

BUILDING THE FUTURE



Our route to a climate-neutral building stock

techem



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Foreword

Dear readers,

The energy crisis in 2022 has brought the topic of energy efficiency to the attention of politicians, the real estate industry and the entire population. Bottlenecks in national energy imports, rising wholesale prices for fossil fuels and concerns among the population led to new regulatory requirements, which we implemented quickly and reliably.

The fight against climate change continues to pose major challenges, especially for the building sector. This makes it even more important to make the right decisions now and set the course for a successful energy transition. The switch from fossil to renewable energy sources and the development of innovative, digital technologies and efficient solutions play a key role in this. The energy and heating transition needs to be tackled decisively and implemented pragmatically.





Clear responsibilities for sustainability

With our third Sustainability Report, we would like to give you again a comprehensive and transparent insight into our corporate activities this year. I am pleased that we were able to further expand our Sustainability Reporting last year. For example, we had many key figures externally audited according to the standards of the Global Reporting Initiative (GRI) and report according to the standards of the Task Force on Climate-Related Financial Disclosures (TCFD).

The content of the report is based on the ESG criteria (Environmental, Social, Governance), according to which we bundle our sustainability activities. They are assigned seven fields of action on which Techem focuses. Together, they form the framework of our sustainability programme, which we have aligned with clear targets and key figures. We thus ensure the effective implementation of our sustainability strategy and make our company's commitment transparent for our stakeholders. In order to position ourselves in an all-round sustainable manner and to make the maximum contribution for

our reference groups, sustainability is understood as a cross-cutting issue at Techem and is anchored inside the company across all divisions. At the same time, sustainability is a matter for the boss at Techem. As CEO, I am responsible for the company's sustainability performance. In order to be able to classify and evaluate this even better in the future, Techem underwent an ESG risk rating for the first time at the beginning of the year. In this context, Morningstar Sustainalytics – a leading ESG research, ratings and data firm – gave Techem an ESG risk rating of 8.7 – “Negligible Risk” in terms of material financial impact through ESG factors. With this outstanding result, Techem is in the best possible category and thus internationally among the current top 2 percent of over 15,500 companies assessed by Morningstar Sustainalytics in various industries. Within our assigned industry, the sub-industry “Business Support Services,” we rank 2nd out of over 160 companies worldwide.¹ We are pleased about this external recognition of our sustainability performance and at the same time view it as an incentive to further deepen and implement our efforts.

» Energy efficiency is a key building block in achieving a climate-neutral building stock and our climate protection goals by 2045. «

¹ <https://www.sustainalytics.com/legal-disclaimers>





Our roadmap to climate neutrality in buildings

The Paris Climate Agreement sets a clear target: Limiting global warming to 1.5 degrees Celsius. Numerous extreme weather events around the world have reminded us of the urgency of this goal in the past year. The latest synthesis report of the Intergovernmental Panel on Climate Change shows that climate change is progressing faster and with more devastating consequences than previously assumed – if we do not act swiftly and across sectors. Our company’s purpose is therefore clearly focused on achieving climate neutrality in buildings. Energy efficiency and decarbonisation are at the heart of our conviction and our entrepreneurial actions. We act for the long term, assume social responsibility and are clearly committed to the Sustainable Development Goals of the United Nations.

Our business activities in the area of energy contracting are emission-intensive due to the use of fossil fuels and are the main driver of Techem’s CO₂e footprint. Therefore, we developed a clear roadmap to climate neutrality last year with our decarbonisation plan – based on the requirements of the 1.5 degree climate target of the Science Based Targets Initiative (SBTi). Within this framework, we intend to reduce CO₂e emissions by 2045 by at least 90 percent.¹ The remaining emissions are to

be offset by way of carbon offsetting or carbon capture technologies in accordance with SBTi’s NetZero standard in order to achieve climate neutrality for the Techem Group by 2045. In order to make a further contribution to the overarching goal of a climate-neutral building management sector, we would also like to further strengthen the climate-friendly effect of our products and services.

Together for an energy-efficient future

Energy efficiency is a key building block for achieving a climate-neutral building stock and our climate protection targets by 2045. With over 70 years of experience and innovative strength, Techem is a leading energy service provider to the real estate industry and a partner at eye level to support its customers in meeting the challenges of the energy transition. The focus is on digital, low-investment solutions that assemble energy flows in real estates across all sectors, i.e. electricity, heat and mobility, intelligently coordinate them and manage them in such a way that synergies can be leveraged in neighbourhoods. This includes our fixed network for submetering, metering point operation and Techem’s Digital Heating Room. This continuous heating monitoring alone can reduce both energy consumption and CO₂e emissions by an average of 15 percent.² That is why we need to implement digital solutions across the board as

quickly as possible. After all, it is clear that the energy transition in buildings will not succeed without comprehensive digitalisation.

Techem not only creates added value for society and customers, however, but also for its employees. This includes a working environment in which individual needs are taken into account and diversity is seen as an enrichment. In order to become even more diverse and inclusive as a company, we have implemented a diversity roadmap and derived focal points, goals and KPIs. We are consistently pursuing these; for example, we want to fill 35 percent of our Group-wide management positions with women by 2025.

Dear readers, on behalf of the entire Management team and our employees, I would like to thank you for your interest in our Sustainability Report and look forward to working with you – our customers, partners and investors – to achieve our ambitious sustainability goals.

Sincerely yours,

Matthias Hartmann

CEO of Techem GmbH

¹ Base year: financial year 2020.

² Portfolio-averaged values based on more than 1,325 heating systems.





