsorship are subject to strict approval and documentation requirements, which are safeguarded by the dual control principle and internal control mechanisms.

The EQS Approvals digital solution is used for the systematic control and traceability of sensitive processes. It is used to transparently document requests for invitations, gifts or other benefits, approve them in accordance with regulations and manage them in an audit-proof manner.

In addition, all employees receive regular training on ethical conduct, conflicts of interest and anti-corruption requirements – new employees as part of their onboarding process. In this way, STIEBEL ELTRON ensures that integrity and transparency are practised in everyday working life.

Detection

STIEBEL ELTRON relies on a multi-level control system to detect and prevent potential compliance violations. A key element of this system is the anonymous whistleblower platform EQS Integrity Line, which is available around the clock and open to both employees and external partners. Incoming reports are received, evaluated and, if necessary, followed up centrally by the Compliance Department.

In addition, the company conducts regular internal audits and risk assessments in relevant organizational units – particularly in areas with an increased susceptibility to corruption. This ensures that potential risks can be identified at an early stage and addressed effectively.

Investigation and prosecution

Reports of possible compliance violations are carefully and confidentially investigated at STIEBEL ELTRON. The assessment and investigation are carried out by the internal compliance department or, if necessary, by external, independent experts. A clearly defined, documented review process is implemented to ensure objectivity, confidentiality and independence.

Confirmed violations result in appropriate consequences – ranging from disciplinary measures and legal measures to structural adjustments to processes. In addition, lessons learned from incidents are systematically recorded and incorporated into the continuous improvement of internal control systems and the further development of training concepts.

At STIEBEL ELTRON, investigations into allegations of corruption or bribery are conducted independently and without influence from operational management. The departments responsible for conducting such investigations are organizationally separate from the management chain concerned and are not subject to any instructions.

Responsibility

The primary responsibility for investigating and clarifying reports lies with the company's internal compliance department, which reports directly to the management or supervisory board and is therefore not integrated into the operational line structures. The Compliance Department (S-CR) reports to the Group Management of STIEBEL ELTRON GmbH & Co. KG. In cases where there is a potential conflict of interest or the involvement of executives, investigations are carried out by external, independent bodies (e.g. law firms, auditors).

This separation ensures that all procedures for investigating incidents are conducted objectively, confidentially and without influence. The regulations governing independence are defined in the company's internal Compliance Management System procedural guidelines and are reviewed regularly.

Reporting

Reporting plays a central role in the context of STIEBEL ELTRON's CMS. It comprises regular reporting on relevant compliance activities, risks and measures within the STIEBEL ELTRON Group. The reporting system serves to ensure the transparency and traceability of compliance activities and to communicate the relevant information to the responsible bodies, in particular the company management.

This procedure is regulated in the internal Compliance Management System procedural instructions and supports transparent and traceable corporate governance. See also the chapter ‚Handling compliance cases'.

The results of internal investigations into allegations of corruption or bribery are structured after completion of the investigation process and communicated to the relevant members of the administrative, management and supervisory bodies in a confidential manner.

Ensure understanding

To ensure that the concepts are not only available but also understood and implemented, the company uses the following measures:

- Practical classroom training,
- Confirmation of reading EQS policies,
- Compliance awareness campaigns,
- Personal contact persons (e.g. compliance officer, compliance manager),
- Opportunities for feedback and questions.

Role of the integrated management system (IMS)

The IMS provides the organizational framework for the systematic implementation, monitoring and further development of all relevant corporate guidelines – including governance, compliance and sustainability concepts. It ensures process reliability, internal auditability and company-wide harmonisation of regulations. This ensures that all employees have the same understanding of content, responsibilities and implications.

Our training approach

STIEBEL ELTRON pursues a systematic and risk-based training approach to effectively prevent corruption and bribery. The training programmes are an integral part of the company-wide compliance strategy and are aimed at all employees – with a particular focus on those in sensitive positions.

Key topics include corruption prevention, conflicts of interest, legal requirements and appropriate conduct in business transactions. New employees receive this content as part of their onboarding process. The training courses are offered as e-learning modules, face-to-face events or workshops. Content is adapted to the target group and enriched with realistic practical examples. Where necessary, further awareness-raising measures are taken to promote compliance, such as an intranet newsletter or the distribution of compliance safety cards.

