

TECHEM SUMMARY OF THE SUSTAINABILITY REPORT 2023

Key messages, figures and targets

Techem Sustainability Report
2023

DIRECTION NET ZERO

United for a climate-neutral building stock



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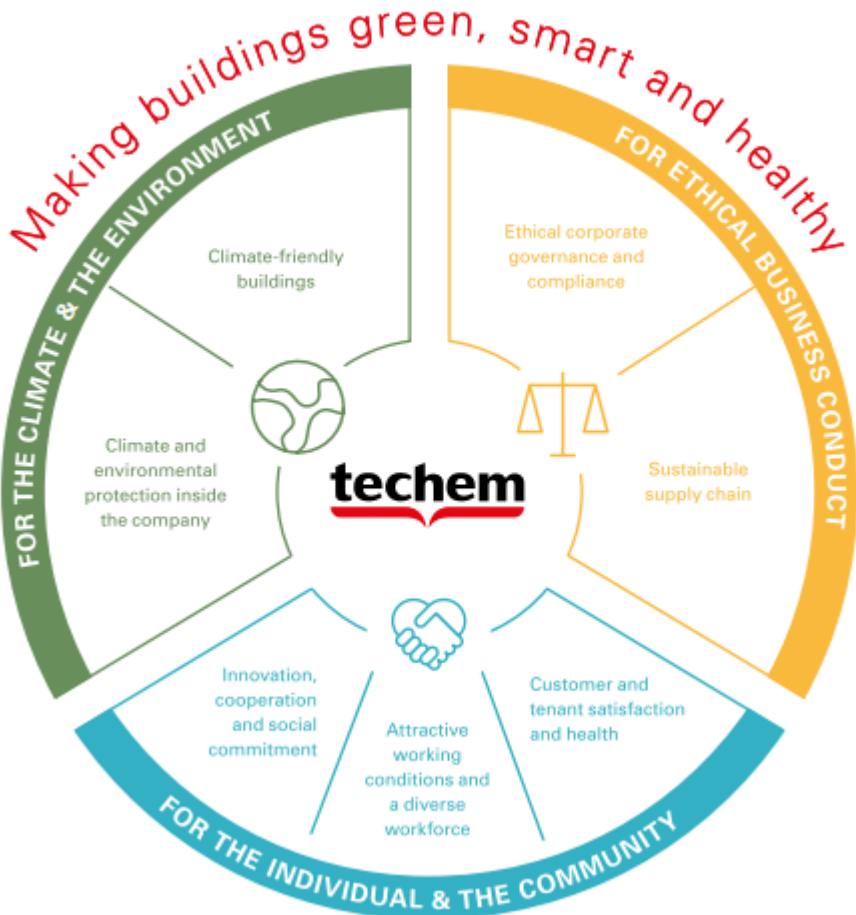
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Sustainability Report FY 2023 – Summary

Our fields of action

We bundle our sustainability activities into the three main areas **“For the climate and the environment”**, **“For the individual and the community”** and **“For ethical business conduct”**. The seven Techem fields of action are assigned to them. Together, they form the framework for our sustainability program and represent the ESG dimensions of environmental, social and governance.



Sustainability Report FY 2023 – Summary

Key messages, figures and targets for our three key fields of action



Top marks for sustainability

In April 2023, Techem received an **ESG risk rating of 8.7** from Morningstar Sustainalytics - a leading ESG research company - and was rated with a “Negligible Risk” in terms of material financial impact from ESG factors. With this positive result, Techem is in the best possible category and thus internationally among the current top 2 percent of over 15,500 companies in various sectors assessed by Morningstar Sustainalytics.



ESG stands for Environmental, Social & Governance and breaks sustainability down into three dimensions

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For the climate and the environment

Climate change poses major challenges for the building sector. Techem is meeting them with smart solutions for customers as well as in its own operations. Techem offers its customers in the building sector innovative solutions for the efficient use of energy and water.



- Continuation of reporting in line with the requirements of the **Task Force on Climate-Related Financial Disclosures** (TCFD). This enabled us to analyze climate risks and opportunities and review our strategy.



- With our targeted **DGNB Platinum** certification at our headquarter, we are demonstrating how sustainability can be achieved in existing buildings. To this end, we are planning a new heating concept at our headquarter in Eschborn and have redesigned the outdoor areas to increase biodiversity.



- To gain an even better **understanding of the impact of our appliances on the environment** and climate, we expanded our action plan for appliances in 2023. In addition to life cycle analyses for selected products, we want to continue working on the recyclability of our products in the future.

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For the climate and the environment

We are driving forward the energy transition in the building sector with the help of innovative technologies and at the same time ensuring that we continuously improve within our own company. A comprehensive decarbonization plan shows us the way to the planned climate neutrality in 2045.

Net Zero

until 2045

- Our goal is for the Techem Group to be **climate-neutral by 2045** and we want to gradually reduce emissions with our **decarbonization plan**:
 - **Low-emission growth** in new buildings
 - Conversion of existing buildings to **hybrid heating systems** consisting of heat pumps and gas-fuelled peak-load boilers
 - Switch to **green electricity** for customers
 - Optimization of system operation
 - **Circular design** for Techem devices
 - **Emission-free mobility**, green electricity for own consumption & **emission-free heat** in Techem buildings

 **244.134 t**

CO₂e-footprint
in FY 2023

- **Techem calculates its footprint.** The Techem Group's total CO₂e footprint decreased by **20 percent** in the 2023 financial year compared to the previous year.¹



- **Most of the emissions** are caused by Techem Solutions for the **supply of heat and electricity to customers.**

¹On the one hand, this is due to more economical consumer behavior as a result of higher energy prices and, on the other, to a mild winter in 2022 in a long-term comparison.

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For the individual and the community

Techem wants to create a working environment in which diversity is seen as an enrichment. We offer employees a safe and attractive working environment and focus on holistic training and development. We also work together to increase customer satisfaction.



- Techem expanded the **diversity roadmap** in FY 2023. As part of this, a mentoring program & the "berufundfamilie" certificate were introduced and a campaign against discrimination was carried out.



- **Promote women in management positions.** We want to implement this with measures to empower women and a women's quota - **35% by 2025.**



- In FY 2023, Techem surveyed **gender pay equality** for the first time, thus taking a further step towards expanding diversity and equality.



- **Strengthen customer satisfaction.** To this end, we collect customer feedback on a large scale directly after contact with Techem employees in order to derive targeted improvement measures.



- Cooperation with **Water Is Right (WIR)**. For every 1,000 liters of water consumed in our German branches, we donate one euro to WIR. In FY 2023, this corresponds to a rounded donation of **15,000 euros.**

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For ethical business conduct

Our actions are based on a modern, value-oriented corporate culture and responsible corporate management and control geared towards long-term value creation. This includes fair competition, a transparent pricing policy, ethical behavior and diligence in the supply chain.

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cases of corruption

- Zero cases of corruption. To prevent corruption, we offer our employees guidance in the form of an **anti-corruption policy**, the **Code of Conduct** and online training. We have also set up an anonymous reporting channel.



- 51 data protection complaints. No critical breaches. In addition, the surveillance audit for **ISO 27001 certification** (information security) for critical systems was carried out in Germany. In order to strengthen data protection, an **external audit of the international companies** will be carried out in FY 2024 & a new integrated data protection and information security management system will be introduced.



sustainable
supply
chain

- We take environmental and social criteria into account when selecting our suppliers and require them to comply with our **Code of Conduct and the Policy Statement on Human Rights**. Specific sustainability criteria are also incorporated into supplier audits.