Overview of Techem: Making buildings green, smart and healthy

With over 70 years of experience and innovative strength behind it, Techem is widely regarded as a leading energy service provider for the real estate industry and a partner at eye level to support it in meeting the challenges of the energy transition.

On the market for over 70 years

Techem was founded by Friedrich Ott in 1952 and was one of the first companies to help distribute heating costs fairly based on consumption – and thus save energy – by recording the individual heat consumption of homes. Over the course of 70 years, the simple, analogue installation and reading of evaporator tubes on radiators has developed into a broad-based, internationally active provider of digital energy services and other services for healthy and liveable real estates.



From a metering service provider to a digital service provider

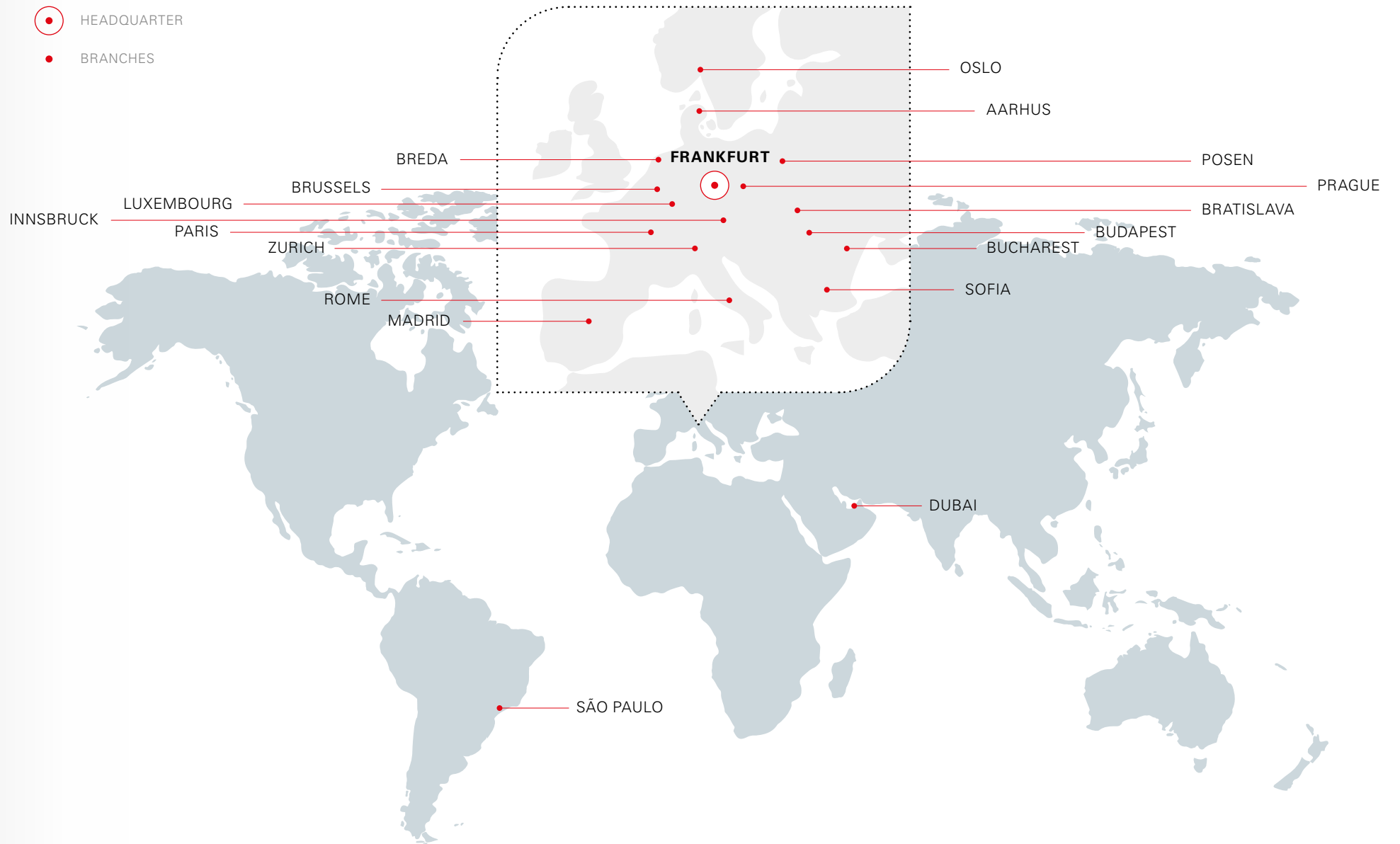
Techem combines decades of experience in the collection and processing of energy data with comprehensive expertise on the requirements and processes of energy systems in real estates – both in the area of generation and supply and in the billing and optimisation of energy flows. Based on the intensive analysis of the needs of customers and tenants, Techem has also developed innovative services in the area of drinking water quality and fire detection. This is how the meter reading company became a digital service provider for smart and sustainable buildings. Today, we are setting the course for a successful energy transition – and using digital technologies to drive the transition from fossil fuels to renewable energy sources.

Active across Europe

Today, Techem is active with its 4,199 employees in 19 countries. We offer our services throughout Europe as well as in Dubai and Brazil in more than twelve million homes. The company based in Eschborn near Frankfurt/Main is managed by Matthias Hartmann as Chief Executive Officer of Techem GmbH, Dr.-Ing. Carsten Sürig (Chief Financial Officer and Chief Performance Officer) and Nicolai Kuß (Chief Sales Officer). The Techem Group has various locations and companies in Germany and abroad. The ultimate parent company of the Techem Group is Techem Verwaltungsgesellschaft 671 mbH. The Sustainability Report is published by Techem GmbH for the Techem Group. The relevant business units in Germany are Techem Energy Services GmbH, Techem Solutions GmbH, Techem X GmbH, DMG Beteiligungsgesellschaft mbH and bautec Energiemanagement GmbH.



