


DIRECTION NET ZERO

United for a climate-neutral building stock



techem



13

 Strategy & Organization

28

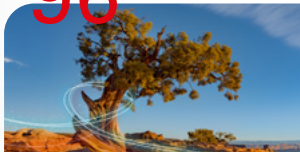
 For the Climate & Environment

57

 For the Individual & Society

83

 For Ethical Business Conduct

96

 Climate Risks & Opportunities (TCFD)

105

 Facts & Figures

Contents

Foreword	3	For Ethical Business Conduct	83
Overview of Techem:		Ethical corporate governance and compliance	84
Making buildings green, smart and healthy	6	Sustainable supply chain	93
<hr/>			
Strategy & Organization	13		
Anchoring sustainability	14	Reporting on climate risks & opportunities in accordance with the TCFD	96
Material topics	17		
Fields of action and sustainability program	22	<hr/>	
Contribution to the Sustainable Development Goals	25	Facts & Figures	105
<hr/>			
For the Climate & Environment	28	About this report	106
Climate-friendly buildings	29	Techem sustainability program	107
Climate and environmental protection in our operations	37	Our key figures	113
<hr/>			
For the Individual & Society	57	Auditor's report	137
Creating attractive working conditions	58	GRI index	139
Satisfaction and health of customers and tenants	76	Editorial information	148
Innovation, cooperation and social engagement	79		



Foreword

Dear Readers,

In a world marked by complex challenges and profound change, I take personal pride in presenting to you our Techem Sustainability Report for the 2023 financial year. Today we stand at a turning point – one that calls for concerted efforts to create a future worth living. The past year has once again highlighted the urgency of joining forces and working across national borders to promote sustainable development. Never before has there been such an acute need to tackle the challenges of climate change on a global scale – nor have these efforts ever been as intense as they are today. We are keeping a close eye on the ongoing discussions between various sections of society, political parties, the scientific community and the business community as they struggle to find the best and most affordable way to master the world’s climate challenges. This struggle and the urgency of making decisions and taking consistent action were further underlined by the recent World Climate Conference in Dubai.





The energy transition, which we as a company are actively helping to shape, plays a central role in this context. It is not just an ambitious vision, but an absolute necessity to which we as an organization are fully committed. In light of increasing public and political pressure to adopt sustainable practices, we are resolutely working on developing innovative solutions that make sense not only from an environmental but also from a business perspective. Our digital meters and AI-supported analyses of energy consumption data create transparency and thus encourage both landlords and tenants to adopt a more mindful approach to energy use. With our product portfolio, we are simultaneously laying the foundation for affordable measures to achieve smart digitalization and networking in residential and office buildings. We also use our team's wealth of experience, coupled with its innovative strength, to work toward the goal of an emission-free building stock. While the political debate over the right way forward is often loud and heated, we are focused on getting things done. Step by step, we are realizing low-investment projects that reduce energy consumption, thus helping both landlords and tenants. We are determined to live up to our responsibility to society and the environment.

Our company's strategic direction is geared toward achieving climate neutrality in buildings, and our actions are guided by the key principles of energy efficiency and decarbonization. We act with an eye to the long term, assume social responsibility and have made a clear commitment to the United Nations Sustainable Development Goals. And we even have external confirmation of this: In April 2023, Morningstar Sustainalytics – a leading ESG research company – awarded Techem an ESG risk rating of 8.7, indicating a “negligible risk” of material financial impacts from ESG factors. This positive result places Techem in the best possible category and thus among the top-rated companies in the world out of around 15,500 contenders in a wide range of sectors.

We at Techem believe it is crucial that we focus our commitment on those aspects that we can influence directly. Our materiality analysis serves as our compass to ensure that the topics covered in our sustainability reports comply with the latest standards of the Global Reporting Initiative (GRI), the forthcoming provisions of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).

“Our digital meters and AI-supported analyses of energy consumption data create transparency and thus encourage both landlords and tenants to adopt a more mindful approach to energy use.”



“As a driver of innovation in the industry, we will continue to invest systematically in further energy efficiency solutions based on our existing digital platform for all types of consumption in the building industry.”

As an international group of companies, we pursue a holistic approach to sustainability. This is demonstrated by our commitment to reducing emissions and providing our customers with targeted support in decarbonizing their building stock. In addition, we have a very clear plan to reduce CO₂e emissions in the area of heat contracting. And we have also defined clear targets for our own operations, which we are pursuing with great determination in order to achieve climate neutrality by 2045. For example, in the reporting period, we reduced our CO₂e emissions by 20%, appointed 2.5% more women to management positions and used 100% green electricity for Techem customers and our Techem locations in Germany – to name just a few of our successes in recent months.

As a driver of innovation in the industry, we will continue to invest systematically in further energy efficiency solutions based on our existing digital platform for all types of consumption in the building industry – because without digitalization, there will be no energy transition. This will benefit landlords, tenants and the environment in equal measure.

On behalf of the entire management team and our employees, I thank you very much for your interest in our Sustainability Report. We look forward to working together with you – our customers, partners and investors – to jointly achieve our ambitious sustainability objectives.

Sincerely yours,

Matthias Hartmann

CEO of Techem GmbH



Overview of Techem: making buildings green, smart and healthy

With more than 70 years of experience and innovative strength under its belt, Techem is a leading energy provider serving the real estate industry as a partner on an equal footing to help it meet the challenges of the energy transition.

Active in the market for over 70 years

Techem was founded in 1952 by Friedrich Ott. It was one of the first companies to record the heat consumption of individual households, helping to distribute heating costs fairly based on actual consumption – and thus also to save energy. Over the course of 70 years, the company has evolved from simply installing analog evaporator tubes on radiators and reading off the values to operating as a broad-based, internationally positioned provider of digital energy services and other services for healthy and livable properties.

From metering service provider to digital service provider

Techem unites decades of experience in collecting and processing energy data with extensive expertise on the requirements and processes of energy systems in buildings – whether in the generation, supply, billing or optimization of energy flows.

In addition, Techem has developed innovative services in the areas of drinking water quality and smoke detection based on an in-depth analysis of the needs of customers and tenants. What started out as a meter reading company has thus transformed into a digital service provider for smart and sustainable buildings. Today, Techem is setting the course for a successful energy transition, using digital technologies to drive the switch from fossil fuels to renewable energy sources.



Offering services throughout Europe

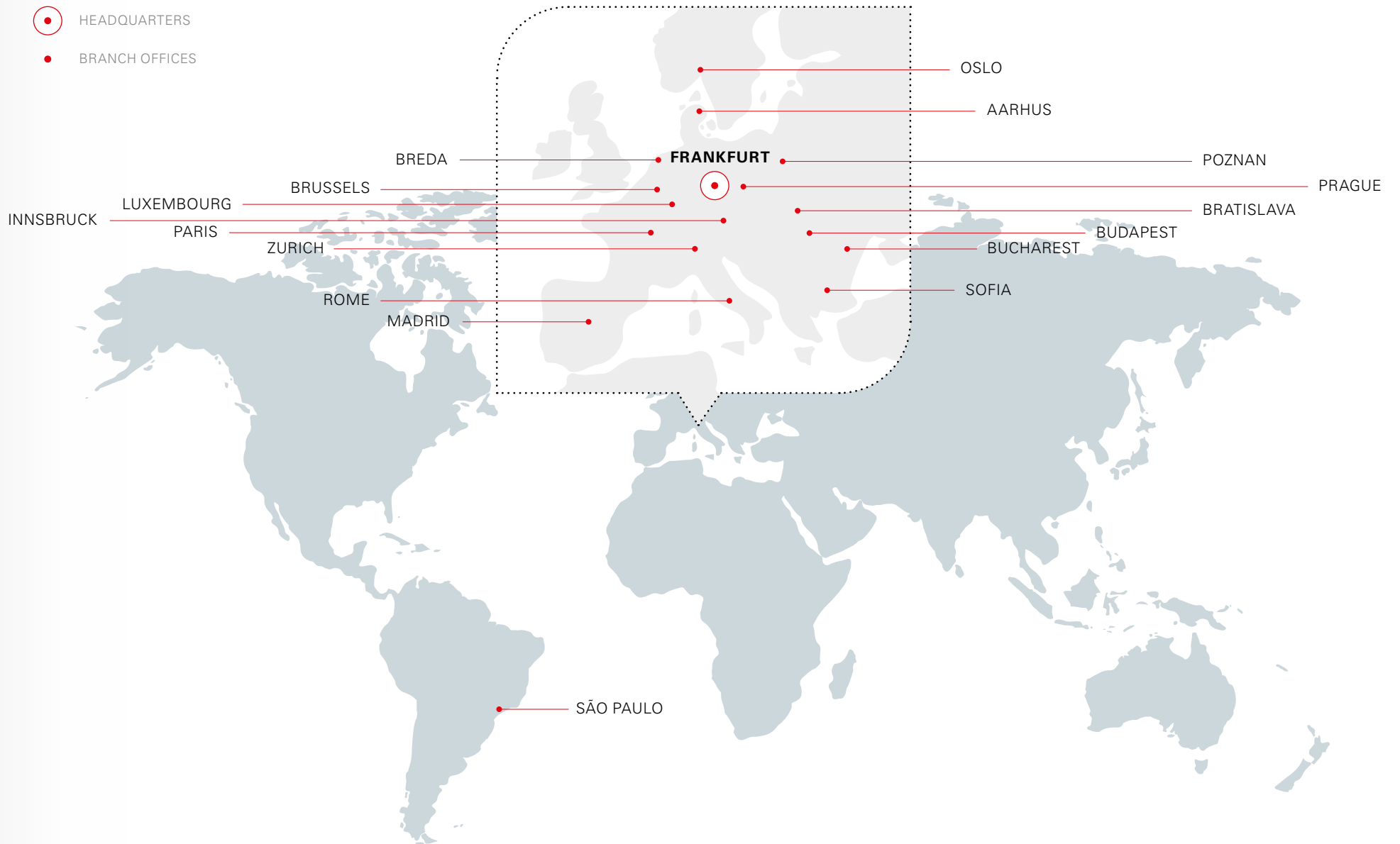
Techem currently has 4,214 employees (2022: 4,199) in 18 countries.¹ We provide our services to more than 13 million (2022: 12 million) homes across Europe and in Brazil. The company is headquartered in Eschborn near Frankfurt am Main, Germany, and managed by Matthias Hartmann as Chief Executive Officer of Techem GmbH, Dr. Carsten Sürig (Chief Financial Officer) and Nicolai Kuß (Chief Sales Officer).

The Techem Group has various locations and companies in Germany and abroad. The Energy Efficiency Solutions (EES) segment offers energy contracting and energy consulting, including services such as planning, financing, constructing and operating heat generation plants. Submetering services are provided by the Energy Services Germany (ESG) and Energy Services International (ESI) segments. The ultimate parent company of the Techem Group is Techem Verwaltungsgesellschaft 671 mbH. This Sustainability Report is published by Techem GmbH on behalf of the Techem Group. The main business units in Germany are Techem Energy Services GmbH, Techem Solutions GmbH and Techem X GmbH (for further information, see the section on key figures on p. 105).

¹ The national company in the United Arab Emirates (UAE) was sold in October 2023 and is therefore excluded from the report.



-  HEADQUARTERS
-  BRANCH OFFICES





Our owners

Since July 2018, Techem has been owned by a group of investors led by the Swiss Partners Group (PG) as the majority shareholder and the Canadian pension funds Caisse de dépôt et placement du Québec (CDPQ) and Ontario Teachers' Pension Plan (OTPP). Techem's owners are organized under the umbrella of Luxembourg Investment Company 261 S.à r.l. (LIC 261), the holding company that owns all Techem companies.

Our Advisory Board

The owners of Techem have established the Advisory Board at the level of LIC 261. It is the highest supervisory body² of the Techem Group. The Advisory Board supports LIC 261's management in its decision-making and reviews and decides on business transactions by Techem companies that require approval. The board consists of nine people, who provide advice either as independent members with selected expertise on energy, digitalization or sustainability topics as well as strategic topics relevant to the company's development or who are members of one of the owners. Andreas Umbach, as an independent member, serves as Chair of the Advisory Board. For more information on governance as well as the composition and tasks of the Advisory Board, see [p. 16](#), [p. 88](#) and [p. 131](#).

Our financial key figures

The financial key figures relevant to the management of our company are revenue and EBIT. We consistently invest in the digitalization of the energy transition: During the 2023 financial year, our investments (capex) amounted to around 160 million euros (2022: 150 million euros). Further financial key figures can be found in the consolidated financial statements in the Federal Gazette.

Good to know

Techem as a sustainable investment

Techem's main shareholder is a company called Partners Group, which acts on behalf of its clients and is one of the world's leading managers of market investments in the areas of private equity, private real estate, private infrastructure and private debt. Since 2008, Partners Group has applied the Principles for Responsible Investment (PRI) promulgated by the United Nations. These principles include the financial relevance of environmental and social criteria as well as requirements for good corporate governance (Environmental, Social, Governance – or ESG for short).

Our customers

Techem's direct customers are housing companies, homeowners, homeowners' associations, property managers and cooperatives, as well as operators of commercial properties, such as hotels, office buildings or shopping centers, and developers of urban residential and commercial districts.

² The term "supervisory body" used at Techem is equivalent to the GRI term "governance body."



Overview of business activities

Tenants of the properties benefit from Techem's services through lower energy costs, greater safety in the building or higher-quality drinking water. In addition, Techem's products and services help make buildings more climate-friendly.

The business activity that generates the most revenue for Techem continues to be submetering, i.e. consumption-based heating cost billing. New digital processes not only make meter reading and billing faster, but also less error-prone and more convenient for the customer, thus significantly increasing customer satisfaction. Moreover, we offer professional heat supply for apartment buildings and commercial properties. The increasing digitalization of submetering and the infrastructure required for this (fixed networks) form the basis for further services focused on process efficiency, energy efficiency, CO₂e³ reduction and residential health in properties.

Techem advises and supports property owners and managers in evaluating procedural, technical and structural optimization measures in pursuit of a clear goal: CO₂e-optimized and efficient technical building operation.



Interconnected consumption metering and control devices along with sensors enable energy savings of 10–15% in district heating plants and heating installations (BaltBest Study 2021⁴). The regular recording, analysis and visualization of consumption data paired with digital and networked radiator controls enable tenants to better manage their energy footprint. To help our customers keep an eye on the energy costs and CO₂e emissions of their properties as well as comply with current regulatory requirements, Techem integrated new services into its portfolio over the course of the 2023 financial year. For example, to assist property owners and managers with the current reporting requirements, Techem introduced an online service in October 2022 that allows all of its existing customers to create individual energy cost forecasts. Another example is our CO₂ cost calculator, which helps landlords and tenants estimate the CO₂ levy. This service from Techem makes it easier to plan costs and provides a good basis for investment decisions.



When it comes to energy generation at the building or district level, we are increasingly using sustainable technologies such as heat pumps powered by green electricity. In a joint effort with property owners, Techem is thus driving the transition from fossil fuels to renewable energy sources. Thanks to Techem's comprehensive data overview, it is also possible to integrate PV and solar thermal systems into the district supply across several buildings. This coupling of the heat and electricity sectors is further extended by linking building operation and mobility. In this area, Techem offers electric charging solutions that will also be able to be powered by green electricity generated in the district in future. In early 2021, Techem additionally entered the smart metering business as a competitive metering point operator, offering smart metering systems to collect bundled consumption data for submetering, electricity and gas in the real estate industry (see [p. 34](#)). On this basis, it is also possible to easily integrate tenant electricity models (see [p. 36](#)).

³ Emissions are reported in CO₂ equivalents (CO₂e).

⁴ A detailed explanation of the study and Techem's contribution to it can be found in the 2022 Sustainability Report.



Radio technology as the key

Techem’s wide-ranging product solutions are all based on an interoperable digital radio infrastructure that has been developed over decades. The recording devices and sensors networked in this way, along with the pool of energy and process data they provide, form the basis for optimizing and automating workflows in properties – with data protection and data security as top priorities.

Strengthening residential health and safety

Techem already offers solutions in the area of residential health today. These offer greater legal security and efficient building operation and benefit both landlords and tenants in a variety of ways: Smoke alarms with regular, radio-based functional checks and legionella tests meet the statutory requirements and provide increased protection against fires and bacteria in drinking water. Drinking water technology services help ensure that water quality and the pipe system are preserved. We have also expanded our services with the introduction of multifunctional smoke alarms, which further increase safety and quality of living through functions such as smoke, heat and CO detection or ventilation recommendations in properties.

Financial key figures (in € thousand)

	FY 2021	FY 2022	FY 2023
Revenue	818,618	899,629	1,011,688
EBIT	114,021	198,233	197,383
Free cash flow	52,832	90,729	159,991
Capex	148,622	151,144	162,445

The financial key figures cover the financial year (FY), which runs from October 1 to September 30.

The data has been audited by the external auditor. The auditor’s reports for FY 2021 and FY 2022 have been published in the Federal Gazette; the report for FY 2023 is yet to be published.



FOCUS

Top marks for ESG

In April 2023, Techem received an ESG risk rating of 8.7 from Morningstar Sustainalytics⁵ – a leading ESG research company – and was assessed as having a “negligible risk” of suffering material financial impacts from ESG factors. This positive result places Techem in the best possible category, currently⁶ ranking 155th out of 16,358 companies that have been rated by Morningstar Sustainalytics in various sectors. Within the Business Support Services sub-sector, Techem ranks in the second percentile of 189 companies worldwide.⁷



⁵ Copyright ©2024 Morningstar Sustainalytics. All rights reserved. The information, data, analyses and opinions contained herein: (1) include the proprietary information of Sustainalytics and/or its content providers; (2) may not be copied or redistributed except as specifically authorized; (3) do not constitute investment advice nor an endorsement of any product, project, investment strategy or consideration of any particular environmental, social or governance-related issues as part of any investment strategy; (4) are provided solely for informational purposes; and (5) are not warranted to be complete, accurate or timely. The ESG-related information, methodologies, tool, ratings, data and opinions contained or reflected herein are not directed at or intended for use or distribution to India-based clients or users, and their distribution to Indian resident individuals or entities is not permitted. Neither Morningstar Inc. Sustainalytics nor their content providers accept any liability for the use of the information or for actions of third parties in respect to the information, nor are they responsible for any trading decisions, damages or other losses related to the information or its use. Use of the data is subject to the conditions set out at www.sustainalytics.com/legal-disclaimers

⁶ April 2024

⁷ The information contained or reflected herein is not intended for distribution to India-based clients or users, and its distribution to India-based individuals or entities is not permitted. Accordingly, Morningstar/Sustainalytics assumes no responsibility or liability for any actions undertaken by third parties in this regard.

Comprehensive services for the building ecosystem



Devices and systems

- 1 Photovoltaic systems
- 2 Wireless smoke alarms
- 3 Wireless cold & hot water meters
- 4 Smart readers
- 5 Wireless heat cost allocators
- 6 Outdoor temperature sensors
- 7 Electric charging stations
- 8 Wireless heat and cooling meters
- 9 Combined heat and power units
- 10 Heat pumps
- 11 Home electricity meters
- 12 Smart gateways
- 13 Home water meters
- 14 Gas meters
- 15 Gas condensing boilers
- 16 Temperature sensors
- 17 Smart Reader Plus

Services

- > Digital Boiler Room
- > Electric mobility
- > Energy certificates
- > Holistic energy supply concepts & solutions (contracting)
- > Annual consumption information
- > Legionella testing
- > Smoke alarm service
- > Smart metering
- > EED consumption information throughout the year
- > Consumption recording and billing

Techem in figures



13.1 million
homes under service



4,214
employees worldwide



142,473 t
CO₂e emissions – Scope 1



18
countries



€162.4 million
in investments (capex)



70
apprentices and students on
work/study programs in Germany



1,969 t
CO₂e emissions – Scope 2



€1,011.7 million
total revenue



428,000
customers



30.2%
share of women in management
positions



99,692 t
CO₂e emissions – Scope 3



56.3 million
meters worldwide



10,313,334
smoke alarms under service



14.3%
employee turnover rate



858,958 MWh
energy sales

Top 3 performances



+2.5%
women in
management positions



-20%
CO₂e emissions



8.7
risk score in the ESG risk rating
by Sustainalytics



STRATEGY & ORGANIZATION

A holistic sustainability strategy is based on a well-founded materiality analysis that takes into account people, the environment and the development of our business. We already reassessed our material topics in 2022 and adjusted them to reflect the latest developments. To manage our sustainability performance and make our successes measurable, Techem has established a strong Sustainability Management department that drives the topic forward throughout the company.





Anchoring sustainability

Effective sustainability management must be centralized and at the same time anchored throughout the company. For this reason, sustainability falls under our CEO's remit but is carried into the company and filled with life by a number of specialist functions and experts.

Establishing sustainability throughout the company

Techem has developed and implemented a comprehensive sustainability strategy, for which CEO Matthias Hartmann bears responsibility. He heads the Techem Sustainability Council and is therefore accountable for the company's sustainability performance. Sustainability is thus anchored within the organizational structure and established as an interdisciplinary topic that cuts across all areas of the company. This ensures that employees are aware of the objectives and implement them in the course of the company's day-to-day operations. The CEO is supported by Katharina Bathe-Metzler, who further develops the sustainability strategy and manages its implementation in her role as Head of Sustainability, Communications & Public Affairs.

Alongside these two individuals, the Techem Research Institute on Sustainability (TRIOS), the Finance department and the Human Resources (HR), Legal & Claims department also play a special role. In addition, all relevant departments have sustainability stewards¹ who are responsible for the operational implementation of sustainability objectives.

The managing directors of the national subsidiaries, as sustainability delegates, assume international responsibility for the topic of sustainability: They ensure that sustainability aspects are incorporated into Techem's global business activities. Techem relies on a sustainability management system consisting of sustainability committees and tools. The Advisory Board is updated on key developments in the area of sustainability at every meeting. In addition, an exchange on sustainability-related decisions takes place with designated board members at least four times a year as part of the Strategic Sustainability Initiative.

Creating clear responsibilities for sustainability

The Sustainability team within the Sustainability, Communications & Public Affairs department is responsible for managing Techem's sustainability-related activities. It works closely with TRIOS and the Finance department to develop these activities in a holistic manner and ensures that both internal and external stakeholders are also on board throughout the process. The cross-departmental team is led by the Head of Sustainability, Communications & Public Affairs and reports directly to CEO Matthias Hartmann.

The central tasks of the Sustainability team include:

- › Implementing and further developing the Techem sustainability strategy
- › Analyzing relevant reporting standards such as the standards of the Global Reporting Initiative (GRI) or the European Sustainability Reporting Standards (ESRS)
- › Performing the materiality analysis
- › Deriving, implementing and monitoring the sustainability program
- › Raising employee awareness of the sustainability agenda
- › Continually working with sustainability stewards and sustainability delegates to achieve the sustainability objectives
- › Preparing the annual Techem Sustainability Report
- › Engaging in stakeholder dialog, partnerships and corporate citizenship projects
- › Collaborating and coordinating with owners on sustainability issues

¹ Department heads and experts relevant to the topic of sustainability.



TRIOS, headed by Dr. Arne Kähler, is responsible for Techem's research, analysis and implementation expertise with regard to consumption transparency, energy efficiency, greenhouse gas emissions and CO₂e reduction, and integrates these areas of expertise in Techem's Sustainability Management. The head of TRIOS also reports directly to CEO Matthias Hartmann.

TRIOS is responsible for:

- › Determining consumption figures and greenhouse gas emissions, including avoidance calculations
- › Drawing up and implementing the Techem decarbonization roadmap
- › Handling data management (collection, plausibility check, calculation) and checking the environmental dimension
- › Carrying out a Techem study on consumption data
- › Analyzing the requirements of the Task Force on Climate-Related Financial Disclosures (TCFD) and implementing them within the organization
- › Handling energy management (energy audit in accordance with DIN EN 16247 / BAFA and certification in accordance with ISO 50001)
- › Conducting basic and applied research on energy efficiency, metrology and decarbonization
- › Carrying out research projects with research institutes and scientific organizations
- › Participating in technical committees

The Finance department, under the direction of Dr. Oliver Bosch, ensures that Techem meets the requirements of the capital markets to the best of its ability and further develops concepts for this purpose. It supports Sustainability Management by coordinating external audits of the key figures and serves as the primary point of contact for investor concerns (reporting and accounting obligations). The department reports to Dr. Carsten Sürig, the CFO of the Techem Group.

The Finance department is responsible for:

- › Analyzing relevant reporting standards, such as the GRI standards or ESRS, and creating quantitative data templates
- › Drawing up audit-proof documentation on the collection and processing of quantitative key performance indicators (KPIs) in the Sustainability Report (in cooperation with the specialist departments) and carrying out quality assurance on the published KPIs
- › Considering investor/capital market requirements as well as regulatory requirements with regard to the content of our sustainability reporting
- › Ensuring that quantitative reporting and accounting requirements are met and commissioning and coordinating the external audit of the Sustainability Report and sustainability rating

The HR, Legal & Claims department, under the leadership of Kira Kern, supports Sustainability Management above all with the social dimension of the sustainability agenda. This department reports directly to CEO Matthias Hartmann.

The HR, Legal & Claims department is responsible for:

- › Planning and implementing the diversity and inclusion strategy
- › Determining the employee net promoter score (eNPS) and deriving appropriate measures
- › Collecting and evaluating KPIs related to the working environment (e.g. women in management positions, training times, termination rates) and deriving appropriate measures



To ensure proper governance in the context of sustainability, responsibility for implementing the objectives lies primarily with the Compliance, Data Protection, Information Security, Procurement and Supply Chain Management departments.

Fundamental decisions with support from the Advisory Board

The Advisory Board, as the highest supervisory body, supports management in its decision-making and reviews and decides on business transactions by Techem companies that require approval.

Its advisory and decision-making functions with regard to sustainability issues are embedded in various processes. For example, the Advisory Board was involved in an advisory capacity when we performed our materiality analysis (see [p. 17](#)). In addition, the Risk and Audit Committee (RAC) within the Advisory Board examines relevant sustainability issues such as climate risks.

Members of the Advisory Board advise Techem on selected strategic initiatives. This also includes the Strategic Sustainability Initiative, as part of which all of Techem's sustainability projects and targets are evaluated at least once a quarter. Advisory Board member Dr. Ann-Kristin Achleitner and the Chair of the Advisory Board, Andreas Umbach, regularly meet

with the Techem CEO, the Head of Sustainability, Communications & Public Affairs, the Head of TRIOS, the Head of Finance and, when appropriate, the Head of HR, Legal & Claims and the management of the Contracting segment. The meetings of the Strategic Sustainability Initiative serve to discuss current key topics and questions, with the Advisory Board members involved in the most important sustainability-related decisions.

Furthermore, the Advisory Board conducts an annual self-assessment of its sustainability activities by means of a questionnaire. The results obtained are subject to internal validation and are used as a basis for deriving appropriate measures where necessary.

The Sustainability Council is effective

The Sustainability Council brings together the sustainability stewards, i.e. the department heads and experts relevant to the achievement of sustainability-related objectives. The council meets three times a year under the direction of our CEO. Sustainability Management is responsible for coordinating the meetings and preparing the content.

The persons in charge of sustainability at Techem are chosen on the basis of their expertise as well as the relevance of the topic concerned to their area of responsibility. They are given appropriate authority and resources.

Exchange with stakeholders

We attach great importance to engaging in continuous dialog with internal and external stakeholders. In the 2023 financial year, Techem Germany once again involved employees in the implementation of the company's diversity strategy by conducting a comprehensive survey on diversity and inclusion (see [p. 65](#)). One way in which we regularly communicate with our customers is through satisfaction surveys (see [p. 76](#)). We also maintain contact with research institutions through various collaborations (see [p. 79](#)).

Moreover, we contribute our expertise to political discussions – particularly with European and German policymakers and through our association work – and take home the expectations expressed to us in the course of this dialog (see [p. 91](#) and [p. 129](#)).

In recent months, we have addressed many of our internal and external stakeholders' concerns and have made good progress already – as outlined in this Sustainability Report. And we will continue to identify our stakeholders' expectations and work hard to meet them in the future.



Material topics

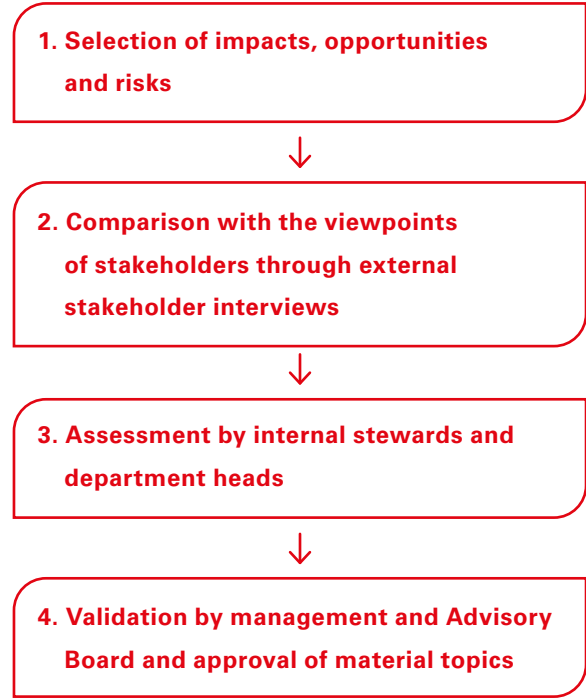
To live up to our responsibility to society and the environment, it is essential that we focus our commitment on what is most important. Our materiality analysis, which we revised and updated in 2022 based on new developments, serves as our point of reference.

Materiality analysis updated

In fall 2022, we updated our materiality analysis¹ to reflect the future requirement of double materiality. We thus comply with both the current GRI standards and the provisions of the new Corporate Sustainability Reporting Directive (CSRD) and, consequently, with the ESRS as a reporting standard. According to this standard, the central factor in determining the materiality of sustainability topics is the positive or negative impact that a company has or can have on people and the environment in a given topic (impact relevance). Building on this, we also analyzed the topics in terms of the risks and opportunities they present for Techem (business relevance).

Our materiality analysis was updated in four phases:

1. The first step involved a context analysis in which we identified Techem’s positive and negative impacts, as well as opportunities and risks, and then assigned them to the relevant topics. Our previous material topics were used as a starting point, validated on the basis of the new findings and adapted and expanded where necessary.
2. Next, the identified impacts, opportunities and risks were validated and compared with the viewpoints of external stakeholders. To this end, we conducted in-depth semi-structured interviews with the stakeholders, who are active in areas such as politics, the real estate industry, banking, associations, think tanks and research.

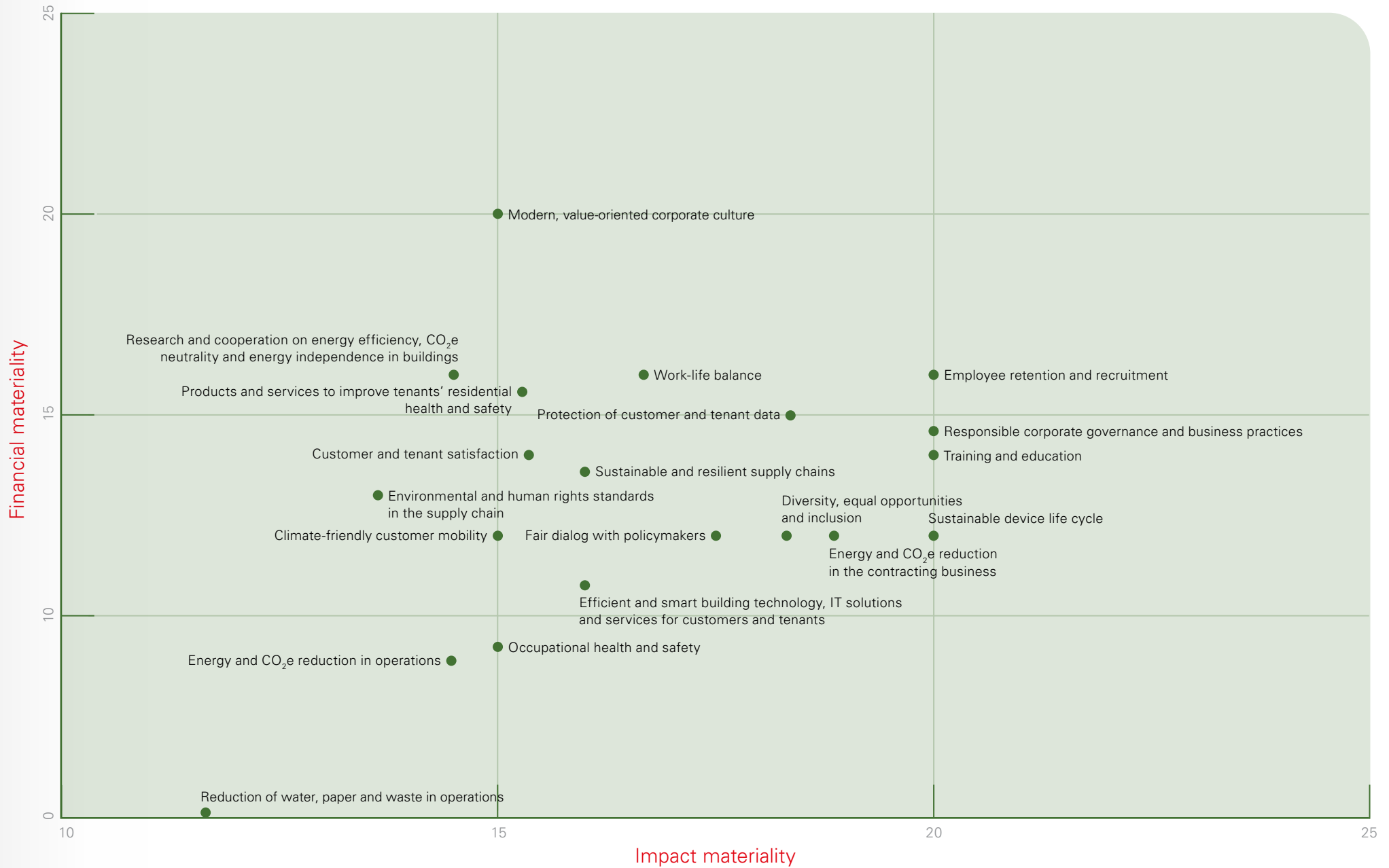


3. As a third step, the specialist departments held several workshops to assess the impacts as well as the associated opportunities and risks in order to prioritize the material topics.
4. Finally, the management and selected members of the Advisory Board validated and approved the assessed impacts, opportunities and risks as well as the resulting material topics for Techem.

¹ The update was based on our first materiality analysis, which was conducted in 2020 and involved 500 internal and external stakeholders. For a detailed description of the materiality analysis, see the 2020 Techem Sustainability Report.



Materiality matrix





Delineation of our material topics

We have defined those topics as material that have at least a medium impact relevance or at least a medium business relevance. As a result, 20 of the 21 topics have been classified as material. These material topics are included in the seven fields of action of our sustainability program (see [p. 23](#)).

The table of material topics and the materiality matrix show the results of the materiality analysis in detail.

The topic of biodiversity, though it plays a role for Techem as part of its environmental protection activities, is not shown here. It is, however, examined and taken into account as an impact of other topics such as energy

and CO₂e reduction in operations. Likewise, the topic of social commitment and donations (see [p. 76](#)) is not included, since it has neither impact relevance nor business relevance. Nevertheless, we continue to report on this topic because it is an integral part of our focus area "For the Individual and Society" and reflects our corporate philosophy.