Mandatory training courses on corruption and bribery prevention are provided for all employees (basic and management training) at least once a year. Special refresher courses are provided as needed for particularly exposed groups (e.g. sales, purchasing, management). New employees complete mandatory basic training on compliance and integrity as part of their onboarding process. Participation and successful completion are systematically documented.

The training courses cover both legal principles (e.g. criminal code, international anti-corruption agreements) and internal company guidelines. The focus is on:

- Recognising and avoiding corruption risks,
- Conduct when dealing with public authorities and business partners,
- Handling gifts, invitations, donations and sponsorship correctly,
- Using internal approval tools (e.g. EQS Approvals),
- Reporting suspicious cases via the whistleblower system.

The content is regularly updated by the compliance department, particularly in the event of legal changes or internal incidents.

Learning progress and depth of understanding are assessed through knowledge tests and targeted risk analyses. Findings from internal audits and compliance reviews are also incorporated into the further development of training concepts.

Training of functions-at-risk

The following functions within the company are most at risk in terms of corruption and bribery:

- Purchasing
- Sales
- Human resources
- Plant planning
- Executive management

Training of functions-at-risk	2024
Amount of functions deemed to be at risk of corruption and bribery as a result of its tasks and responsibilities	40
Amount of functions deemed to be at risk of corruption and bribery, which are covered by training programmes	40
Percentage of functions-at-risk covered by training programme	100%

AR 4: Overview functions at risk

The members of the administrative, management and supervisory bodies receive regular training in a structured format on topics relating to the prevention of corruption and bribery, as well as corporate governance and compliance. The aim is to ensure a high level of legal certainty, ethical responsibility and strategic sensitivity. The training courses are conducted by the internal compliance department, supported by external experts or law firms where necessary. In addition, short topic-specific sessions or case discussions are held during committee meetings to ensure a continuous transfer of knowledge. Participation is documented, training content is regularly evaluated and, if necessary, adapted to new legal or internal company developments. Feedback from the members of the bodies is incorporated into the further development of the formats.

Incidents of corruption or bribery [G1-4]

STIEBEL ELTRON pursues a zero-tolerance policy towards corruption and bribery. Violations of internal anti-corruption procedures and standards will result in graduated and consistent measures being taken, covering both disciplinary and structural aspects. Specific measures in the event of violations include, among others:

- disciplinary consequences, including warnings or summary dismissal of employees,
- termination or cancellation of contracts with external partners or suppliers who violate the anti-corruption guidelines and the supplier code of conduct.

In particularly serious cases, legal action will be taken, including criminal charges being brought before the respective authorities. Furthermore, the incident will be documented and reviewed by the compliance department. Preventive measures will also be reinforced, e.g. through:

- Updating and specifically tightening the code of conduct and guidelines,
- Mandatory repeat training for affected organizational units,
- Targeted audits in risk areas,
- Awareness campaigns.

In cases where weaknesses in the system were identified, internal control mechanisms were adjusted, and the dual control principle was extended to additional processes. The effectiveness of these measures is regularly reviewed as part of the compliance management system. There were no convictions for violations of corruption and bribery regulations in the financial year. Accordingly, no fines were imposed for violations of corruption and bribery regulations.

Appendix 1: Disclosure Requirements in ESRS covered by the undertaking's sustainability statement [IRO-2]

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56, AR 19: List of the Disclosure Requirements complied with in preparing the ***sustainability statement***, following the outcome of the ***materiality*** assessment, including the page numbers and/or paragraphs where the related disclosures are located in the sustainability statement.

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This report contains statements about future developments, strategies and targets in the area of sustainability. These are based on current assessments, assumptions and expectations at the time of publication. Terms such as ‘expect,’ ‘plan,’ “intend” and ‘estimate’ indicate such forward-looking statements. These statements do not guarantee that the predicted developments or goals will actually be realised. Changes in general conditions, market developments or regulatory requirements may cause actual results to differ from the expectations presented here.

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