-  HEADQUARTER
-  BRANCHES





Our owners

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) since July 2018. Techem's owners are organised in the Luxembourg Investment Company 261 S.à r.l. (LIC 261).

Our Advisory Board

The owners of Techem have established the Advisory Board at LIC 261 level. It is the highest supervisory body¹ of the Techem Group. The Advisory Board supports the Management of LIC 261 in its decision-making and reviews and decides on business transactions of Techem companies that require approval. The Advisory Board consists of nine members who either advise as independent members with selected expertise on energy, digitalisation or sustainability topics as well as on strategic topics related to the company's development or represent one of the owners. Andreas Umbach is an independent member and Chairman of the Advisory Board. For more information on governance, the composition and the tasks of the Advisory Board, please see pages [16](#), [82](#) and [121](#).

Good to know

Techem as a sustainable investment

Techem's principal shareholder is Partners Group, which acts on behalf of its clients and is one of the world's leading managers of private market investments in private equity, private real estate, private infrastructure and private debt. Partners Group has taken the Principles for Responsible Investment (PRI) promulgated by the United Nations into account since 2008. These include the financial relevance of environmental and social criteria as well as requirements for good corporate governance (Environmental, Social, Governance).

¹ Techem uses the term control body analogously to the GRI term of the controlling body.



Our key financial figures

Our key financial figures relevant for management of the company are revenue, EBIT and free cash flow.

We consistently invest in the digitalisation of the energy transition – our capex amounted to approximately € 150 million in financial year 2022. Further key financial figures can be found in the consolidated financial statements in the Federal Gazette.

Our customers

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

Overview of its business activities

Techem's services benefit the tenants of the properties through lower energy costs, more safety in the building or better drinking water quality. In addition, Techem's products and services contribute to climate-friendly buildings.

Techem's strongest business activity in terms of revenue continues to be submetering, i.e. consumption-based heating cost billing. New digital processes enable not only faster, but also less error-prone and more convenient meter reading and billing for the customer, which leads to significantly higher customer

Key financial figures (in € thousands)

| | Comparative period 2020 ¹ | Financial year 2021 ² | Financial year 2022 ³ |
|----------------|--------------------------------------|----------------------------------|----------------------------------|
| Revenue | 783,493 | 818,618 | 899,629 |
| EBIT | 111,654 | 114,021 | 198,233 |
| Free cash flow | 154,042 | 52,832 | 90,729 |
| Capex | 126,614 | 148,622 | 151,144 |

¹ This data covers the period from 10/01/2019 to 09/30/2020, which has been derived from the six-month short financial year ending 09/30/2020 (audited) and the last six months (unaudited) of the financial year from 04/01/2019 to 03/31/2020 (audited). In the Sustainability Report 2021, the comparative figures for the period from 10/01/2019 to 09/30/2020 were presented for the first time for both the financial and sustainability indicators. In the Sustainability Report 2020, only the six-month short financial year is reported, so that comparability with this report is limited.

² This data covers the period from 10/01/2020 to 09/30/2021. The data has been audited by the auditor. The audit opinion is published in the Federal Gazette.

³ This data covers the period from 10/01/2021 to 09/30/2022. The data has been audited by the auditor. The audit opinion is published in the Federal Gazette.



FOCUS

Techem rated "Negligible Risk" by Morningstar Sustainalytics in terms of material financial impact due to ESG factors

In April 2023, Techem received an ESG Risk Rating of 8.7 and was assessed by Morningstar Sustainalytics, a leading ESG research, ratings and data firm, to be at negligible risk of experiencing material financial impacts from ESG factors. This outstanding result places Techem in the best possible category and thus internationally among the current top 2 percent of over 15,500 companies assessed by Morningstar Sustainalytics in various industries. Within the sub-industry "Business Support Services", Techem achieved 2nd place out of over 160 and within the "Commercial Services" industry 17th place out of over 435 companies worldwide.

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satisfaction. In addition, the company offers a professional supply of heat for apartment buildings and commercial properties. The increasing digitalisation of submetering and the infrastructure required for this (fixed networks) are the basis for further services that focus on process efficiency, energy efficiency, CO₂e reduction and healthy living in real estates.

More specifically, Techem accompanies and supports property owners and managers in evaluating procedural, technical and structural optimisation measures with a clear goal in mind: CO₂e-optimised and efficient technical building operation.



Networked consumption recording and control devices as well as sensors enable energy savings in heating and heating systems of between 10 and 15 percent (BaltBest Study 2021, see [p. 74](#)). Regular consumption recording, analysis and the use of digital visualisation, coupled with digital and networked radiator control, ensures that tenants can better influence their energy balance.

To enable our customers to keep an eye on energy costs and CO₂e emissions of their properties and to comply with current regulatory requirements, Techem integrated new services into its portfolio in the financial year. For example, in order to relieve property owners and managers of the current information obligations, Techem has been offering all current customers an online service for creating individual energy cost forecasts since October 2022.