Material topic	Content	Assignment to GRI standards
Energy and CO₂e reduction in the contracting business	Using renewable energy sources and digital solutions to achieve energy savings and energy-efficient operations in the contracting business. In addition to making a positive contribution to our customers' footprint and to the energy transition, this also allows Techem to implement its decarbonization plan.	<ul style="list-style-type: none"> › GRI 302: Energy 2016 › GRI 305: Emissions 2016
Efficient and smart building technology, IT solutions and services for customers and tenants	Improving energy efficiency in buildings with digital products and solutions from Techem and thus making a positive contribution to the energy transition and the Climate Action Plan 2050. Techem wants to play a leading role in raising public awareness about the use of resources. We do this by providing all legally required information to tenants, along with voluntary online and offline information or campaigns, and by using devices for digital and smart heat consumption control. Ultimately, the idea is also to help ensure that energy remains affordable for the individual.	
Climate-friendly customer mobility	Actively promoting the expansion and operation of charging stations through flexible service packages, including installation, billing services and the technical operation of charging stations in the real estate sector (housing industry and commercial properties), powered by climate-neutral green electricity.	
Energy and CO₂e reduction in operations	Reducing negative climate impacts in our own operations – for example, in relation to our energy consumption and vehicle fleet.	<ul style="list-style-type: none"> › GRI 302: Energy 2016 › GRI 305: Emissions 2016
Reduction of water, paper and waste in operations	The focus here is on measures for greater resource conservation in our own operations – particularly with regard to water, paper and waste.	<ul style="list-style-type: none"> › GRI 303: Water and Effluents 2018 › GRI 306: Waste 2020



Material topic	Content	Assignment to GRI standards
<p>Sustainable device life cycle</p>	<p>Designing devices such as heat cost allocators and smoke alarms as well as heating systems to be sustainable in terms of material use and packaging. In doing so, we aim to ensure that they have the longest possible service life and can be recycled or reused by any company. Analyzing existing products in all categories with regard to their sustainability impact and adapting components if necessary.</p>	<p>› GRI 301: Materials 2016</p>
<p>Research and cooperation on energy efficiency, CO₂e neutrality and energy independence in buildings</p>	<p>Helping to shape tomorrow's living and contributing to sustainable cities and communities – for example by cooperating with innovative tech start-ups, universities, research initiatives and industry partners.</p>	
<p>Employee retention and recruitment</p>	<p>Creating an attractive working environment that helps retain existing employees and attract new skilled workers.</p>	<p>› GRI 401: Employment 2016</p>
<p>Occupational health and safety</p>	<p>Providing employees with a safe and healthy working environment by taking appropriate precautionary and preventive measures.</p>	<p>› GRI 403: Occupational Health and Safety 2018</p>
<p>Training and education</p>	<p>Supporting employees in their professional development and strengthening management and specialist qualifications through target group-specific training and further education programs. This is part of the company's efforts to retain employees. For this purpose, we rely on modern, digital learning formats.</p>	<p>› GRI 404: Training and Education 2016</p>
<p>Diversity, equal opportunities and inclusion</p>	<p>Creating an environment in which diversity and heterogeneous teams are regarded as an asset to the corporate culture. We promote equal opportunities through individually tailored measures and are systematically increasing the proportion of female managers.</p>	<p>› GRI 405: Diversity and Equal Opportunity 2016 › GRI 406: Non-discrimination 2016</p>
<p>Work-life balance</p>	<p>Creating a future-oriented working environment that promotes agile working as well as flexible working arrangements that are compatible with family obligations and individual needs.</p>	<p>› GRI 401: Employment 2016</p>
<p>Customer and tenant satisfaction</p>	<p>Providing customers and tenants with compelling service by attending to their needs in a friendly, fair and professional manner. This allows them to benefit from the high quality of our services and products.</p>	
<p>Products and services to improve tenants' residential health and safety</p>	<p>Contributing to comfortable and healthy living conditions for tenants through existing solutions such as our smoke alarm service or legionella tests as well as through new, future-oriented solutions. Ensuring the quality and safety of our solutions.</p>	<p>› GRI 416: Customer Health and Safety 2016</p>



Material topic

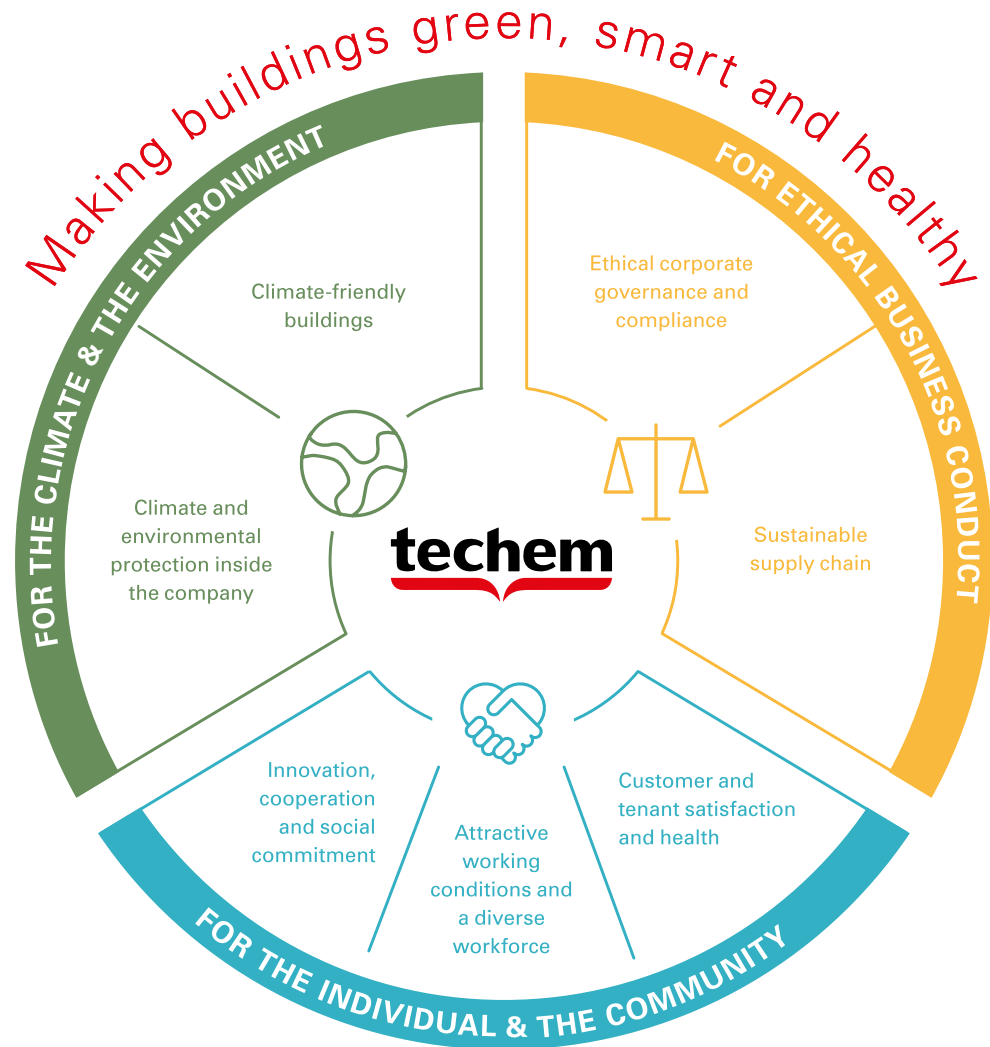
Content

Assignment to GRI standards

<p>Modern, value-oriented corporate culture</p>	<p>Establishing a culture in which aspects such as customer focus, team culture, personal growth, courage, networking, leadership, innovation and commitment are promoted, further developed and lived, and in which collaboration and communication, both internally and externally, are characterized by openness, transparency, honesty and reliability.</p>	
<p>Responsible corporate governance and business practices</p>	<p>Ensuring transparent and responsible corporate management and control geared toward long-term value creation. In addition, we are committed to fair competition, a transparent pricing policy and ethical conduct – both domestically and abroad – that complies with the law and steers clear of corruption.</p>	<ul style="list-style-type: none"> › GRI 205: Anti-corruption 2016 › GRI 206: Anti-competitive Behavior 2016 › GRI 207: Tax 2019 › GRI 407: Freedom of Association and Collective Bargaining 2016 › GRI 408: Child Labor 2016 › GRI 409: Forced or Compulsory Labor 2016
<p>Protection of customer and tenant data</p>	<p>Protecting customer data and ensuring privacy of consumer information.</p>	<ul style="list-style-type: none"> › GRI 418: Customer Privacy 2016
<p>Fair dialog with policymakers</p>	<p>Engaging with policymakers and key stakeholders in a fair, transparent and fact-based manner.</p>	<ul style="list-style-type: none"> › GRI 415: Public Policy 2016
<p>Environmental and human rights standards in the supply chain</p>	<p>Requiring suppliers, including upstream suppliers and subcontractors, to comply with environmental and labor standards in the supply chain and conducting random audits along the supply chain.</p>	<ul style="list-style-type: none"> › GRI 308: Supplier Environmental Assessment 2016 › GRI 407: Freedom of Association and Collective Bargaining 2016 › GRI 408: Child Labor 2016 › GRI 409: Forced or Compulsory Labor 2016 › GRI 414: Supplier Social Assessment 2016
<p>Sustainable and resilient supply chains</p>	<p>Creating a sustainable and resilient supply chain through fair, long-term relationships with suppliers.</p>	<ul style="list-style-type: none"> › GRI 204: Procurement Practices 2016

Fields of action and sustainability program

We combine our sustainability activities into three focus areas: "For the Climate and Environment," "For the Individual and Society" and "For Ethical Business Conduct." A total of seven Techem fields of action are assigned to these focus areas. Together, they form the framework for our sustainability program.





Our focus areas defined



For the Climate and Environment

Techem provides digital products and solutions to improve the energy efficiency of buildings and is working to avoid CO₂e emissions by using renewable energy sources in heating systems. We are thus making a contribution to the energy transition and the European Climate Action Plan 2050. And we also take measures to conserve resources in our own operations: For example, we are reducing the environmental impact of our operating processes and our devices throughout their life cycle.



For the Individual and Society

Techem creates added value for employees, customers and society. This includes a safe and healthy working environment in which employees receive the best possible training and education and in which their individual needs are taken into account and diversity is regarded as an asset. Customers and tenants benefit from fast, straightforward service as well as solutions for greater residential health. We make a contribution to society through our research and development into climate-neutral living, through partnerships and collaborations and through our leading role in raising awareness of resource-conserving behavior. We also take part in social projects, make donations and do volunteer work.



For Ethical Business Conduct

Techem stands for a value-oriented corporate culture and responsible corporate governance and control geared toward long-term value creation. The foundation for this is our respectful treatment of employees and the training on ethical behavior that we provide them with. We make sure we engage in fair competition, have a transparent pricing policy, comply with the law and avoid corruption. Our dialogue with policymakers is transparent and fact-based. We apply the highest standards when it comes to the security of customer and tenant data. And we also pass on responsibility to our subcontractors, suppliers and contractual partners by requiring them to comply with environmental and labor standards.



Focus of our sustainability program

The Techem sustainability program encompasses all the goals that we have set ourselves as part of a strategy process based on our first materiality analysis. Some of the key goals we have achieved since the publication of the 2020 Sustainability Report include the development of a roadmap for achieving climate neutrality in Scopes 1–3 by 2045, the performance of life cycle analyses for selected devices, the “berufundfamilie” certificate and the certification of our headquarters in accordance with the Gold Standard of the German Sustainable Building Council (DGNB). A table provides a transparent overview of all our targets and the status of target achievement (see [p. 107](#)).

After updating our materiality analysis in fall 2022 and having achieved key milestones, we felt it was time to review our sustainability program. We therefore conducted a comprehensive gap analysis and subsequently fine-tuned our existing measures and defined new ones. The adjacent graphic summarizes the overarching goals for each field of action.



Contribution to the Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs) are the central element of the 2030 Agenda for Sustainable Development. The 17 goals along with their 169 targets are intended to guide policymakers, businesses and civil society in tackling the greatest economic, social and environmental challenges of our time. Techem has made a commitment to the SDGs and contributes directly to their achievement with its business model.

As a company with international operations, we are able to contribute to many of the SDGs through our sustainability-related activities along the value chain. We believe that we can make our greatest positive contribution to those SDGs that are directly related to our products and services. With this in mind, we have identified eight goals and 13 targets that are particularly relevant to us.



Focus goal

SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all

Relevant targets: 7.1, 7.2, 7.3

We make an important contribution to energy efficiency through our consumption-based heating cost billing: By providing consumption information over the course of the year, we make tenants aware of their own energy consumption and the associated CO₂e emissions and motivate them to adopt more resource-conserving behavior. We also contribute to energy efficiency through smart heating system control. With our contracting business, we ensure the supply of heat to our customers. Our decarbonization plan serves as the basis for our active contribution to the energy transition: Among other things, we offer low-carbon heating solutions when fitting out new buildings and aim to gradually replace existing fossil fuel-based heating systems with lower-emission technologies. As a metering point operator for smart metering, we also record consumption for submetering, electricity and gas. At the same time, smart metering forms the basis for tenant electricity models.

**SDG 3: Ensure healthy lives and promote well-being for all at all ages**

Relevant target: 3.9

Techem services such as our smoke alarm service, legionella testing and refurbishment consulting contribute to the residential health of tenants. We are also researching innovative solutions to further improve health and safety in homes in the future. Examples of this include the (further) development of multi-sensor devices and the continuous increase in the wireless reading rate. In this way, we ensure compliance with legal requirements and improve the safety of tenants' homes, for example by regularly carrying out digital function tests on smoke alarms.

**SDG 5: Achieve gender equality and empower all women and girls**

Relevant target: 5.5

Techem has set itself the target of achieving a 35% share of women in management positions by 2025. As a company, we stand for equal rights and have already taken steps to create equal conditions for all employees – for example, by establishing a diversity network, obtaining the “berufundfamilie” certificate and holding regular training courses on diversity issues.

**SDG 6: Ensure availability and sustainable management of water and sanitation for all**

Relevant targets: 6.3, 6.4

Techem creates transparency on water consumption – the basis for the efficient use of this resource. Through legionella testing and drinking water technology – for example for filter systems or descaling systems – we additionally ensure high water quality in apartment buildings and protect the pipe system.

**SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation**

Relevant target: 9.4

With around 66 million heat, water, cooling and electricity meters and smoke alarms worldwide (2022: 63 million), Techem is creating the infrastructure for sustainable buildings. To this end, we continuously invest in the maintenance and future viability of our device infrastructure (Capex, see [p. 10](#)). With complete electric charging solutions for properties, we are contributing to a successful mobility transition. Digitalization plays an important role in the expansion of sustainable infrastructure. Our focus here is on digital solutions such as the Smart Meter Gateway to help simplify processes and make data transparent and readily available to landlords and tenants.

**SDG 11: Make cities and human settlements inclusive, safe, resilient and sustainable**

Relevant targets: 11.3, 11.6

Techem regards district solutions as the best way to foster a sustainable heat supply and sustainable mobility solutions. In addition to existing solutions, we are therefore researching and collaborating on innovative concepts for modern districts (see [p. 32](#)).

**SDG 12: Ensure sustainable consumption and production patterns**

Relevant targets: 12.4, 12.7

We strive for sustainable production and a transparent supply chain by ensuring material compliance and implementing the applicable standards (REACH, RoHS, PoP Regulation) as well as the German Supply Chain Due Diligence Act. To this end, we have added sustainability criteria to our purchasing strategy and supplier selection process. We regularly set ourselves targets – such as establishing an environmental management system, reducing the amount of paper we use or devising a circular economy concept for our products – in order to ensure sustainable product cycles in the long term.

**SDG 13: Take urgent action to combat climate change and its impacts**

Relevant target: 13.3

Techem feels it has a duty to heighten society's awareness of the need to use resources carefully in order to avoid CO₂e emissions. On the one hand, we do this by providing information and communicating with the public about the correct use of energy and heat. On the other hand, our core business consists of providing owners and tenants with transparency about their consumption throughout the year and thus motivating them to use energy more sparingly. We are also pursuing an ambitious decarbonization plan in our contracting business (see [p. 53](#)). With our low-investment solutions, such as the Digital Boiler Room, we enable average CO₂e savings of 15%. We are also active in various associations to address issues surrounding the energy transition at a supra-regional level. In conjunction with our research work, we are thus helping to raise awareness in society and actively contribute to combating climate change.



FOR THE CLIMATE & ENVIRONMENT

Climate change poses major challenges for the building sector. Techem is responding to these challenges with smart solutions for its customers as well as for its own operations. Our innovative technologies help us drive forward the energy transition in the building sector while also ensuring that we achieve continuous improvements within our own company. A comprehensive decarbonization plan guides us on the path to climate neutrality by 2045.



Climate-friendly buildings

Through its real estate solutions, Techem contributes to a climate-neutral building stock across all sectors. Our portfolio includes precise metering technology to determine tenants' resource consumption, the optimization of heating systems by means of smart technologies and the provision of low-CO₂e solutions in heat contracting. Our smart metering systems and services provide property owners with full transparency on the consumption in their properties – a prerequisite for flexibly adapting consumption behavior to volatile electricity generation from renewable energies in the future and thus reducing the strain on the electricity grid. We also offer complete electric charging solutions to equip properties for electric mobility.

Levers for transforming the building sector

In residential properties, around 90% of the total energy consumption is attributable to the generation of hot water and heating.¹ The building envelope, heating systems and usage behavior determine the level of energy consumption and therefore also the amount of CO₂e emissions. There is considerable potential along the entire heating chain for cutting the amount of energy used as well as the CO₂e emissions generated as a result.

From a technological point of view, climate-friendly buildings can be realized through two kinds of measures:

1. Reducing the final energy consumption of existing buildings

Precise consumption recording, suggestions on how both owners and tenants can save energy as well as optimized consumption through digital control devices can effectively reduce energy consumption and CO₂e emissions for heating and hot water without the need to implement measures on the building envelope.

2. Covering the remaining consumption with low CO₂e emissions

Through innovative heating systems in its heat contracting business, Techem specializes in supplying buildings with energy that has low CO₂e emissions.

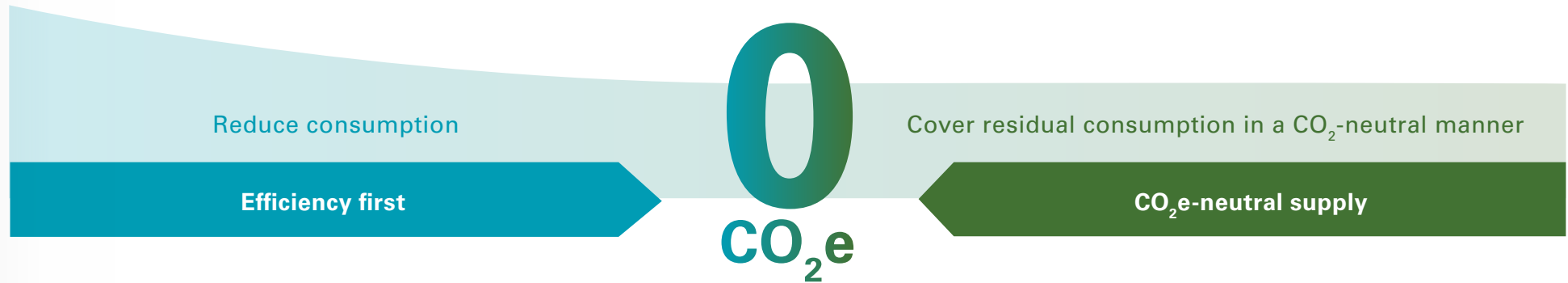
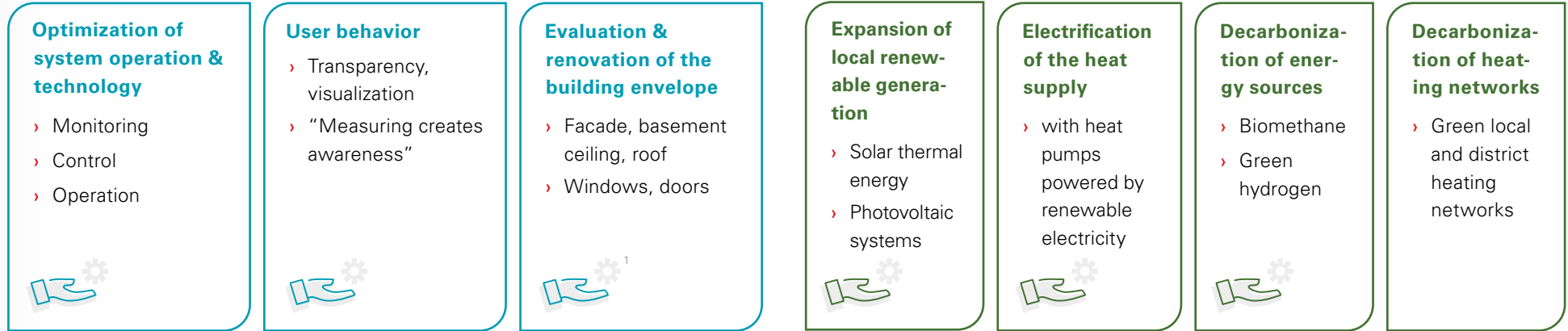
In Techem's view, both components should be accompanied by the use of digital services.

¹ Detailed view of the publication – German Energy Agency (dena)

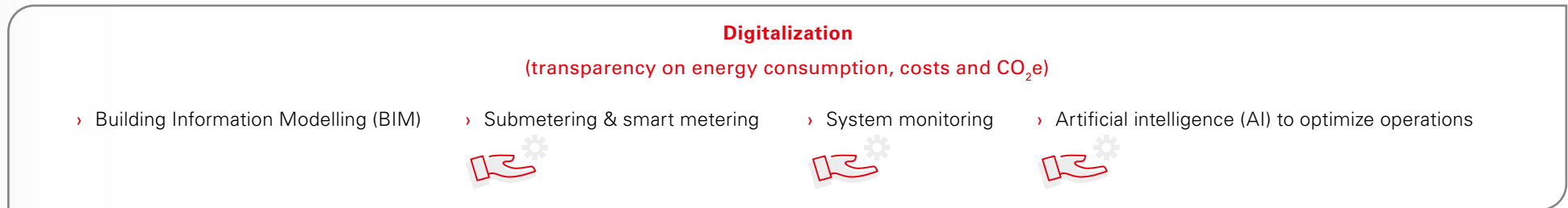


Decarbonization of existing buildings

Building blocks



Foundation



¹ Smart metering forms the basis for the refurbishment roadmap.



Raising awareness through precise consumption metering

Techem solutions provide owners and tenants with digital information on their energy and water consumption throughout the year in order to make them aware of their own behavior and the resulting emissions. To this end, our heat cost allocators, our cooling and heat meters and our water meters record the corresponding consumption data. Since 2022, the European Energy Efficiency Directive (EED) obliges building owners to provide tenants with monthly consumption information in line with the motto "measuring creates awareness". We therefore record consumption on a monthly basis using precise, remotely readable meters and publish hot water and heat consumption data in various units on our user-friendly tenant portal, comparing it clearly with the previous year's figures, to raise tenant awareness. Tenants also receive monthly energy-saving tips. Compared to the rest of the industry, we already have a high remote meter reading rate of around 82% (2022: 82%). We are aiming for 90% of our meters in properties to be remotely readable by 2025.

In addition, we offer the Techem Smart System – a complete digital solution that enables us to monitor consumption and the status of devices on an ongoing basis, rather than just checking the infrastructure on a specific date

in conjunction with the annual consumption readings.

Because remote reading allows us to monitor data continuously, meters that are defective or have a low battery level can be replaced quickly. Consumption monitoring throughout the year is also based on remote readings.

Now that consumption monitoring no longer takes place in individual boiler rooms but on online portals thanks to digital data collection and transmission, housing associations and property owners are able to monitor and control hundreds of properties centrally. Faults are detected at an early stage and can ideally be rectified remotely – i.e. from our control center – before customers make any complaints.

Optimizing heating systems

Because heating control is usually based on the maximum expected demand rather than the tenants' actual heat consumption, even newly installed or recently modernized heating systems often do not fully exploit their savings potential. This means that some of the heat that is generated remains unused, thus unnecessarily increasing energy consumption and CO₂e emissions. In such cases, networked consumption recording and control devices, sensors and artificial intelligence can help with operational optimization and smart system monitoring. They already enable average energy savings of 10–15% when it comes to heat generation systems in existing buildings (source: BaltBest Study 2021).

For example, our Digital Boiler Room – a technology platform for monitoring the energy efficiency of heating systems – uses sensors to record temperature levels as well as the amount of energy generated and where it flows. This helps us to calculate and monitor efficiency and utilization rates and, as a result, to operate heating systems more efficiently. On average, the measures we implement reduce energy consumption by 15%. Across our contracting customer portfolio, we have avoided 7.4 kilotons of CO₂e emissions in the current financial year (2022: 9.8 kilotons²).³ Our Digital Boiler Room is already used in all new heating systems in Techem operations. All existing systems are to be equipped with this solution by the end of the 2026 financial year.

In addition, Techem also offers smart heating control with its adapterm heating optimization system. This system permanently adjusts the inlet temperature to the actual demand in the building. To do this, it measures the outside temperature and at the same time takes into account the individual heating behavior of the tenants. As a result, the apartments remain as warm as they were previously, but energy consumption is significantly reduced. In the 2023 financial year, around 38 kilotons of CO₂e emissions were avoided (2022: 42 kilotons⁴).⁵ The main reasons for the lower avoidance of CO₂e emissions were a reduction in space heating consumption and higher outside temperatures.

² Figure corrected versus Sustainability Report 2022.

³ The calculation basis has been externally validated.



Replacing, improving and controlling heating systems

Alongside measures to reduce consumption, the renewal and optimization of heating systems are key prerequisites for a successful heating transition. In the case of new buildings in district networks, Techem is able to optimally plan and design regenerative systems from the outset. However, the main potential for the heating transition lies in existing properties. Here, we support our customers both in the development of their specific decarbonization plan and in the implementation of sustainable energy supply concepts. We believe it is important to be open to all technologies. The solutions we offer range from single building supply to end-to-end supply concepts for existing residential districts.

We offer homeowners in Germany the option of covering the entire investment for the installation and modernization of the system technology and supplying tenants with heat and hot water from a central heating system. This is known as heat contracting and is an ideal way of accelerating the decarbonization of the property portfolio and optimizing the associated financial burden for property owners and tenants.

Our aim is to convert all heating systems powered by fossil fuels to emission-free solutions. A central component of our decarbonization plan (see [p. 52](#)) is the use of bi- and monovalent heat pump solutions. We have therefore launched a Heat Pump Campaign, which will see us work with selected manufacturers to develop heat pump solutions for use in apartment buildings. As part of our green contracting solutions, these heat pumps – complemented by renewable electricity generation from PV systems – are set to become the standard for the emission-free supply of heat to new and existing properties in Germany.

We always strive to offer our customers a 100% green supply solution. Where this is not an option, it is already our policy to only conclude contracts for new installations with at least 65% renewable energy (see [p. 52](#)). During the 2023 financial year, in the context of the Heat Pump Campaign, we analyzed our entire system portfolio, identified measures that can be implemented in the short term and developed suitable technical concepts.

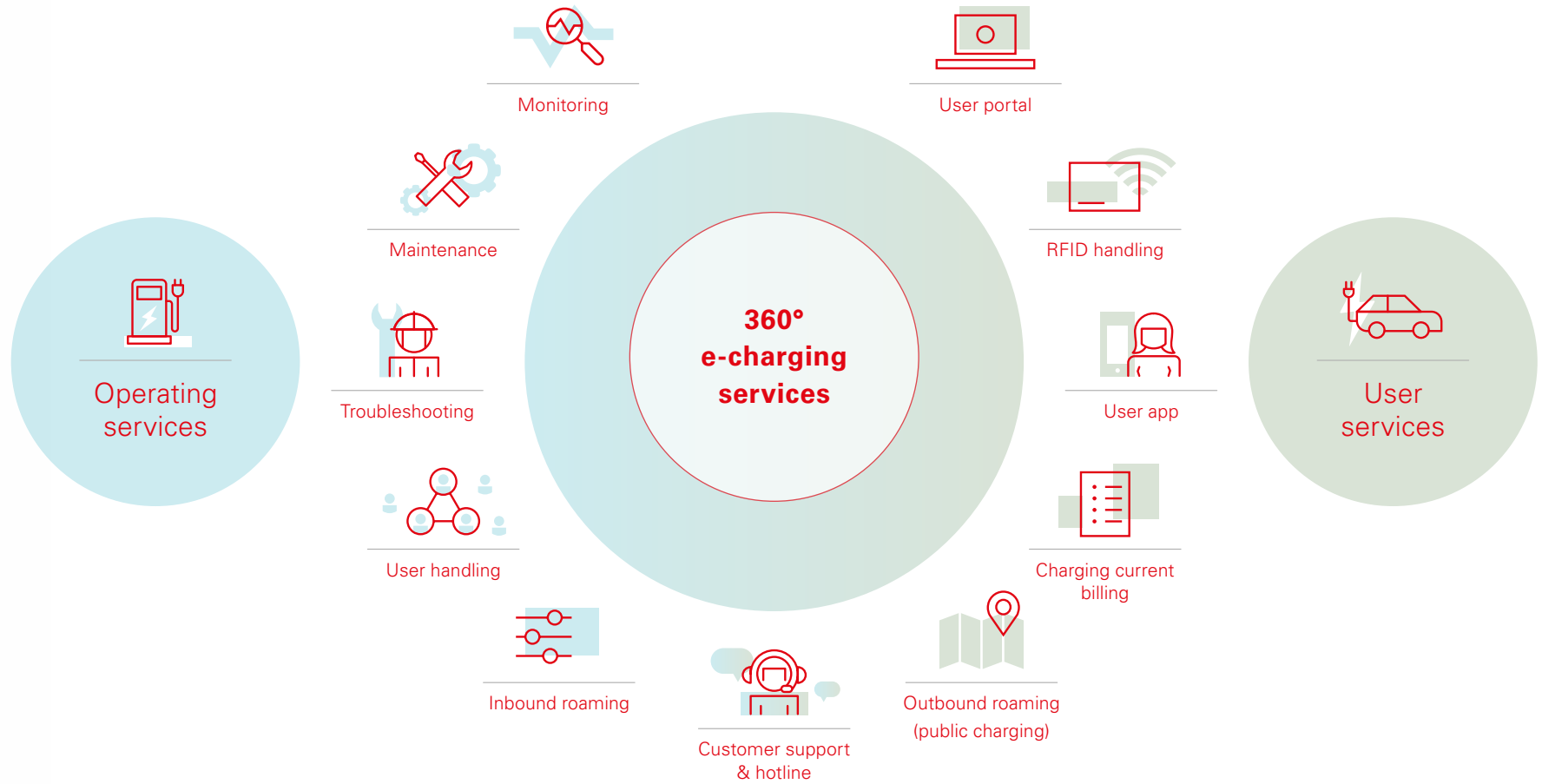
Enabling climate-friendly mobility

The electricity, heat and transport sectors in the energy industry have mostly been considered independently of each other up to now. But if we want to increase the efficiency of the energy system as a whole, this silo mentality must be broken down. As more renewable energy becomes available in the future, it will be possible to transfer the generated electricity to other sectors and use it for electric mobility, for example. Setting up a suitable infrastructure in apartment buildings or commercial properties is therefore an important contribution to the energy transition. At Techem, such projects are handled by the E-mobility department, which is responsible for all of our business related to charging infrastructure for electric vehicles. This encompasses all aspects from planning, installing and operating the charging infrastructure to integrating renewable energies into the charging process.

Our aim is to reduce the CO₂e footprint at the interface between buildings and transportation by providing green electricity and smart energy management. We use innovative technologies, such as the climate-neutral wallbox manufactured by our partner KEBA, and offer complete

⁴ Figure corrected versus Sustainability Report 2022.

⁵ The calculation basis has been externally validated.



solutions for converting properties to electric charging. These solutions extend from concept development and the professional installation of charging equipment in accordance with relevant standards to handling technical operation and billing of the charging current.

Our large-scale electric charging project for the

Institute for Federal Real Estate (BlmA) has already seen us equip over a hundred properties, including the Federal Ministry of Finance (BMF) and the Federal Ministry for Economic Affairs and Climate Action (BMWK). Up until 2031, we will be responsible for full-service operation and the provision of green electricity, enabling the switch to climate-friendly

mobility. We are digitalizing and automating the entire process chain in order to further expand our combined infrastructure development and nationwide service business. With our electric charging solution, we are actively helping to avoid CO₂e emissions in the transport sector.



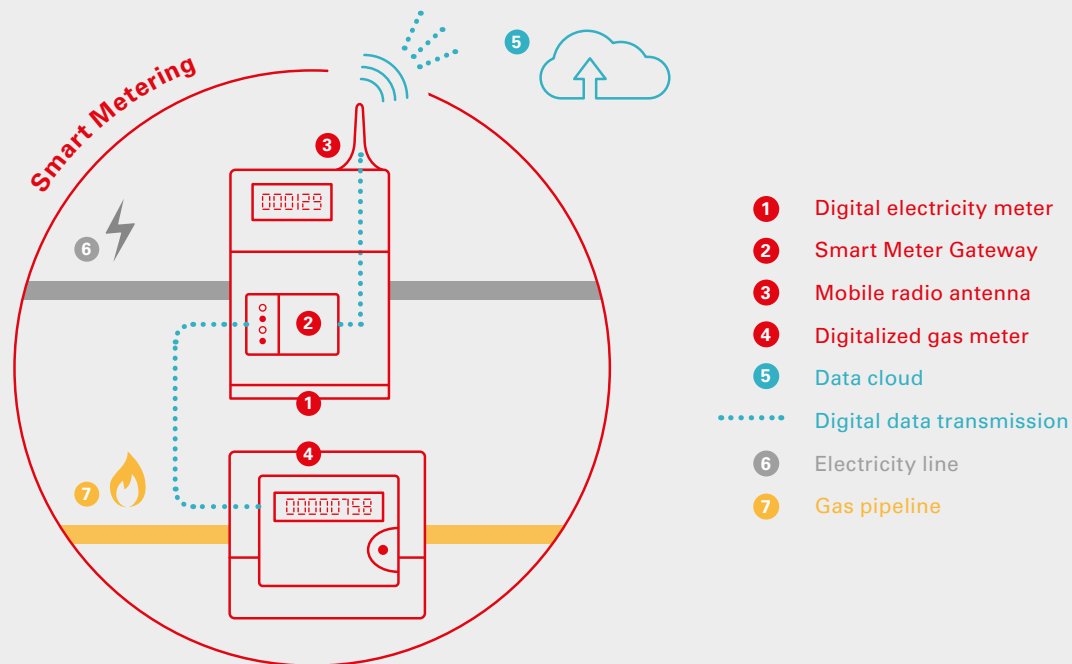
Smart metering: Digitalizing electricity and gas meters

Smart meters, as a digital infrastructure, are a fundamental prerequisite for a largely climate-neutral energy system characterized by fluctuating consumption and variable forms of generation. They enable our customers to subscribe to dynamic electricity plans that create incentives to adapt consumption patterns to the generation situation by offering price advantages.

For our main target group of property owners, but

also for property managers and tenants, we focus our smart metering services on the general electricity meter and the gas central heating meter. If these are digitalized, customers receive daily information on their electricity and gas consumption and can track their energy consumption via the energy monitoring portal. This data can serve as the basis for fulfilling reporting obligations, for example for end-of-month statements or sustainability reports. A digital metering infrastructure is also essential for the implementation of business models made possible by Solar Package I, a legislative package to promote photovoltaic systems.

Smart metering is prescribed by the regulatory authorities when operating electric heat pumps, consuming more than 6,000 kilowatt hours of electricity per year or running PV systems with an output of more than 7 kilowatts. By combining smart metering and sub-metering, we are transforming ourselves into a universal metering point operator for all sectors, with this holistic view of resource consumption creating the necessary transparency to make effective investment decisions on the path to a CO₂-neutral building stock.



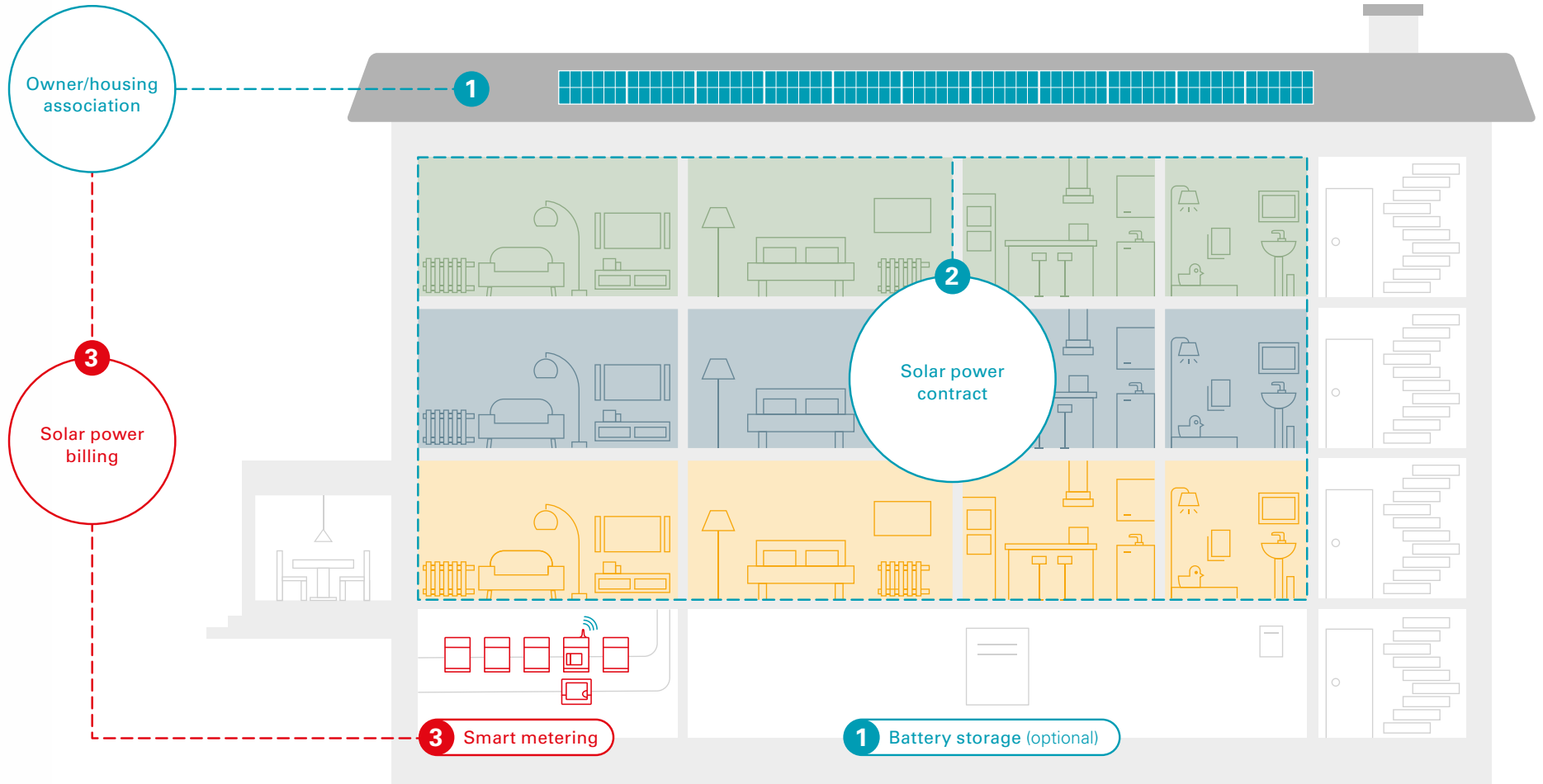


FOCUS

Shared building supply provides multiple benefits

Owners of apartment buildings, homeowners' associations and residents can all benefit from the solar boom: A new tool makes it easy and straightforward to distribute the proceeds from rooftop-generated solar power to the building's residents. All electricity generated is simply allocated on the basis of the generation and consumption data provided by the digital electricity meters. Heating and ancillary cost billing is thus supplemented by solar power billing. This is a win-win situation for everyone involved: By distributing the solar power to residents, building owners are better off financially than if they feed the electricity into the grid. And residents save money because the solar power from the roof is cheaper than buying grid electricity. Our many years of billing experience coupled with our digital smart metering technology make us the ideal partner for implementing shared building supply.

Three steps to solar power billing



- 1 Investment in the PV system
- 2 Solar power billing for all participating tenants

- 3 Solar power billing by means of digital electricity meters supplements heating and ancillary cost billing

- Owner
- Techem



Climate and environmental protection in our operations

Techem offers its customers in the building sector innovative solutions for the efficient use of energy and water. But for us, consistent climate and environmental protection begins within our own company.

We therefore also strive to act in an environmentally and climate-friendly manner in our own processes and are continuously working to improve in this area.

Reducing our environmental impact

Our activities have an impact on the environment along the entire value chain. As a company in the energy services sector, we meet the legal requirements and even go beyond them in some areas. To this end, we are progressively evaluating and monitoring our value chain and deriving appropriate measures. In late 2022, we combined our approaches and goals in relation to environmental and climate issues into an internationally applicable environmental policy.

And at the beginning of the same year, we established TRIOS, our institute for sustainability research (see [p. 15](#)), in a bid to address climate and environmental

protection uniformly across the Group and leverage synergies for the development of innovative market solutions. TRIOS bears Group-wide responsibility for research and data collection on the topics of energy, emissions and water as well as as well as resource efficiency. The responsibility for waste management lies with the respective countries and, at Techem Germany, with the Supply Chain Management department. Other environmental topics, such as biodiversity, are addressed on a project basis by the Sustainability team. When it comes to considering environmental aspects in the development of our devices, the Device Development department assumes central responsibility.

Reducing environmental impacts in the supply chain

Techem aims to conserve resources, avoid or reduce negative environmental impacts and mitigate risks in order to ensure its long-term business success. When concluding contracts with our suppliers, we require them to recognize our Supplier Code of Conduct and, since the end of 2023, the Declaration of Principles for Human Rights. Moreover, in the 2023 financial year, we extended our supplier quality audits to include an assessment of environmental and social aspects (see [p. 94](#)).