Energy generation at the building and neighbourhood level is increasingly using sustainable technologies, such as heat pumps powered by green electricity. Together with property owners, Techem is thus enabling the transition from fossil to renewable energy sources. Photovoltaic and solar thermal systems can also be integrated into the neighbourhood supply across several buildings thanks to Techem's holistic data overview. The sector coupling of heat and electricity is extended by linking building operation and mobility. Here, Techem offers e-charging solutions, prospectively fed by climate-neutral electricity generated in the neighbourhood. Techem also entered the smart metering business at the beginning of 2021 as a competitive metering point operator and can offer bundled consumption recording for submetering, electricity and gas in the real estate industry via smart metering systems (see [p. 34](#)).

Radio technology as the key

One basis for Techem's wide-ranging product solutions is the interoperable digital radio infrastructure that has been further developed over decades. The networked recording devices and sensors, as well as the pool of energy and process data based on them, provide the basis for optimising and automating work processes in properties. Data protection and data security are the top priorities.

Strengthening residential health and safety

Techem already offers solutions in the area of residential health for more legal certainty and efficient building operation that benefit both landlords and tenants: Smoke alarms with regular, radio-supported function tests or legionella tests meet the legal requirements and increase protection against fires or bacteria in drinking water. Services for drinking water technology contribute to the protection of water quality and the pipe system. Further solutions will be added in the future, especially with regard to digitalisation, networking and the increased use of sensors.



Equipment and installations

- 01. Photovoltaic
- 02. Heat pump
- 03. Combined heat and power plant
- 04. Wireless smoke alarm
- 05. Wireless heat cost allocator
- 06. Wireless cold & hot water meter
- 07. Wireless heat meter
- 08. Smart reader
- 09. House water meter
- 10. House electricity meter
- 11. Smart meter gateway
- 12. Gas meter
- 13. Gas condensing boiler
- 14. Hot water tank
- 15. Smart Reader Plus
- 16. Charging stations

Services

- › Consumption recording and billing
- › Monthly EED consumption information
- › Annual consumption information
- › Smart metering
- › Smoke alarm service
- › Legionella testing
- › Digital Heating Room
- › Energy certificate
- › Holistic energy supply concepts & solutions (contracting)
- › E-Mobility

Techem in figures



4,199
employees worldwide



180,415 t
CO₂e emissions Scope 1



19
countries



€ 12.5 million
million apartments in service



72
apprentices and dual students
in Germany



4,869 t
CO₂e emissions Scope 2



€ 899.6 million
total revenue



437,100
customers



27.7%
share of women in
management positions



121,517 t
CO₂e emissions Scope 3



53.7 million
measuring devices worldwide



9,512,666
smoke alarms in service



13.6%
fluctuation rate



854,819 MWh
energy sales

Top 3 developments



+ 3%
more women in
management positions



- 2.2%
less CO₂e emissions



100%
green electricity for Techem
customers and German Techem sites



STRATEGY & ORGANISATION

A holistic sustainability strategy is based on a sound materiality analysis in which we consider our impact on people and the environment as well as on our business. We reassessed our material topics in 2022 and adjusted them to suit the latest developments. To manage our sustainability performance and make our successes measurable, Techem has anchored a strong sustainability management that drives the topic company-wide.



Anchoring of sustainability

Effective sustainability management must be centrally managed and at the same time anchored throughout the company. For this reason, sustainability is part of the CEO's department and is brought into the company and filled with life by a number of specialist functions and experts.

Sustainability established company-wide

Techem has developed and implemented an end-to-end sustainability strategy for which CEO Matthias Hartmann is responsible. He heads the Techem Sustainability Council and is thus responsible for the company's sustainability performance. Sustainability is thus anchored as a cross-cutting issue in the organisation and established across all disciplines in the company. This ensures that the goals are known throughout the company and are implemented operationally. The CEO is supported by Katharina Bathe-Metzler, who, as Head of Sustainability, Communications & Public Affairs, further develops the sustainability strategy and monitors its implementation.

The Techem Research Institute on Sustainability (TRIOS), the Finance / Controlling and Human Resources & Legal departments also play a special role. In addition, there are persons responsible in all relevant departments who

oversee the operational implementation of sustainability targets as Sustainability Stewards. Techem uses a sustainability management system consisting of sustainability committees and tools. The Advisory Board is involved in the most important sustainability-related decisions through the Strategic Initiative Sustainability.

Clear responsibilities for sustainability

The Sustainability team of the Sustainability, Communications & Public Affairs department is responsible for managing Techem's sustainability-related activities and developing them holistically together with TRIOS and the Finance department – and for taking internal and external stakeholders along with them on this journey. Under the leadership of Katharina Bathe-Metzler as Head of Sustainability, Communications & Public Affairs, the cross-divisional team reports to CEO Matthias Hartmann.

The main tasks include:

- › Implementation and further development of the Techem sustainability strategy
- › Analysis of relevant reporting standards, such as the GRI standards
- › Materiality analysis
- › Derivation, implementation and follow-up of the sustainability target programme
- › Sensitising our employees to the sustainability agenda
- › Continuous cooperation with Sustainability Stewards¹ and Sustainability Delegates² of the divisions to achieve the sustainability goals
- › Preparation of the annual Techem Sustainability Report together with TRIOS, Finance and HR
- › Stakeholder dialogue, partnerships and corporate citizenship
- › Cooperation and coordination with our owners on sustainability issues

¹ Heads of department and experts relevant to the topic of sustainability.

² Managing Directors of the Techem subsidiaries.



The Techem Research Institute on Sustainability (TRIOS), headed by Dr. Arne Kähler, is responsible for Techem's research, analysis and implementation competencies in consumption and carbon emissions transparency, energy efficiency and CO₂e reduction and dovetails these with Techem's sustainability management. The Head of TRIOS also reports directly to Techem CEO Matthias Hartmann.