FOCUS

Techem aiming for DGNB platinum certification

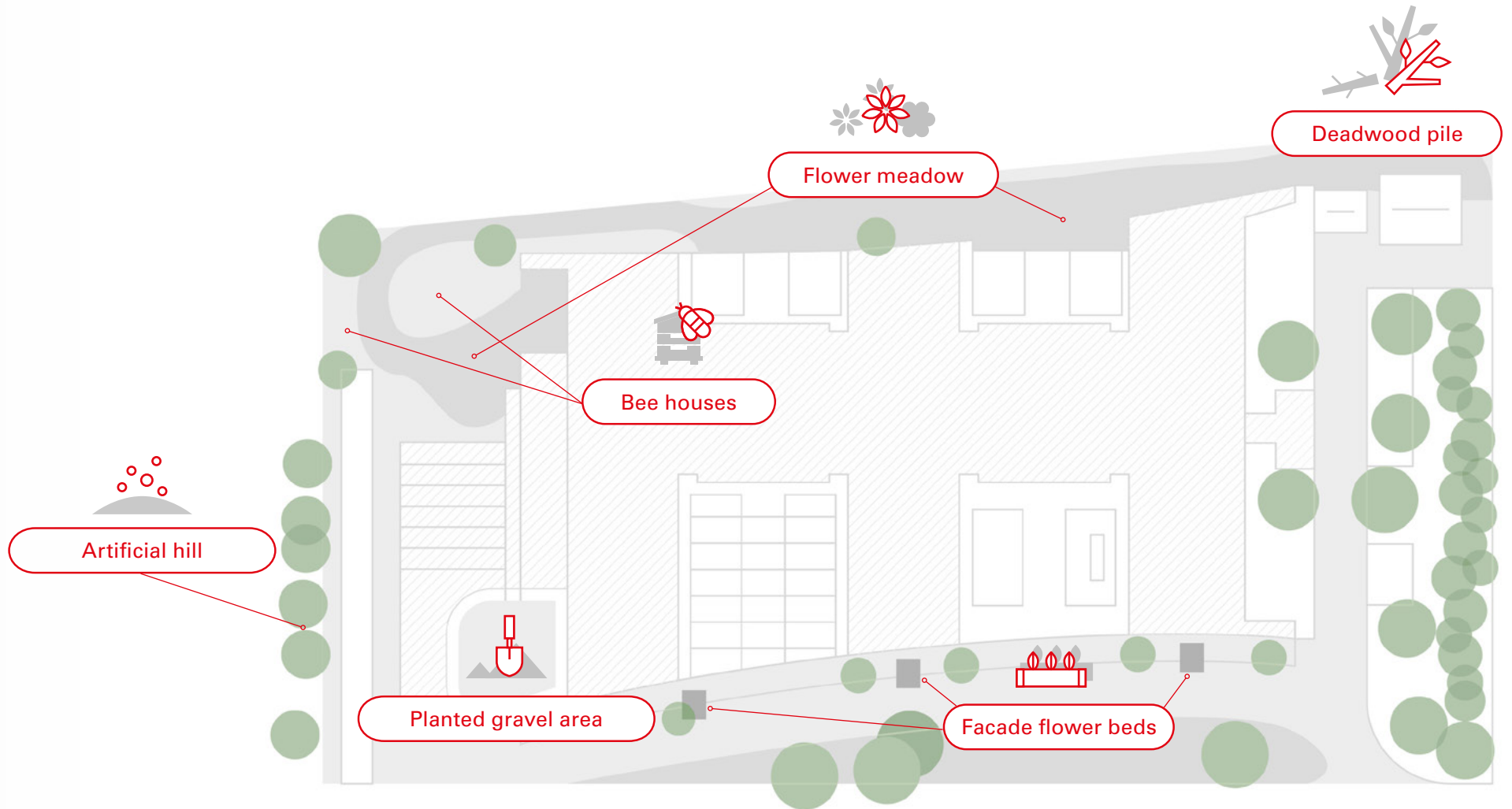
Techem has demonstrated how to make existing buildings more sustainable at its headquarters in Eschborn. Together with the owner, we brought the property, which is now more than 20 years old, up to the latest standards – using our own products and solutions. Having received gold certification from the German Sustainable Building Council (DGNB), we are now aiming for platinum DGNB certification.

For this purpose, we want to expand, modernize and cost-effectively decarbonize our existing contracting solution at our headquarters. Heat and cooling will be supplied by a heat pump system with a condensing boiler for peak loads, and the flat roof will be equipped with a PV system to generate green electricity. These improvements will reduce the building's CO₂e emissions.

In addition, we are working with the Global Nature Fund (GNF) and a landscape architect specializing in biodiversity on redesigning the outdoor area. A number of measures that benefit people, animals and plants were already implemented during the 2023 financial year. One specific project involved converting over 1,100 square meters of lawn and what used to be a gravel area into flower meadows that provide a habitat for a wide range of insects.

We also installed nesting aids for birds as well as insect shelters to help promote biodiversity. To protect bees in particular, species-appropriate bee houses were set up, which are now home to two bee colonies.

The green upgrading of the company grounds has created a habitat for people, animals and plants





Complying with environmental standards

Responsible corporate governance at Techem also means that we comply with laws, regulations and standards relating to environmental protection. The Procurement department is responsible for ensuring compliance when it comes to purchased materials. To this end, it follows the requirements of international standards such as the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) Regulation, the Restriction of Certain Hazardous Substances (RoHS) Directive and the Persistent Organic Pollutants (PoPs) Regulation.

Going forward, the legal requirements will be validated on a random basis through external audits. We are establishing a management system for material compliance at our sites in Europe that complies with the European EN 63000 standard. During the 2023 financial year, no significant fines or non-monetary sanctions were imposed on us due to non-compliance with environmental protection laws and regulations.

Life cycle of our products

Around 18.5% of our Scope 3 emissions are attributable to the devices we use and services we purchase in our submetering business. The production, transportation, installation and eventual dismantling of the heat genera-

tion systems also cause CO₂e emissions and other environmental impacts. To identify hotspots and determine potential for optimization, we analyze and quantify these impacts in the life cycle of our devices and contracting systems.

Optimizing product design

Techem aspires to develop and offer products and services that are as sustainable as possible. We maintain direct contact with the partners that manufacture our devices and system components. Among the measures we initiated in the 2023 financial year to create transparency across the entire life cycle was a life cycle analysis for a heat generation system (hybrid system consisting of a heat pump and natural gas boiler).

Depending on the product, we are responsible for all or part of the design. Our current focus is on extending the service life of our products. In addition, we are conducting feasibility studies to examine and promote the reuse of materials and the use of recycled materials. Our initial analysis of the environmental impact of our most important devices and systems conducted in the 2022 financial year was further substantiated in 2023 in order to integrate the results into our carbon footprint (see [p. 42](#)).

By relying on digitalization and wireless meter reading, we avoid trips for on-site readings and are able to meet the legal requirement to provide consumption information throughout the year while conserving resources. All our current wireless devices meet the standards of the Open Metering System (OMS), which we played a key role in developing. In the event of a change in service provider, these devices can continue to be used as long as the new service provider supports the standard.

Using recycled materials

Our product design policy prioritizes the use of recycled materials. We are constantly looking for new ways to increase the amount of recycled material in our products – while keeping the quality level in mind. One example of this is the Smart Reader, for which we have already confirmed the technical feasibility of using recycled material (see action plan, [p. 42](#)). Our wireless heat cost allocator helps save resources thanks to its 43.7% share of recycled material. Over 2.7 million of these devices were in use during the 2023 financial year. Overall, the share of recycled source materials in Techem devices amounted to 4.6% in the 2023 financial year.¹ By only using the same plastic polymers in one device, we have been able to improve the recovery potential in the final recycling process.

¹ Materials procured by our international companies that were not delivered via the central warehouse in Liederbach were not considered. These are estimated to account for less than 5% of Techem's total material volumes.



Identifying the main sources of emissions

To be able to quantify the CO₂e emissions of our products more precisely, we analyzed ten selected devices using the Product Environment Footprint (PEF) method, which includes not only the components and their emission factors in the carbon footprint but also manufacturing processes and transport routes. We also contact our main suppliers in order to create a comprehensive data basis for such analyses. The first device we analyzed through a complete life cycle assessment (LCA) at a partner company was the air-to-water heat pump system.

Extending our products' service life

In the 2023 financial year, we were able to continue the successful extension of the service life of our "data III" and "radio 4" wireless heat cost allocators from the previous year. The service life of the 11.8 million data III devices that are installed in the field was extended to 20.5 years, while the service life of 7 million radio 4 devices was extended to 13,5 years. This means that in the year under review, 611,774 data III devices could remain in the field that would otherwise have been replaced if their service life had not been extended.

The radio 4 model is designed to allow continued use in the event of a competitor taking over. Within the scope of our M&A strategy, we acquire small and medium-sized metering service providers and consolidate them in our subsidiary Deutsche Messdienst Gruppe Beteiligungsgesellschaft mbH (DMG). The devices we acquire along with these companies are replaced as scheduled at the next periodic replacement interval in order to conserve resources.

Life cycle of our products





Action plan for Techem devices

To follow through on our commitment to a circular economy, we identified possible courses of action for our devices last year. Progress and further measures are set out in our action plan:

Action plan ¹	Status	Planned optimization measure	Implementation by
Extending the operating time of suitable recording devices	Implemented Extension of operating time: Heat cost allocators: › radio 4: from 12 to 13,5 years › data III: from 12 to 20.5 years	No further measures planned at present.	FY 2024
Reducing the CO ₂ e footprint over the life cycle of end devices	Conceptual design The feasibility study for the heat cost allocator did not identify any current opportunities for optimization. The recalculation of weights, distances and material ratios provides a basis for further analysis.	Further analysis at a workshop on the circular economy.	FY 2024
Examining the CO ₂ e footprint of microcontrollers and radio chips in upstream stages of the value chain	Research Techem is investigating the possibility of a redesign to reduce the number and size of radio chips and the chip housing. ²	Investigation of new technology potential, e.g. during a workshop on the circular economy.	FY 2024
Expanding the use of recycled materials for plastic housings	Feasibility study The technical suitability for a higher percentage of recycled materials in the Smart Reader has been confirmed; the fire test is still pending.	Testing the fire resistance of the Smart Reader's housing material.	FY 2024

¹ The optimization measures described below are either current developments or potential concepts, some of which still need to be tested for feasibility.

² Application potential pertains to the radio module and the heat cost allocator. The chip housing area is to be halved.



Action plan

Status

Planned optimization measure

Implementation by

<p>Using batteries with a longer operating time for system devices</p>	<p>Feasibility study</p> <p>Current research concerns the energy consumption of the Smart Reader. A new version of the electronics with lower peak currents enables a longer battery life or the use of more environmentally friendly batteries with a rod core. A hardware prototype is being built.</p>	<p>Suitability tests and performance tests for electronics and batteries (discharge test, lifetime test).</p>	<p>Feasibility study in FY 2024 and use from FY 2025</p>
<p>Optimizing the operating time of radio components that can be replaced in the field</p>	<p>Feasibility study</p> <p>Feasibility study on using replacement radio modules for water meters for two compliance/calibration periods instead of one. Replacement on the devices is already possible from a technical point of view, but test processes for the purpose of quality assurance still need to be optimized.</p>	<ul style="list-style-type: none"> › Process optimization to reduce error rate › Research into return and remanufacturing of radio modules › Evaluation of replacement in the field vs. replacement at the manufacturer or Techem 	<p>FY 2024</p>
<p>Introducing a battery replacement process to extend the operating time</p>	<p>Field test</p> <p>The process of changing batteries in the field requires special training for customer service technicians, which will begin in Poland.</p>	<ul style="list-style-type: none"> › Documentation of the number of successful battery replacement processes in the field › Subsequent rollout of the battery replacement process in other national companies planned 	<p>FY 2024</p>
<p>Replacing brass with plastic</p>	<p>Field test</p> <p>On the basis of the ongoing field test, a brass-free plastic volume meter has been added to the product portfolio.</p>	<ul style="list-style-type: none"> › Analysis of the savings potential of a plastic solution vs. a brass solution › Documentation of unit numbers in 2024 	<p>FY 2024</p>
<p>Random sampling procedure to extend the service life of water and heat meters</p>	<p>Research</p> <p>A potential service life extension of three years was determined.</p>	<p>Contact and coordination with the calibration authorities to identify further potential.</p>	<p>FY 2024</p>
<p>Reconditioning heat meters</p>	<p>Research</p> <p>Contact with suppliers offering reconditioning of used products.</p>	<p>Feasibility study</p>	<p>FY 2024</p>



Further projects for the coming year have been formulated at an internal workshop:

1. Conducting a gap analysis to find possible applications for circular economy principles in Techem's devices and processes: This will involve analyzing the new requirements of ISO 59004/59010 and the new ESRS E5 reporting standard (circular economy), among other things. The aim is to increase transparency and the data quality of Techem devices as well as lay a better foundation for future actions.
2. Improving the data basis for the share of recycled material in the brass components used: The aim is to optimize our data basis at the material level.

Energy and emissions

Exploiting the climate protection potential of our business

Due to the nature of its business, Techem shares responsibility for the energy transition in Germany and in all of the 17 other countries in which we operate. In the area of contracting, we offer homeowners the option of covering their entire investment for the installation and modernization of systems technology to supply their homes with hot water and heat from a highly efficient central heating system. During the 2023 financial year, we concluded

23 new contracts and eleven contract amendments with an investment volume of over 13 million euros and completed a total of 56 projects. We also contribute to the responsible use of energy and water through our submetering business.

An overview of our goals and measures for climate-friendly business activities is provided in the decarbonization plan (see [p. 52](#)).

Using certified energy management

Our [Energy Policy](#) lays down guidelines for the responsible use of energy and is based on the following principles:

- › Conserving resources and making a significant contribution to reducing emissions
- › Improving the energy efficiency and cost-effectiveness of all systems and properties used by Techem
- › Increasing supply security and system availability

Almost 15 years ago, as part of our efforts to maintain and continuously improve our energy management, we introduced a management system in accordance with ISO 50001 and had the Techem Contracting segment certified. Within this framework, we have undertaken to provide information on consumption, energy efficiency and emissions throughout the year, to invest in energy-efficient products and services and to ensure

that new or modified systems and locations deliver improved energy-related performance.

Energy Services Germany carries out regular energy audits in accordance with DIN EN 16247-1 at all German locations. Those of our companies that are based in countries of the European Union (EU) undergo regular audits in accordance with the applicable national regulations. Relevant savings potential is discussed at management level.

Working energy-efficiently

The Techem Group does not own any properties; all of our locations are rented. As such, we have no direct influence on the energy efficiency of the building envelope or the technical equipment in the building. The only exception is our headquarters in Eschborn: Here, we worked together with the owner of the building to have it certified to the DGNB Gold standard – and are now aiming to achieve Platinum certification (see [p. 38](#)). In addition, the useful energy systems in the Energy Efficiency Solutions (EES) segment consistently run on eco mode.

We have switched 95% of the lighting at our headquarters in Eschborn and 70% of the lighting at all German locations to energy-saving LED technology. Moreover, we attach great importance to using energy-saving and durable office equipment and kitchen appliances.



Purchasing green electricity

All of our German locations have been using electricity from renewable sources since January 1, 2023. That also applies to our own charging stations as well as to charging stations of our customers that we have been commissioned to supply with electricity. Every charging point that is covered by the Techem service and is supplied with electricity by Techem runs exclusively on green electricity. The number of countries in which our ESI segment locations use 100% green electricity has risen to six following the switch in Spain and Switzerland. On an international level, 23 locations have thus switched completely to green electricity, representing an increase of 64%. This figure does not include the companies of the DMG holding company, which are responsible for their own electricity procurement.

Analyzing energy consumption²

Some 96% of the energy purchased by Techem is used to generate useful energy such as heat and electricity in our contracting business. This means that the actual energy consumption takes place at the customer's end. The energy we use to generate useful energy is reported as our own energy consumption. Only a small share of our purchased energy – a mere 4% – is used internally for office operations and the vehicle fleet.

In the 2023 financial year, the total energy purchased by the Techem Group fell by 20% compared to the previous year, primarily due to developments in the EES segment. This is due, on the one hand, to more economical consumer behavior as a result of higher energy prices and, on the other, to a mild winter in 2022 relative to the long-term record. In the ESG/ESI segment, energy consumption was up very slightly due to an expansion of our vehicle fleet as a result of company acquisitions. Overall, however, the Techem Group's total energy consumption in the 2023 financial year was down 20% on the previous year.

² Heat contracting services are provided by the Energy Efficiency Solutions (EES) segment, while submetering services are provided by the Energy Services Germany/Energy Services International (ESG/ESI) segment. This report distinguishes between these segments due to the considerable difference in their energy and emissions intensity.

**Energy consumption within the organization (in MWh)**

	Techem in total		EES (contracting)		ESG/ESI (submetering services)	
	2022	2023	2022	2023	2022	2023
Total energy purchased ¹	1,068,971	858,958	1,038,356	827,873	30,615	31,086
› thereof energy from non-renewable sources	1,004,897	795,969	976,584	767,237	28,313	28,731
› thereof energy from renewable sources	64,074	62,990	61,772	60,636	2,302	2,354
Total energy sold ²	854,819	770,098	854,819	770,098	0	0
Total energy consumed within the organization ³	955,790	764,964	925,173	733,879	30,617	31,086
Revenue (in € millions)	899.6	1,009.1	141.2	158.8	758.5	850.3
Energy intensity ⁴ (in MWh/€ million in revenue)	1,062	758.1	6,555.9	4,622.7	40.4	36.6

¹ Any energy that is purchased. This includes electricity and district heating required for our own offices and the operation of our own systems, as well as energy sources such as natural gas or heating oil, which are primarily used in the EES segment's systems to generate heat and/or electricity.

² Any energy sold by the EES segment in the form of useful energy, such as electricity, heat or cooling. This includes useful energy that the segment generates itself, e.g. heat generated by burning natural gas in its own systems, and useful energy produced externally, e.g. in the form of district heating that is only sold on.

³ Self-generated useful energy is reported as the company's own energy consumption.

⁴ Based on the total energy consumed within the organization.

Promoting climate-friendly mobility

Techem encourages its employees to opt for climate-friendly mobility and implements country-specific measures to this end. In Germany, for example, we offer discounts on e-bike and bicycle leasing and provide parking spaces and showers for cyclists at our headquarters in Eschborn. To make our vehicle fleet more climate-friendly, we are planning to transition the entire German car fleet to CO₂e-neutral drive systems by 2028. In the summer of 2023, we launched a pilot project for the use of electric vehicles by our customer service technicians.

Our employees can apply for a 50% subsidy for annual public transport tickets or have some of the costs of individual journeys reimbursed. The travel policy applicable in Germany recommends rail travel over air travel. In justified cases, employees receive a second- or first-class rail card free of charge. Should any flights be necessary, the CO₂e emissions generated are compensated for via the non-profit organization atmosfair.

Our national companies in Norway, Austria, Belgium, Denmark, Italy, Bulgaria, the Netherlands and Switzerland have already largely converted their fleets to electric mobility. In addition, several international locations offer incentives for traveling to work by bicycle or public transport.



Our CO₂e footprint

As an energy service provider and metering point operator, Techem possesses the leverage needed to make an effective contribution to the energy transition and a climate-neutral building stock. We do so above all through our focus on renewable energy concepts and our commitment to the decarbonization and digitalization of heat supply – including in our own operations. Our goal is to achieve climate neutrality by 2045 in accordance with the Net Zero standard of the Science Based Targets Initiative (SBTi). To this end, we calculate our CO₂e footprint annually in accordance with the Greenhouse Gas Protocol (GHG Protocol).

Techem’s CO₂e footprint in the 2023 financial year came to around 244,134 tons (2022: 306,800 tons). The figures below have been calculated according to the market-based method. A detailed overview of all key figures can be found from [p. 105](#) onwards.

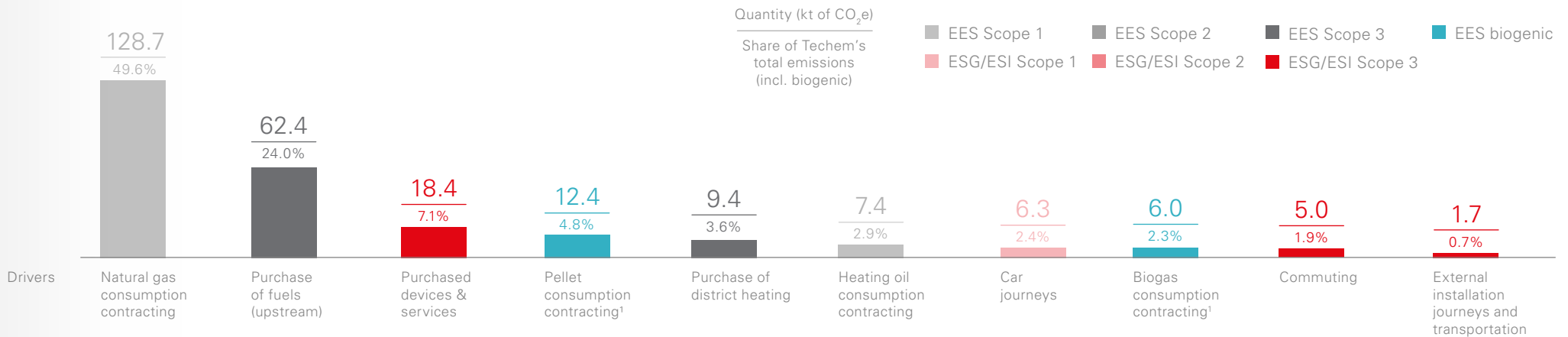
With a share of 49.6%,³ our main emissions driver is the consumption of natural gas in the EES segment’s contracting business. Changed customer behavior has led to a decrease of over 22% to 128.7 kilotons (kt) of CO₂e. In second place, with a share of just under 24% (2022: 18.9%), are upstream emissions resulting from

the purchase of fuels. Another 7% (2022: 9%) of the emissions generated in the value chain come from purchased goods and services.

Scope 1 – our direct emissions

Techem’s Scope 1 emissions stem from the provision of useful energy – in particular heat – and the fuel consumption of our vehicles. They are largely dependent on the heat consumption of the buildings served by the EES segment. Like in the previous year, resident consumption fell significantly due to rising prices, Germany-wide energy-saving measures and a warmer-than-average winter.

Main emission drivers of the Techem Group in 2023 including biogenic emissions (in kt of CO₂e)



¹ Biogenic emissions are reported separately and amounted to 18,375 tons of CO₂e emissions in FY 2023 (2022: 17,628 tons).

³ Of our total emissions including biogenic emissions.

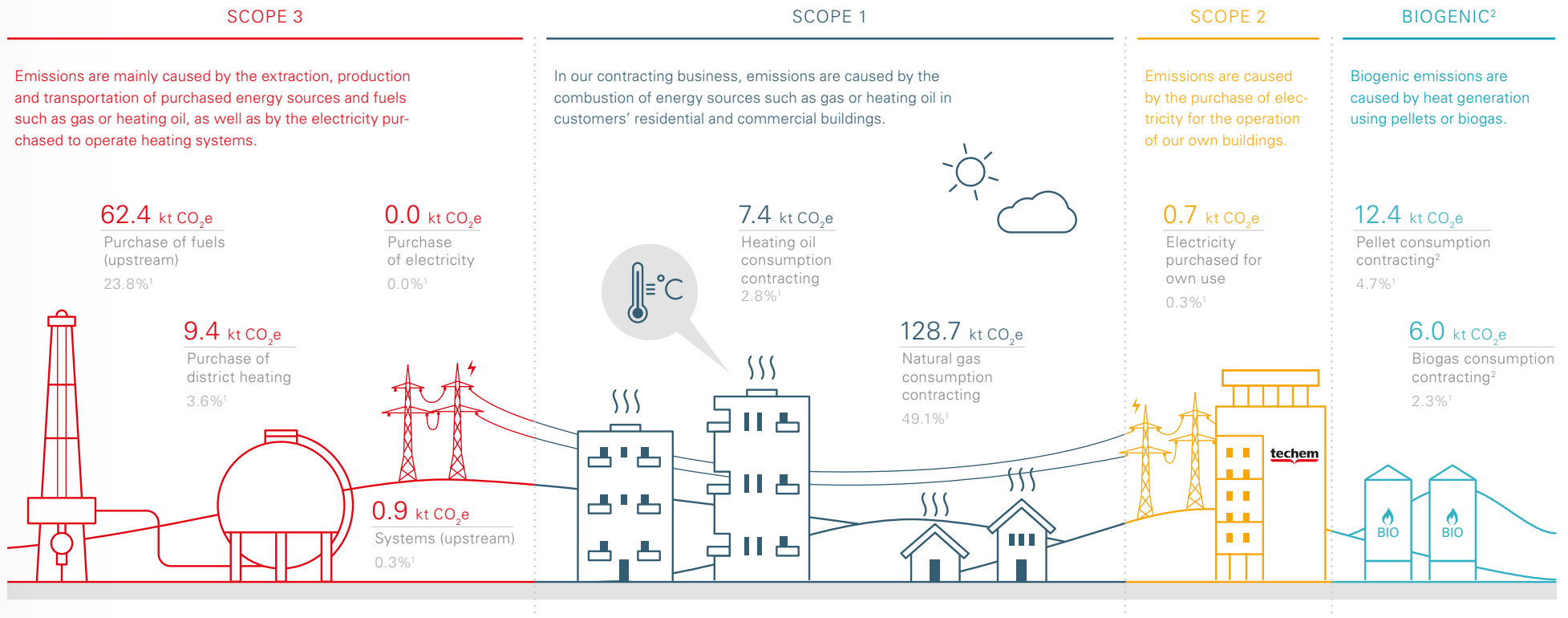
As a result, emissions from our heating oil and natural gas consumption decreased by a total of 38.4 kt of CO₂e in comparison with 2022. This corresponds to a reduction of 22%. Since this reduction is mainly a result of external factors, we expect emissions to increase again in the next reporting period.

Meanwhile, emissions resulting from the fuel consumption of our company vehicles rose by around 8% due to company acquisitions (see p. 110).

As ever, the greatest lever for a steady reduction in our Scope 1 emissions lies in modernizing our installations.

By optimizing the boilers and control systems, we will achieve a better conversion factor and generate more energy with the same amount of fuel. We are also promoting the implementation of renewable energies (see p. 45).

Emissions based on the value chain of the contracting business (Energy Efficiency Solutions (EES) segment)



¹ Percentage of total emissions

² According to the GHG Protocol, biogenic emissions are not part of the CO₂e footprint; they are therefore reported separately.



Scope 2 – our indirect emissions

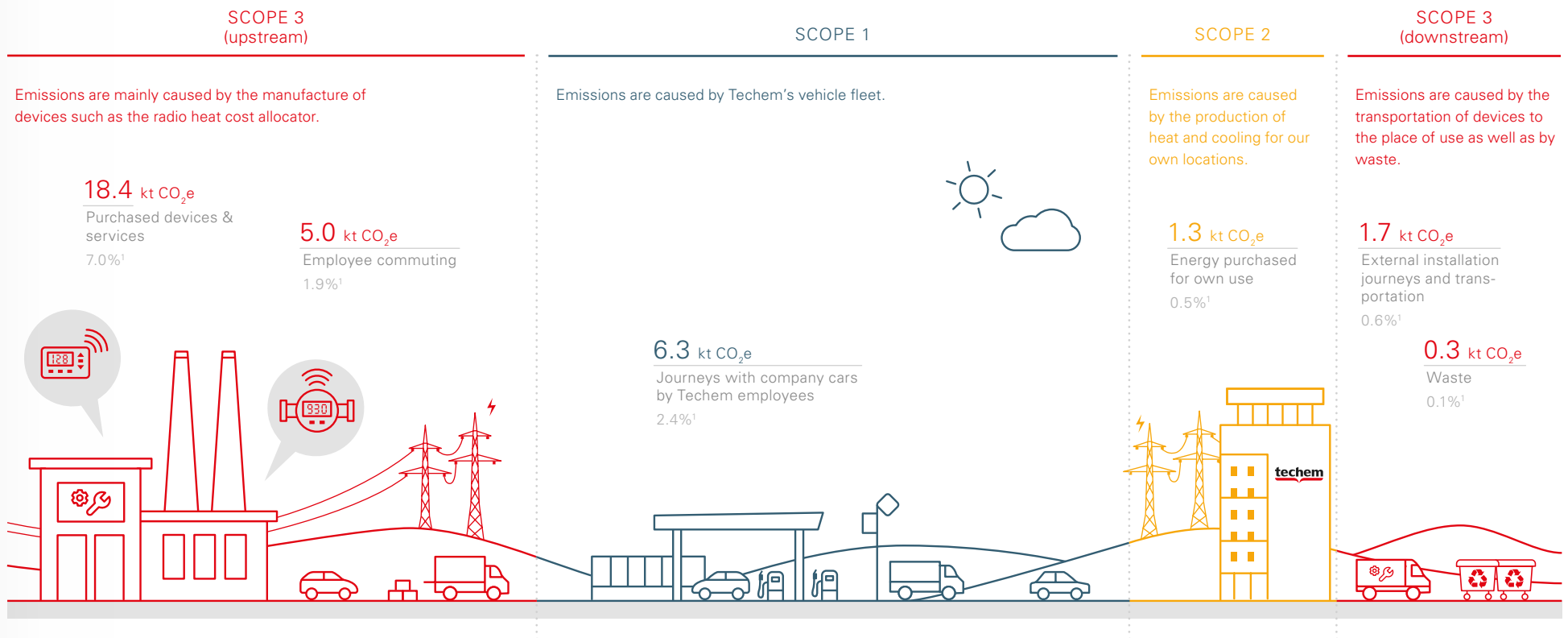
Our Scope 2 emissions are caused by the energy we purchase to heat and power our sites. On top of this comes the operating electricity needed for our heating systems in the EES segment and for our electric vehicles. With a share of less than 0.8%, our Scope 2 emissions are low but still not negligible. Compared

to the previous year, we were able to reduce them by around 2.9 kt of CO₂e, or 60%, due in part to the discontinuation of business in the UAE (see p. 6). Our electricity supplier’s switch to green electricity on January 1, 2023, reduced our Scope 2 emissions significantly. However, Scope 2 emissions from the use of electric vehicles were up by 4%.

Scope 3 – emissions in our value chain

Scope 3 emissions are those that occur along our entire value chain. In the 2023 financial year, they accounted for 38% of our total emissions. They arise primarily from purchased goods and services, from purchasing, selling and using fossil fuels and from the life cycle of our devices in the ESG/ESI segments.

Emissions along the value chain of the submetering business (Energy Services Germany/Energy Services International (ESG/ESI) segment)



¹ Percentage of total emissions

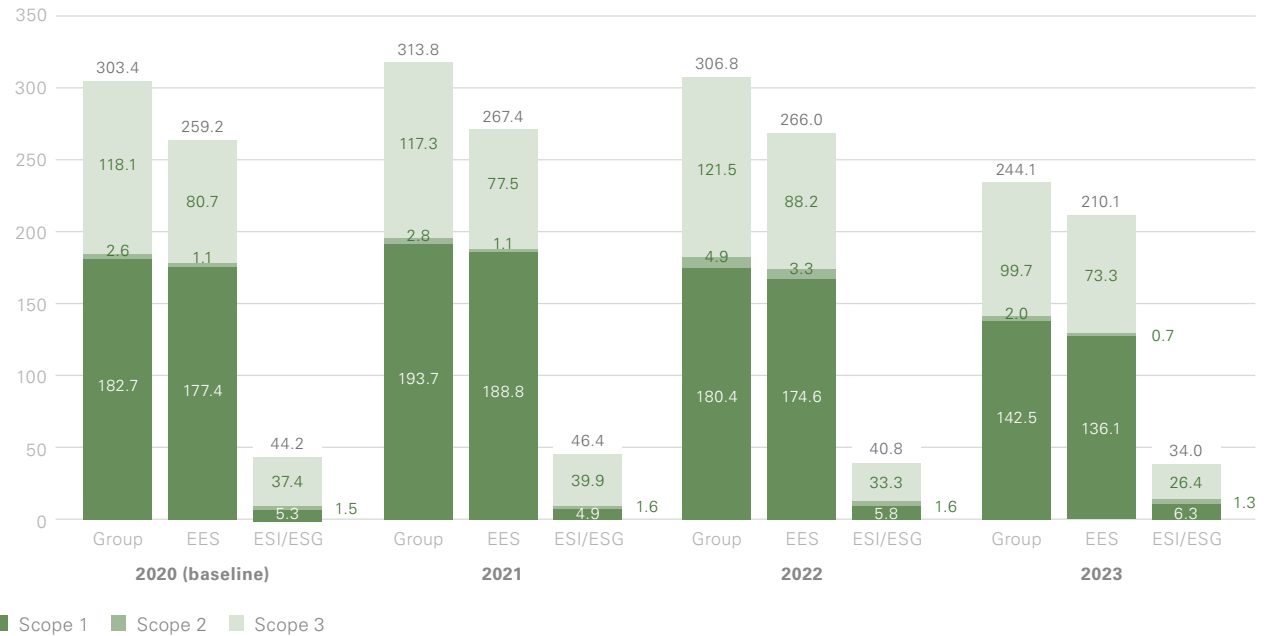


Compared to 2022, our Scope 3 emissions declined by 18%. This was due to a number of factors, including initial successes of our action plan for devices (see p. 42), our supplier’s switch to renewable energies and the optimization of data bases and emission factors for both device emissions and district heating.

One major factor is the upstream emissions of our fuels, which account for 63% of our Scope 3 emissions. The quantity of purchased fuels decreased by 20.7% due to changes in consumer behavior. The related emissions, however, increased by 2.8% compared to the previous year owing to higher specific greenhouse gas emission factors.

In the 2023 financial year, we were able to use a market-based emission factor to calculate our district heating, because we were able to determine the individual emission factors of all district heating suppliers. We further optimized our CO₂e calculation model by improving the data basis for our life cycle assessment to determine device emissions. Moreover, an internal survey revealed more about our employees’ commutes and the means of transportation they use. The adjustments we had to make as a result led to a six-fold increase in emissions in this

CO₂e emissions of the Techem Group from 2020–2023 in Scopes 1, 2 and 3 (in kt CO₂e)



category compared to the previous year. In contrast, emissions arising from installation trips fell by some 37% (–1 kt CO₂e) thanks to optimization measures. For example, we are now providing our customer service technicians with ID.Buzz electric vehicles within the scope of a pilot project.

Our emissions are going down

In the 2023 financial year, the CO₂e footprint of Techem⁴ declined by 20% compared to the previous year (2022: 2.2%).

⁴ Excluding biogenic emissions.



Techem emissions reduction targets according to SBTi

Techem Group	2030	2045	Current status	
Scope 1	-42%	-90%	-22%	Net Zero according to SBTi in combination with carbon capture technologies for the 10% remaining emissions
Scope 2	-42%	-90%	-24%	
Scope 3	-28% ¹	-90%	-16%	
› ESG/ESI segment				
Scope 1 & Scope 2	-90%		+12% (+20 in Scope 1 and -17 in Scope 2)	

¹ Scope 3 target for 2030: According to the SBTi standard, only two thirds of the Scope 3 emissions from the baseline year need to be reduced by 42%. Upstream emissions from district heating purchases (= one third) were therefore not taken into account.

Implementing our roadmap to climate neutrality

Under our decarbonization plan, we intend to reduce our Group-wide CO₂e emissions by at least 42% in Scopes 1 and 2 and 28% in Scope 3 by 2030 and achieve an emissions reduction of at least 90% across all Scopes by 2045 (see table). The base year in each case is the 2020 financial year.

Any remaining emissions are to be offset in accordance with the Net Zero Standard of the SBTi using carbon offsetting or carbon capture technologies so that Techem can achieve climate neutrality by 2045.

Reducing emissions in line with the SBTi

Alongside our CO₂e footprint in accordance with the GHG Protocol (see p. 47), our decarbonization plan is also based on analyses of our devices' and systems' environmental impact (see p. 40) and workshops with our experts. The attainability of our targets depends heavily on how well customers accept our significantly more climate-friendly contracting options, especially given the higher investment costs. That is why we will validate the targets accordingly, looking at both our contracting and submetering business segments.



Focal points of our decarbonization plan

Energy Efficiency Solutions (EES) – contracting business

1. Low-emission growth in newly constructed buildings

The EES segment is making active efforts to equip new buildings with low-emission solutions for the supply of heat, cooling and electricity. We always strive to offer our customers a 100% green supply solution. During the 2023 financial year, we were able to do this for over 140 new customers and over 70 existing customers.

If a customer is not willing to consider this option, it is already our policy to only conclude contracts for new systems with a renewable energy share of at least 65% or to propose contract models with decarbonization options during the term of the contract. As a result, we have been able to implement new green solutions for ten customers and, for seven others, we have signed addenda with the option of switching from “grey” to “green.”

2. Converting existing buildings to hybrid heating systems

As with new customers, we also offer 100% – or at least 65% – renewable heat supply solutions whenever we

renew a contract. We also allow all our customers to upgrade their heat supply under an existing contract, focusing primarily on heat pumps. However, we did not conclude any new contracts in the 2023 financial year, mainly due to the uncertainty caused by the Building Energy Act and the high prices for commercially available solutions. That is why our decarbonization plan is only scheduled to start at the beginning of 2024. From then on, we plan to convert the remaining quantities of conventional fuels to renewable fuels such as green hydrogen or biomethane. The aim is to convert the entire Techem portfolio to renewable energy sources by 2045.

3. Switching customers to green electricity

Since January 1, 2023, all installations in the EES segment as well as the charging stations for electric mobility that are supplied by us have been converted to 100% green electricity.

4. Optimizing system operation

The EES segment has consistently converted its systems for the generation of useful energy to eco operation and optimized their operating times to suit demand. We have continued to upgrade our system portfolios with digital, remotely readable metering systems and are on target with a 44% share of the total portfolio. The target for 2025 is a share of 50%, followed by 100% in 2026.