The Finance department, headed by Dr. Oliver Bosch, ensures that Techem meets the requirements of the capital markets in the best possible way and develops them conceptually. The division supports Sustainability Management by coordinating the external sustainability KPI review and is the primary liaison for investor concerns (reporting and accounting obligations). The department reports to the CFO of the Techem Group Dr. Carsten Sürig.

The Human Resources & Legal (HR) division, headed by Kira Kern, supports Sustainability Management with a focus on the S-dimension of the sustainability agenda. The Human Resources & Legal division, headed by Kira Kern, reports directly to the CEO Matthias Hartmann.

TRIOS is responsible for:

- › Implementation of the Techem decarbonisation roadmap (with the specialist departments)
- › Data management (survey, plausibility checks, calculation) and testing of the E-dimension
- › Determination of the Techem consumption and CO₂e figures including the methodology
- › Techem Consumption Figures Study
- › Analysis of the TCFD requirements and their implementation within the organisation
- › Techem energy management (energy audit according to DIN EN 16247 / BAFA and certification according to ISO 50001)
- › Basic and applied research on energy efficiency, metrology and decarbonisation
- › Conducting of research projects with institutes and scientific organisations

The Finance division is responsible for:

- › Analysis of relevant reporting standards, such as the GRI standards, and creation of the quantitative data templates
- › Preparation of audit-proof documentation regarding the collection and processing of quantitative KPIs in the Sustainability Report (in cooperation with the departments) as well as quality assurance of the published KPIs
- › Reflection of investor / capital market requirements with regard to the content of sustainability reporting as well as regulatory requirements
- › Ensuring the quantitative reporting and accounting requirements as well as commissioning and coordinating the external audit of the sustainability report and the sustainability rating

The Human Resources & Legal division is responsible for:

- › Planning and implementation of the diversity and inclusion strategy
- › Measurement of the Employee Net Promoter Score and derivation of measures
- › Collecting and evaluating KPIs related to the working environment (e.g. women in management positions, training times, dismissal rates) and deriving measures



To ensure governance in the context of sustainability, the responsibility for implementing the goals is mainly located in the areas of Compliance, Data Protection, Information Security and Procurement / Supply Chain.

Advisory Board assists the Management with directional decisions

As the highest supervisory body, the Advisory Board assists the Management with its decision-making and reviews and decides on business transactions of Techem companies that require approval. Its advisory and decision-making function with regard to sustainability issues is embedded in various processes. For example, the Advisory Board was involved in our materiality analysis (see p. 17) in an advisory capacity. In addition, the Risk and Audit Committee of the Advisory Board deals with relevant sustainability issues such as climate risks several times a year.

Members of the Advisory Board advise Techem on selected strategic initiatives. This includes the Strategic Initiative Sustainability, which evaluates all of Techem's sustainability projects and goals at least once a quarter. At regular intervals, the Chairman of the Advisory Board, Andreas Umbach, and Advisory Board member Prof. Dr. Ann-Kristin Achleitner meet with the Techem

CEO, the Head of Sustainability, Communications & Public Affairs, the Head of TRIOS and the Head of Finance. Current focus topics and issues are addressed in the meetings of the Strategic Initiative Sustainability and the Advisory Board members are involved in the most important sustainability-related decisions.

The Sustainability Council has an effect in the departments and countries

The Sustainability Council brings together the Sustainability Stewards, who are managers and experts relevant to the implementation of sustainability-related goals. The Council meets several times a year under the leadership of the CEO. The coordination and preparation of the content is the responsibility of Sustainability Management. As Sustainability Delegates, the Managing Directors of the national companies assume international responsibility for the topic of sustainability: they are responsible for integrating sustainability aspects into Techem's business activities worldwide.

The persons in charge of sustainability at Techem are selected on the basis of their expertise and thematic relevance to their own area of responsibility and are provided with appropriate authority and resources.



Material topics

In order 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 assessment forms the guideline for this – we adapted and updated this in 2022 based on recent developments.

Materiality assessment updated

In the fall of 2022, we updated our materiality assessment¹ with regard to double materiality in order to identify relevant sustainability topics for reporting in accordance with the current GRI standards, to meet the future regulations of the Corporate Sustainability Reporting Directive (CSRD) and with it the European Sustainability Reporting Standards (ESRS) as a reporting standard. The positive and negative impacts that a company has or can have on people and the environment in the respective topic (impact relevance) are key to the materiality of sustainability topics. In addition, we have analysed the topics with regard to their respective relevance for business success – based on opportunities and risks that arise for Techem (business relevance).

The update of our materiality assessment took place in the following phases:

1. The first step involved a context analysis in which positive and negative impacts of Techem as well as opportunities and risks were identified and topics assigned. The previous material topics were used as a starting point, validated on the basis of the new findings and adapted and expanded as necessary.
2. The impacts, opportunities and risks identified were then compared and validated with the views of external stakeholders. For this purpose, semi-structured in-depth interviews were conducted with stakeholders. The stakeholders are active in the fields of politics, the real estate industry, banking, associations, think tanks and research, among other areas.