Energy Services Germany/Energy Services International (ESG/ESI) – submetering business

5. Circular design for Techem devices

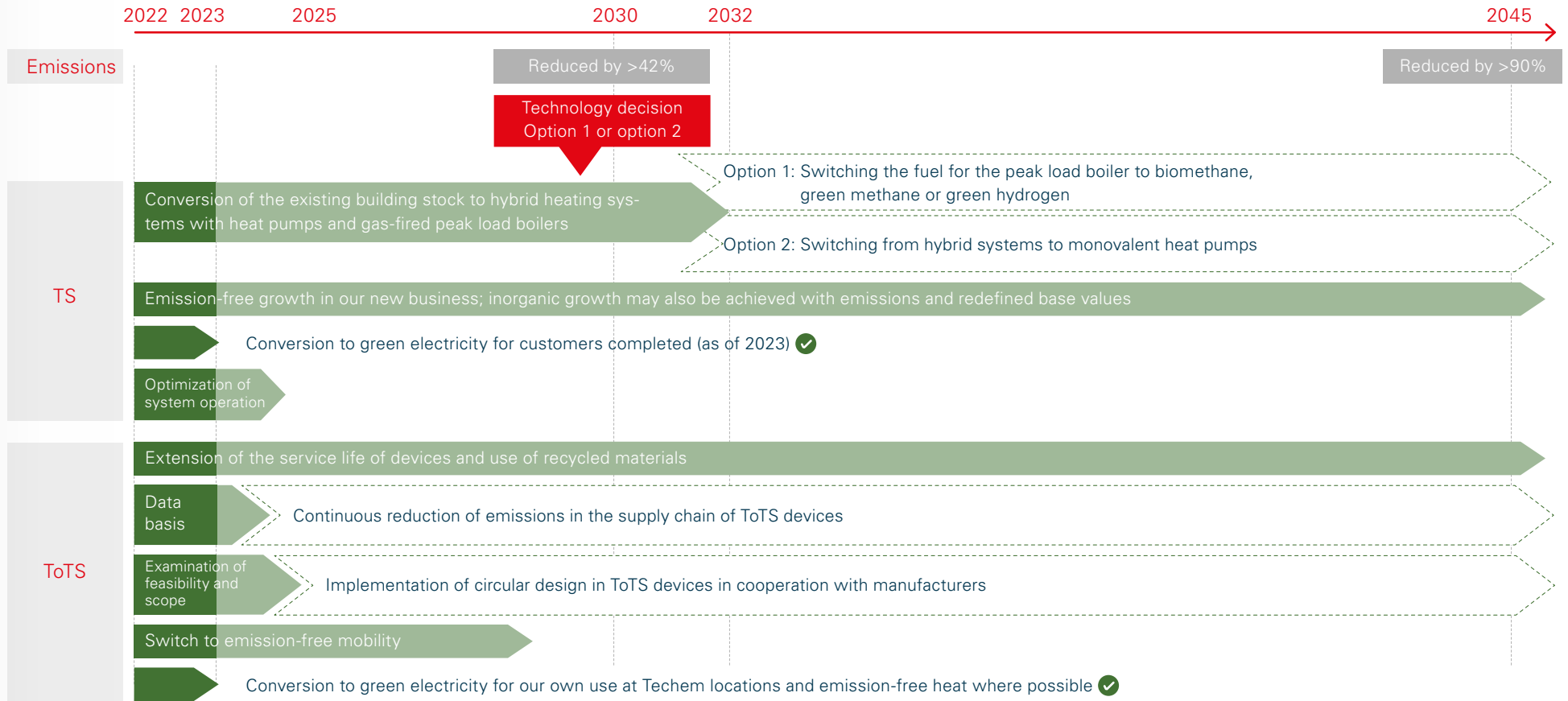
We can only achieve our long-term reduction target if we transition completely to circular production for all Techem devices. The measures for the transformation of our product portfolio are explained in our action plan (see [p. 42](#)).

6. Emission-free mobility, green electricity for our own use and emission-free heat in Techem buildings⁵

Techem plans to convert its car fleet to 100% CO₂e-neutral drives by the end of 2028. In the 2023 financial year, the number of electric cars increased by 127% in the ESG segment and by 56% in the ESI segment. The share across Germany is 17%. As part of a pilot project launched in 2023, our customer service technicians have been provided with a fleet of ID.Buzz electric vehicles. Having introduced green electricity at all German locations, we have now started to convert our headquarters to heat and cooling from renewable energy sources. We aim to finalize this conversion in 2024 (see [p. 38](#)).

⁵ The EES segment’s relatively small shares of company cars and premises are allocated to the ESG/ESI segment.

Techem decarbonization plan



Dealing with remaining emissions

In line with the SBTi requirements, all remaining emissions will be compensated for using carbon offsetting or carbon capture technologies in order to achieve complete climate neutrality by 2045.

**FOCUS****Determining climate impact in degrees Celsius**

In the 2023 financial year, Techem entered into a cooperation with right. based on science GmbH. The aim was to use the company's XDC model (X-Degree Compatibility model) to quantify the climate impact of the Techem Group and of the building stock under our service – specifically the impact on global warming in degrees Celsius. In this way, we were able to determine – while taking into account our decarbonization plan – that the climate impact of the ESG/ESI segment over the observation period of the Paris Climate Agreement comes to 1.3 degrees and the climate impact of the EES segment to 1.6 degrees. In addition to this, we were able to show that a typical existing multi-family house without insulation could achieve the targets of the Paris Climate Agreement (XDC <= 1.5 degrees) by converting the heat supply to AI-supported and operationally optimized heat pumps and using green electricity.

Conserving resources

Saving water

Techem considers water to be a resource worth protecting. Due to climate change, water stress is increasingly becoming a problem even in temperate latitudes. By metering and billing water consumption, we provide tenants with transparency on their consumption and help raise awareness.

In our own operations, the only water we use is for sanitary purposes and food preparation: During the 2023 financial year, we consumed 12,383 cubic meters of water (2022: 14,173 cubic meters). The water is drawn

from the public drinking water supply and is used in sanitary facilities, office kitchens and the company restaurant. Our sanitary facilities are equipped with water-efficient fittings, and all employees are encouraged to use less water.

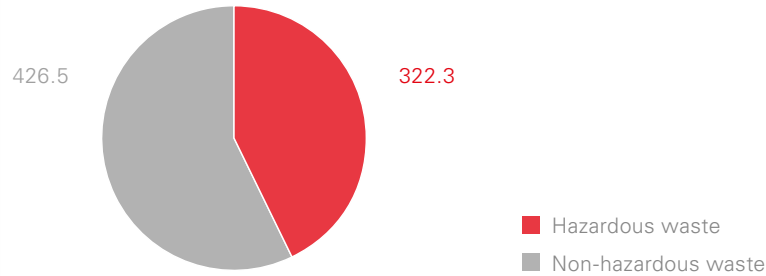
Wastewater is discharged into the municipal systems. Since our production processes do not require water and we therefore do not generate any process wastewater, we are subject to the relevant local laws and regulations for domestic wastewater.

Establishing waste management

All electrical devices that Techem puts on the German market can be recycled or disposed of in a legally compliant manner at the end of their useful life. Alongside municipal recycling centers, a certified waste management company (primary treatment facility in accordance with the German Electrical and Electronic Equipment Act) is also available for this purpose. This company accepts all used electrical and electronic equipment collected at the central warehouse in Liederbach and ensures that it is recycled to a high standard. Responsibility for this lies with the Supply Chain Management department, which will further optimize the disposal process by the end of the 2024 financial year.



Waste by type and disposal method in Germany in 2023 (in tons)



The devices Techem uses consist of electronic components, plastics and metal. Right from the design stage of our products, we take into account the impacts that arise during their life cycle. Among other things, we focus on designing products to be recyclable and reducing the amount of packaging material (see [p. 40](#)). Around 312 tons (2022: 276 tons) of dismantled devices were sent for disposal in Germany throughout the 2023 financial year.

To ensure that the devices are returned to Techem, we have drawn up appropriate work instructions and included them in the mandatory hazardous goods training for our fitters. In addition, selected managers have received training on the subject of taking back devices. The lithium batteries contained in the electronic devices are sent to a certified return system for recycling. Since 2023,

we also ensure that any packaging materials generated during shipping in Germany are disposed of appropriately. Internationally, they are disposed of in accordance with the relevant regulations.

Techem Germany generated a total of 748.8 tons of waste in the 2023 financial year (2022: 452 tons), of which 322.3 tons (2022: 285.7 tons) was hazardous waste (mostly electronic waste). The increase in the volume of waste is due to the inclusion of DMG in the data collection. Around 98.7% (2022: 97.8%) of the waste was recycled, reprocessed or recovered, with the remainder disposed of in accordance with the German Closed Substance Cycle and Waste Management Act (KrWG). We will start collecting international data in the 2024 financial year through pilot projects in France and Poland.

Reducing paper consumption and using recycled paper

Using less paper and switching to recycled paper also helps to conserve resources. Some international locations are already aiming for a paperless office. Techem Belgium and Techem Luxembourg, for example, have largely dispensed with paper since the end of 2023, while the paperless office is already a reality at Techem Netherlands. Meanwhile Techem Germany aims to reduce its paper consumption by 50% by the end of the 2024 financial year and switch completely to recycled paper. In the 2023 financial year, we were able to increase the proportion of recycled paper we use to around 96.5%.

We implemented important process and system adjustments to achieve our paper reduction target. For example, we stopped printing bank transfer forms altogether, enabled annual billing in our online portal and introduced a paper-saving layout for individual bills and letters to customers. The end-of-year bill is now provided online by default. These measures affect around 90% of the printing volume, which means they are likely to reduce the volume by around 6.1 million pages in the 2024 financial year.



One challenge is the implementation of the Energy Efficiency Directive (EED). The EED sets out that tenants must be informed about their consumption on a monthly basis, with additional information provided as part of the annual heating cost bill. Digital provision is often rejected by customers, for example because they do not have their tenants' email addresses. This regulatory requirement increased our print output by 12.1 million pages in the reporting period, resulting in a 32% surge in total consumption compared to the baseline year 2020. In view of these circumstances, we will revise our reduction target for the next reporting period.

Raising employee awareness

Environmentally friendly and climate-conscious behavior can only succeed and unfold its full effect if we all pull together. We have enshrined this belief in our Code of Conduct and our Guidelines on Climate and Environmental Protection. Internal publications on energy- and water-saving behavior serve to raise additional awareness and motivate our employees. For example, we regularly provide information on climate and environmental protection topics through articles on the intranet or social media posts. Our employees can share their sustainability-related ideas via a sustainability group on the intranet or by sending an email to sustainability@techem.de.

In the 2023 financial year, Techem organized its third Sustainability Week in Germany, with various activities taking place. Sustainability experts shared ideas and inspiration for a sustainable transformation of our business and society with over 720 employees. We also continued the waste collection challenge from 2022 as part of this event. In summer 2023, employees at our headquarters took part in a city cycling campaign, making as many journeys as possible by bike.

There were also campaigns to raise employee awareness at the international locations. For instance, employees at all Techem locations were invited to take part in a quiz on the Sustainability Report. Employees in Denmark had the opportunity to attend workshops on climate protection. And in Poland, there are annual meetings to present the Sustainability Report along with an overview of local sustainability activities.

During the 2024 financial year, we will roll out mandatory online sustainability training for employees at all German and international locations. There are already regular e-learning courses for employees in the EES segment on the sparing use of energy and water, each concluding with a knowledge test.



FOR THE INDIVIDUAL & SOCIETY

Techem stands for more than just the products and climate solutions we offer. At Techem, we also value the people who keep our company running every day – because qualified employees are essential if we want to achieve the energy transition in the building sector. We offer our employees a safe and attractive working environment and provide a wide range of training and development opportunities. Together, we work on improving customer satisfaction and developing solutions for green and smart buildings in collaboration with strong partners. And our social engagement activities also rely on collaborations with a positive impact on individuals and society as a whole.



Creating attractive working conditions

Our 4,214 Techem employees worldwide (2022: 4,199) are the backbone of our company. That is why we offer them attractive working conditions as well as job security: The majority of our employees have permanent contracts. We promote diversity and equal opportunities, further education and personal development: At Techem, even demanding jobs can be reconciled with private commitments and responsibilities.

Our employees

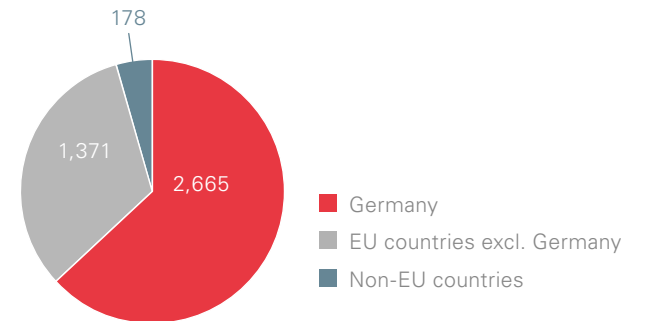
Techem aspires to retain employees in the long term. One indicator of how successful we are in this is the employee turnover rate, which shows how many employees left the company in the 2023 financial year relative to the total workforce. The current increase in the global employee turnover rate to 14.3% (2022: 13.6%) is due to the need for structural and organizational adjustments. These measures are targeted at placing the customer even more firmly at the center of our activities. At the same time, they are an integral part of our systematic and sustainable performance management. A total of 639 employees were hired during the 2023 financial year (2022: 742), while 645 employees left the company (2022: 572).

From a management perspective, Techem Germany considers the employee turnover rate to be of particular relevance when looking at how many of the employees who left the company actually terminated the employment relationship themselves. In Germany, we have therefore set ourselves the goal of keeping the employee turnover rate with self-termination below 5% in the long term. In the 2023 financial year, it stood at 4.8% (2022: 5.5%).

Techem sometimes uses service providers for various activities:¹

- › Installation: Independent companies are used to install or repair Techem devices in the properties. The fitters use Techem materials and make sure that the devices are in working order.

Employees by region in 2023



The figures refer to all active employees worldwide as at September 30, 2023, including apprentices but excluding temporary staff.

¹ The information on our external service providers is part of the requirements of GRI 2-8 and has been audited by our external auditor, see GRI Index p. 128.



- › Meter reading: We also use self-employed persons or small companies to read the Techem devices in the properties. In most cases, this concerns properties that are equipped with wireless devices.
- › Call centers: Call center staff receive specific training on our company's processes and work successfully for Techem. This ensures that Techem is also available outside of typical office working hours.

The total number of employees working for the aforementioned service providers amounted to 1,932 as at the reporting date of September 30, 2023 (2022: 1,848).

Attracting and retaining employees

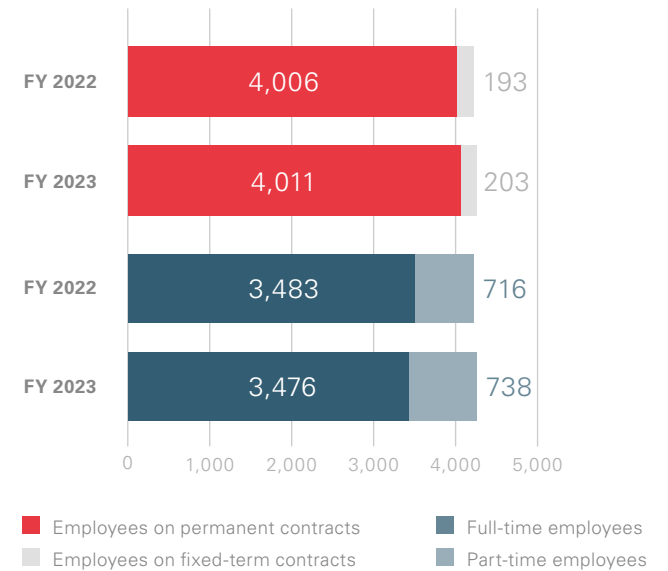
To gauge the satisfaction, motivation and loyalty of our employees to Techem, we conduct employee surveys in Germany and have been calculating the employee Net Promoter Score (eNPS) since the 2021 financial year. The questions cover aspects such as organization, leadership, team spirit and work activity. We also conducted employee surveys in all of Techem's 17 (2022: 17²) other national companies and derived targeted measures to increase employee satisfaction. Techem achieved a Group-wide eNPS of +24³ during the 2023 financial year, an increase of eleven points compared to the previous year.

The results of the employee survey are used throughout the Group. In Germany, each team has discussed its results and derived team-specific measures – such as conducting surveys to gather ideas on how to improve processes in the team's department. Some countries have established regular cross-departmental meetings, expanded their training measures and revised their social programs. Belgium launched the "Breakfast with the Boss" exchange format, while Spain introduced additional feedback formats and a mailbox for anonymous suggestions. Moreover, there are now regular meetings for international dialogue and team building as well as HR meetings at which the persons responsible for employee issues exchange ideas and learn from each other several times a year. The annual International Management Meeting provides another platform for exchange and international networking within the Techem Group.

Training the next generation

To secure our own young talent and strengthen our solutions in the field of energy services, we rely on training young specialists in-house – in some cases in cooperation with other companies. As a starting point, we offer internships, vocational training and cooperative degree programs in Germany and nine (2022: seven) other national companies.

Employment relationships at a glance



The data refers to all active employees worldwide as at September 30 of the relevant year, including apprentices but excluding temporary staff. In some cases, external customer service technicians and meter readers under a service contract are used to install the devices and read the meters.

² In order to ensure comparability, the numbers for the UAE were subsequently deducted from the totals given for the national companies in the 2022 reporting year. Quantitative data from 2022 has not been not adjusted.

³ The eNPS was calculated as the arithmetic mean of the individual country scores.



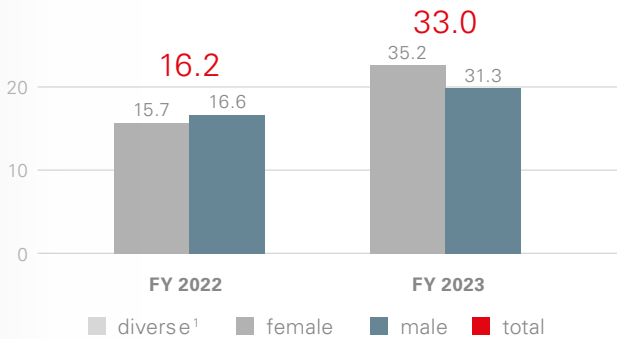
School students can also get to know us through digital career guidance formats. During the selection process, we pay attention to equal opportunities and diverse backgrounds of the applicants. Techem Germany had 70 (2022: 72) apprentices and cooperative degree students in five (2022: four) apprenticeship professions and eight (2022: six) cooperative degree programs during the 2023 financial year. In addition, six (2022: five) entry-level employees were enrolled in an ongoing trainee program at the Eschborn location in 2023. We made prog-

ress with the reorientation of further job profiles during the 2023 financial year, including the introduction of a new cooperative degree course in DLM Consulting & Sales and plans to introduce an Accounting & Controlling degree course.

At 15 of Techem's 17 national companies, there are designated responsibilities for training and further education. The training team in Germany is integrated into the HR Management Services department, which in turn is

assigned to the HR, Legal & Claims division. Junior staff who are not employed at our headquarters are guided by regional trainers on site. Our apprentices regularly change departments so that they become acquainted with all of the different work processes. To develop the skills of our junior staff, we provide them with ongoing training – for example on presentation and communication methods or time and self-management. In addition, the apprentices collaborate on projects that they carry out autonomously.

Hours of training per employee in Germany in the 2022 and 2023 financial years



¹ We do not report this figure in order to comply with the General Data Protection Regulation (GDPR). Since only one diverse person is currently employed at Techem, the number of training hours could be used to draw conclusions about their working behavior.

The data covers all employees in Germany and refers to the average number of training hours per employee in the relevant FY. International data could not be reported in the reporting year due to the lack of a standardized system for recording training hours. On-site instruction by supervisors is not counted towards training hours.



FOCUS Learning Days

In May 2023, we held our third Learning Days event for all Techem employees in Germany under the motto "Discover, Learn, Grow." The almost 40 learning opportunities, which were organized by 31 employees and eight external speakers, were taken up more than 7,400 times, with the event reaching 1,850 employees – or 77% of the German workforce.

One key aspect of our Learning Days is that the offers can be easily integrated into

everyday working life thanks to a varied mix of formats with entertaining learning incentives. The participants were able to choose from a wide range of content – such as sustainability and energy efficiency, digitalization, leadership and self-management. In total, over 6,100 hours of learning took place over the two days, which corresponds to 2.6 hours per employee. The Learning Days event was not only praised internally, but also received the HR Energy Award for innovation projects in 2022.



During the 2023 financial year, for example, our apprentices and cooperative degree students organized an open day at the Eschborn location and, together with the city of Eschborn, invited students from the surrounding schools. The school students had the opportunity to learn about Techem's apprenticeships and degree programs at various booths. What is more, we took part in Boys' & Girls' Day in 2023 to give interested school students the opportunity to learn about typical professions at Techem for a day at a young age.

During their 18-month trainee phase, our six trainees – or young professionals – currently work in a total of four departments and also spend time at one of our operating locations. The trainee program also includes a series of seminars aimed at developing interdisciplinary skills. As part of their 18-month training, the trainees are also expected to gain experience in project management and work together to drive a project forward. Their chosen topic is the "digital growth mindset" and the impact of digitalization on Techem and its employees.

Advanced training to suit our needs

Our learning management system gives employees throughout the Group access to a varied range of learning opportunities aimed at building skills and competencies that are relevant to us. We are continuously developing this system to improve the user

experience, functionalities and learning portfolio. In the 2023 financial year, the Techem Academy offered 872 (2022: 477) learning opportunities, of which over 98% (2022: 98%) were available online and 62% (2022: around 71%) could be taken anywhere and at any time.

Techem employees in Germany attended an average of 33 hours of training in the 2023 financial year (2022: around 16.2 hours). The fact that the number of hours has doubled shows how positively our employees have responded to the expansion of our learning opportunities. On average, the course portfolio received a rating of 4.5 out of 5 stars in 2023, meaning that 90% of our employees are satisfied with the learning opportunities we offer. We also use a variety of measures to sensitize and train our employees to behave in an environmentally and climate-conscious manner (see p. 56).

Techem Academy as a metaverse for learning

In keeping with our purpose of "working together for the digital energy transition in buildings and helping to make buildings greener, smarter and healthier," we have established the Techem Metaverse for Learning with the aim of creating a virtual energy efficiency learning house of the future. The first learning spaces have been available to employees since the beginning of 2024.

Founded on the vision of viewing working and learning environments as a holistic ecosystem rather than as separate elements, the Metaverse for Learning offers employees different learning and development opportunities and unites various learning formats, platforms and collaboration tools. It enables employees to put themselves in our customers' shoes, experience their journey through the entire energy solution portfolio and shape this journey to suit the specific requirements of each target group. The Techem Metaverse is a living, continuously evolving system that feeds on learner co-creation, participation and content and that creates a fusion of virtual and physical learning.

Motivating employees through dialogue

During employee appraisals, managers and employees discuss which advanced training measures would be most appropriate. The formats vary across Techem's national companies. In Germany, there is an annual assessment of how individual employees can develop professionally and what training courses they need to complete for this purpose. Some 95% of all employees in Germany received regular performance and career development reviews in the 2023 financial year (2022: 94%). These reviews are then used as a basis for discussing the next development steps and goals. For managers, there is a special emphasis on leadership skills.



Training courses, events or seminars on all core skills are available to promote continuous personal development. In Germany, employees can request a mid-year check, which includes a second, shorter appraisal interview to discuss interim goals and the career development progress made. All employees are encouraged to obtain feedback from colleagues prior to the appraisal interview, which can be viewed by both the employee and the manager. This additional feedback aids managers in their assessment, promotes a feedback culture and increases our employees' ability to self-reflect. We offer training workshops for managers and employees to help them give and receive clear feedback and use the interviews as an opportunity for development.

Enhancing our talent development programs

Throughout the 2023 financial year, our employees were able to take part in various talent development programs to advance their professional development. Employees who aspire to a career in management or a specialist field can apply annually for the Next STEP or STEP corporate development program. The applicants are announced to all departments and their potential is additionally assessed at regular talent conferences to

ensure fairness and objectivity in the selection process. The program comprises seven modules that are spread out over 18 months. It is not only advertised in Germany, but also at our international locations.

Moreover, we offered a number of high-potential employees the chance to participate in an external development program called the ada Fellowship. The aim was to provide them with expertise on future-oriented skills and explain how technological developments are changing our society and the world of work. The third program was the Digital Growth Leadership Learning Journey. Held for the first time in 2023, it was attended by 98 employees. Of particular note is the fact that the target group consisted not only of managers, but also of employees who do not have direct leadership responsibility but do hold project or customer responsibility. Besides improving leadership skills, the learning content addressed topics such as change management and team management.

A total of 145 (2022: 39) employees took part in these development programs, with 19% (2022: 13%) coming from international locations and 51% (2022: 43%) being female. The content covered by the programs includes

digital skills, knowledge of artificial intelligence, leadership skills and methods for team and project management, with specific topics ranging from agile methods and energy management to diversity and resilience.

Open and respectful corporate culture

We consider the diverse perspectives and backgrounds of our employees to be a key factor in our success. An integral part of this is that we treat each other fairly and respectfully as equals – both within the company and in our dealings with customers and business partners. This mentality is also anchored in our Code of Conduct, which forms the basis for our daily actions at Techem (see [p. 87](#)).



Strengthening diversity, equity and inclusion

Depending on the country in question, the topic of diversity, equity and inclusion is the responsibility of the managing director or the HR department. In Germany, the HR, Legal & Claims department and the Sustainability Management department have joint responsibility for this topic.

For Techem, diversity, equity and inclusion (D, E & I) means that all employees

- › can be themselves and are valued,
- › receive the same opportunities,
- › view diversity as an enrichment, and
- › share common Techem values that create the foundation for our cooperation.

By this means, we want to create a working environment in which our employees feel at ease – regardless of age, ethnic origin or nationality, physical or mental ability, religion or world view, sexual orientation or social background. These principles are set out in a Group-wide Diversity and Anti-Discrimination Policy, which came into force at the beginning of 2023. It is one of the building blocks of our open corporate culture, which allows employees to thrive in their working environment regardless of their individual traits.

We are a signatory to the Diversity Charter and, since 2023, have had a second Advisory Board member at Beyond Gender Agenda, the network for D, E & I in the German economy. In addition, our Head of Sustainability, Communications & Public Affairs, Katharina Bathe-Metzler, was honored as part of the “Top 100 Women for Diversity” campaign initiated by the Beyond Gender Agenda.

Identifying our key areas of action

We at Techem aim to promote an inclusive and diverse environment through awareness-raising, fair framework conditions and a clear zero-tolerance approach to discriminatory behavior. Techem Germany is tackling the topic of D, E & I together with a large number of internal stakeholders. In 2023, we introduced steps for more diversity, inclusion and equal opportunities based on our diversity roadmap, which includes key areas of action, targets, KPIs and measures (see [p. 65](#)).



For more awareness & inclusion

Objectives:

- › A more aware workforce
- › Managers who act as role models
- › Strong employees with diverse characteristics



For fair framework conditions

Objectives:

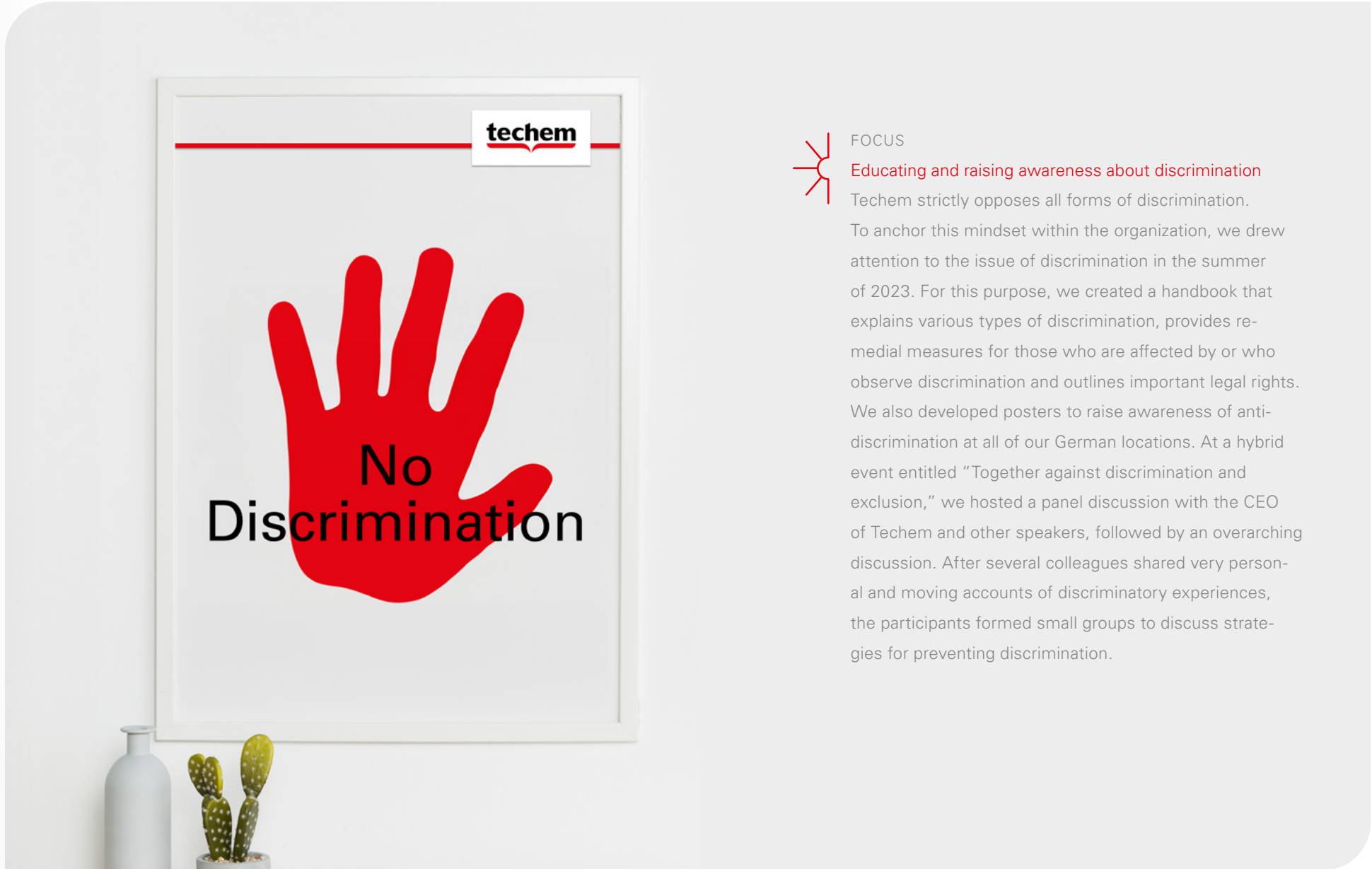
- › Unbiased recruitment procedures
- › Fair working conditions
- › Equal opportunities for development and career advancement



Against discrimination

Objectives:

- › A trust-based environment in which cases of discrimination are reported
- › Clear consequences for discriminatory behavior



FOCUS

Educating and raising awareness about discrimination

Techem strictly opposes all forms of discrimination. To anchor this mindset within the organization, we drew attention to the issue of discrimination in the summer of 2023. For this purpose, we created a handbook that explains various types of discrimination, provides remedial measures for those who are affected by or who observe discrimination and outlines important legal rights. We also developed posters to raise awareness of anti-discrimination at all of our German locations. At a hybrid event entitled “Together against discrimination and exclusion,” we hosted a panel discussion with the CEO of Techem and other speakers, followed by an overarching discussion. After several colleagues shared very personal and moving accounts of discriminatory experiences, the participants formed small groups to discuss strategies for preventing discrimination.



Diversity roadmap pursued further

✔ Completed
🕒 Ongoing
🔗 Planned

Focal points & KPIs	Objectives	Measures	Status	
For more awareness & inclusion KPIs › Number of employees in employee networks: 54 (2022: 45) › Measurement of employee approval of inclusive leadership in 360° feedback: completed	A more aware workforce	› Mandatory training on diversity and anti-discrimination conducted for all employees throughout Germany in the 2022 financial year. › Target group-specific training for individual employee groups such as customer service technicians conducted throughout Germany in the 2022 financial year.	✔ ✔	
	Managers who act as role models	› Ongoing strengthening of internal D, E & I communication. › Introduction of a Diversity and Anti-Discrimination Policy in the 2023 financial year.	🕒 ✔	
	Strong employees with diverse characteristics	› Mandatory training for managers on inclusive leadership conducted in the 2023 financial year. › Organizational and financial support for employee networks since the 2023 financial year. › In 2024, we will conduct a survey on options in support of caregivers. ¹	✔ ✔ 🔗	
	For fair framework conditions KPIs › Share of women in management positions 30.2% › Gender pay equality: see p. 69 › Mentees with diversity characteristics: KPI available as of the 2024 financial year › “berufundfamilie” certificate: received	Unbiased recruitment procedures	› Mandatory training for recruiters on unconscious bias conducted in the 2023 financial year. › Use of alternative platforms to address diverse applicants began in the 2022 financial year and was expanded in the 2023 financial year.	✔ ✔
		Equal opportunities for development and career advancement	› A women’s quota for managers and talent development programs has been introduced and implemented on an ongoing basis. › The share of women in management positions has been integrated into the bonus structure for all members of senior management as well as second-level managers on an international level. › A mentoring program for employee groups with diversity characteristics was conceived in the 2023 financial year and will start in the 2024 financial year. › Women-specific communication workshop was held in the 2023 financial year.	🕒 ✔ ✔
		Fair working conditions	› Reintegration interviews and career advice after parental leave were introduced in the 2023 financial year. › Measures for an accessible website have been implemented.	✔ 🕒
› Receipt of the “berufundfamilie” certificate in the 2023 financial year, see p. 71 . › An analysis of gender pay equality was conducted in the 2023 financial year.			✔ ✔	

¹ This measure is being carried out in place of the originally planned survey on the needs of people with disabilities or mental illness.



Focal points & KPIs

Against discrimination

KPIs

- › Number of cases of discrimination reported

Objectives

A trust-based environment in which cases of discrimination are reported

Clear consequences for discriminatory behavior

Measures

- › Grievance channels were successfully strengthened in the 2023 financial year, and internal ombudspersons were appointed.
- › An external provider is available to employees free of charge for private or professional crisis situations.
- › A brochure on dealing with discrimination was published in the 2023 financial year.
- › A poster campaign with instructions for dealing with cases of discrimination was carried out in the 2023 financial year.

Status



Further employee satisfaction measures are planned as part of the “berufundfamilie” audit (see [p. 72](#)).

In the event of any incidents that violate our Code of Conduct or our Diversity and Anti-Discrimination Policy, employees, partners and suppliers worldwide can report the incidents anonymously via the Whispli tool or contact HR, Legal & Claims (see [p. 82](#)). In the 2023 financial year, four incidents of discrimination were reported at Techem (2022: 1). The incidents were dealt with by taking appropriate measures under labor law – ranging from warnings to termination of employment. In addition, we once again raised our employees’ awareness of the issue.

Diversi-T employee network shows commitment

In the 2022 financial year, Techem founded the Diversi-T employee network. The aim of this network is to promote individual diversity among colleagues and anchor it in our daily actions and work. Diversi-T is designed to create a safe space for exchange in order to strengthen awareness, visibility and sensitivity for the topics of D, E & I and diverse employee groups.

The Diversi-T network meets once a month to discuss current topics, with various working groups additionally meeting several times per month, and actively raises awareness among the workforce through various measures. In the 2023 financial year, for example, members organized a number of measures that align with the dimensions of the Diversity Charter.

Since the network’s foundation, it has implemented measures in six of the seven diversity dimensions, including various publications on the topic on the intranet and competitions and events to discuss discrimination. To educate employees about diversity and attract new members, we have created an internal sharepoint on the topic of D, E & I and shared a video introducing the network. Members of the network who wish to engage in regular dialogue and broaden their horizons can take part in the Diversi-T lunch lottery, in which participants are randomly assigned to another member of the network so that they can have lunch together once a month.



Recruiting measures carried out

D, E & I aspects also played a major role in our recruitment processes during the 2023 financial year. In the past, the recruiting team performed target group analyses with the aim of addressing as diverse a range of target groups as possible. We regularly review and expand our recruiting channels in order to position ourselves as diversely as possible. Since 2022, we have been working with the Social Bee platform, which specializes in finding jobs for refugees and migrants. We have already successfully recruited one person via this platform.

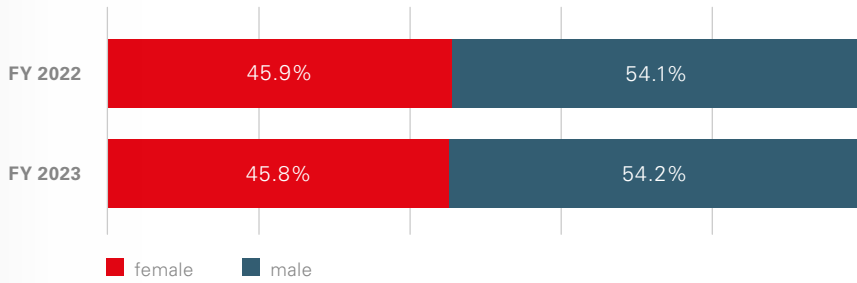
Our job advertisements are worded in a gender-neutral way and are supplemented by the following guiding principles: “Ultimately, diversity and inclusion play an important role for us because we consider the diverse perspectives and backgrounds of our employees to be a key factor in our success. That means we treat each other fairly and respectfully as equals and create a working environment in which our employees feel at ease, can be themselves and experience equal opportunities.”

In addition, the arguments we use to convince potential recruits are adapted to appeal to diverse candidates. Examples include flexible working hours or career progression within the company to management or expert level.

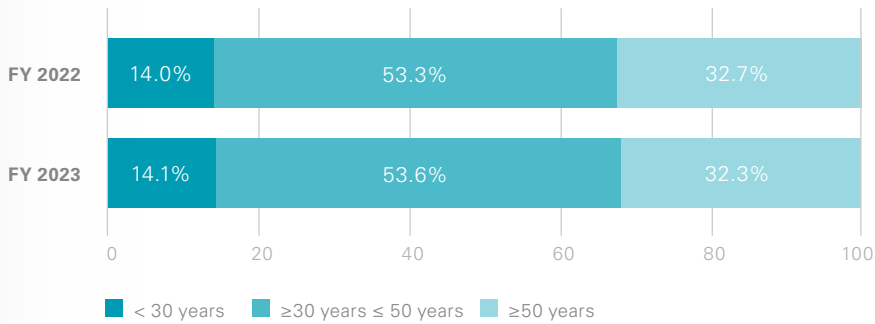
For all expert and management positions in the company, we use interview guidelines with questions that focus on the core skills required for the position. By asking standardized questions during the interviews, we are able to evaluate applicants according to objective criteria.



Employees by gender and age in the 2022 and 2023 financial years

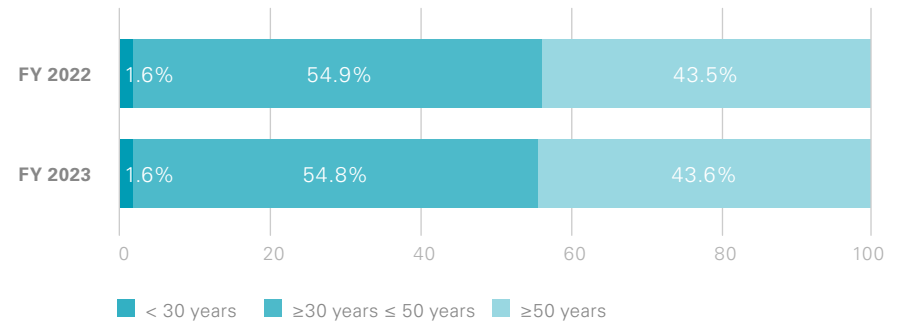
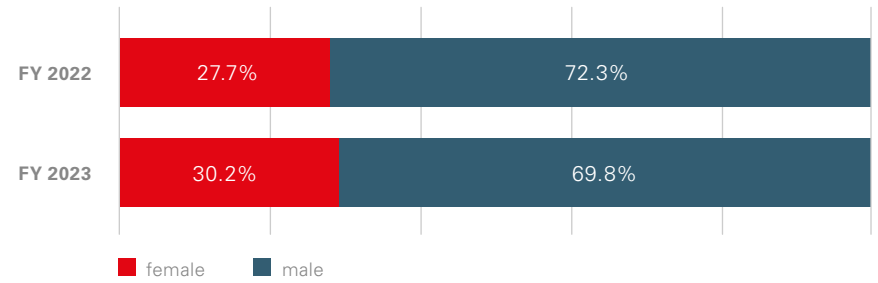


The figure for the diverse category as at September 30 is 0.03% in both FY 2022 and FY 2023.



The data includes all active employees worldwide as at September 30 of the relevant year, excluding managers at management levels 1-4 of the international Techem companies as well as temporary staff.

Managers by gender and age in the 2022 and 2023 financial years



The data includes all managers at management levels 1-4 of the international Techem companies as at September 30 of the relevant year.



Providing fair remuneration and incentives

Techem bases the salary of each employee on performance and professional experience. The methodology for determining salaries is dependent on the country-specific context. In Germany, we have implemented a job evaluation process that objectively assesses all jobs. We then use this evaluation as a basis and apply external benchmarks. In this way, we want to ensure that equal work receives equal pay. There are no collective agreements at Techem. All of Techem’s national companies pay their employees at least the statutory minimum wage per hour, with 16 companies (2022: 16) paying more than the minimum wage.

We hold regular discussions with the General Works Council about a general salary increase. The General Works Council typically represents all employees in Germany, with the exception of senior managers. In addition, a structured process for individual salary reviews takes place once a year. The target agreements and remuneration system for management level II are agreed annually with our Nomination & Compensation Committee (NCC).

Under the German Act to promote Transparency in Wage Structures among Women and Men, employees in Germany are entitled to receive information on their personal remuneration. During the 2023 financial year,

13 (2022: 4) employees working at German Techem companies requested and received this information.

Techem carried out a gender pay equality audit in Germany and established a determination and reporting process in the 2023 financial year. The gender pay equality indicator specifies the difference in salary between men and women as a percentage. We calculate this indicator for different function levels using the mean value of the basic salary. Within Germany, the salary levels are determined by means of a job evaluation system that enables a uniform assessment. We also calculate the difference in basic salary, taking into account the variable remuneration component.

Gender pay equality in Germany

	Position	Gender pay equality – basic salary	Gender pay equality – basic salary + variable compensation
Seniority ↑	› Manager II	-1.2%	-5.0%
	› Expert/manager III	-7.1%	-9.6%
	› Expert/manager IV	-8.0%	-11.2%
	› Professional I	-3.1%	-3.3%
	› Professional II	+1.7%	+1.7%
	› Professional III	-7.9%	-7.9%

The gender pay equality indicator covers all employees as at September 30, 2023, except for temporary staff and interns. Apprentices and young professionals are also not included in the calculation as they receive uniform, fixed remuneration. No data could yet be generated for DMG employees. Works Council members are outside the scope due to their function. No gender pay equality was determined at the C-suite level, since this level does not contain different genders. The “diverse” category was not included for data protection reasons, and part-time positions were extrapolated to full-time equivalents. For the purpose of the calculation, we selected all German Techem locations – excluding those of DMG companies – as the most important operating sites.



During the individual salary adjustment process in 2023, we focused specifically on gender pay equality, among other things. From now on, gender pay equality will be analyzed and disclosed annually and taken into account as a focus topic when making individual salary adjustments.

We offer our employees various fringe benefits such as travel allowances and bicycle leasing. We also pay a contribution of over 20% to the company pension scheme. Our employees at all Techem companies can apply for parental leave in accordance with legal provisions. In the 2023 financial year, a total of 222 (2022: 216) employees across the Group took parental leave. Of these, 139 (2022: 145) were women and 83 (2022: 71) were men, which means that 16.9% (2022: 54.3%) more men took parental leave than in the previous year. A total of 130 (2022: 121) employees returned from parental leave in the 2023 financial year. Twelve months after the end of their parental leave, 72.7% of the employees (2022: 47.6%) were still working for us (see also p. 117). Depending on the local circumstances, Techem also offers employees at its international locations various incentives, such as subsidies for health insurance or company pension schemes.

Striking a good work-life balance

Techem believes in an agile working world – one that is becoming increasingly digital and flexible. We are creating a future-oriented working environment that fulfills not only our employees' need for more flexibility, but also our aspiration to be an innovative and digital service provider. In addition, we aspire to improve our employees' work-life balance and avoid work overload. For these reasons, we decided to undergo the "berufund-familie" audit and received the corresponding certificate in the 2023 financial year.

At Techem Germany, employees can choose their working hours and work location flexibly, with the option of working from home up to four days a week – provided that their personal job profile and the requirements of the respective divisions and departments allow. We also offer flexible working time and work location models in 15 of our 17 international companies (2022: 14). These arrangements remain in place even after the end of the restrictions imposed due to the coronavirus pandemic, which made mobile working more common for a large number of Techem employees.

To adapt our workspaces to this development, we are creating a modern working environment with a new layout for the Techem headquarters in Eschborn as well as other locations in Germany. Our aim is to provide a modern work setting that combines flexible office work with the possibility of mobile working. We want to strengthen communication and networking by having the office serve primarily as a meeting place in the future. The implementation of the various measures – such as setting up retreat areas for silent working or installing height-adjustable desks – is progressing at our locations. Emphasis is being placed on various types of ergonomic furniture that can be adapted to individual working methods, enabling concentrated work as well as desk sharing and collaborative work on projects.

We have also anchored an agile working style in our corporate culture and management approach. What this means for us, among other things, is that we deal openly with mistakes and encourage collaborative working. To this end, we have established a format that allows employees to share their experiences with failures and learn from each other. Agile working methods, for example in our customer projects, will be taken to a new technological and conceptual level in the future and implemented by product and service owners, developers or architects.



FOCUS

"berufundfamilie" audit

Techem strives to promote a healthy balance between work, private life and family life. In this way, we want to create an attractive environment for our employees and boost our employer branding and attractiveness as an employer in order to recruit suitable candidates, retain qualified employees in our company and increase the commitment of our workforce.

At the end of September 2023, we received the certificate for the "berufundfamilie" audit in Germany. This is an audit that is recognized throughout the country and promotes a family-conscious HR policy at companies. At Techem, the concept of family encompasses the reality of our employees' lives in all their different facets and phases. We are open to different lifestyles and offer suitable framework conditions so that employees can reconcile their work, family and private lives.

In order to earn the certificate, we established the status quo of work-life balance at Techem last year. A number of stakeholders such as the Works Council and management as well as HR, Legal & Claims and our operational departments defined the strategic goals for the compatibility of work, family and private life. Based on the results of this analysis, a team of twelve colleagues from various departments and hierarchical levels and with different backgrounds developed specific measures to promote a family-friendly working model. To improve the compatibility of work, family and private life at Techem, we have committed to implementing the measures listed in the following table over the next three years. We will be reporting regularly on the progress we have made in the Sustainability Council.



Objectives

Measures contributing to these objectives

<p>Managers are able to promote the compatibility of work, family and private life</p>	<p>The management call highlights that the implementation of work-life balance measures makes an important contribution to attracting and retaining employees.</p>	<p>Managers receive a “tool-box” to implement a healthy work-life balance in their department – with HR and the Works Council providing support.</p>	<p>Managers are empowered to act as contact persons in matters of work-life balance.</p>	<p>Training courses or workshops are held for all managers, covering work-life balance content, objectives and measures.</p>	
<p>A wide range of career opportunities are offered and development is encouraged</p>	<p>Strengthening the visibility and value of experts so that expert and managerial career paths are equally attractive.</p>	<p>Offering and publicizing various management models (part-time management, shared management, etc.).</p>	<p>Introducing a mentoring program for junior managers (e.g. management duos) as well as mentoring for employee groups from the various diversity dimensions.</p>		
<p>Flexible working – in terms of both location and time – is possible and mobility is expanded</p>	<p>Checking that the working time regulations in place are consistently applied.</p>	<p>Examining whether we can make working hours more flexible while taking service orientation into account.</p>	<p>Enabling temporary mobile working in other EU countries for suitable job holders.</p>	<p>Determining whether Techem will offer (mini) sabbaticals.</p>	
<p>Families receive support from Techem</p>	<p>Assessing the needs of employees with small children at all locations. Deducing measures from the results and gradually implementing them.</p>	<p>Checking whether parents in low-income groups receive financial support for childcare.</p>	<p>Providing better support for employees who are caregivers.</p>	<p>Establishing formats for keeping in touch while employees are on leave (parental or care leave).</p>	<p>Organizing parent afternoons that can be attended by parents and their managers.</p>
<p>Prospective and current employees are informed about and involved in work-life balance measures and offers</p>	<p>Establishing a quarterly GenZ roundtable to exchange ideas and collaborate.</p>	<p>Raising awareness of the benefits, health measures and discounts offered by Techem.</p>	<p>Communicating information on work-life balance measures across all channels.</p>	<p>Regularly publishing measures on social media channels, along with statements from employees about the support they receive from Techem.</p>	<p>Offering additional health measures.</p>



Safe working

Ensuring occupational health and safety

We consider it our fundamental duty to provide our employees with a healthy working environment and a safe workplace. A particular focus here is on our customer service technicians, who are exposed to specific accident risks in the course of their work. The responsibilities for occupational health and safety at Techem are governed by country-specific legal requirements; every national company has at least one contact person for this topic. Techem complies with the applicable occupational health and safety laws, regulations and recommendations at all of its locations.

In Germany, the topic of occupational safety is anchored in the Infrastructure department, while responsibility for health protection lies at the interface between the Infrastructure and HR, Legal & Claims departments. In addition, all managers bear responsibility for the occupational health and safety of their employees. An external service provider is tasked with providing technical safety support in Germany. We have also appointed a senior safety specialist who advises us on overarching topics and looks after our headquarters in Eschborn. Another safety specialist is responsible for the other

locations in Germany. Moreover, we have appointed additional function holders, including first aiders, safety officers and location officers.

We ensure that our employees remain healthy and able to work through occupational health and safety measures and preventive occupational health care. For example, they receive training on fire safety and working safely in the office. All employees can access the necessary occupational health and safety information at any time via Techem's internal information system TING (intranet). The available information is constantly being expanded and updated.

The Occupational Health and Safety Committee meets four times a year to discuss and decide on all matters of occupational health and safety. These meetings are attended by safety specialists, safety officers, the company doctor, the Works Council, representatives from HR, Legal & Claims, the disabled employees' representative and the Infrastructure department. In addition, our safety officers, location managers and location officers meet annually to discuss occupational safety issues. Depending on the local legislation, our other national companies also have appropriate processes and functions in place to manage occupational health and safety.

Preventing work-related accidents

At Techem Germany, we assess the potential hazards for work areas and activities by assigning them a specific risk rating. This rating is based, among other things, on the risk's probability of occurrence and the extent of damage it could cause. If the risk is in an unacceptable range for us (depending on the number of similar accidents and their severity), we initiate the necessary measures. External safety specialists monitor the implementation of the measures.

Should an accident occur despite these risk prevention measures, we initiate a three-stage process:

1. In the case of accidents resulting in a visit to the doctor, the safety specialist receives the accident reports.
2. This is followed by an analysis together with the manager of the person involved in the accident. The analysis is used to derive appropriate measures.
3. If the analysis and measures are also relevant to other employees, the content is edited and distributed to the teams concerned.

A further 15 national companies (2022: 14) have established processes for dealing with accidents in the workplace based on local laws and the hazards present.



In the 2023 financial year, there were 46 (2022: 49) work-related injuries – 34 of which were caused by accidents in the workplace (2022: 43) and twelve by commuting accidents (2022: six). There were no fatalities or injuries with serious consequences.

Recent years have shown that work-related accidents have primarily occurred among customer service technicians. To change this, we are increasingly turning to awareness-raising measures. In Germany, for example, we run a special training course for customer service technicians that teaches them how to recognize hazards. Suitable prevention measures and responses are taught by means of specific case studies. This had a positive effect during the 2023 financial year in that the number of accident types decreased. In addition, the risk assessment for customer service technicians was validated in the 2022 financial year and the main risks were reassessed. The project was completed in the first quarter of 2023. We are aiming for an LTIFR (lost time injury frequency rate) below 5. However, we were not yet able to achieve this target in the 2023 financial year, attaining an LTIFR of 6.5 (2022: 7.3). Alongside our dedicated training courses, we are therefore scheduling additional meetings of the Occupational Health and Safety Committee with participants from the respective

specialist departments from calendar year 2024 on, with the aim of identifying risks and initiating suitable countermeasures for both our technical customer service and the warehouse in Liederbach.

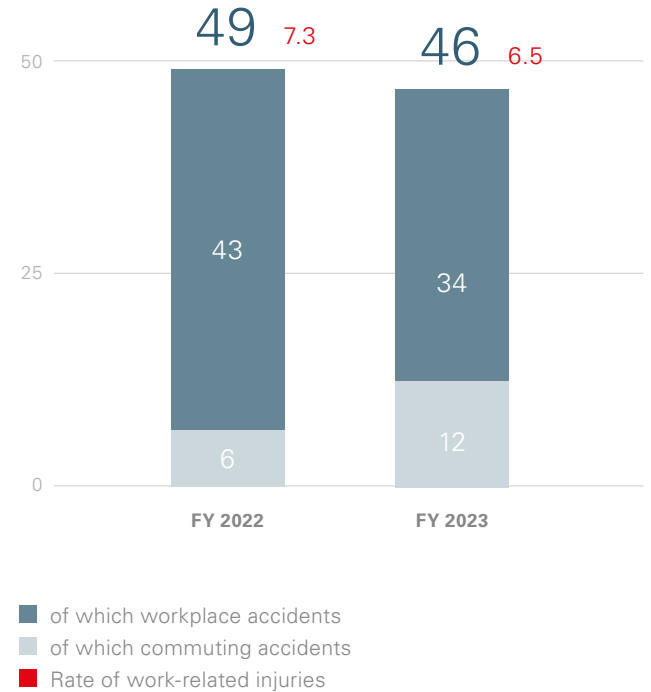
Raising awareness of safety among employees

We offer our employees in Germany regular training to make them aware of hazards:

- › Initial instruction for new employees and follow-up instruction by the respective manager as required
- › Mandatory e-learning courses with a final test once per quarter, available via Workday. This includes general safety training for all employees on the topics of hazard recognition, hygiene and road safety on the way to and from work. Going forward, our managers will also receive training via Workday on their duty to actively contribute to occupational safety.
- › Instruction of technical customer service staff on handling hazardous substances and special accident hazards.

Safety and location officers attend our annual Safety Days. At an international level, Techem also provides training on occupational safety at 15 other locations (2022:14), with the content reflecting the local risk situation.

Work-related injuries to employees



This analysis covers workplace and commuting accidents suffered by Techem companies' own employees worldwide. The data includes workplace and commuting accidents that resulted in at least one day of absence from work. Since FY 2022, injuries caused by commuting accidents are only counted if the transportation was organized by Techem. The rate of work-related injuries (LTIFR) was calculated as follows: (number of workplace and commuting accidents/scheduled working hours in the financial year) x 1,000,000.



Providing preventive healthcare

Our employees have the opportunity to visit a company doctor who holds regular consultations at the Eschborn location. Techem offers flu vaccinations in Germany. And our employees also benefit from the services of PER I SPECTIVE, an external service provider advising them free of charge on personal, health, financial and company issues. The other national companies have also established health-related offers for their employees, such as gym membership discounts or medical checks.

We are planning to introduce further offers and programs to maintain the health of our employees in the 2024 financial year. For example, digital yoga classes will be available in the first quarter of 2024, which employees can book for a small fee.



Satisfaction and health of customers and tenants

Healthy and satisfied customers and tenants are key to our company's success. We therefore regularly survey our customers' satisfaction and take measures to improve it. In addition, Techem offers services and products that help to improve health protection in properties.

Holistic customer care

Our understanding of customer service is that we align our thoughts and actions with the needs and concerns of our customers. We want our customers to have a positive experience with our service and perceive us as a friendly and fair partner. At the same time, we aim to avoid any inconvenience or extra work for customers and tenants wherever we can.

Improving customer satisfaction

Responsibility for customer satisfaction is organized on a country-specific basis. Depending on the size of the company in question, it lies with a dedicated Customer Services department or directly with the managing director. Our workflows are based on internal and external quality standards such as DIN EN ISO 9001-9015, for

which we regularly seek certification not only in Germany but also at six other international locations.

Techem Germany has established a dedicated Customer Service department. In the 2023 financial year, we at Techem Germany again focused on measuring customer satisfaction via the telephone and written correspondence touchpoints, i.e. directly after the customer has been in contact with us. From this, we have derived measures to improve customer satisfaction. For example, we put a strong emphasis on interdisciplinary collaboration in order to address customer concerns more quickly. We have also made it a priority to prevent customer churn and win back customers. To this end, we use various channels to identify customers who

are unhappy with our service, actively approach them and restore their satisfaction through intensive support. In the winback process, we contact customers promptly to offer tailored solutions and try to convince them to use our services again.

We have also derived other targeted measures from the results of the touchpoint surveys and the findings of the strategic customer satisfaction survey. For example, some of our activities focus on ensuring that we are easy to reach by phone and that concerns are dealt with promptly and to a high standard. We ensure this through targeted quality and control measures and by continuously expanding our customer-oriented digital channels. Our goal was to reduce the follow-up contact¹ and com-

¹ The follow-up contact rate represents the proportion of cases in which a customer contacts us a second time on the same topic in the space of three months.



plaint² rate by 50% by the end of 2023. The baseline for this was the 2020 financial year. While we were indeed able to reduce the follow-up complaint rate by more than 50%, the reduction target for the follow-up contact rate was not met. Following a cause analysis, we introduced appropriate measures to achieve our target in the future.

Eleven (2022: nine) other national companies of Techem have also launched initiatives to improve customer and tenant satisfaction.

Getting tenants involved

Our Techem Experts market research platform not only allows us to reach customers, but also to keep an eye on the needs of tenants. For example, we ask them how satisfied they are with our appointment scheduling, meter reading and billing. They can also make suggestions for improvements. In the 2023 financial year, we conducted a total of 28 (2022: 37) qualitative and quantitative surveys in Germany, three of which were also aimed at tenants.

Residential health of tenants

It goes without saying that we protect tenants' health by constantly monitoring the impact of our activities. At the same time, our portfolio includes products and solutions to improve residential health. Such products and solutions, as well as the impact of digital infrastructures, are examined from all perspectives by our Product Management. The safety of heat generation systems is monitored by the EES segment.

Keeping legionella concentrations low

In partnership with renowned institutes, Techem offers a professional all-round solution for systemic legionella testing in accordance with the German Drinking Water Ordinance – from an expert inspecting the drinking water system and taking samples to transmitting the laboratory findings, informing tenants and providing any necessary legionella advice. Regular inspections help expose weak points in the distribution of drinking water in buildings. On this basis, we can make recommendations for a more sustainable use of resources.

We have a mandate to test the legionella concentration in around 46,500 (2022: around 48,500) drinking water systems in German buildings on a regular and timely basis. In these buildings, we have routine samples taken from around 260,000 (2022: around 280,000) taps. To perform the legionella tests, we work together with institutes that are responsible for sampling and analysis. The sample data is recorded via an app and transmitted to us. Relevant DIN standards and worksheets issued by the German Technical and Scientific Association for Gas and Water (DVGW) are observed during testing.

During the 2021 financial year, we optimized the process of our legionella service and merged the Legionella Testing (organization of sampling) and Refurbishment Consulting (support and advice in the event of infestation) teams to form a unit called Drinking Water Hygiene. Since January 2022, Techem has also operated a [tenant hotline](#) for questions relating to the sampling appointment, which is also used to educate tenants about legionella. Moreover, we have established an automated tenant data query to increase the availability of tenants for sampling.

² The follow-up complaint rate represents the proportion of cases in which a customer lodges a second complaint about the same incident.



Protecting tenants with smoke alarms

Property owners in Germany are required by law to equip homes with smoke alarms and ensure that they are in working order. To meet this requirement, Techem offers them high-quality ten-year smoke alarms with a CE label in accordance with EN 14604. These smoke alarms also carry the Q label, an independent certification attesting to their high quality and reliability, and are equipped with functions that allow full remote inspection in accordance with DIN 14676-1. Around 93% (2022: around 96%) of the smoke alarms covered by Techem's service can be checked by remote radio inspection. This decline is due to the transfer of existing devices to the Techem portfolio.

Should any problems arise between the annual tests, tenants can call a free 24-hour hotline. We are then usually able to resolve the problem in a matter of days. We strive to arrange an appointment with tenants as quickly as possible, preferably in the space of three working days, so that we can replace a defective smoke alarm. In addition to the annual remote inspections, owners can also commission us to carry out inspections twice a month. That increases the chance of detecting and eliminating any faults or defects at an early stage.

Maintaining and optimizing heating systems

Techem operates around 2,600 (2022: 2,500) systems in Germany, thereby supplying around 145,000 (2022: 143,000) homes with heat. It is therefore essential to ensure a reliable supply and operational safety of the systems. We do this, for example, by replacing systems and system components such as pumps and heat generators. In this way, we protect the health and safety of owners and tenants. Should any hazards arise in spite of these efforts, we initiate protective measures and document the results. We carry out all legally required inspections and rectify any defects. If a legally protected right is violated or a protected asset is damaged, the reasons for this are analyzed and measures are taken to prevent a recurrence. We are not aware of any cases in the 2023 financial year in which persons or protected assets were at risk. No fines or warnings were issued to Techem.

Preventing harmful effects from radio devices

The impact of radio signals on people has long been the subject of public debate. To prevent negative health effects, we regularly have the electromagnetic compatibility of the radio systems Techem uses checked by independent organizations. All Techem devices undergo testing in accordance with the relevant standards and meet the requirements of the relevant European directives. This ensures that any electromagnetic radiation from a device is reduced to the absolute minimum level necessary and technically possible. Compared to other radio devices, the radio emissions produced by Techem devices are among the weakest encountered in everyday life. For example, the transmission energy emitted during a four- to five-minute cell phone call is equivalent to the energy emitted by a Techem radio device over an entire year. An expert opinion last issued in 2016 confirmed that there is no evidence of Techem's radio systems having any harmful or health-relevant effects on the human body.



Innovation, cooperation and social commitment

Our aim is to make buildings greener, smarter and healthier. To this end, we are conducting research into new solutions together with our partners, raising tenants' awareness of their consumption and engaging in dialogue with various stakeholders. And we also fulfill our social responsibility outside of our business activities.

Research and cooperation

Techem seeks to strengthen its business model, expand its fields of business and further develop existing products and services. To achieve this, we engage in collaborations and research projects, which we conduct on a topic-specific, cross-divisional basis under varying responsibilities.

Cooperating with strong partners

The main teams working on research and innovation projects are TRIOS (see [p. 15](#)), the Business Platforms department and Techem X, the Techem incubator.

When it comes to selecting projects, we make sure that they fit in with our corporate vision and our corporate goals. Techem's research focuses above all on the devel-

opment of digital processes and solutions to ensure a reliable supply of energy, improve the energy efficiency of buildings and reduce both CO₂e emissions and costs. Moreover, we are constantly working on processes to improve the service life, metering accuracy and reliability of our consumption recording devices. We have also teamed up with partners to develop multi-sensor devices such as new smoke alarms. To this end, we are collaborating with nationally and internationally recognized research institutions, development partners and metrology institutes. Techem is also active in a number of standardization committees, helping to create the technical basis for recording technology and billing procedures that comply with statutory and regulatory requirements.

Below are some examples and results of our research collaborations:

- › We are conducting a platform controller project for hybrid heating systems (boilers and heat pumps) with the Technical University of Dresden. The aim is to use artificial intelligence (AI)-supported and data-driven optimization processes to reduce the use of fossil fuels, significantly improve overall system efficiency and thus lower the CO₂e emissions of heating system technology.
- › With our project to standardize the Smart Readiness Indicator (SRI), which we are pursuing in collaboration with the Karlsruhe Institute of Technology (KIT), we aim to expand SRI procedures and methodologies and



adapt them for Germany in order to be able to evaluate the smart readiness and technological maturity of buildings – especially from an energy perspective – using an SRI score.

- › We are also involved in research projects that are being conducted by Physikalisch-Technische Bundesanstalt (PTB), Germany's national metrology institute in Berlin, with the aim of developing new heat meter technologies for the energy transition. These projects, which revolve around "fast heat meters," have resulted in the development of processes that make it possible to use thermal energy meters in water-glycol circuits – including in solar thermal systems and tankless heating systems.
- › In addition, we made preparations in the 2023 financial year for a joint study with HLK Stuttgart GmbH (an expert body for heat cost allocators) at the University of Stuttgart, with support from the European Metrology Association for Thermal Energy Measurement (EMATEM), which will examine the recording accuracy of electronic heat cost allocators in the field.
- › And together with Esslingen University of Applied Sciences, we succeeded in developing a data-driven process that determines whether existing multi-family houses are suitable for heat pumps without the need for an on-site inspection. As a result, we have been able to determine that around 50% of all existing multi-family houses in Germany are suitable for heat pumps.

Some examples of our involvement in technical boards and committees:

- › We are on the scientific advisory board of EMATEM, Germany's leading association for the promotion of scientific exchange and research in the field of thermal energy measurement.
- › We contribute to product standards for standardized radio systems, heat cost allocators, water and heat meters and smoke alarms as a member of various technical committees, such as the Comité Européen de Normalisation (CEN) and the German Institute for Standardization (DIN).
- › We are involved in preparing the VDI2077 series of guidelines on consumption cost billing for technical building installations in the Association of German Engineers (VDI).

As in previous years, one of Techem's goals for the 2023 financial year was to cooperate with strong technology partners in order to jointly develop new solutions for green and smart buildings for and together with customers. In this endeavor, we seek out companies that contribute new ideas, impulses, approaches and methods from inside and outside the industry in order to be at the cutting edge of technology. We also run regular field tests to identify partners and try out solutions. Our focus here is on trades that can operate more efficiently with

the help of the Internet of Things (IoT), AI-supported technologies and digital processes, thereby improving the CO₂e profiles of existing buildings.

Techem's national companies are also working hand in hand with partners on technological developments in the building sector. For example, Techem Denmark is currently collaborating with several Danish universities on a research project to improve the flow temperature in heating systems.

**FOCUS****Techem X – driving innovation forward**

Techem X is a strategy and digitalization workshop located in Frankfurt-Rödelheim near our headquarters.

It serves as a hub for all kinds of creative collaboration – between Techem’s own employees as well as with customers and partners. The ambition behind this new form of exchange is simple: to create digital innovations that are closely related to our core business and offer clear added value from the customer’s perspective. Since its inception, Techem X has been strengthened by the addition of a Data X team, which specializes in the areas of big data, AI and IoT. Thanks to its many learning opportunities, workshops and communities – both internal and external – Techem X has become a magnet for talent for the entire Techem Group.

Raising consumer awareness

Exerting a positive influence on consumption behavior

Transparency on consumption and costs creates awareness for energy-efficient behavior. Techem considers it an important task to positively influence consumption behavior – especially in order to reduce the consumption of natural resources. Our business activities are contributing to this: We offer consumption-based heat and water cost billing in 6.6 million (2022: 6.5 million) households in Germany and in a total of 13.1 million (2022: 12.6 million) households worldwide. Following the implementation of the EED, tenants within the European Union receive consumption information over the course of the year – in addition to the annual consumption statement. This means that any potential savings can be identified at an early stage.

Providing helpful information

To encourage tenants to be more mindful of their consumption, we provide tips on how to use heat and hot water correctly. In our German and other national companies, we use our website, social media channels and newsletters to communicate with tenants. For some years now, we have provided a website in Germany that gives free advice on what to do or not to do. And the Danish Techem company has an app that allows tenants to monitor their consumption digitally as well as set consumption alarms.

Social commitment and dialogue

Our support for social and ecological projects enables us to make a positive contribution to society and our environment. By actively involving our employees in the implementation of these projects, we not only heighten their awareness of the importance of social commitment, but also strengthen the sense of community at Techem. Techem also demonstrates its commitment outside the boundaries of its own company and supports employees who are actively involved in social and environmental projects. To make sure that we do not choose any dubious cooperation partners, every project participation is checked by the Sustainability team and approved by the Head of Sustainability, Communications & Public Affairs.

Exchange with stakeholders

We regularly engage with various stakeholders, including customers, tenants, suppliers, non-governmental organizations, associations and investors. In addition to entering into direct dialogue, we conduct market research to identify trends and opinions and thus gain a better understanding of stakeholder needs. We have also considered various stakeholder groups in our materiality analysis (see [p. 17](#)).



Moreover, we intensified our exchange on the topic of sustainability in the reporting year. In August 2023, we participated in a stakeholder roundtable discussion on the topic of “Sustainability in Practice – Projects on the Path to Sustainable Working” organized by the Sustainability Council of the German newspaper Handelsblatt. Our CEO Matthias Hartmann gave a keynote speech at this event and took part in the subsequent panel discussion.

We are planning to hold a roundtable discussion with key stakeholders in summer 2024. The aim is to further intensify our stakeholder contact, obtain an external assessment of our sustainability ambitions and jointly develop ideas for our future ESG agenda.

Supporting social projects, donations and volunteering

Techem and its employees support charitable causes in a variety of ways. At Techem Germany, the area of social commitment and stakeholder dialogue is the responsibility of the Sustainability, Communications & Public Affairs department. The individual national companies each act independently and support different initiatives and donation campaigns depending on local circumstances.

Over the past year, Techem focused on various initiatives:



Cooperation with the Water Is Right (WIR) foundation: Techem considers water to be an important resource that is worth protecting. That is why we support this foundation, which advocates a fairer distribution of water – especially for people in developing regions and areas affected by natural disasters. In early 2022, we replaced the water dispensers in the kitchenettes at our headquarters and selected branch offices. And since the 2022 financial year, we have donated one euro to WIR for every 1,000 liters of water consumed at our German locations. We rounded up the amount in the 2023 financial year so that the donation came to 15,000 euros.



In the fall of 2023, Techem launched its second waste collection campaign for employees at all German locations as part of its Sustainability Week.



An appeal was made to employees in December 2022 to donate to three humanitarian organizations for the annual Christmas donation. Our management subsequently doubled the amount, so that the three organizations (Arche, LichtBlickSeniorenhilfe and OBOZ – humanitäre Hilfe für die Ukraine) each received donations of 9,063 euros. We also donated more than 1,500 euros to a forest conservation project run by Naturschutzbund Deutschland e.V. (NABU) in 2023 as part of the Space Invader employee campaign.



FOR ETHICAL BUSINESS CONDUCT

At Techem, mutual respect and shared cultural elements form the basis for the successful development of our company. We attach great importance to acting with integrity, something we anchor throughout the company via our Code of Conduct and our compliance management system. Our efforts to strengthen risk management in the area of sustainability extend all the way into the supply chain.



Ethical corporate governance and compliance

We at Techem believe that business success is directly linked to corporate responsibility. An essential prerequisite for this is a corporate culture that is characterized by mutual appreciation and team spirit and that we shape together with our employees. Our holistic compliance management system ensures that we conduct our business with integrity and in accordance with relevant rules and regulations at all levels of the company.

A corporate culture based on values

One way in which we ensure responsible corporate governance and equally responsible business practices is through transparent company management and control geared towards long-term value creation. In addition, we promote fair competition, a transparent pricing policy and ethical conduct that complies with the law and steers clear of corruption – both domestically and abroad. This benefits Techem itself as well as our business environment. The following sections illustrate the positive impact of ethical corporate governance based on appropriate policies and responsibilities.

We regard a sustainable organizational culture as a precondition for reconciling growth and digitalization. To this end, we have defined cultural elements that we promote and practice throughout the company: customer focus, team culture, personal growth, courage, networking, leadership, innovation and commitment. At the same time, we attach great importance to open, clear, honest and reliable cooperation and communication, both internally and externally.

Developing our culture together

We have two fundamental corporate concepts that reflect the defined cultural elements: our Leadership and Collaboration Guidelines and the Techem Competence Model. The company-wide core competencies contained therein serve as the basis for equipping all employees for our transformation into a digital and customer-centric organization. Alongside these core competencies, we also used job-specific competency requirements for assessment purposes in the 2023 financial year, both in the application process and in the annual appraisal interviews with employees. This allows us to improve transparency, fairness and comparability of job requirements across the organization.

We have successfully integrated appraisal interviews into the Workday HR software in three additional countries so as to further digitalize and internationalize our collaboration and processes. This promotes an intensive and interactive exchange. Processes such as recruiting as well as talent and performance management can be handled more efficiently, while employees can seek

digital feedback from colleagues for their appraisal interviews and take part in online training sessions, for example. The international HR community established during the 2022 financial year was further expanded in 2023. Through an international HR presence and greater cooperation, we hope to harness synergies, share best practices and identify leading practices. We also want

to increase transparency on all relevant HR data and KPIs and further digitalize our HR processes so that we can work more efficiently. Another goal is to attract and hold on to new talent by creating an attractive working environment. All of these measures are also a response to the challenges facing all of our 18 national companies, such as a changing employee market.

Our core competencies as drivers of innovation and growth

Acting with the customer in mind

Involving customers, understanding their needs, long-term customer relationships

Undergoing personal development

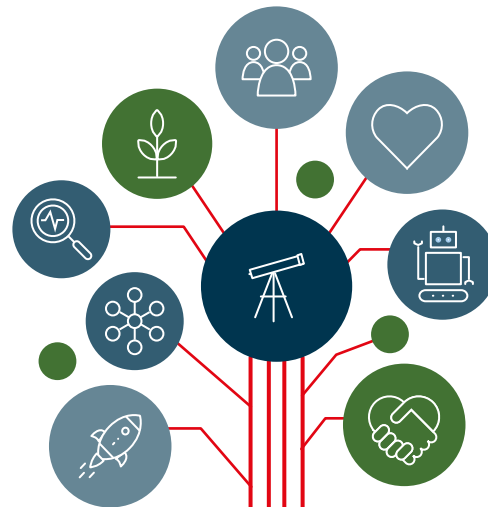
Motivation, curiosity, self-reflection, lifelong learning

Working together with others

Self-organized, results-oriented, collaborative

Acting responsibly

Accountability, error culture, feedback



Acting with commitment

Passion, a solution-oriented approach, performance, success

Being prepared for change

Leaving the comfort zone, flexibility, willingness to change, openness to new technologies

Dealing with uncertainty

Ambiguity, providing guidance, trusting working atmosphere

Working in networks

Interdisciplinary, international, breaking down silo mentality

Communicating a vision

Energy and optimism about the future, role model, equal footing, high level of commitment

Transparency

Openness

Honesty

Accountability



Establishing leadership role models

We view our managers as the key multipliers for Techem's culture. For this reason, these competencies are part of our leadership development program. Our senior management has defined a uniform understanding of leadership, which all managers respond to with their own individual leadership concept. This concept is rounded off by 360-degree feedback from their team, colleagues and their own manager, with the feedback tailored to the leadership culture. Managers at all national companies receive 360-degree feedback every two years. We expect our managers to lead by example and act as role models for the Techem culture, and we verify this with the help of questions derived from our Leadership Guidelines.

At the end of 2022, we launched new development programs for managers and experts, which were continued in 2023. Among the group of experts are employees who bear a high degree of responsibility because they manage projects, are knowledge carriers or work with major customers. Under the ada Fellowship development program, 15 colleagues from various Techem countries are enhancing their personal skills in the area of digital transformation alongside managers from other companies. The participants can then put the skills they have

learned into practice in the Future Lab and work on new ideas and solutions for Techem. The second program, the Digital Growth Leadership Learning Journey, is being completed by almost 100 employees. In addition to internal networking, this program is also aimed at developing and expanding personal leadership skills.

At the management level, we are planning to train brand ambassadors as additional communicators in the course of the 2024 financial year to ensure that important information relating to the company, our purpose and our values is continuously and clearly communicated to our employees. These brand ambassadors will help us bring complex content and interrelationships as well as our company's story to life by providing practical examples. They are also available to all employees to answer questions and act as sparring partners who pass on feedback to our Communications department and management. Our goal here is to strengthen our employees' identification with Techem.

In addition, Techem Germany held four meetups on the topic of error culture in 2023, with a number of employees, including our CFO, reporting on supposed failures and lessons learned. These meetups are intended to contribute to an open error culture at Techem.

Responsible corporate governance

Techem attaches great importance to acting with integrity and in accordance with applicable laws and regulations. Our self-imposed standards often go beyond the legal requirements. The Compliance department headed by the Group Compliance Officer is an important multiplier in this respect and therefore reports directly to the CEO. Twice a year, the Group Compliance Officer also reports to the RAC of the Advisory Board.

A compliance management system, whose scope and function encompass the entire Techem Group, ensures that topics such as the prevention of bribery and corruption, compliance with antitrust and competition law, fraud prevention and the prevention of money laundering and terrorist financing are anchored throughout the company. The managing directors of our international subsidiaries report to the Group Compliance Officer at least once a year, and we use their feedback to continuously adapt our compliance management system. In addition, all Techem companies are examined for various compliance risks, including the risk of corruption, in the course of a holistic risk assessment. We also carry out individual audits on an ad hoc basis.



Creating behavioral guidelines and conducting training

In view of Techem's prominent market position, it is of central importance that we always act with integrity. Our management has published a Group-wide Techem Code of Conduct, which serves as a clear commitment and conveys the internal understanding of our corporate values to the outside world. It is supplemented by more detailed guidelines, leaflets and training courses. We have set ourselves the goal of training all relevant employees around the world on applicable compliance requirements every year. In the 2023 financial year, we conducted our first standardized Group-wide basic compliance training and educated employees on compliance topics such as the prevention of bribery and corruption, compliance with antitrust and competition law, fraud prevention and the prevention of money laundering and terrorist financing (see p. 135). Around 99% of the relevant employees completed this Web-based training in the 2023 financial year. That corresponds to around 97% of all employees worldwide. The difference in numbers is due to the fact that employees who no longer work for us or people who only perform ancillary activities without having an influence on our business activities are not classified as relevant for basic compliance training. The topic of compliance is also an integral part of the onboarding process for new employees throughout the Group.

Techem assesses the risk of corruption at a national level in all of its companies. This shows that the topic of corruption prevention is a high priority for Techem. In the majority of cases, no heightened risk was identified. Only three countries were identified as being at risk of corruption in the gross assessment. We minimize this risk through numerous Group-wide measures: For example, we conduct Group-wide training courses on this topic and offer our employees guidance in the form of a Corruption Prevention Policy and specific instructions on how to behave. Techem also provides guidelines on avoiding conflicts of interest as well as how to correctly handle donations and sponsorship or gifts and invitations.¹

Establishing contact points for critical concerns

Employees have various contact and reporting channels at their disposal to get in touch with the Compliance department about any questions, suggestions, concerns or violations. Violations of the Techem Code of Conduct or unlawful behavior can be reported to our Group Compliance Officer in German or English, either internally or externally via the anonymous whistleblower system Whispli, by email to compliance@techem.de or through direct personal contact.