3. In the third step, the departments evaluated the impacts as well as opportunities and risks in several workshops in order to achieve a weighting of 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. Selection of impacts, opportunities and risks



2. Comparison with the views of stakeholders through external stakeholder interviews



3. Evaluation by internal stewards and division heads

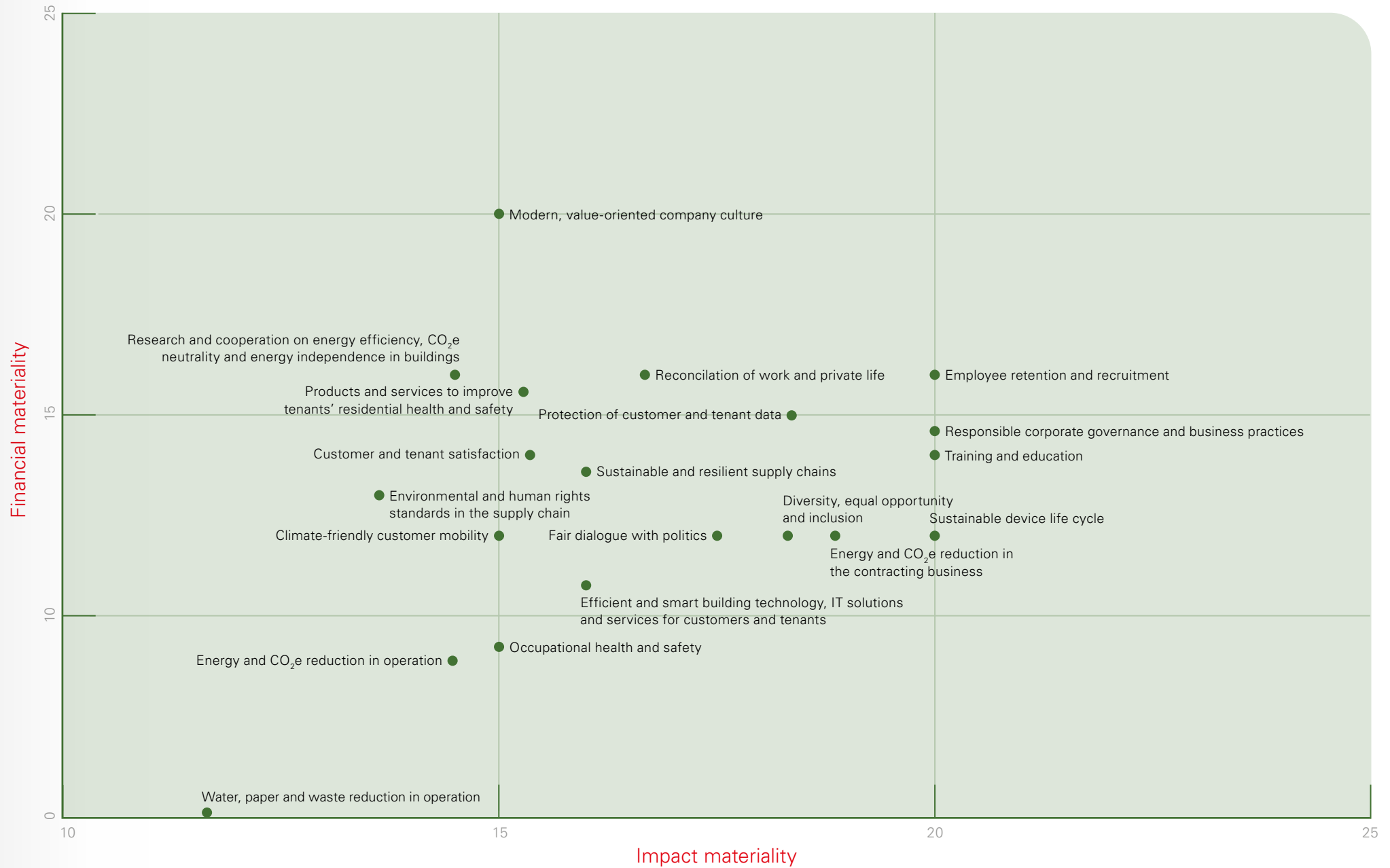


4. Validation by Management and the Advisory Board and approval of material topics

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



Materiality matrix





Changes compared to last year's report

The update of the materiality assessment has resulted in adjustments compared to the reporting from the previous year:

1. Two new material topics have been added that have gained in importance in recent years. The topic of **Employee retention and recruitment** now addresses other important HR aspects such as measures to counter the shortage of skilled workers. Another new topic is **Sustainable and resilient supply chains**, which has become more important due to the consequences of the corona pandemic and the war in Ukraine.

2. Several material topics have been re-clustered to make them more specific: The topics **Climate-friendly buildings** and **Positive influence on consumer behaviour** have been merged into the three new topics **Energy and CO₂e reduction in the contracting business**; **Efficient and smart building technology, IT solutions and services for customers and tenants**; and **Climate-friendly customer mobility**. The two topics of **Environmental and climate protection in own operations** and **Sustainable product design** are presented in a more differentiated way in the updated materiality assessment under the three topics of **Energy and CO₂e reduction in operation**; **Water, paper and waste reduction in operation**; and **Sustainable device life cycle**.
3. There have been changes in the wording of some material topics, such as **Agile and flexible working**, which is now called **Reconciliation of work and private life**.

Our material topics

Material topics are defined as those that have at least medium impact relevance or at least medium business relevance. As a result, 20 of the 21 topics have been classified as material. The material topics are included in the seven fields of action of our sustainability programme (see [p. 23](#)). The table of material topics below and the chart above show the results of the materiality assessment in detail.