The HR, Legal & Claims department is another central point of contact for reporting cases of discrimination, while our Head of Sustainability, Communications & Public Affairs is the person to contact for sustainability-related concerns. The latter can also be reported by email to sustainability@techem.de. In addition, the respective managing directors of the national companies can be contacted. All reports are followed up. Our Tell Techem reporting channel allows customers, suppliers and other stakeholders to submit information on compliance-relevant matters securely and in multiple languages – even anonymously if they so wish. The information provided can relate to our Code of Conduct, our policies, guidelines and standards or to compliance with applicable laws or regulations. Depending on how serious the reported concerns are, the CEO and, if applicable, the Chair of the RAC or the Chair of the NCC are informed about the cases in question.

Defining how to deal with compliance cases

There were no violations of competition law within the Techem Group in the 2023 financial year. Likewise, there were no serious violations of laws and regulations in the economic or social area and no serious cases of corruption this year. All allegations were investigated, and suitable measures or consequences were implemented where necessary. For information on cases of discrimination and how we deal with them, see p. 62.

¹ The information on corruption risk and prevention is part of the requirements of GRI 205 and has been audited by our external auditor, see GRI Index p. 141.



Protecting human rights in our own sphere of business

During the 2023 financial year, Techem introduced a Human Rights Policy Statement that, together with the Techem Code of Conduct, the Procurement Guidelines and the Supplier Code of Conduct of the German Association for Supply Chain Management, Procurement and Logistics (BME), forms the basis for compliance with our human rights and environmental due diligence obligations. The responsibility for implementing and complying with the Universal Declaration of Human Rights lies with our management. Human rights due diligence is monitored by the Supply Chain Management and Procurement departments in coordination with the Human Rights Committee (HRC), which is composed of the Group Compliance Officer, the Head of Sustainability, Communications & Public Affairs and the Group Risk Manager.

Our compliance management system also allows us to monitor and assess the risk of human rights violations at our own locations. Every one to two years, we carry out a risk analysis and assessment to identify the human rights risk in the countries in which we operate based on the Human Freedom Index (HFI). This data serves as the basis for assessing how likely it is that human rights violations will occur as a result of our local activities and how severe the potential impact on Techem would be. On this basis, we decide whether further measures are needed to prevent potential human rights violations in our business operations and, if so, what form they should take.

In response to the German Supply Chain Due Diligence Act (LkSG), Techem introduced a risk management tool that records human rights risks at direct and indirect suppliers. We have also carried out a risk analysis in our own business operations. This helps us identify potential risks and initiate preventive and remedial measures to avoid or mitigate those risks (see also [p. 95](#)).

Avoiding conflicts of interest on the Advisory Board

The Advisory Board is the central supervisory body of the Techem Group (see also [p. 16](#) and [p. 131](#)). When the Board makes decisions, it is important to avoid any conflicts of interest among its members. The members of the Advisory Board are therefore actively asked about potential conflicts of interest at every meeting and, in the event of any bias, are always excluded from the discussion and from casting a vote on the specific decision.

Protecting data

As one of the largest data processors in our industry, we are aware that data protection and security are essential to our core business. We therefore handle customer data with care and ensure that consumption information is stored securely. This policy forms the basis for the trust that our customers and tenants place in us. If our security precautions are inadequate, we could lose data through cyber attacks, for example. That is why we follow our own data protection guidelines in our work and have established a grievance management system. Our employees can submit grievances about data protection to a dedicated email address.



At Techem, it is the respective managing directors of the companies who are responsible for compliance with data protection regulations. Techem Germany has a data governance organization in place for the operational implementation of data protection, which ensures that the company's data complies with all quality, data protection and security requirements. All Techem companies have appointed data protection officers or additional data protection coordinators, who offer implementation advice, lay down guidelines and monitor compliance with the applicable measures. The data protection officers and data protection coordinators of the countries report to the Group Data Protection Officer. A dedicated information security team ensures that data is handled securely. The Group Data Protection Officer and the Head of Information Security report to the RAC of the Advisory Board multiple times a year.

Our company-wide Data Protection Policy covers all relevant aspects of data protection. We also have guidelines and a policy for information security, accompanied by procedural instructions such as the Password Policy, all of which govern the security of data and IT systems. In addition, the individual countries have their own specific policies relating to this topic, such as the Policy on Flexible and Mobile Working, which applies to Techem Germany.

Alongside these policies and best practice recommendations, the ISO 27001 standard in particular serves as the basis for our data security measures. In accordance with this standard, Techem has implemented an information security management system and had its critical business processes in Germany certified in 2022. We plan to extend this certification to the core systems of our EES and INT segments by the 2025 financial year. An adjustment to the requirements for ISO 27001 certification means that the certification of all non-critical IT systems in Germany has been postponed and is now scheduled to take place by 2028.

Techem Germany began conducting a comprehensive internal data protection audit at the end of 2021 to validate that data protection is properly implemented. And in 2023, an external audit was carried out to review our data protection compliance. The internal audit was successfully completed in the 2022 financial year. Our other national companies are also scheduled to undergo internal and external audits as part of the 2025 recertification process.

In the 2023 financial year, there were 51 (2022: 26) substantiated data protection complaints from customers or supervisory authorities across the Group, all of which were addressed with appropriate measures. The rise in the number of reports reflects our customers' increasing awareness of data protection. None of the complaints received in the 2023 financial year resulted in fines or action by the authorities.

Techem provides mandatory information security and data protection training for all Techem employees worldwide, with this training to be repeated annually. Our managers were also trained in crisis scenarios – such as information security in the event of cyber attacks – during the 2023 financial year in order to sensitize them to the topic of data security.

Exercising tax policy responsibly

As a company with international operations, Techem endeavors to fully comply with its tax obligations in the local markets and countries in which it does business. That is why the Techem Group has no tax-driven models that are unrelated to the operating business and aim solely at tax savings.



Compliance with regulatory requirements is ensured across all areas of the company, with the Group Tax department playing a central role. This department reports to the Head of Finance, who in turn reports to the CFO. The responsibility for fulfilling our tax obligations lies with the overall management.

The Techem Group's risk management system is an integral part of its management structure and also encompasses tax risks. Responsibility for the risk management system rests with our management, which reports regularly to the Techem Group's Risk and Audit Committee and ensures that the necessary risk management measures are adopted.

All existing tax risks are monitored by the Tax and Accounting departments and are covered by our current processes. New risks may arise from changed or new business models as well as from changes in the regulatory environment. The former are therefore reported to the Tax department and subsequently evaluated. Our Tax department also monitors the regulatory environment – with the help of external tax consultants, among others – and responds to any changes that occur. Tax information disclosed in the annual and consolidated financial statements is reviewed by an external auditor.

Techem views the tax authorities as an important stakeholder. The central point of contact for the fiscal authorities in relation to tax issues is Techem's Group Tax department, which centrally handles all inquiries by internal and external stakeholders about tax matters and answers them after careful examination. Current processes are adjusted if necessary. Techem does not exert any direct political influence in tax matters.

Responsible remuneration

Techem's national and international senior management as well as our level 2 managers receive a fixed and a variable salary component, with the latter based on overall and country-specific company targets as well as individual targets. Level 3 and 4 managers generally do not receive variable salary components.² To foster value-oriented corporate governance, we have decided to continue working on a responsible remuneration policy and to link the remuneration structure of our senior management in Germany to the achievement of sustainability targets. For members of our senior management and level 2 managers, we added a social dimension to the variable remuneration for the 2023 financial year with the key performance indicator "Women in management positions." The prerequisite for achieving the target is that 40% of all new appointments must be women.

All members of the Advisory Board receive a fixed basic remuneration for their work. The amount paid to the Chair of the Advisory Board is twice as high as that paid to the other members. Chairs of committees also receive an additional fixed annual remuneration. Moreover, the independent members of the Advisory Board (see [p. 131](#)) receive a share of the company's equity.

The ratio of the CEO's total annual remuneration to the median level of total annual remuneration for all employees (excluding the highest-paid person) is 23.7 (FY 2022: 25.1). In contrast to the remuneration of the workforce, the CEO's remuneration did not increase in the 2023 financial year. The ratio of the percentage increase in the CEO's annual remuneration to the median increase in annual remuneration for all employees (excluding the highest-paid person) is therefore zero.^{3,4}

² Excluding employees and managers in sales.

³ This key figure encompasses all important operating sites of Techem Germany and all of Techem's national operating companies in the eight focus countries of Austria, Switzerland, France, Italy, Belgium, the Netherlands, Denmark and Poland, DMG companies are not included.

⁴ The information on total annual remuneration is part of the requirements of GRI 2-21 and has been audited by our external auditor, see GRI Content Index [p. 140](#).



Political dialogue

Engaging in transparent, fact-based dialogue with political decision-makers not only strengthens Techem's climate policy efforts, but also enhances our competitive position. The discussions take place on an equal footing and are aimed at supporting our business activities and our sustainability agenda. The focus is on intensifying our work with associations in order to gain greater political support for energy-related issues.

Contributing our expertise

Techem operates in an environment that is subject to regulation in many areas. Examples include traditional metering services as well as – depending on the country – heat or electricity supply from fossil or renewable energies, electric charging solutions, legionella testing or smoke alarm services. All of these services are governed by laws, regulations or standards. Many national provisions are based on EU regulations, which are subject to regular review and adaptation. This can have both positive and negative effects for Techem. Stricter climate protection requirements, for example, have a positive impact on our business model. That is why it is important for us to be aware of forthcoming changes, for example so we can consult directly with policy-

makers and adapt our services to current developments. At the same time, transparent and fact-based dialogue with policymakers – also as part of our association work – can strengthen our climate policy efforts and our competitive position.

Moreover, policymakers are dependent on the expertise of market players such as Techem in order to achieve a climate-neutral building stock by 2045 (Germany) or 2050 (EU). We contribute our knowledge – whether on energy efficiency, avoiding CO₂e emissions in the building sector or digitalization in the real estate sector – through dialogue with politicians and key stakeholders.

The responsibility for the topic of political dialogue varies between Techem's national companies. All centrally managed measures fall under the responsibility of the Sustainability, Communications & Public Affairs department, while all decentralized, regional or local measures are overseen by the regional manager. At the Techem companies, responsibility lies with the respective managing director.

In our political work, we abide by our Group-wide compliance provisions and our guidelines for association work and sponsoring. We see ourselves as a point of contact for policymakers at the German and European levels with regard to energy efficiency and climate neutrality in buildings and for digitalization in this area. In this role, we hold bilateral talks with members of the European and German parliaments and representatives from the ministries. We generally organize a political event once a year, either in Germany or at EU level (Brussels). In our other countries, political exchange takes place primarily in the context of association work.

Techem is registered in the EU Transparency Register as well as in the German Lobby Register. We do not donate to political parties, but are a member of Wirtschaftsrat der CDU e. V., a council of economic advisors for the Christian Democratic Union. In 2023, we paid a membership fee of 12,000 euros for this. Since spring 2022, we have been a member of Wirtschaftsforum der SPD e. V. (Economic Forum of the Social Democratic Party of Germany) with an annual membership fee of 20,000 euros and, since 2023, a full member of Wirtschaftsvereinigung der Grünen e. V. (Economic Association of the Green Party) with an annual fee of 20,000 euros.⁵

¹ The information on party donations is part of the requirements of GRI 415 and has been audited by our external auditor, see GRI Index p.146.



Strengthening our association work

In addition to engaging in political dialogue, Techem actively participates in association work and is represented in various industry associations. A list of the Techem national companies' memberships can be found on [p. 129](#). In Germany, we are also active in the associations listed below.

Arbeitsgemeinschaft Heiz- und Wasserkostenverteilung – Working Group for Heating and Water Cost Allocation (ARGE HeiWaKo)⁶:

ARGE HeiWaKo has represented the interests of German metering and service companies for the consumption-based billing of heating as well as hot and cold water costs for over 40 years. As a member of the association, we work together with ARGE to support political decision-makers in achieving the common goal of an efficient energy transition and successful climate policy.

Bundesverband Informationswirtschaft, Telekommunikation und neue Medien – German Association for Information Technology, Telecommunications and New Media (Bitkom):

Bitkom is Germany's digital association. As a member of the association, we strongly advocate the digitalization of the economy, society and administration. Techem's CEO Matthias Hartmann is a member of the executive committee.

Europäischer Verein zur verbrauchsabhängigen Energiekostenabrechnung – European Association for the consumption-based billing of energy costs (E.V.V.E.)

E.V.V.E. is an independent interest group that works at a political level throughout Europe. As a member company, we help E.V.V.E. promote systems for saving energy and water in buildings. Techem's CSO, Nicolai Kuß, has served as president of the association since November 2022. Following a process of modernization, E.V.V.E. has broadened the scope of its work to include the areas of decarbonization and digitalization and has opened an office in Brussels.

Zentraler Immobilien Ausschuss – Central Real Estate Committee (ZIA)

ZIA is a trade association of the German real estate industry that is active both in Germany and at a European level. It promotes suitable measures to improve the economic, legal, tax and political environment for the real estate industry. As a member of the association, we are working together with ZIA to create the right framework conditions for the real estate sector's sustainable and digital transformation. Techem CEO Matthias Hartmann is co-chair of the ZIA Energy Task Force.

⁶ ARGE is currently in the process of being restructured and will operate under the new name Bundesverband für Energie- und Wasserdatenmanagement (bvwd, Federal Association for Energy and Water Data Management) from the end of the first quarter of 2024.



Sustainable supply chain

Our corporate responsibility also extends to our supply chain, which we want to be as sustainable and resilient as possible. Among the moderate risks identified are potential reputational damage, process adjustment costs and disruptions in the supply chain due to various factors. There is a high risk of human rights violations in the supply chain. We have taken measures to counter these challenges, including the introduction of a comprehensive risk analysis, a review of our supply chain and the adoption of a Declaration on Human Rights, which also applies to our suppliers. For this reason, we take environmental and social criteria into account when selecting our suppliers and require them to comply with the Supplier Code of Conduct.

Suppliers

Total suppliers	4,268
› thereof from Germany	4,150
› thereof from Europe (excluding Germany)	104
› thereof from other regions worldwide	14

The data comprises all suppliers that are managed from Techem's headquarters. In this table, Europe refers to the territorial area and includes countries such as Switzerland or Norway. The reporting date is September 30, 2023.

Overview of the supply chain

With a view to implementing the German Supply Chain Due Diligence Act, we will be adding specific environmental and social aspects to our supplier quality audits in the future. Suppliers associated with particularly high risks according to the results of our risk analysis will be subjected to a further, detailed review. Our efforts to ensure a resilient supply chain, fair supplier relationships and the protection of human rights in the supply chain are already having a positive impact.

Centrally, Techem worked with a total of 4,268 (2022: 4,429) suppliers. Of these, 493 (2022: 443) suppliers accounted for 95% of our revenue. We procured 77.2% (2022: 81.1%) of our purchasing volume locally.¹ Responsibility for supplier management lies with the Procurement department.

Presenting the focal points of our supply chain

We spent 28.2% (2022: 22%) of our procurement volume on direct purchasing – i.e. devices such as meters or

smoke alarms. Direct purchasing is mainly managed centrally. Only around 15.3% (2022: 13.1%) of our direct procurement volume is managed locally by the national companies with the support of two international purchasers. Some of the suppliers from which we procure devices are based outside Europe or have the devices produced in countries outside the EU. In addition, some Tier 2 suppliers, i.e. the suppliers of our suppliers, are located in emerging countries, where the risk of environmental and social standards being breached is higher.

¹ The reporting date is September 30, 2023. In general, we use the billing address to determine a supplier's geographical location (local or international). One exception to this is suppliers with a procurement volume of more than one million euros in the period under review (financial year 2023): Here, the location from which the products or services originate is used for the assessment.



Indirect purchasing, which is managed either centrally or via the Techem national companies, accounted for 71.8% of our procurement volume (2022: 78%). This includes services such as meter reading or installation, the installation of electric charging stations or heating systems and the analysis of water for legionella. Other examples are IT and consulting services, travel bookings, marketing services, vehicle purchasing and other indirect product groups, including the operation of our call centers within the EU, which is handled by subcontractors.

Procuring and delivering devices

We always adapt our goods procurement to any changes in the market or among our customers, with an established system of key figures supporting us in this. Techem's central warehouse in Liederbach receives daily deliveries from our suppliers based on a rolling forecast – with the deliveries coming mainly from Germany and Europe, but in some cases also from international suppliers. By consolidating our needs, we are able to optimize shipment sizes and conserve resources. Goods are delivered almost exclusively by road using freight forwarders and only in exceptional cases by air freight.

The goods are distributed to our customers, our international companies, our installation partners and customer service technicians as required – i.e. on a daily, weekly

or monthly basis. Here, too, we pay attention to consolidating needs and conserving resources. As an example, we group together deliveries of assembly parts and ship them using an environmentally friendly shipping option. Deliveries to Germany and other European countries are made by truck, to Brazil by ship or air freight.

Implementing principles of cooperation²

An international Purchasing Policy sets out all applicable principles and guidelines on purchasing and procurement at Techem.

We are currently developing a Group-wide Purchasing Policy. Aspects of sustainability in accordance with the German Supply Chain Due Diligence Act (see p. 95) were already integrated into both the international and national provisions during the 2023 financial year.

During the tendering process for products and services, when deciding on who to award the contract, Techem uses the suppliers' sustainability reports as a criterion in the applicable evaluation matrix. Upon entering into a business relationship, the suppliers commit to confirming and observing the Supplier Code of Conduct or a code of their own with comparable content. The Supplier Code of Conduct includes environmental and social

criteria. Its ethical guidelines are based, among other things, on the conventions of the International Labor Organization (ILO) and the principles of the United Nations Global Compact. Should a new supplier or service provider not commit to the Supplier Code of Conduct – or a code with comparable requirements – Techem will refrain from working with them.

To ensure that our supply chain is as resilient as possible, we rely on fair and long-term supplier relationships and multiple sourcing. We have also enshrined this in our procurement strategy, for which the Procurement department shares responsibility with Device Development.

Auditing environmental and social standards

In the case of strategic suppliers used for direct purchasing, our quality supplier audits also include a verification of compliance with environmental and social standards. New strategic suppliers undergo a quality supplier audit shortly after the contract has been signed; existing strategic suppliers are audited every three to four years where possible. Outside Germany, some of the audits are carried out by service providers. When it comes to indirect purchasing, we carry out audits every two years to ensure that subcontractors for

² The information below applies to procurement transactions managed by the Techem purchasing departments. Procurement transactions with a very low order volume may also be carried out by our national companies without the involvement of Purchasing, particularly where indirect procurement is concerned.



installation and meter reading comply with the minimum wage. We enhanced our existing quality audits in the 2023 financial year by adding specific environmental and social elements. Potential negative environmental impacts of medium severity were identified in the areas of violations of environmental standards or human rights as well as biodiversity. Thanks to the measures taken in accordance with the Supply Chain Due Diligence Act, we are able to monitor these risks on an ongoing basis and take remedial action if necessary.

Implementing the Supply Chain Due Diligence Act

Techem has adopted a cross-divisional approach to drive forward the implementation of the Supply Chain Due Diligence Act. The act applies to Techem as of January 1, 2024, and requires us to assess whether our suppliers violate human rights and environmental due diligence obligations as well as to carry out a separate assessment of our own business operations. The responsibility for carrying out supplier risk assessments lies with our Procurement department, while the Sustainability department is responsible for introducing the risk assessment of our own business operations. The HRC has a monitoring function with regard to human rights and environmental obligations under the Supply Chain Due Diligence Act.

Techem Germany pre-screened its suppliers in the 2022 financial year. In 2024, this screening will also

be rolled out to other national companies and DMG Beteiligungsgesellschaft. The pre-screening allowed us to select suppliers with potential human rights and environmental risks based on their industry, product group or country, so that we could then add them to a new risk management tool. For this purpose, we implemented a risk analysis software tool in the 2023 financial year, which enables us to continuously monitor suppliers in terms of their criticality and status with regard to the individual due diligence obligations set forth in the Supply Chain Due Diligence Act. A risk assessment of our own business operations was prepared and implemented in the 2023 calendar year.

The findings of this risk monitoring are being used to take appropriate preventive, control and remedial measures, including specific audits. We also developed a training course for employees on due diligence in the supply chain, which was carried out at the end of the 2023 calendar year. In addition, we revised our purchasing documents during the 2023 calendar year, including our Purchasing Strategy, Purchasing Policy and our contractual documents for our suppliers, in order to comply with the requirements of the Supply Chain Due Diligence Act.

At the beginning of 2023, Techem published an initial policy statement for its employees and suppliers, in which we commit to respecting human rights and the environment – both within our company and along our supply

and value chain. We also pledge to respect internationally recognized human rights and to prevent human rights violations. If we become aware that a violation of human rights due diligence obligations has occurred or is about to occur, whether within our company or at one of our suppliers, we take appropriate measures to prevent or end such a violation or to minimize its impact. Against this background, the policy statement will be validated at the beginning of 2024 and published in a version that complies with the Supply Chain Due Diligence Act.

Employees, customers, suppliers and other stakeholders can use the Whispli whistleblower system to report human rights-related risks safely as well as anonymously if they wish. We guarantee that reports are handled confidentially and every report is followed up. Moreover, we do not tolerate any retaliation or harmful behavior against anyone who observes or suspects unlawful or unethical actions or violations and reports them to us with the best of intentions. The HRC is responsible for monitoring that the grievance mechanism is functioning properly.

It is crucial for Techem to live up to its corporate responsibility and even go beyond the legal requirements in some areas. In light of this, we have resolved to carry out pilot audits of Tier 2 suppliers in emerging countries. In 2023, we therefore drew up a new audit template, which we plan to test in a pilot project in 2024 before rolling it out to other Tier 2 suppliers.

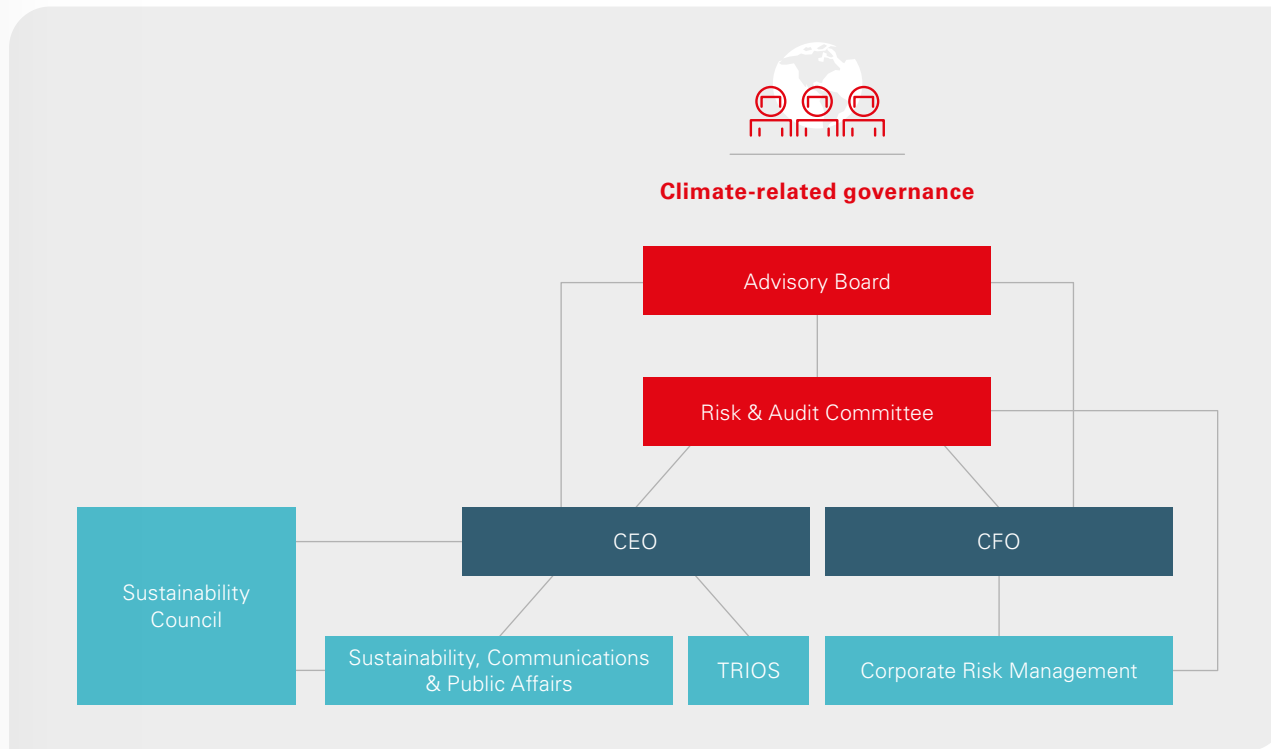


REPORTING ON CLIMATE RISKS & OPPORTUNITIES IN ACCORDANCE WITH THE TCFD

In view of the societal and environmental changes brought about by climate change, Techem has examined two different future scenarios and what they mean for our business model. Our reporting on this follows an established standard.

Reporting on climate risks and opportunities in accordance with the TCFD

Because we want to systematically address the risks and opportunities associated with climate change, we use the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) to describe the management of climate-related topics at Techem. At this point, we present potential opportunities and risks and address the strategically necessary consequences.





Management body

Tasks & responsibilities

Advisory Board

- › As the highest supervisory body, it supports our management in making decisions and votes on business transactions requiring approval.
- › Two designated members drive forward the sustainability strategy and the decarbonization plan, monitor their implementation and take climate-related issues into account in the decision-making process.
- › As part of the Strategic Sustainability Initiative, relevant department heads meet with the board members responsible for ESG and discuss climate-related topics at least four times a year.

Risk & Audit Committee (RAC)

- › Supports the Advisory Board in monitoring financial statements, the financial situation and company-wide risks.
- › Monitors compliance with sustainability requirements and takes analyses of climate-related risks into consideration.
- › Reports extensively on the aforementioned topics at meetings with the Advisory Board.

CEO

- › Has overall responsibility for sustainability and climate issues at Techem.
- › Supports the Group’s climate-related objectives and regularly reviews the progress of the decarbonization strategy.
- › Reports to the Advisory Board and the RAC at regular intervals.

CFO

- › Manages the tracking of sustainability targets and the associated KPIs and serves as a control authority to ensure that all data is valid and audit-proof.
- › Is responsible for Group-wide enterprise risk management.
- › Reports regularly to the Advisory Board and the RAC.

Risk Management

- › Tasked with consolidating and standardizing Group-wide risks.
- › Classifies climate risks as regulatory or external risks within the Group-wide risk situation and presents them in the risk catalog.
- › Reports to the CFO on an ad hoc basis and to the RAC at least once a quarter.

Sustainability, Communications & Public Affairs

- › Is responsible for the further development and implementation of the sustainability strategy and reporting.
- › Supports the climate scenario analysis and assumes responsibility for reporting on climate-related opportunities and risks.
- › Reports regularly to the CEO and maintains regular contact with the designated members of the Advisory Board.

TRIOS

- › Manages the Group-wide research, analysis and implementation activities related to consumption transparency, energy efficiency and CO₂e reduction.
- › Analyzes and evaluates climate risks and opportunities for Techem’s individual fields of business.
- › Reports to the CEO, members of the Advisory Board and to the RAC on climate-related topics as required.

Sustainability Council

- › Under the leadership of the CEO, the Sustainability Council gathers together the sustainability stewards – i.e. the department heads and experts relevant to the implementation of sustainability-related objectives – several times a year to discuss climate-related topics relevant to Techem, among other things.



Strategy

Both physical and transition risks and opportunities related to climate change can have an impact on Techem's business activities and consequently influence the corporate strategy. In contrast to physical risks, where climate change can have a direct impact on a company's locations and supply chains, transition risks are potential impacts caused by the transition to a decarbonized economy. For example, transition risks can be linked to changes in supply and demand or new cost structures.

According to our analysis below, transition-related opportunities and risks play a far greater role for Techem than potential physical impacts. To assess the physical impacts of global warming for Techem, particularly in relation to office locations and heating systems in our contracting business, we examined the locations and assets for temperature increases, the number of very hot days and heating degree days as well as heavy rainfall events. The results under the 2-degree scenario show that Techem is unlikely to experience any signifi-

cant physical disruption to its daily business operations. Although the heating systems of the contracting business could be affected by heavy rainfall events, the risk is low, as such extreme precipitation is geographically limited. In contrast, the physical risk in our supply chain is high, which is why Techem will address this challenge more intensively in the future (see [p. 95](#)).

One example of the physical impacts we examined is the average rise in temperature, which varies in intensity at Techem's locations.

Below, we present all of Techem's opportunities and risks whose materiality was classified as high in the two climate scenarios we analyzed.

Climate scenarios

The core element of the TCFD recommendations is an analysis of climate scenarios that can influence a company's business success either directly or indirectly. This gives the company a better understanding of how it could develop with regard to various transition and physical opportunities and risks.

Techem has based its analysis on two established climate scenarios:

- › The 2-degree scenario corresponds to the EU's and the German government's commitment to achieve climate neutrality by 2050 and 2045 respectively. It is based on the Energy Technology Perspectives (ETP) 2-degree scenario of the International Energy Agency (IEA).
- › The worst-case scenario is based on the Shared Socioeconomic Pathways 5-8.5 (SSP5-8.5), i.e. the global climate development pathways coordinated by the Intergovernmental Panel on Climate Change (IPCC). This scenario depicts a global development with strong and sustained economic growth based on fossil fuels.



Material opportunities and risks for Techem under the 2-degree scenario and effects on the business model

Opportunities	Classification	Initial situation and effects
<p>Business growth through the provision of innovative low-emission heating technologies (especially heat pumps)</p>	<p>Time horizon Medium term</p> <hr/> <p>Category Products & services</p> <hr/> <p>Field of business EES segment (contracting)</p> <hr/> <p>Materiality High</p>	<p>Sales of heat pumps are projected to rise significantly – regardless of electricity prices – and a corresponding market ramp-up is expected. According to the forecast, the share of heat pumps in heated living spaces will increase to almost 60% by 2045. As a result, gas and heating oil for residential heating systems will fall out of use. The market situation is expected to improve further in this scenario, creating opportunities for Techem to help existing and new customers switch to heat pumps.</p>
<p>Additional earnings from combining submetering and smart metering for electricity</p>	<p>Time horizon Medium term</p> <hr/> <p>Category Products & services</p> <hr/> <p>Field of business ESG/ESI segment (submetering)</p> <hr/> <p>Materiality High</p>	<p>New regulations to promote the energy transition in the building sector along with indirectly related laws – such as the Act on the Digitisation of the Energy Transition (GDEW) or the Metering Point Operation Act – could have a positive impact on Techem’s submetering and smart metering business. However, these regulatory changes mainly focus on matters of competition law, meaning that this opportunity is likely to develop independently of the scenario examined. Once there are clear requirements for the simultaneous provision of metering services for heat and electricity, this opportunity will become more important.</p>
<p>Demand- and customer-oriented services based on digital metering to meet new regulatory requirements</p>	<p>Time horizon Medium term</p> <hr/> <p>Category Products & services</p> <hr/> <p>Field of business ESG/ESI segment (submetering)</p> <hr/> <p>Materiality High</p>	<p>The target of an average refurbishment rate of 1.75% to achieve climate neutrality by 2045 requires increased measures for the digitalization of metering systems and their use to optimize the energy efficiency of buildings. This has a positive effect on relevant product developments. Techem can make a valuable contribution here in years to come by offering data analyses and benchmarks for complex energy systems in buildings and districts at an early stage.</p>



Opportunities	Classification	Initial situation and effects
<p>Development of new markets through favorable legal framework conditions in the area of electric mobility</p>	<p>Time horizon Short term</p> <hr/> <p>Category Products & services</p> <hr/> <p>Field of business ESG/ESI segment (submetering)</p> <hr/> <p>Materiality High</p>	<p>The IEA's 2-degree scenario anticipates that the number of electric vehicles will increase more than sixfold by 2050 – with a simultaneous increase in the share of electric vehicles in the overall fleet. A scenario in which Germany meets the 2-degree target by achieving climate neutrality is based on the assumption that electric mobility will be specifically promoted and the charging infrastructure expanded. For example, 16 million electric cars are to be brought onto the German market by 2030. Currently, electric vehicles make up around 2% of the total vehicle fleet. Larger residential areas, in particular, offer potential in this context, which Techem can increasingly exploit for itself in this scenario.</p>
<p>Increasing demand for products and services that reduce the (personal) environmental footprint</p>	<p>Time horizon Short term</p> <hr/> <p>Category Products & services</p> <hr/> <p>Field of business ESG/ESI segment (submetering)</p> <hr/> <p>Materiality High</p>	<p>Climate scenarios for meeting the 2-degree target indicate that indoor temperatures in residential buildings will generally be kept closer to outdoor temperatures, thereby saving energy and consequently greenhouse gas emissions. Recent surveys of the German population have also shown that nine out of ten Germans are deliberately saving heating energy and that 79% would prefer to use digital meters that show how much energy their heating system is using in real time.</p> <p>Beyond the legal requirements (in particular the Heating Cost Ordinance), this scenario highlights that there is already an opportunity in the short term to offer services that increase consumer transparency – and thus promote efficient heating behavior.</p>
Risks	Classification	Initial situation and effects
<p>Impairment of fields of business related to heat supply from fossil fuels and more efficient energy supply</p>	<p>Time horizon Medium term</p> <hr/> <p>Category Technology</p> <hr/> <p>Field of business EES segment (contracting)</p> <hr/> <p>Materiality High</p>	<p>According to the current draft amendment to the Buildings Energy Act (GEG), heating systems that are newly installed from 2024 onwards must generally be powered by 65% renewable energy, while existing gas and oil heating systems will only be allowed to run for a maximum of 30 years. In the long term, this is tantamount to a ban on fossil gas and oil heating systems. Given the term of our contracts, we are likely to lose our current income from gas and oil boilers in the medium term, with technological changes requiring us to adapt our business model. The 65% target is already factored into the Techem decarbonization plan.</p>



Material opportunities and risks for Techem under the worst-case scenario and effects on the business model

Opportunities	Classification	Initial situation and effects
<p>New fields of business in the area of metering and billing due to increasing demand for cooling on hot days</p>	<p>Time horizon Long term</p> <hr/> <p>Category Products & services</p> <hr/> <p>Field of business ESG/ESI segment (submetering)</p> <hr/> <p>Materiality High</p>	<p>In Germany, 58% of all Techem locations are situated in zones where the annual average temperature rise is above 2 degrees. Of the Techem locations supplied, some 22% are above the global average for the expected increase in hot days and over 70% are exactly on average. By 2050, the number of cooling degree days could rise to over 200–300 for large parts of Germany and to as many as 300–500 in the Upper Rhine Plain. This rise will increase the need to use thermal meters for both heating and cooling requirements, resulting in additional potential for Techem’s meter reading business.</p>
<p>Additional earnings due to increasing demand for cooling and the possibility of combined heat and cooling provision</p>	<p>Time horizon Medium term</p> <hr/> <p>Category Products & services</p> <hr/> <p>Field of business EES segment (contracting)</p> <hr/> <p>Materiality High</p>	<p>The average demand for cooling is expected to increase significantly, with both active and passive cooling measures becoming relevant in the future. Demand for cooling energy in residential buildings in Germany is projected to rise by more than 50% by 2035 and by more than 90% by 2085. By 2050, air conditioning in buildings is estimated to account for 3–6% of private households’ electricity consumption. The predicted additional demand for cooling can open up considerable business potential for Techem – particularly through the combined provision of heat and cooling.</p>
Risks	Classification	Initial situation and effects
<p>Temporary unwillingness on the part of customers to invest in low-emission, capital-intensive solutions (particularly heat pumps)</p>	<p>Time horizon Medium term</p> <hr/> <p>Category Market</p> <hr/> <p>Field of business EES segment (contracting)</p> <hr/> <p>Materiality High</p>	<p>The SSP5-8.5 scenario is based on the assumption that there will be a clear focus on energy efficiency and cost-effectiveness in the building sector and little climate policy support for green heating technologies. As a result, the trend toward greater energy efficiency in the fossil fuel sector could have a negative impact on people’s willingness to invest in lower-emission technologies, unless further legal requirements for green technologies are introduced. Under this scenario, the hesitancy to invest that can already be observed among customers today could therefore be confirmed in the medium term, particularly in the case of capex-intensive technologies that are only at the beginning of their market development.</p>



Risks	Classification	Initial situation and effects
<p>Disruptions in the supply chain due to physical risks such as heat events, droughts, floods and storms</p>	<p>Time horizon Long term</p> <hr/> <p>Category Market</p> <hr/> <p>Field of business ESG/ESI segment (submetering)</p> <hr/> <p>Materiality High</p>	<p>The product groups with the highest potential risk for the ESG/ESI segment are household heating/energy control devices. The majority of these are sourced from suppliers in less risky regions in Central Europe. One exception are Eastern European supplier countries. Here, the average rise in temperature is already critical in the medium term, with a high risk of heat waves and droughts. Certain goods are problematic, such as those that have long upstream chains (e.g. electronics, critical raw materials), that come from regions with a high incidence of physical risks (e.g. China, Indonesia, Romania) or that are dependent on endangered resources (e.g. iron goods – water scarcity). Even transport routes within Germany are affected by the increase in extreme precipitation events, drought and reduced waterway transportation.</p>

The scenario analyses carried out clearly show that Techem is affected far more by the transition opportunities and risks of climate change than by the physical ones – at least in the short and medium term under the 2-degree scenarios. Due to our business model, we see far more transition potential, and we are already tapping into this potential with various solutions as part of our corporate strategy. Ultimately, we want to increase the climate-friendly impact of our products and services in order to contribute to climate-neutral building management. We are therefore stepping up our activities in five strategic fields of action:

- › Green energy contracting: We are realizing the CO₂e reduction in buildings through our heat pump solutions and by growing our low-emission business in newly constructed buildings (see [p. 52](#)).

- › Sector coupling: By adding e-mobility infrastructure as a new offer for our customers, we are linking electricity and heat consumption with the mobility sector (see [p. 46](#)).
- › Digital infrastructure: We are laying the foundations for efficient energy management through our wireless sensors, smart readers and smart metering (see [p. 31](#) and [p. 34](#)).
- › AI-assisted energy efficiency: With the help of AI-assisted systems, such as our Digital Boiler Room or our adapter smart heating control system, we are optimizing the energy efficiency of buildings and creating new concepts for building modernization.
- › Cooling systems: The use of cooling meters and the supply of cooling as part of our contracting services allow for efficient provision in line with the growing demand for cooling (see [p. 31](#)).



Risk management

Techem assesses all risks – including climate-related risks – using a standardized risk assessment framework. Climate risks are included either as regulatory or external risks. The relative importance of different climate risks is measured on the basis of their probability of occurrence, the ability to mitigate them, their impact and the specific risk tolerance. In the 2023 financial year, Techem identified climate-related risks and opportunities and determined their materiality, taking into account our two segments and the approach recommended by the TCFD. We did this on the basis of a risk register with a total of 26 climate-related opportunities and risks. In addition, we carried out a pre-screening of our suppliers in the 2022 financial year to identify potential human rights and environmental risks, which also include climate risks (see [p. 95](#)).

Key figures and targets

Our strategy to achieve climate neutrality and reduce greenhouse gas emissions on the path to a 2-degree scenario helps us mitigate the risk of additional expenses in the supply chain. At the same time, it gives us a greater chance of further consolidating our success in strategic fields of action.