The topic of biodiversity also plays a role for Techem as part of its environmental protection efforts, but is not shown as a separate material topic because it occurs implicitly as an impact of other topics such as **Energy and CO₂e reduction in operation** and is taken into account. The topic of **Social commitment and donations** (see [p. 76](#)) was considered a potentially material topic, but did not show medium impact relevance or medium business relevance. Nevertheless, this topic is reported on as it enjoys ongoing relevance as an integral part of the field of action **For the Individual and the Community**.



Material topics

Content

Assignment to GRI standards

| | | |
|--|--|--|
| <p>Energy and CO₂e reduction in the contracting business</p> | <p>The use of renewable energy sources and digital solutions for energy saving and energy-efficient operation in the contracting business. Techem thus seeks to implement the Techem Decarbonisation Plan in addition to making a positive contribution to the customer footprint and the energy transition.</p> | <ul style="list-style-type: none"> › GRI 302: Energy 2016 › GRI 305: Emissions 2016 |
| <p>Efficient and smart building technology, IT solutions and services for customers and tenants</p> | <p>Improve energy efficiency in buildings with digital products and solutions from Techem and thus make a positive contribution to the energy transition and Climate Protection Plan 2050. Techem wants to play a leading role in raising awareness in society about the use of resources. This is done through legally required information for tenants as well as voluntary online and offline information or campaigns and through the use of devices for digital and smart control of heat consumption. Ultimately, this should also help to ensure that energy remains affordable for the individual.</p> | |
| <p>Climate-friendly customer mobility</p> | <p>Actively promote the expansion and operation of charging stations with flexible service packages. This includes the installation, billing service and technical operation of charging stations in the real estate industry (housing industry and commercial properties) powered by climate-neutral green electricity.</p> | |
| <p>Energy and CO₂e reduction in operation</p> | <p>Reduce negative climate impacts in our own operations. For example, with regard to our energy consumption and vehicle fleet.</p> | <ul style="list-style-type: none"> › GRI 302: Energy 2016 › GRI 305: Emissions 2016 |
| <p>Water, paper and waste reduction in operation</p> | <p>Here, the focus is on measures for more resource conservation in one's own operations – especially with regard to water, paper and waste.</p> | <ul style="list-style-type: none"> › GRI 303: Water and Effluents 2018 › GRI 306: Waste 2020 |
| <p>Sustainable device life cycle</p> | <p>Design devices such as heat cost allocators and smoke alarms as well as heating systems in a sustainable manner with regard to material use and packaging. The goal is to ensure the longest possible service life and company-independent reuse or recycling. Analyse existing products in all categories with a view to their sustainability impact and adapt components if necessary.</p> | <ul style="list-style-type: none"> › GRI 301: Materials 2016 |
| <p>Research and cooperation on energy efficiency, CO₂e neutrality and energy independence in buildings</p> | <p>Help shape the living of tomorrow and contribute to sustainable cities and communities – for example through cooperation with innovative tech start-ups, universities, research initiatives and industry partners.</p> | |
| <p>Employee retention and recruitment</p> | <p>Designing an attractive working environment to retain existing employees and attract new skilled workers.</p> | <ul style="list-style-type: none"> › GRI 401: Employment 2016 |



Material topics

Content

Assignment to GRI standards

| | | |
|---|---|---|
| <p>Occupational health and safety</p> | <p>Provide employees with a safe and healthy working environment by taking appropriate precautionary and preventive measures.</p> | <ul style="list-style-type: none"> › GRI 403: Occupational Health and Safety 2018 |
| <p>Training and education</p> | <p>Promote the professional development of employees and strengthen management and technical qualifications through target audience-specific training and development programmes. This is intended to contribute to employee retention. The focus is on a modern, digital offer.</p> | <ul style="list-style-type: none"> › GRI 404: Training and Education 2016 |
| <p>Diversity, equal opportunity and inclusion</p> | <p>Creating an environment in which diversity and heterogeneous teams are seen as an enrichment for the company culture. Equal opportunities are promoted through individually appropriate measures and the share of female managers is systematically increased.</p> | <ul style="list-style-type: none"> › GRI 405: Diversity and Equal Opportunity 2016 › GRI 406: Non-discrimination 2016 |
| <p>Reconciliation of work and private life</p> | <p>Create a forward-looking work environment that promotes agile working as well as flexible working arrangements in line with family commitments and individual needs.</p> | <ul style="list-style-type: none"> › GRI 401: Employment 2016 |
| <p>Customer and tenant satisfaction</p> | <p>Offering customers and tenants a convincing service where their concerns are dealt with sympathetically, fairly and competently. 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>Contribute to a comfortable and healthy life for tenants with existing solutions such as the smoke alarm service or legionella tests and new, future-oriented solutions. Ensuring the quality and product safety of our solutions.</p> | <ul style="list-style-type: none"> › GRI 416: Customer Health and Safety 2016 |
| <p>Modern, value-oriented company culture</p> | <p>A culture in which elements such as customer focus, team culture, personal growth, courage, networking, leadership, innovation and commitment are promoted, developed and lived, and in which cooperation and communication, both internally and externally, are characterised by openness, clarity, honesty and commitment.</p> | |
| <p>Responsible corporate governance and business practices</p> | <p>Transparent and responsible company management and control geared towards long-term value creation. In addition, fair competition, a transparent pricing policy and ethical behaviour at home and abroad, complying with laws and avoiding corruption.</p> | <ul style="list-style-type: none"> › GRI 205: Anti-corruption 2016 › GRI 206: Anti-competitive Behaviour 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 |