Within the framework of our decarbonization plan, we intend to reduce our CO₂e emissions in Scopes 1 and 2 by at least 42% and in Scope 3 by 28% by 2030 compared to the 2020 financial year. Our long-term goal is to achieve an emissions reduction of at least 90% in all scopes by 2045. In order to satisfy the Net Zero standard of the SBTi and ensure that the Techem Group is climate-neutral by 2045, we intend to compensate for the remaining emissions through carbon offsetting or carbon capture technologies. Regular reviews of our reduction targets are therefore a key indicator for our corporate strategy.

From [p. 47](#) onwards, we report on Techem’s CO₂e footprint using key figures for our Scope 1, Scope 2 and Scope 3 emissions.

Alongside emissions, the progress made in our strategic fields of action is an important indicator that we use to achieve our CO₂e reduction targets. That is why we continuously monitor the status of the following targets:

Converting 100 existing systems to bivalent heating systems consisting of heat pumps and gas-fired peak-load boilers	FY 2024
Equipping all heating systems with a Digital Boiler Room smart monitoring system (formerly Techem Smart Monitor (TSM)) to automatically monitor the energy efficiency of the systems	FY 2026
Equipping all heating systems with smart metering systems	FY 2026
Conducting pilot projects to add green solution packages (PV, electric charging, tenant electricity, CHP, heat pumps, smart metering) to the product portfolio for existing buildings	Ongoing
90% of the devices in the properties can be read remotely	FY 2025
5,000 charging points under Techem service supplied with green electricity (for private charging infrastructure)	FY 2027



FACTS & FIGURES

We have defined clear targets and key figures for our three focus areas and seven fields of action. That allows us to effectively implement our sustainability strategy and adapt measures as necessary as well as to quantify our successes and present our commitment transparently – for all German and international business units of the Techem Group.






About this report

This Sustainability Report gives a transparent account of our commitment to the environment, society and corporate governance. It is aimed at all stakeholders who would like to obtain an overview of our sustainability-related performance. Techem publishes its Sustainability Report annually and on a voluntary basis.

The reporting period coincides with the 2023 financial year for the purposes of financial reporting, which runs from October 1, 2022, to September 30, 2023. The editorial deadline for this report was the end of January 2024. With the exception of prior-year figures and financial key figures, the 2023 Sustainability Report does not contain any data or statements relating to Techem Energy Services LLC, Dubai/United Arab Emirates. The company was classified as "held for sale" at the close of the 2023 financial year and was sold shortly afterwards. At the time the Sustainability Report for the 2023 financial year was published, it was therefore no longer part of the Techem Group. The company's omission ensures better comparability with future reporting periods and is also justified by its insignificant contribution to the key

figures. Additionally, it was no longer possible to collect reliable figures for the company when the data for this report was compiled. The Sustainability Report for the 2023 financial year was published on April 25, 2024.

The sustainability data and key figures generally relate to all German and international business units of the Techem Group. However, some key figures are only available for Techem Germany. We have indicated this accordingly in the relevant paragraphs and tables. The Techem Group is made up of various locations and companies in Germany and abroad. The ultimate parent company of the Techem Group is Techem Verwaltungsgesellschaft 671 mbH.¹ This Sustainability Report is published by Techem GmbH on behalf of the Techem Group. Significant business units in Germany are Techem Energy Services GmbH, Techem Solutions GmbH, Techem X GmbH, the companies belonging to DMG Beteiligungsgesellschaft mbH and bautec Energiemanagement GmbH. An external limited assurance audit of a broad set of key figures is an important further step toward professionalizing our reporting.

Audited key figures are marked with a  in the report. You can find the auditor's report [here](#).

The Techem Sustainability Report has been prepared in accordance with the latest standards of the Global Reporting Initiative (GRI Universal Standard 2021) – an internationally recognized framework for sustainability reporting.

The language in this report is gender-neutral to reflect our diversity and inclusion agenda. As the terms "owner," "customer" and "property manager" generally refer to legal entities, there is no need for masculine or feminine pronouns. When we refer to tenants in this report, we also mean users of owner-occupied residential properties.

Relevant specialist departments were involved in the preparation of the report. Techem's management – in consultation with selected members of the Advisory Board – has reviewed the report to the best of its knowledge and given its approval.

¹ The consolidated financial statements of Techem Verwaltungsgesellschaft 671 mbH are published in the Federal Gazette.



Techem sustainability program

Objective	Measures	Time horizon	Scope	Status
For the Climate and Environment				
Climate-friendly buildings				
Reducing emissions in contracting business (according to the decarbonization plan: reduce CO₂e emissions by 90% by 2045)	Converting 100 existing systems to bivalent heating systems consisting of heat pumps and gas-fired peak-load boilers	FY 2024	EES segment (contracting)	The conversion has been delayed, primarily due to the new legal regulations that have since been introduced. Regardless of this, more than 100 systems are currently undergoing detailed analysis and the conversion of more than 50 systems is already being coordinated with our customers.
	Equipping all heating systems with a Digital Boiler Room smart monitoring system (formerly Techem Smart Monitor (TSM)) to automatically monitor the energy efficiency of the systems	FY 2026	EES segment (contracting)	No further heating systems have been equipped so far.
	Equipping all heating systems with smart metering systems	FY 2026	EES segment (contracting)	As at September 30, 2023, 915 systems had been equipped with Smart Meter Gateways and 301 digital electricity meters and 776 digital gas meters had been installed.
	Conducting pilot projects to add green solution packages (PV, electric charging, tenant electricity, CHP, heat pumps, smart metering) to the product portfolio for existing buildings	Ongoing	EES segment (contracting)	Solar Package I is expected to be adopted in the second quarter of 2024. It will simplify tenant electricity arrangements in accordance with the German Renewable Energy Sources Act (EEG) and offer straightforward concepts for billing residents for solar power on the basis of shared building supply. We are already holding initial talks with interested customers.
Digitalizing properties	90% of the devices in the properties can be read remotely	FY 2025	Techem Group	FY 2023: 82% (including smoke alarms), 80% (excluding smoke alarms)
<i>See also measures for reducing emissions in contracting (Digital Boiler Room & smart metering systems)</i>				
Climate-friendly mobility	More than 5,000 charging points under Techem service supplied with green electricity (for private charging infrastructure)	FY 2027	Techem Germany	As at September 30, 2023, we had 700 charging points under service and a further 1,300 charging points were being rolled out.



Objective	Measure	Time horizon	Scope	Status
For the Climate and Environment				
Climate and environmental protection in our operations				
Reducing emissions in operations (according to decarbonization plan: reduce CO₂e emissions by 90% by 2045)	Switching to green electricity for our own use at Techem locations	FY 2023	Techem Germany	The objective has been achieved.
	Obtaining DGNB Platinum certification for our headquarters	FY 2025	Techem Germany	The owner of the building is still in the decision-making process. A decision is expected in the second quarter of 2024.
	Converting the car fleet to CO ₂ e-neutral drives	FY 2028	Techem Germany	As at September 30, 2023, 17% of the car fleet and 40% of all new orders are electric vehicles.
Reducing the environmental impact in office operations	Developing and rolling out a waste management & recycling concept	FY 2023	Techem Germany	Development is underway and waste balances have been drawn up at all German locations. Pilot projects to record waste streams will be launched in France and Poland from FY 2024. The objective remains in place because further measures will follow.
	Reducing paper consumption by 50% and switching to 100% recycled paper compared to FY 2020	FY 2024	Techem Germany	Paper reduction measures have been implemented. We have been unable to reduce our overall consumption owing to the regulatory authorities' requirement for monthly consumption billing (see p. 55). At approx. 96.5%, we have largely completed the switch to recycled paper.
Ecological device design	Examining stakeholder initiatives along the value chain	FY 2024	Techem Group	Potential initiatives were evaluated in two workshops. No suitable options were identified.
	Assessing the feasibility of the reduction potential offered by remanufacturing devices and device components (with high savings potential)	FY 2025	Techem Group	During the financial year, we identified suitable potential and planned corresponding measures. See action plan for devices on p. 42.
	Updating the device design to reduce CO ₂ e emissions	FY 2025	Techem Group	During the financial year, we identified suitable potential and planned corresponding measures. See action plan for devices on p. 42.



Objective	Measure	Time horizon	Scope	Status
For the Individual and Society				
Attractive working conditions and a diverse workforce				
Increasing diversity	Analyzing gender pay equality and disclosing the results from FY 2023 onwards	FY 2022, annually	Techem Germany	The objective has been achieved; see p. 69 .
	Obtaining the berufundfamilie certificate	FY 2023	Techem Germany	The objective has been achieved; see p. 71 .
	35% women in management positions	FY 2025	Techem Group	FY 2023: 30.2%
	40% women in Techem development programs for high-potential employees	Ongoing	Techem Group	FY 2023: 51%
	Exceeding the legally required minimum share of severely disabled employees of 5%	Annually	Techem Germany	The objective has been achieved.
Expanding employee training	85% of our employees complete at least one training course on their own initiative (excluding mandatory training)	FY 2023, annually	Techem Germany	FY 2023: 93%
	Training completion rate of 80% (excluding mandatory training)	FY 2023, annually	Techem Germany	FY 2023: 95%
	Introducing an annual learning Net Promoter Score (NPS) with a target value of at least 30	FY 2023, annually	Techem Germany	To be introduced in 2024.
	Learning satisfaction rate of at least 80%	Annually	Techem Germany	FY 2023: 90%
Increasing employee satisfaction	Surveying the employee Net Promoter Score (eNPS) incl. derivation of country-specific measures	Annually	Techem Group	The objective has been achieved.
	Keeping the employee turnover rate (self-termination) below 5%	Annually	Techem Germany	FY 2023: 4.8%
Improving employee health	Developing a health promotion concept	FY 2024	Techem Germany	We are currently working on the concept.
	Keeping the LTIFR (lost time injury frequency rate) below 5	Annually	Techem Group	FY 2023: 6.5



Objective	Measure	Time horizon	Scope	Status
For the Individual and Society				
Customer and tenant satisfaction				
Increasing customer and tenant satisfaction	Reducing the follow-up complaint rate and follow-up contact rate by 50% each compared to 2020	FY 2023	Techem Germany	The follow-up complaint rate has been reduced by over 50% compared to 2020. However, we have not been able to achieve the desired reduction in follow-up contacts. Appropriate measures have been introduced to achieve the target in FY 2024.
	Conducting regular Net Promoter Score (NPS) surveys via our touchpoints as well as strategic customer satisfaction surveys	FY 2023, ongoing	Techem Germany	The NPS is surveyed at the telephone touchpoint. Any dissatisfaction expressed is used to actively engage with the customer and restore their satisfaction. This will further improve our NPS in the long term.
	Keeping the churn rate below 5%	FY 2023, annually	Techem Germany	FY 2023: 2.19%
For the Individual and Society				
Innovation, cooperation and social commitment				
Expanding research collaborations and promoting innovation	Engaging in research collaborations to strengthen business models, expand our fields of business and further develop existing products and services with a focus on consumption transparency, improving energy efficiency and decarbonizing the building stock	Ongoing	Techem Germany	For an overview of current projects, see p. 79 .
	Further improving our service by continuously learning from partnerships and using market-driven technologies to increase energy efficiency, reduce the CO ₂ e footprint and optimize processes	Ongoing	Techem Germany	In the year under review, we made use of numerous external impulses and screened and validated collaborations, including with start-ups. In addition, we developed various learning opportunities and established an effective Digital Experience community.
Strengthening stakeholder relationships	Strengthening relationships with relevant stakeholders and organizing our first stakeholder roundtable discussion	FY 2021, annually	Techem Germany	Strengthening stakeholder relationships by participating in the Handelsblatt Summer Camp in August 2023 on the topic of "Sustainability and Practice – Projects on the Path to Sustainable Working," incl. an interview and panel discussion; a dedicated stakeholder roundtable for Techem only is planned for 2024.
Promoting social commitment	Devising and launching a community project with the aim of raising awareness of resource conservation (in buildings)	FY 2022	Techem Germany	A corporate volunteering project is planned for FY 2024.



Objective	Measure	Time horizon	Scope	Status
For Ethical Business Conduct				
Ethical corporate governance and compliance				
Full compliance	Training all employees on compliance topics	FY 2023, annually	Techem Group	In FY 2023, 99% of all relevant employees were trained, which corresponds to 97% of the global Techem workforce.
	No cases of corruption	Annually	Techem Group	FY 2023: 0
Data protection and information security	Undergoing an external audit to verify data protection compliance	FY 2022 and every two years thereafter	Techem Group	Techem Energy Services, bautec, Techem Solutions GmbH and Techem X were all successfully audited in FY 2023. An external audit of our international companies is being conducted in the period from November 2023 to January 2024. By March 2024, the Group will introduce a new integrated data protection and information security management system that is applicable to all parts of the Group.
	Introducing an information security management system in accordance with ISO 27001 for critical (DE & INT) and non-critical (DE) IT systems	In stages until FY 2025	Techem Group	In Germany, ISO 27001 certification for our critical systems was completed in FY 2022. The accompanying monitoring audit was carried out and successfully completed in summer 2023. By FY 2025, the certification will be extended to the core systems of our EES and INT segments. Non-critical IT systems (Germany) are scheduled to be certified by 2028.
	No critical breaches of customer data protection	Annually	Techem Group	In FY 2023, there were 51 (2022: 26) substantiated data protection complaints from customers or supervisory authorities across the Group, all of which were addressed with appropriate measures. None of the complaints received in FY 2023 resulted in fines or action by the authorities.



Objective	Measure	Time horizon	Scope	Status
For Ethical Business Conduct				
Ethical corporate governance and compliance				
Strengthening sustainability awareness and performance	Devising and introducing mandatory online training on sustainability for employees	FY 2022 and every two years thereafter	Techem Group	Planned in FY 2023 and introduced at the beginning of FY 2024. The training is available in 16 languages; feedback on the training content will be evaluated in FY 2024.
	Linking the remuneration of top management to sustainability targets	FY 2023	Techem Group	Techem has integrated the share of women in management positions into the bonus structure for all members of senior management as well as second-level managers. The bonus is dependent on achieving the target of at least 40% of all newly vacant management positions being filled by female managers.
	Holding Sustainability Council meetings three times a year	FY 2023	Techem Group	The Sustainability Council met three times in the reporting period.
	Undertaking a sustainability rating	FY 2023, annually	Techem Group	Techem submitted itself to an ESG risk rating by Sustainalytics in the reporting period and achieved a score of 8.7 (negligible risk).
Sustainable supply chain				
Sustainable supply chain	Devising and launching a pilot project for random audits of Tier 2 suppliers in emerging countries	FY 2021	Techem Germany	We created a new audit template, which is now being tested in a pilot project and will subsequently be rolled out to suppliers.
	Drawing up a catalog of criteria for suppliers to reduce emissions	FY 2025	Techem Germany	Initial implementation in the rating matrix completed. Currently being revised due to the updated purchasing strategy.



Our key figures

About Techem

Financial key figures¹ (in € thousand)

	FY 2021	FY 2022	FY 2023
Revenue	818,618	899,629	1,011,688
EBIT	114,021	198,233	197,383
Free cash flow	52,832	90,729	159,991
Capex	148,622	151,144	162,445

¹The financial key figures cover the financial year (FY), which runs from October 1 to September 30. The data has been audited by the external auditor. The auditor's reports for FY 2021 and FY 2022 have been published in the Federal Gazette; the report for FY 2023 is yet to be published.



For the Climate and Environment

Energy consumption within the organization (in MWh) GRI 302-1, GRI 302-3

	Techem in total			EES (contracting)			ESG/ESI (submetering services)		
	FY 2021	FY 2022	FY 2023	FY 2021	FY 2022	FY 2023	FY 2021	FY 2022	FY 2023
Total energy purchased ¹	1,216,127	1,068,971	858,958	1,190,405	1,038,356	827,873	25,722	30,615	31,086
› thereof for Techem's own use	29,756	40,485	39,406	4,034	9,870	8,320	25,722	30,615	31,086
thereof fuel (company car fleet)	18,236	22,049	23,889	0	0	0	18,236	22,049	23,889
thereof natural gas	2,454	3,918	2,529	0	0	0	2,454	3,918	2,529
thereof district heating	1,707	1,271	1,377	0	0	0	1,707	1,271	1,377
thereof district cooling	n.a.	69	0	0	0	0	n.a.	69	0
thereof heating oil	110	49	90	0	0	0	110	49	90
thereof wood pellets and wood chips	4	2	0	0	0	0	4	2	0
thereof power/electricity	7,216	13,127	11,521	4,034	9,870	8,320	3,182	3,257	3,201
› thereof for sale (own generation and trading of useful energy)	1,186,371	1,028,486	819,553	1,186,371	1,028,486	819,553	0	0	0
thereof biomethane	35,840	36,107	30,449	35,840	36,107	30,449	0	0	0
thereof natural gas	906,506	819,391	637,297	906,506	819,391	637,297	0	0	0
thereof district heating	139,740	98,936	93,994	139,740	98,936	93,994	0	0	0
thereof heating oil	19,069	33,386	27,626	19,069	33,386	27,626	0	0	0
thereof wood pellets and wood chips	22,019	25,665	30,187	22,019	25,665	30,187	0	0	0
thereof power/electricity	63,197	15,001	0	63,197	15,001	0	0	0	0

¹ Any energy that is purchased. This includes electricity and district heating required for our own offices and the operation of our own systems, as well as energy sources such as natural gas or heating oil, which are used in the EES segment's own systems to generate heat and/or electricity.

▼
see next page



Continuation

Energy consumption within the organization (in MWh) GRI 302-1, GRI 302-3

	Techem in total			EES (contracting)			ESG/ESI (submetering services)		
	FY 2021	FY 2022	FY 2023	FY 2021	FY 2022	FY 2023	FY 2021	FY 2022	FY 2023
Renewable energy purchased									
› Absolute	60,037	64,074	62,990	57,859	61,772	60,636	2,178	2,302	2,354
› Relative to total energy purchased	4.9%	6.0%	7.3%	4.9%	6.0%	7.3%	8.5%	7.5%	7.6%
Total energy sold ²	1,016,362	854,819	770,098	1,016,362	854,819	770,098	0	0	0
› Electricity sold	63,197	15,001	63,082	63,197	15,001	63,082	0	0	0
› Useful energy sold ³	953,164	839,818	707,016	953,164	839,818	707,016	0	0	0
Total energy consumed within the organization ⁴	1,013,190	955,790	764,964	987,468	925,173	733,879	25,722	30,617	31,086
› Fuel consumption from renewable sources	60,037	64,074	62,717	57,859	61,772	60,363	2,178	2,302	2,354
› Fuel consumption from non-renewable sources	946,375	878,793	691,431	925,575	852,777	664,923	20,800	26,016	26,508
Revenue (in € millions)	818.6	899.6	1,009.1	97.9	141.1	158.8	720.7	758.5	850.3
Energy intensity (in MWh/€ million in revenue) ⁵	1,237.7	1,062.5	758.1	10,086.5	6,554.6	4,622.7	35.7	40.4	36.6

² Any energy sold by the EES segment in the form of useful energy, such as electricity, heat or cooling. This includes useful energy that the segment generates itself, e.g. heat generated by burning natural gas in its own systems, and useful energy produced externally, e.g. in the form of district heating that is only sold on.

³ Excluding the electricity sold.

⁴ Self-generated useful energy is reported as the company's own energy consumption.

⁵ Based on the total energy consumed within the organization.

**Scope 1 greenhouse gas emissions (in t CO₂e)** GRI 305-1

	Techem in total			EES (contracting)			ESG/ESI (submetering services)		
	FY 2021	FY 2022	FY 2023	FY 2021	FY 2022	FY 2023	FY 2021	FY 2022	FY 2023
Scope 1 – direct GHG emissions ¹	193,654	180,415	142,473	188,774	174,566	136,138	4,879	5,848	6,335
› Heat supply (TS contracting)									
Heating oil	5,116	8,935	7,404	5,116	8,935	7,404	0	0	0
Propane	0	0	0	0	0	0	0	0	0
Biogenic emissions ¹									
Biogas	7,068	7,104	5,998	0	7,104	5,998	7,068	0	0
Wood pellets	9,629	10,523	12,377	0	10,523	12,377	9,629	0	0
Natural gas	183,658	165,632	128,734	183,658	165,632	128,734	0	0	0
› Company car fleet									
Gasoline	182	757	1,137	0	0	0	182	757	1,137
Diesel	4,697	5,091	5,198	0	0	0	4,697	5,091	5,198

¹ Biogenic emissions are reported as specified in the GHG Protocol, but are not included in the total emissions of the individual Scopes.

Scope 2 greenhouse gas emissions (in t CO₂e) GRI 305-2

	Techem in total						EES (contracting)			ESG/ESI (submetering services)		
	location-based			market-based			market-based			market-based		
	FY 2021	FY 2022	FY 2023	FY 2021	FY 2022	FY 2023	FY 2021	FY 2022	FY 2023	FY 2021	FY 2022	FY 2023
Scope 2 – indirect GHG emissions	3,781	6,300	5,389	2,763	4,869	1,969	1,138	3,297	695	1,625	1,573	1,275
› Purchased power/electricity	2,594	5,062	4,450	1,573	3,633	1,098	1,138	3,297	695	435	336	403
› Electricity for electric company cars	6	22	89	10	21	22	0	0	0	10	21	22
› Purchased district heating	652	406	315	652	406	315	0	0	0	652	406	315
› Purchased district cooling	2	5	0	2	5	0	0	0	0	2	5	0
› Heat from natural gas	497	792	511	497	792	511	0	0	0	497	792	511
› Heat from heating oil	30	13	24	30	13	24	0	0	0	30	13	24

**Scope 3 greenhouse gas emissions (in t CO₂e)** GRI 305-3

	Techem in total			EES (contracting)			ESG/ESI (submetering services)		
	FY 2021	FY 2022	FY 2023	FY 2021	FY 2022	FY 2023	FY 2021	FY 2022	FY 2023
Scope 3 – other indirect GHG emissions	117,343	121,517	99,692	77,492	88,173	73,254	39,851	33,344	26,438
› Purchased goods and services	36,376	28,941	18,432	0	0	0	36,376	28,941	18,432
› Capital goods	1,023	1,075	908	1,023	1,075	908	0	0	0
› Fuel- and energy-related activities	76,629	87,184	72,620	76,456	87,080	72,337	174	104	283
› Transportation and distribution (upstream)	126	100	112	0	0	0	126	100	112
› Waste generated during operations	70	156	285	0	0	0	70	156	285
› Business travel	41	245	348	0	0	0	41	245	348
› Commuting	8	839	4,973	0	0	0	8	839 ¹	4,973 ¹
› Transportation and distribution (downstream)	2,636	2,697	1,693	0	0	0	2,636	2,697	1,693
› Rented or leased property, plant and equipment	434	279	320	13	17	8	421	262	312

¹ Significant increase due to changes in the calculation basis and considerably higher attendance rate than in previous years.

Explanation of Scope 1 greenhouse gas emissions: The calculation is based on the internationally recognized calculation guidelines of the Greenhouse Gas (GHG) Protocol. Emissions are stated in CO₂ equivalents (CO₂e), which include CO₂, CH₄ and N₂O emissions. A small proportion of the figures is based on estimates due to unavailable data. Totals may contain rounding errors.

Explanation of Scope 2 greenhouse gas emissions: The calculation is based on the internationally recognized calculation guidelines of the GHG Protocol. Emissions are stated in CO₂ equivalents (CO₂e), which include CO₂, CH₄ and N₂O emissions. All emission factors used are taken from internationally recognized sources. To calculate our emissions from the consumption of conventional electricity, we used data from the Association of Issuing Bodies (AIB). The calculation bases for sources of heating energy come from the GHG Protocol, EcoInvent and IINAS (GEMIS factors).

Techem calculates its Scope 2 emissions using both market-based and location-based methods. The market-based calculation of emissions in Germany is produced using the specific emission factors of the energy supplier. For the location-based calculation, we use the average emission factors of the specific country in which the consumption takes place. A small proportion of the figures is based on estimates due to unavailable data. Totals may not be completely accurate due to rounding.

Explanation of Scope 3 greenhouse gas emissions: The calculation is based on the internationally recognized calculation guidelines of the GHG Protocol. Emissions are stated in CO₂ equivalents (CO₂e), which include CO₂, CH₄ and N₂O emissions. A small proportion of the figures is based on estimates due to unavailable data. All emission factors used are taken from internationally recognized sources.

**Scope 1–3 greenhouse gas emissions and intensity (in t CO₂e)** GRI 305-4

	Techem in total						EES (contracting)			ESG/ESI (submetering services)		
	FY 2021		FY 2022		FY 2023		FY 2021	FY 2022	FY 2023	FY 2021	FY 2022	FY 2023
	location-based	market-based	location-based	market-based	location-based	market-based	market-based			market-based		
Total GHG emissions	314,778	313,760	308,231	306,800	247,554	244,134	267,404	266,036	210,086	46,356	40,765	34,048
› Scope 1 GHG emissions ¹	193,654		180,415		142,473		188,774	174,566	136,138	4,879	5,848	6,335
› Scope 2 GHG emissions	3,781	2,763	6,300	4,869	5,389	1,969	1,138	3,297	695	1,625	1,573	1,275
› Scope 3 GHG emissions	117,343		121,517		99,692		77,492	88,173	73,254	39,851	33,344	26,438
Value added (in € millions)	818.6		899.6		1,009.1		97.9	141.1	158.8	720.7	758.5	850.3
Intensity of GHG emissions (in t CO ₂ e/€ million)	384.5	383.3	342.6	341.0	245.3	241.9	2,731.4	1,884.8	1,323.3	64.3	53.7	40.0

¹ According to the GHG Protocol, biogenic emissions are not part of the CO₂e footprint; they are therefore reported separately.

Biogenic emissions (in t CO₂e) GRI 305-1

	Techem in total			EES (contracting)			ESG/ESI (submetering services)		
	FY 2021	FY 2022	FY 2023	FY 2021	FY 2022	FY 2023	FY 2021	FY 2022	FY 2023
Total biogenic emissions	16,699	17,628	18,375	16,697	17,627	18,375	2	1	0
› Combustion of biogas	7,068	7,104	5,998	7,068	7,104	5,998	0	0	0
› Combustion of wood pellets	9,629	10,523	12,377	9,629	10,523	12,377	0	0	0
› Purchased heat from wood pellet combustion	2	1	0	0	0	0	2	1	0

Biogenic emissions are emissions that come from renewable sources but, like fossil emissions, have the potential to cause global warming. Data on direct CO₂e emissions from biologically bound carbon (e.g. CO₂e from the combustion of biomass/biofuels) must be reported separately according to the GHG Protocol and is not included in the total emissions for Scopes 1–3.

**Use of materials and recycled input materials**GRI 301-2

	FY 2022		FY 2023	
	in t	in %	in t	in %
Materials used	1,575	100.0	1,778	100.0
› thereof recycled input materials	44	2.8	82.1	4.6

Waste generated (in t)GRI 306-3

	FY 2022	FY 2023
Total amount of waste	452.0	748.8 ¹
› thereof non-hazardous waste	166.3	426.5
thereof paper and cardboard packaging	48.9	180.2
thereof plastic packaging	2.4	26.4
thereof mixed residential waste	74.6	166.2
thereof kitchen and canteen waste	6.6	7.9
thereof waste from wastewater treatment	32.6	33.5
other	1.2	12.4
› thereof hazardous waste	285.7	322.3
thereof electronic waste	275.7	311.6
other	10.0	10.7

¹ The 2023 reporting year is the first time that we recorded all waste including waste generated by the DMG companies. A small proportion of the figures is based on estimates.

Water consumption (in m³)GRI 303-5

	FY 2021	FY 2022	FY 2023
Total water consumption	10,880	14,173	12,383
› thereof water from third parties	10,880	14,173	12,383

Waste by disposal method (in t)GRI 306-4, GRI 306-5

	FY 2022	FY 2023
Total volume of waste	452.0	748.8 ¹
› thereof non-hazardous waste	166.3	426.5
thereof for recycling, treatment or recovery ²	100%	100%
thereof for disposal	0%	0%
› thereof hazardous waste	285.7	322.3
thereof for recycling, treatment or recovery ²	96.5%	97.1%
thereof for disposal	3.5%	2.9%

¹ The 2023 reporting year is the first time that we recorded all waste including waste generated by the DMG companies.

² As per the Closed Substance Cycle Waste Management Act (KrWG). It is currently not possible to differentiate between recovered, treated or recycled waste. Waste was disposed of entirely by incineration without energy recovery.

The data refers to waste for Techem Germany. A small proportion of the figures is based on estimates. We will start collecting international data in FY 2024 through two pilot projects in France and Poland.



For the Individual and Society

Employment relationships at a glance GRI 2-7

	FY 2021	FY 2022	FY 2023	Relative change from previous year
Total employees	3,944	4,199	4,214	0.4%
› Employees on fixed-term contracts	228	193	203	5.2%
thereof female	126	97	100	3.1%
thereof male	102	96	103	7.3%
thereof diverse	0	0	0	-
› Employees on permanent contracts	3,716	4,006	4,011	0.1%
thereof female	1,626	1,752	1,764	0.7%
thereof male	2,090	2,253	2,246	-0.3%
thereof diverse	0	1	1	-
› Full-time employees	3,255	3,483	3,476	-0.2%
thereof female	1,239	1,296	1,292	-0.3%
thereof male	2,016	2,186	2,183	-0.1%
thereof diverse	0	1	1	-
› Part-time employees	689	716	738	3.1%
thereof female	513	553	572	3.4%
thereof male	176	163	166	1.8%
thereof diverse	0	0	0	-

The data refers to the total number of active employees worldwide as at September 30 of the relevant FY, including apprentices but excluding temporary staff. In some cases, external customer service technicians and meter readers under a service contract are used to install the devices and read the meters.

The total number of employees with non-guaranteed working hours for FY 2022 and FY 2023 was only collected in Germany. In Germany, there are no employees with non-guaranteed working hours. We plan to expand data collection to our international locations by the end of FY 2024.

**Employees by employment contract and region** GRI 2-7

Employment contract	Region	FY 2021	FY 2022	FY 2023	Relative change from previous year
Full-time	EU countries	3,107	3,312	3,313	0%
	› thereof Germany	1,885	2,072	2,071	0%
	Non-EU countries ¹	148	171	163	-4.7%
Part-time	EU countries	657	696	723	3.9%
	› thereof Germany	554	586	594	1.4%
	Non-EU countries ¹	32	20	15	-25.0%

¹ Techem is active in the following non-EU countries: Switzerland, Norway, Brazil.

The data refers to all active employees worldwide as at September 30 of the relevant FY, including apprentices but excluding temporary staff. In some cases, external customer service technicians and meter readers under a service contract are used to install the devices and read the meters.

New employees and departures from the workforce GRI 401-1

	Number of new employees				Number of departures			
	FY 2021	FY 2022	FY 2023	Relative change from previous year	FY 2021	FY 2022	FY 2023	Relative change from previous year
Total	554	742	639	-13.9%	452	572	645	12.8%
By age								
› < 30 years	187	226	211	-6.6%	121	143	125	-12.6%
› ≥ 30 < 50 years	300	409	340	-16.9%	228	302	337	11.6%
› ≥ 50 years	67	107	88	-17.8%	103	127	183	44.1%
By gender								
› thereof female	196	262	242	-7.6%	181	207	242	16.9%
› thereof male	358	479	397	-17.1%	271	365	403	10.4%
› thereof diverse	0	1	0	-100%	0	0	0	-
By region								
› EU countries	537	683	612	-10.4%	436	540	625	15.7%
› thereof Germany	257	341	309	-9.4%	218	262	346	32.1%
› Non-EU countries	17	59	27	-54.2%	16	32	20	-37.5%

The data refers to all active and passive employees worldwide as at September 30 of the relevant FY, excluding temporary staff.

**Entry and turnover rate** GRI 401-1

	Entry rate			Turnover rate		
	FY 2021	FY 2022	FY 2023	FY 2021	FY 2022	FY 2023
Total	14.1%	17.7%	15.2%	11.5%	13.6%	14.3%
By age						
› < 30 years	4.7%	5.4%	5.0%	3.1%	3.4%	2.8%
› ≥ 30 < 50 years	7.6%	9.7%	8.1%	5.8%	7.2%	7.5%
› ≥ 50 years	1.7%	2.5%	2.1%	2.6%	3.0%	4.0%
By gender						
› thereof female	5.0%	6.2%	5.7%	4.6%	4.9%	5.4%
› thereof male	9.1%	11.4%	9.4%	6.9%	8.7%	8.9%
› thereof diverse	0%	0.02%	0%	0%	0%	0%
By region						
› EU countries	13.6%	16.3%	14.5%	11.1%	12.9%	13.8%
› thereof Germany	6.5%	8.1%	7.3%	5.5%	6.2%	7.7%
› Non-EU countries	0.4%	1.4%	0.6%	0.4%	0.8%	0.4%

The data refers to all active and passive employees worldwide, excluding temporary staff.

The entry rate is defined as the share of new employees joining the company during the FY relative to the total workforce as at September 30 of the relevant FY.

Until FY 2022, the employee turnover rate was defined as the share of departures during the FY relative to the total workforce as at September 30 of the relevant FY. From FY 2023 onwards, the employee turnover rate corresponds to the share of departures relative to the average headcount for the relevant FY. This provides a more realistic picture of employee turnover, since the average headcount also includes passive employees. The figures are therefore only comparable to a limited extent.

Gender pay equality in Germany GRI 405-2

The gender pay equality indicator covers all employees in Germany as at September 30, 2023, except for temporary staff and interns. Apprentices and young professionals are also not included in the calculation as they receive fixed remuneration. No data could yet be generated for DMG employees. Works Council members are outside the scope due to their function. No gender pay equality was determined at the C-suite level, since this level does not contain different genders. The "diverse" category was not included for data protection reasons, and part-time positions were extrapolated to full-time equivalents. For the purpose of the calculation, we selected all German Techem locations – excluding those of DMG companies – as the most important operating sites.

Seniority	Position	Gender pay equality –	Gender pay equality –
		basic income	basic income + variable remuneration
	› Manager II	-1.2%	-5.0%
	› Expert/manager III	-7.1%	-9.6%
	› Expert/manager IV	-8.0%	-11.2%
	› Professional I	-3.1%	-3.3%
	› Professional II	+1.7%	+1.7%
	› Professional III	-7.9%	-7.9%

**Parental leave** GRI 401-3

	FY 2021	FY 2022	FY 2023	Relative change from previous year
Employees who took parental leave	183	216	222	2.8%
› thereof female	137	145	139	-4.1%
› thereof male	46	71	83	16.9%
› thereof diverse	0	0	0	-
Employees who returned to work after parental leave	105	121	130	7.4%
› thereof female	63	59	55	-6.8%
› thereof male	42	62	75	21.0%
› thereof diverse	0	0	0	-
Return rate ¹	57.4%	66.1%	60.2%	-9.0%
› thereof female	42.6%	43.1%	37.9%	-11.9%
› thereof male	120.0%	134.8%	105.6%	-21.6%
› thereof diverse	0%	0%	0%	-
Employees who are still employed by Techem twelve months after their parental leave ended	87	50	88	76.0%
› thereof female	53	21	40	90.5%
› thereof male	34	29	48	65.5%
› thereof diverse	0	0	0	-
Retention rate ²	91.6%	47.6%	72.7%	52.7%
› thereof female	86.9%	33.3%	67.8%	103.4%
› thereof male	100.0%	69.0%	77.4%	12.1%
› thereof diverse	0%	0%	0%	-

¹ The return rate was calculated as follows: (number of employees who returned from parental leave in the reporting year / number of employees who were on parental leave in the previous year) x 100. If the return rate exceeds 100%, this is due to the fact that more employees returned from parental leave in the reporting year than were on parental leave in the previous year. This can happen when employees take parental leave and return from parental leave in the same reporting year.

² The retention rate was calculated as follows: (number of employees still employed at Techem in the reporting year twelve months after the end of their parental leave / number of employees who returned to work after parental leave in the previous year) x 100.

The data refers to all active and passive employees worldwide as at September 30 of the relevant FY, excluding temporary staff.

Employees at all Techem companies can apply for parental leave in accordance with legal provisions. Information on compulsory maternity leave is not included in the respective key figures.

**Work-related injuries to employees** GRI 403-9

	FY 2021	FY 2022	FY 2023	Relative change from previous year
Number of work-related injuries	35	49	46	-6.1%
› thereof workplace accidents	30	43	34	-20.9%
› thereof commuting accidents	5	6	12	100%
Rate of work-related injuries	5.4%	7.3%	6.5%	-11.0%
› Number of work-related injuries with serious consequences	0	0	0	-
› Number of deaths due to work-related injuries	0	0	0	-

This analysis covers workplace and commuting accidents suffered by Techem companies' own employees worldwide. The data includes workplace and commuting accidents that resulted in at least one day of absence from work. Since FY 2022, injuries caused by commuting accidents are only counted if the transportation was organized by Techem. For this reason, the figures for work-related injuries from FY 2022 onwards cannot be compared with those from previous years. The main types of work-related injuries in FY 2023 include bruises and contusions, strains, cuts and falls. The rate of work-related injuries (LTIFR) was calculated as follows: (number of workplace and commuting accidents / scheduled working hours in the FY) x 1,000,000. In FY 2023, the number of hours worked amounted to 7,065,008.

Training hours in Germany GRI 404-1

	FY 2021	FY 2022	FY 2023	Relative change from previous year
Average number of training hours by gender	14.0	16.2	33.0	103.6%
› thereof female	13.8	15.7	35.2	124.2%
› thereof male	14.0	16.6	31.3	88.8%
› thereof diverse	0	n.a. ¹	n.a. ¹	n.a.
Average number of training hours by employee category	14.0	16.2	33.0	103.6%
› Management levels 1–4	6.2	10.4	38.0	265.5%
› Salaried employees	14.7	16.7	32.5	94.5%

¹We do not report this figure in order to comply with the General Data Protection Regulation (GDPR). Since only one diverse person is currently employed at Techem, the number of training hours could be used to draw conclusions about their working behavior.

The data covers all employees in Germany as at September 30 of the relevant FY, with the exception of temporary staff and employees of the DMG companies, and refers to the average number of training hours per employee.

**Training hours for the Techem Group** GRI 404-1

	FY 2023
Average number of training hours by gender	21.0
› thereof female	22.1
› thereof male	20.1
› thereof diverse	n.a. ¹
Average number of training hours by employee category	21.0
› Management levels 1–4	21.1
› Salaried employees	21.0

¹ We do not report this figure in order to comply with the General Data Protection Regulation (GDPR). Since only one diverse person is currently employed at Techem, the number of training hours could be used to draw conclusions about their working behavior.

The data covers all employees worldwide as at September 30, 2023, with the exception of temporary staff and employees of the DMG companies, and refers to the average number of training hours per employee. In the case of our international companies, only mandatory training courses that can be tracked via the central HR system are included.

The central HR system does not record personalized training.

Review of performance and career development in Germany GRI 404-3

	FY 2022	FY 2023	Relative change from previous year
Share of performance reviews received by gender	94.0%	95.3%	1.4%
› thereof female	93.0%	95.2%	2.3%
› thereof male	94.7%	95.5%	0.8%
› thereof diverse	100%	100%	-
Share of performance reviews received by employee category	94.0%	95.3%	1.4%
› Salaried employees	95.1%	95.7%	0.6%
› Management levels 1–4	80.8%	91.7%	13.5%

The data covers all active employees in Germany as at September 30 of the relevant FY, with the exception of temporary staff and employees of DMG companies. Some of our international companies are also planning to establish this process for financial years from 2024 onwards.

The calculation is based on the average headcount. The average headcount for FY 2022 was calculated as the average of the opening and closing headcount in that year while the average headcount for FY 2023 was calculated as an annual average (12 months). The figures are therefore only comparable to a limited extent.

Managers by age and gender GRI 405-1

	FY 2021	FY 2022	FY 2023
Distribution by gender			
› thereof female	24.7%	27.7%	30.2%
› thereof male	75.3%	72.3%	69.8%
› thereof diverse	0%	0%	0%
Age structure			
› < 30 years	0.8%	1.6%	1.6%
› ≥ 30 < 50 years	58.2%	54.9%	54.8%
› ≥ 50 years	41.0%	43.5%	43.6%

The data includes all managers at management levels 1–4 of the international Techem companies as at September 30 of the relevant FY.

**Employees by age and gender** GRI 405-1

	FY 2021	FY 2022	FY 2023
Distribution by gender			
› thereof female	46.5%	45.9%	45.8%
› thereof male	53.5%	54.1%	54.2%
› thereof diverse	0%	0.03%	0.03%
Age structure			
› < 30 years	14.6%	14.0%	14.1%
› ≥ 30 < 50 years	53.0%	53.3%	53.6%
› ≥ 50 years	32.4%	32.7%	32.3%

The data includes all active employees worldwide as at September 30 of the relevant FY, with the exception of managers at management levels 1–4 of the Techem companies as well as temporary staff.

Advisory Board by age and gender GRI 405-1

	FY 2022	FY 2023
Distribution by gender		
› thereof female	11.1%	11.1%
› thereof male	88.9%	88.9%
› thereof diverse	0%	0%
Age structure		
› < 30 years	0%	0%
› ≥ 30 < 50 years	44.4%	55.6%
› ≥ 50 years	55.6%	44.4%

This table shows the composition of the Advisory Board of Luxembourg Investment Company 261 S.à r.l. (LIC 261) in the financial years 2022 and 2023 as at September 30 of the relevant FY. LIC 261 is the company under which the shareholders of the Techem Group are organized. The Advisory Board of LIC 261 supports LIC 261's management in its decision-making and reviews and decides on business transactions by Techem companies that require approval.

Cases of discrimination GRI 406-1

	FY 2021	FY 2022	FY 2023
Reported cases of discrimination	2	1	4

Four incidents of discrimination were reported at Techem in the year under review. The incidents were dealt with by taking appropriate measures under labor law – ranging from warnings to termination of employment. In addition, we once again raised our employees' awareness of the issue.



For Ethical Business Conduct

List of Techem companies

GRI 2-1

Organization	Location of head office (country)
Dietsche GmbH Abrechnungsservice	Bad Krozingen, Germany
ares e-count GmbH	Berlin, Germany
DATA REAL Meßtechnik GmbH	Berlin, Germany
MATec Wolski Gesellschaft für Meß- und Abrechnungstechnik mbH	Berlin, Germany
TT Thermo Tronic GmbH	Berlin, Germany
Ditschun Wärmemesstechnik GmbH	Bielefeld, Germany
enco Energy Services GmbH	Bochum, Germany
Wärmemessdienst Weise GmbH	Eisenach, Germany
asko GmbH	Erfurt, Germany
bautec Energiemanagement GmbH	Eschborn, Germany
DMG Beteiligungsgesellschaft mbH	Eschborn, Germany
Techem Energie GmbH	Eschborn, Germany
Techem GmbH	Eschborn, Germany
Techem Solutions GmbH	Eschborn, Germany
Techem Vermögensverwaltung GmbH & Co. KG	Eschborn, Germany
Techem Verwaltungs GmbH	Eschborn, Germany
Techem Verwaltungsgesellschaft 671 mbH	Eschborn, Germany
Techem Verwaltungsgesellschaft 672 mbH	Eschborn, Germany
Techem Verwaltungsgesellschaft 673 mbH	Eschborn, Germany
Techem Verwaltungsgesellschaft 674 mbH	Eschborn, Germany
Techem Verwaltungsgesellschaft 675 mbH	Eschborn, Germany
Techem X GmbH	Eschborn, Germany



Organization

Location of head office (country)

Organization	Location of head office (country)
Techem Energy Services GmbH	Eschborn, Germany
Techem Metering GmbH	Eschborn, Germany
Exakta-Kalorex GmbH	Heppenheim, Germany
INHA GmbH	Hirrlingen, Germany
MAW Service GmbH	Kassel, Germany
Böhm Abrechnungs GmbH	Kitzingen, Germany
BFW Ternes GmbH	Cologne, Germany
MESSWERT Unternehmen für Messdienstleistungen GmbH	Cologne, Germany
MessTech GmbH	Krumbach, Germany
Messteam 2000 GmbH	Neumarkt, Upper Palatinate, Germany
Kupferschmid Abrechnungsservice GmbH	Villingen-Schwenningen, Germany
SANNcompact GmbH	Waldsee, Germany
ALPHA MESS Bergisch-Land GmbH	Wuppertal, Germany
Techem Danmark A/S	Aarhus, Denmark
Techem Calorlux S.à r.l.	Bereldange, Luxembourg
Techem spol. s r.o.	Bratislava, Slovakia
Techem Energy Services B.V.	Breda, Netherlands
Caloribel S. A.	Brussels, Belgium
Techem Kft.	Budapest, Hungary
Techem Energy Services S.R.L.	Bucharest, Romania
Techem AB	Helsingborg, Sweden
Techem Messtechnik Ges.m.b.H.	Innsbruck, Austria
Techem SAS	Le Plessis Robinson, France
Techem Energy Services S.L.	Madrid, Spain

**Organization****Location of head office (country)**

Techem Norge AS	Oslo, Norway
Techem Services Sp. z o.o.	Katowice, Poland
“Techem” Techniki Pomiarowe Sp. z o.o.	Poznan, Poland
Techem spol. s r.o.	Prague, Czech Republic
Techem S.r.l.	Rome, Italy
Techem do Brasil Serviços de Medição de Água Ltda.	São Paulo, Brazil
Techem Services EOOD	Sofia, Bulgaria
EECS spol. s.r.o.	Trutnov, Czech Republic
Techem (Schweiz) AG	Urdorf, Switzerland
Techem Wassertechnik Ges.m.b.H.	Wels, Austria
VERmax Messtechnik GmbH	Wels, Austria

Overview of membership in associations and interest groups**GRI 2-28**

Active Techem national company	Organization
Techem Belgium	Unie van Zelfstandige Ondernemers (UNIZO) – Union of Independent Entrepreneurs
Techem Bulgaria	Asociatia na druzestvata za toplinno schetovodstvo (ADTS) – Association of Heating Cost Allocation Companies
Techem Germany	Acatech – National Academy of Science and Engineering
	Arbeitsgemeinschaft Heiz- und Wasserkostenverteilung e.V. (ARGE HeiWaKo) – Working Group for Heating and Water Cost Allocation
	Bundesverband der Deutschen Industrie – Initiative „Energieeffiziente Gebäude“ (BDI-IEG) – Federation of German Industries – Energy-efficient Buildings Initiative
	Bundesverband Informationswirtschaft, Telekommunikation und neue Medien e.V. (Bitkom) – German Association for Information Technology, Telecommunications and New Media
	Bundesverband deutscher Wohnungs- und Immobilienunternehmen e.V. (GdW) – Federal Association of German Housing and Real Estate Companies (associate member)
	Bundesverband Neue Energiewirtschaft e.V. (bne) – Association of Energy Market Innovators
	Deutsche Unternehmensinitiative Energieeffizienz e.V. (DENEFF) – German Business Initiative for Energy Efficiency
	Europäischer Verein zur verbrauchsabhängigen Energiekostenabrechnung (E.V.V.E.) – European Association for Consumption-based Billing of Energy Costs

**Active Techem national company****Organization**

	Industrie-Förderung Gesellschaft mbH
	Verband Deutscher Maschinen- und Anlagenbau e.V. (VDMA) – German Engineering Federation
	Verband für Energiedienstleistungen, Effizienz und Contracting e.V. (VEDEC) – Association for Energy Services, Efficiency and Contracting
	Zentraler Immobilien Ausschuss (ZIA) – Central Real Estate Committee
	Wirtschaftsrat der CDU e.V. – Economic Council of the Christian Democratic Union
	Wirtschaftsforum der SPD e.V. – Economic Forum of the Social Democratic Party of Germany
	Wirtschaftsvereinigung der Grünen e.V. – Economic Association of the Green Party
Techem France	Syndicat de la mesure (SyM) – Surveying Trade Union
Techem Italy	Associazione Nazionale Contabilizzazione Calore e Acqua (ANCAA) – National Association for the Billing of Heating and Water
	L'Associazione Motus-E (MOTUS-E) – Platform for the transition to sustainable mobility
Techem Netherlands	Nederlandse Vereniging voor Verbruiksafhankelijke Energiekostenafrekening (NL.V.V.E.) – Dutch Association for Consumption-based Billing of Energy Costs
Techem Poland	Stowarzyszenie Ds Rozliczania Energii (STOW) – Association for Energy Billing
Techem Switzerland	Schweizerischer Verband für Energie- und Wasserkostenabrechnung (SVW-ASC) – Swiss Association for Energy and Water Cost Billing
	Suisstec – Employers' and industry association for building technology and building envelopes
Techem Slovakia	Asociácia rozpočítavateľov tepla a vody Slovensko (ARTAV) – Association of Heating and Water Providers
Techem Spain	Asociación de Empresas del Sector de las Instalaciones y la Energía (Agremia) – Association of companies in the installations and energy sector
	Asociación Española de Empresas de Lectoras de Contadores de Agua y Energía (Apecae) – Association of Water and Energy Meter Reading Companies
	Asociación Española de Repartidores de Costes de Calefacción (AERCCA) – Association of Heating Cost Allocators
	Confederación Nacional de Instaladores (CNI) – National Confederation of Installers
Techem Czech Republic	Asociace rozúčtovatelů nákladů na teplo a vodu (ARTAV) – Association of Heating and Water Providers
	PRO NAS DŮM – Association “for our home” to support owners and tenants
Techem Hungary	Lakberendezők Országos Szövetsége (LOSZ) – National Association of Interior Designers
	Magyar Távhőszolgáltatók Szakmai Szövetsége (MATÁSZSZ) – Professional Association of Hungarian District Heating Suppliers

**Composition of the Advisory Board**

GRI 2-9

Member	Role	Time in position	Independent	Gender	Other commitments	Powers and responsibilities
Andreas Umbach	Chair of the Advisory Board	Since 2018 ¹	Yes	Male	<ul style="list-style-type: none"> › Chair of the Board of Directors of Landis+Gyr Group AG › Chair of the Board of Directors of SIG Group AG 	<ul style="list-style-type: none"> › Sustainability Officer on the Techem Advisory Board › Chair of the Nomination, Governance and Sustainability Committee of Landis+Gyr Group AG › Chair of the Nomination and Governance Committee of SIG Group AG
Dr. Eric Strutz	Chair of the Risk & Audit Committee	Since 2018	Yes	Male	<ul style="list-style-type: none"> › Member of the Board of Directors of Global Blue Holding AG › Member of the governing bodies of HSBC Bank plc, HSBC Continental Europe and HSBC Trinkaus & Burkhardt² 	<ul style="list-style-type: none"> › Finance: Former Group CFO of Commerzbank, Chair at Techem and Global Blue, AC member at HSBC › Risk management: Chair at Techem and HSBC, responsible for various risks › Strategy: Former partner/managing director of BCG, member of the aforementioned boards › HR: Former Labor Director at Commerzbank, committee member at Techem and HSBC › Restructuring: Member of the Board of Directors at HSBC, Techem, Global Blue › Social responsibility: Deputy Chairman of Tumorforschung Kopf/Hals e.V.
Dr. Ann-Kristin Achleitner	Chair of the Nomination and Compensation Committee ³	Since 2020	Yes	Female	<ul style="list-style-type: none"> › Distinguished Affiliated Professor at the Technical University of Munich › Member of the governing bodies of Linde plc, Lazard Ltd. and Munich Reinsurance Company › Member of the International Advisory Board of Investcorp and the Advisory Board of Lakestar › Member of the Nomination Committee of Munich Reinsurance Company 	<ul style="list-style-type: none"> › Member of the Audit Committee with proven ESG expertise and Chair of the Remuneration Committee at Munich Reinsurance Company › Chair of the Human Capital Committee and member of the Sustainability Committee at Linde plc › Member of the Audit Committee and the Nomination and Governance Committee of Lazard Ltd. › ESG Officer on the Techem Advisory Board

¹ The Advisory Board has been in place since 2018.² Until August 2023.³ Until May 2023.



Member	Role	Time in position	Independent	Gender	Other commitments	Powers and responsibilities
Dr. Jürgen Diegruber ⁴		Since 2018	No	Male	<ul style="list-style-type: none"> › Partner at Partners Group Holding AG; Head, Managing Director and Chairman at Partners Group (EU) GmbH, Munich › Member of the Board at the portfolio company Hofmann Menue Manufaktur of Partners Group Holding AG › Member of the Board of Directors of Porterhouse Group AG 	
Kim Nguyen ⁴		Since 2023	No	Male	<ul style="list-style-type: none"> › Partner at Partners Group Holding AG › Member of the Board of Directors and Supervisory Board of Version 1, Emeria and Schleich 	<ul style="list-style-type: none"> › Member of the Strategy Committee at Version 1 › Chair of the Remuneration Committee at Emeria and Version 1 › Member of the Remuneration Committee at Schleich
Michael Barben		Since 2018	Yes	Male	<ul style="list-style-type: none"> › Member of the Board of Directors and Supervisory Board of Esentia Energy 	<ul style="list-style-type: none"> › Chair of the Investment Committee of Blueearth Capital › Member of the Board of Directors of Carnot Capital › Chair of the Board of Directors of Cleveron AG
Lukas Bucher		Since 2018	No	Male	<ul style="list-style-type: none"> › Managing Director of Partners Group Holding AG › Member of the Board at International Schools Partnership and Key Retirement Group 	
Andreas Holzmüller	Chair of the Nomination and Compensation Committee ⁵	Since 2018	No	Male	<ul style="list-style-type: none"> › Managing Director of Partners Group (EU) GmbH › Member of the Advisory Board at Schleich GmbH › Member of the Board of Directors at Breitling SA 	

⁴ In May 2023, there was a change on the Advisory Board. Since then, Dr. Jürgen Diegruber has no longer been a member of the Board. Kim Nguyen (member of the Board of Directors and Supervisory Board at Version 1, Emeria, Schleich and Cerba) joined the Advisory Board in his place.

⁵ Since May 2023.



Member	Role	Time in position	Independent	Gender	Other commitments	Powers and responsibilities
Albrecht von Alvensleben		Since 2019	No	Male	<ul style="list-style-type: none"> › Managing Director at Caisse de dépôt et placement du Québec (CDPQ), responsible for private equity activities in Europe › Member of the Board at Datamars SA › Member of the Board at QIMA 	
Marvin Teubner		Since 2018	No	Male	<ul style="list-style-type: none"> › Managing Director Private Capital at Ontario Teachers' Pension Plan Board (OTPP) › Member of the Advisory Board at Logoplaste and Lowell Group 	

This table shows the composition of the Advisory Board of Luxembourg Investment Company 261 S.à r.l. (LIC 261). LIC 261 is the company under which the shareholders of the Techem Group are organized. The Advisory Board of LIC 261 supports LIC 261's management in its decision-making and reviews and decides on business transactions by Techem companies that require approval.

**Suppliers by region** GRI 2-6

	FY 2021	FY 2022	FY 2023	Relative change from previous year
Total suppliers	4,360	4,429	4,268	-3.6%
› thereof from Germany	4,249	4,313	4,150	-3.8%
› thereof from Europe (excluding Germany)	99	107	104	-2.8%
› thereof from other regions worldwide	12	9	14	55.6%

The data comprises all suppliers that are managed from Techem's headquarters. The reporting date is September 30.

Local procurement GRI 204-1

	International suppliers			National suppliers		
	FY 2021	FY 2022	FY 2023	FY 2021	FY 2022	FY 2023
Total procurement volume	26.7%	18.9%	22.8%	73.3%	81.1%	77.2%
› thereof Techem international (excluding Germany)	50.0%	43.9%	46.0%	50.0%	56.1%	54.0%
› thereof Techem Germany	18.5%	14.1%	18.6%	81.5%	85.9%	81.4%

The procurement volume encompasses all important operating sites of Techem Germany and all of Techem's national operating companies in the eight focus countries of Austria, Switzerland, France, Italy, Belgium, the Netherlands, Denmark and Poland. The share of local procurement refers to the total amount that these Techem countries spent on suppliers in their own country during the FY. In general, we use the billing address to determine the geographical location of suppliers (national or international). One exception to this is suppliers with a procurement volume of more than one million euros in the course of the FY: Here, the location from which the products or services originate is used for the assessment.

**Communication on anti-corruption policies and procedures¹** GRI 205-2

	FY 2021		FY 2022		FY 2023	
	Absolute	Relative	Absolute	Relative	Absolute	Relative
Communication to members of governing bodies	22	54%	42	100%	41	100%
› in Germany	22	100%	22	100%	21	100%
› international	0	0%	20	100%	20	100%
Communication to employees	2,415	61%	4,198	100%	4,214	100%
› in Germany	2,415	99%	2,657	100%	2,665	100%
› international	0	0%	1,541	100%	1,549	100%
› Managers	181	52%	434	100%	427	100%
› Salaried employees	2,234	62%	3,764	100%	3,787	100%
Communication to business partners	n.a. ¹	n.a. ¹	3,049 ²	68.9%	4,268	70.6%
› in Germany	n.a. ¹	n.a. ¹	2,956 ²	68.5%	4,150	98.6%
› international	n.a. ¹	n.a. ¹	94 ²	81.0%	118	6.4%

¹ No data could be collected for FY 2021.

² The data only comprises suppliers that are managed from Techem's headquarters.

Anti-corruption training¹ GRI 205-2

	FY 2021		FY 2022 ²		FY 2023	
	Absolute	Relative	Absolute	Relative	Absolute	Relative
Training of members of governing bodies	12	29%	12	29%	32	78.0%
› in Germany	12	54%	12	54%	12	57.1%
› international	0	0%	0	0%	20	100%
Training of employees	2,415	61%	2,504	94% ³	4,082	96.9%
› in Germany	2,415	99%	2,504	94% ³	2,591	97.2%
› international	0	0%	0	0%	1,491	96.3%
› Managers	181	52%	232	94% ⁴	420	98.4%
› Salaried employees	2,234	62%	2,272	94% ⁴	3,662	96.7%

¹ We were unable to collect information on managers and salaried employees retrospectively for FY 2020. Members of governing bodies include the managing directors of all Techem companies worldwide, the Supervisory Board of TES and the Advisory Board of LIC 261. Managers comprise members of management levels 1–4 at Techem companies. Salaried employees include all employees worldwide with the exception of managers and temporary staff.

² International employees are trained every two years – most recently in FY 2020.

³ Because the training for employees in Germany takes place every two years – without a fixed date – this figure refers to those employees who completed the training in 2021 or 2022. 6% of our employees did not receive training because they were only hired by Techem shortly before the end of FY 2022 and their deadline for completing the training had not yet expired.

⁴ These figures are based on estimates.

**Compliance violations and significant fines** GRI 205-3, GRI 206-1, GRI 2-27

	FY 2021	FY 2022	FY 2023
Confirmed cases of corruption ¹	0	0	0
Proceedings due to anti-competitive behavior or the formation of cartels and monopolies ²	2	2	2 ³
› of which pending	2	2	1
› of which concluded	0	0	1 ⁴
Significant fines and non-monetary sanctions for non-compliance with social and economic legislation ⁵	0	1	0

¹ A case of corruption is deemed to be confirmed if an internal investigation or a final judgment comes to the conclusion that an instance of corrupt behavior has occurred.

² Number of pending or concluded court proceedings during the reporting period related to anti-competitive behavior and violations of antitrust and monopoly laws in which Techem was identified as a party.

³ Both proceedings were already reported on in the last Sustainability Report. No fines or non-monetary sanctions were imposed.

⁴ A declaratory judgment was issued against Techem Messtechnik GmbH for conduct in breach of antitrust and competition law between 2004 and 2019. The judgment did not entail any fines or non-monetary sanctions.

⁵ Sanctions are regarded as significant if they exceed a threshold of 10,000 euros or if they must be made public.

Complaints in connection with data protection GRI 418-1

	FY 2021	FY 2022	FY 2023
Complaints by external parties	14	24	47
Complaints by supervisory authorities	2	2	4
Cases of data theft or loss	0	0	11

The violations concerned are non-critical violations that did not result in any fines or measures by the authorities in the reporting period.



Auditor's report

Independent auditor's report following a limited assurance engagement on sustainability information

To Techem GmbH, Eschborn

Within the scope of our limited assurance engagement, we have audited the disclosures marked with a in the Sustainability Report for the period from October 1, 2022 to September 30, 2023 (hereinafter referred to as the "Report") published by Techem GmbH, Eschborn (hereinafter referred to as the "Company").

Our engagement concerns only the information that is marked with the symbol .

Responsibility of the legal representatives

The legal representatives of the Company are responsible for preparing the Report in accordance with the principles set out in the Sustainability Reporting Standards of the Global Reporting Initiative (hereinafter referred to as the "GRI Criteria") as well as for selecting the disclosures to be assessed.

The responsibility of the Company's legal representatives also extends to selecting and applying appropriate sustainability reporting methods and making reasonable assumptions and estimates for individual sustainability disclosures under the given circumstances. Furthermore, the legal representatives are responsible for such internal controls as they have deemed necessary to enable the preparation of a report that is free from material misstatement, whether due to fraud or error.

Independence and quality assurance of the auditor

We have observed the German professional rules and regulations governing auditor independence as well as other requirements for professional conduct. Our auditing firm applies all national statutory regulations and

professional publications – in particular the Professional Charter for Professional Accountants in Public Practice (BS WP/vBP) and the IDW Standard on Quality Management 1 "Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis" (IDW QMS 1 (09.2022)) published by the German Institute of Public Auditors (IDW), which requires auditing firms to develop, implement and enforce a quality management system that meets the legal and statutory requirements.



Auditor's responsibility

It is our responsibility, after conducting our audit, to provide a limited assurance opinion on the information in the Report that is marked with a .

Our engagement does not extend to assessing external sources of documentation or expert opinions referred to in the Sustainability Report.

We conducted our audit in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information," issued by the International Auditing and Assurance Standards Board (IAASB). This standard requires us to plan and perform the audit in such a way that we can conclude – with limited assurance – that nothing has come to our attention to cause us to believe that the disclosures marked with a in the Company's Report for the period from October 1, 2022 to September 30, 2023 have not been prepared, in all material respects, in accordance with the relevant GRI Criteria. This does not mean that we have to express a separate opinion on each of the marked disclosures.

In a limited assurance engagement, the audit procedures performed are less extensive than in a reasonable assurance engagement, resulting in a significantly lower level of assurance being obtained. The audit procedures are selected at the auditor's discretion.

Among other things, our audit involved the following audit procedures and other activities:

- › Gaining an understanding of the structure of the sustainability organization and the involvement of stakeholders
- › Interviewing employees involved in the preparation of the Sustainability Report about the preparation process, the internal control system related to this process and selected disclosures in the Sustainability Report
- › Identifying likely risks of material misstatements in the Report based on the GRI Criteria
- › Analyzing selected disclosures in the Sustainability Report
- › Evaluating the presentation of the selected sustainability performance disclosures

Audit opinion

Based on the audit procedures performed and the evidence obtained, nothing has come to our attention to cause us to believe that the disclosures marked with a in the Company's Report for the period from October 1, 2022 to September 30, 2023 have not been prepared, in all material respects, in accordance with the relevant GRI Criteria.

Intended use of this report

We are issuing this report on the basis of the engagement we have entered into with the Company. The audit was performed for the purposes of the Company, and the report is intended solely to inform the Company about the results of the audit. The report is not intended for use by third parties in making (financial) decisions. Our responsibility extends solely to the Company. Accordingly, we do not accept any responsibility toward third parties.

Frankfurt am Main, April 17, 2024

PricewaterhouseCoopers GmbH
Auditing firm

Nicolette Behncke

Auditor

ppa. Meike Beenken



GRI Content Index

Statement of use

GRI 1 used
Applicable GRI Sector Standard(s)

Techem has reported in accordance with the GRI Standards for the 2023 financial year starting on October 1, 2022 and ending on September 30, 2023

GRI 1: Foundation 2021
None

GRI Standard	Page reference	Notes/reason for omission	Ext. audit
General Disclosures			
GRI 2: General Disclosures 2021			
GRI 2-1 Organizational details	pp. 6–8, 127–129	Techem Verwaltungsgesellschaft 671 mbH	
GRI 2-2 Entities included in the organization’s sustainability reporting	pp. 106, 127–129		
GRI 2-3 Reporting period, frequency and contact point	pp. 106, 148		
GRI 2-4 Restatements of information		The employee turnover rate in FY 2022 for the group above the age of 50 was corrected compared to the 2022 report.	
GRI 2-5 External assurance	pp. 106, 137–138		
GRI 2-6 Activities, value chain and other business relationships	pp. 6–7, 9–11, 93–94, 106, 134		
GRI 2-7 Employees	pp. 58–59, 120–121		<input checked="" type="checkbox"/>
GRI 2-8 Workers who are not employees	pp. 58–59, 121		<input checked="" type="checkbox"/>
GRI 2-9 Governance structure and composition	pp. 6, 8, 14–16, 125–126, 131–133		
GRI 2-10 Nomination and selection of the highest governance body	pp. 8, 131–132		
GRI 2-11 Chair of the highest governance body	pp. 6, 131		
GRI 2-12 Role of the highest governance body in overseeing the management of impacts	pp. 8, 14, 16		
GRI 2-13 Delegation of responsibility for managing impacts	pp. 14–16		
2-14 Role of the highest governance body in sustainability reporting	p. 106		
2-15 Conflicts of interest	p. 88		



GRI Standard	Page reference	Notes/reason for omission	Ext. audit
2-16 Communication of critical concerns	pp. 87–88		
2-17 Collective knowledge of the highest governance body	pp. 14–16, 86, 97–98		
2-18 Evaluation of the performance of the highest governance body	pp. 8, 14, 16	The Advisory Board’s evaluation of the management level is established and ensured. In the course of this reporting year, we additionally developed a questionnaire to evaluate the performance of the Advisory Board.	
2-19 Remuneration policies	pp. 65, 69–70, 90–91, 112		
2-20 Process to determine remuneration	pp. 65, 69–70, 90–91		
2-21 Annual total compensation ratio	pp. 90–91	This key figure encompasses all important operating sites of Techem Germany and all of Techem’s national operating companies in the eight focus countries of Austria, Switzerland, France, Italy, Belgium, the Netherlands, Denmark and Poland. DMG companies are not included.	<input checked="" type="checkbox"/>
2-22 Statement on sustainable development strategy	pp. 3-5		
2-23 Policy commitments	pp. 22–24, 37, 63, 84–91, 93–95, 107–112		
2-24 Embedding policy commitments	pp. 14–16, 25–27, 84, 86–88, 94–95		
2-25 Processes to remediate negative impacts	pp. 63–64, 66, 73, 87–88, 95		
2-26 Mechanisms for seeking advice and raising concerns	pp. 66, 87–88		
2-27 Compliance with laws and regulations	pp. 88, 136		<input checked="" type="checkbox"/>
2-28 Membership associations	pp. 92, 129–130		
2-29 Approach to stakeholder engagement	pp. 14, 16–17, 76–77, 81, 91, 110		
2-30 Collective bargaining agreements	p. 69		



GRI Standard	Page reference	Notes/reason for omission	Ext. audit
Material Topics			
GRI 3: Material Topics 2021			
3-1 Process to determine material topics	p. 17		
3-2 List of material topics	pp. 18–21		
Procurement Practices			
GRI 3: Material Topics 2021			
3-3 Management of material topics	pp. 93–95, 112		
GRI 204: Procurement Practices 2016			
204-1 Proportion of spending on local suppliers	pp. 93, 134		<input checked="" type="checkbox"/>
Anti-corruption			
GRI 3: Material Topics 2021			
3-3 Management of material topics	pp. 86–88, 111		
GRI 205: Anti-corruption 2016			
205-1 Operations assessed for risks related to corruption	p. 87		<input checked="" type="checkbox"/>
205-2 Communication and training about anti-corruption policies and procedures	pp. 87, 135		<input checked="" type="checkbox"/>
205-3 Confirmed incidents of corruption and actions taken	pp. 88, 111, 136		<input checked="" type="checkbox"/>
Anti-competitive Behavior			
GRI 3: Material Topics 2021			
3-3 Management of material topics	pp. 86–88		
GRI 206: Anti-competitive Behavior 2016			
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	pp. 88, 136		<input checked="" type="checkbox"/>
Tax			
GRI 3: Material Topics 2021			
3-3 Management of material topics	pp. 89–90		
GRI 207: Tax 2019			
207-1 Approach to tax	pp. 89–90		
207-2 Tax governance, control, and risk management	pp. 89–90		
207-3 Stakeholder engagement and management of concerns related to tax	p. 90		



GRI Standard	Page reference	Notes/reason for omission	Ext. audit
207-4 Country-by-country reporting		<p>Techem is active in the following tax jurisdictions: Belgium, Brazil, Bulgaria, Denmark, Germany, France, Italy, Luxembourg, Netherlands, Norway, Austria, Poland, Romania, Sweden, Switzerland, Slovakia, Spain, Czech Republic, Hungary.</p> <p>In its annual reports in accordance with IFRS, Techem provides detailed information on its tax position. The company complies with all national and international reporting requirements and submits annual country-by-country reports to Germany's Federal Central Tax Office. The tax information provided is based on the consolidated financial statements, which are audited by an independent auditing firm. We will not provide details of our country-by-country reporting here, since doing so would reveal competition-relevant information.</p>	
Materials			
GRI 3: Material Topics 2021			
3-3 Management of material topics	pp. 37–38, 40–44, 54–55, 108		
GRI 301: Materials 2016			
301-2 Recycled input materials used	pp. 40, 119		<input checked="" type="checkbox"/>
Energy			
GRI 3: Material Topics 2021			
3-3 Management of material topics	pp. 25, 29–38, 41, 44–45, 52, 97–104, 107–108		
GRI 302: Energy 2016			
302-1 Energy consumption within the organization	pp. 46, 114–115	All energy consumption figures in this document are given in kWh or MWh. They can be converted into kJ or GJ using the following factors: 1 kWh = 3,600 kJ and 1 MWh = 3.6 GJ.	<input checked="" type="checkbox"/>
302-3 Energy intensity	pp. 46, 115		<input checked="" type="checkbox"/>
302-4 Reduction of energy consumption	p. 45		
Water and Effluents			
GRI 3: Material Topics 2021			
3-3 Management of material topics	pp. 37, 41, 54		



GRI Standard	Page reference	Notes/reason for omission	Ext. audit
GRI 303: Water and Effluents 2018			
303-1 Interactions with water as a shared resource	pp. 10, 26, 37, 54, 77, 81, 82		
303-2 Management of water discharge-related impacts	p. 54		
303-5 Water consumption	pp. 54, 119		<input checked="" type="checkbox"/>
Emissions			
GRI 3: Material Topics 2021			
3-3 Management of material topics	pp. 27, 29–38, 40–41, 44, 46–53, 97–104, 107–108		
GRI 305: Emissions 2016			
305-1 Direct (Scope 1) GHG emissions	pp. 12, 47–50, 116, 118		<input checked="" type="checkbox"/>
305-2 Energy indirect (Scope 2) GHG emissions	pp. 12, 47–50, 116		<input checked="" type="checkbox"/>
305-3 Other indirect (Scope 3) GHG emissions	pp. 12, 47–50, 117		<input checked="" type="checkbox"/>
305-4 GHG emissions intensity	p. 118		<input checked="" type="checkbox"/>
305-5 Reduction of GHG emissions	pp. 48–50, 104		
Waste			
GRI 3: Material Topics 2021			
3-3 Management of material topics	pp. 37, 40–44, 54–55, 108		
GRI 306: Waste 2020			
306-1 Waste generation and significant waste-related impacts	pp. 54–55		
306-2 Management of significant waste-related impacts	pp. 40–44, 108		
306-3 Waste generated	pp. 54–55, 119		<input checked="" type="checkbox"/>
306-4 Waste diverted from disposal	p. 119		<input checked="" type="checkbox"/>
306-5 Waste directed to disposal	p. 119		<input checked="" type="checkbox"/>



GRI Standard	Page reference	Notes/reason for omission	Ext. audit
Supplier Environmental Assessment			
GRI 3: Material Topics 2021			
3-3 Management of material topics	pp. 93–95, 112		
GRI 308: Supplier Environmental Assessment 2016			
308-1 New suppliers that were screened using environmental criteria	p. 94		
Employment			
GRI 3: Material Topics 2021			
3-3 Management of material topics	pp. 58–59, 70–72, 109		
GRI 401: Employment 2016			
401-1 New employee hires and employee turnover	pp. 12, 58, 109, 121–122		<input checked="" type="checkbox"/>
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	p. 70		
401-3 Parental leave	pp. 65, 72, 123		<input checked="" type="checkbox"/>
Occupational Health and Safety			
GRI 3: Material Topics 2021			
3-3 Management of material topics	pp. 73–75		
GRI 403: Occupational Health and Safety 2018			
403-1 Occupational health and safety management system	p. 73		
403-2 Hazard identification, risk assessment, and incident investigation	pp. 73–74		
403-3 Occupational health services	p. 75		
403-4 Worker participation, consultation, and communication on occupational health and safety	p. 74		
403-5 Worker training on occupational health and safety	p. 74		
403-6 Promotion of worker health	p. 75		
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p. 77		
403-9 Work-related injuries	pp. 74, 124		<input checked="" type="checkbox"/>



GRI Standard	Page reference	Notes/reason for omission	Ext. audit
Training and Education			
GRI 3: Material Topics 2021			
3-3 Management of material topics	pp. 59–62, 109		
GRI 404: Training and Education 2016			
404-1 Average hours of training per year per employee	pp. 60–61, 109, 124–125		✓
404-2 Programs for upgrading employee skills and transition assistance programs	pp. 59–62		
404-3 Percentage of employees receiving regular performance and career development reviews	pp. 61–62, 125		✓
Diversity and Equal Opportunity			
GRI 3: Material Topics 2021			
3-3 Management of material topics	pp. 62–67, 69–70, 109		
GRI 405: Diversity and Equal Opportunity 2016			
405-1 Diversity of governance bodies and employees	pp. 68, 109, 125–126		✓
405-2 Ratio of basic salary and remuneration of women to men	p. 69		✓
Non-discrimination			
GRI 3: Material Topics 2021			
3-3 Management of material topics	pp. 63–64, 66		
GRI 406: Non-discrimination 2016			
406-1 Incidents of discrimination and corrective actions taken	pp. 66, 126		✓
Freedom of Association and Collective Bargaining			
GRI 3: Material Topics 2021			
3-3 Management of material topics	pp. 88, 94–95, 112		
GRI 407: Freedom of Association and Collective Bargaining 2016			
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		Techem has no grounds to believe that there is a significant risk of violations of the right to freedom of association and collective bargaining at its global locations. We refuse to work with suppliers that are known to have a significant risk of such violations. To comply with the Supply Chain Due Diligence Act, we carried out a systematic risk analysis in FY 2023 and developed appropriate measures for dealing with risks (see p. 88 and p. 95).	



GRI Standard	Page reference	Notes/reason for omission	Ext. audit
Child Labor			
GRI 3: Material Topics 2021			
3-3 Management of material topics	pp. 88, 94–95, 112		
GRI 408: Child Labor 2016			
408-1 Operations and suppliers at significant risk for incidents of child labor		Techem has no grounds to believe that there is a significant risk of child labor at its global locations. We refuse to work with suppliers that are known to have a significant risk of such violations. To comply with the Supply Chain Due Diligence Act, we carried out a systematic risk analysis in FY 2023 and developed appropriate measures for dealing with risks (see p. 88 and p. 95).	
Forced or Compulsory Labor			
GRI 3: Material Topics 2021			
3-3 Management of material topics	pp. 88, 94–95, 112		
GRI 409: Forced or Compulsory Labor 2016			
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor		Techem has no grounds to believe that there is a significant risk of forced or compulsory labor at its global locations. We refuse to work with suppliers that are known to have a significant risk of such violations. To comply with the Supply Chain Due Diligence Act, we carried out a systematic risk analysis in FY 2023 and developed appropriate measures for dealing with risks (see p. 88 and p. 95).	
Supplier Social Assessment			
GRI 3: Material Topics 2021			
3-3 Management of material topics	pp. 93–95, 112		
GRI 414: Supplier Social Assessment 2016			
414-1 New suppliers that were screened using social criteria	p. 94		
Public Policy			
GRI 3: Material Topics 2021			
3-3 Management of material topics	pp. 91–92		
GRI 415: Public Policy 2016			
415-1 Political contributions	pp. 91–92		<input checked="" type="checkbox"/>



GRI Standard	Page reference	Notes/reason for omission	Ext. audit
Customer Health and Safety			
GRI 3: Material Topics 2021			
3-3 Management of material topics	pp. 77–78		
GRI 416: Customer Health and Safety 2016			
416-1 Assessment of the health and safety impacts of product and service categories	pp. 77–78		
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	p. 78		
Customer Privacy			
GRI 3: Material Topics 2021			
3-3 Management of material topics	pp. 88–89		
GRI 418: Customer Privacy 2016			
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	pp. 89, 111, 136		<input checked="" type="checkbox"/>



Editorial information

Publisher/copyright

Techem GmbH

Hauptstraße 89

65760 Eschborn

Germany

Contact

Katharina Bathe-Metzler

Head of Sustainability, Communications

& Public Affairs

sustainability@techem.de

With support from

Accenture GmbH, Kronberg im Taunus

loveto GmbH, Agentur für Markenentwicklung

und Design, Berlin

Picture credits

Cover: Nikada/iStock/istockphoto.com

Page 2:

Techem/Christina Simon

Adriana Duduleanu/iStock/istockphoto.com

Techem/Christina Simon

Stephen Simpson/Getty Images/gettyimages.com

Calvin Jennings/iStock/istockphoto.com

Neustockimages/iStock/istockphoto.com

Page 3: Techem/Christina Simon

Page 13: Techem/Christina Simon

Page 28: Adriana Duduleanu/iStock/istockphoto.com

Page 57: Techem/Christina Simon

Page 83: Stephen Simpson/Getty Images/gettyimages.com

Page 96: Calvin Jennings/iStock/istockphoto.com

Page 105: Neustockimages/iStock/istockphoto.com

Published in April 2024