Material topics

Content

Assignment to GRI standards

| Material topics | Content | Assignment to GRI standards |
|--|---|--|
| Protection customer and tenant data | Protect customer data and ensure data security of consumption information. | › GRI 418: Customer Privacy 2016 |
| Fair dialogue with politics | Conduct exchanges with politicians and important stakeholders in a fair, transparent and fact-based manner. | › GRI 415: Public Policy 2016 |
| Environmental and human rights standards in the supply chain | Encourage suppliers, including upstream suppliers and subcontractors, to comply with environmental and labour standards in the supply chain and conduct random audits along the supply chain. | › 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 |
| Sustainable and resilient supply chains | Creating a sustainable and resilient supply chain through fair, long-term supplier relationships. | › GRI 204: Procurement Practices 2016 |

In dialogue with stakeholders

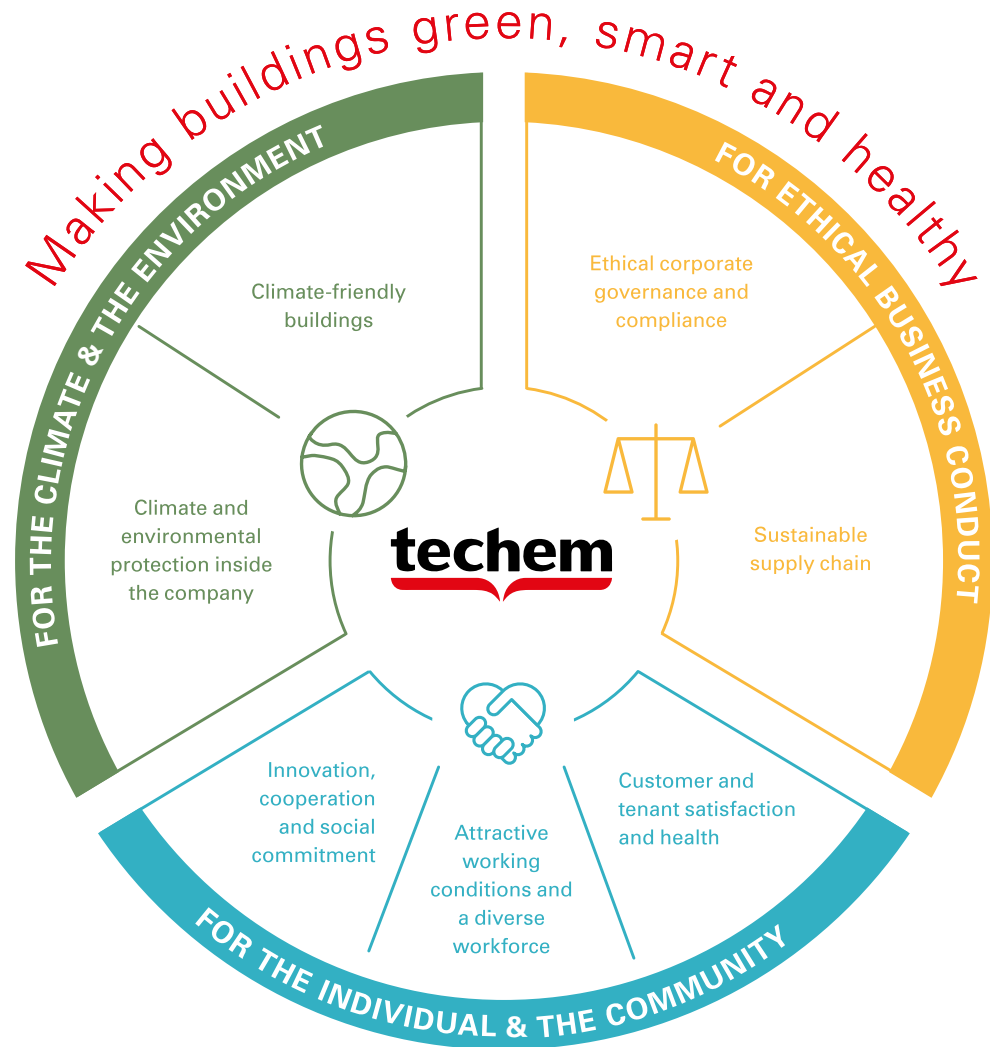
Ongoing dialogue with internal and external stakeholders is important to Techem. In financial year 2022, Techem Germany involved employees in the development of the diversity strategy by conducting a comprehensive survey on the topic of diversity and inclusion and implemented the measures that were identified (see p. 59). We regularly engage with our customers, through sat-

isfaction surveys (see p. 69), for example. We maintain contact with research institutions and start-ups as part of various collaborations (see p. 72). We also contribute our expertise to the political discourse – especially with European and German politicians and throughout association work – and include the expectations placed on us from the dialogues with us in our actions (see p. 85 and p. 120).

We have addressed many of the concerns of our internal and external stakeholders in recent months and have made progress. These are made transparent in this Sustainability Report. In the future, we will continue to identify the expectations of our stakeholders and work to meet them.

Fields of action and sustainability programme

We bundle our sustainability activities in the three focus areas **For the Climate and the Environment**, **For the Individual and the Community** and **For Ethical Business Conduct**. A total of seven Techem fields of action are assigned to these. Together they form the framework for our sustainability programme.





Our focal points in focus



For the Climate and the Environment

With digital products and solutions, Techem improves energy efficiency in buildings and works to avoid CO₂e emissions by using renewable energy sources in heating systems. We are thus making a positive contribution to the energy transition and the European Climate Protection Plan 2050. In our own operations, we are also taking measures for more resource conservation and reducing climate impacts in operational processes. This also includes optimising our equipment along its product life cycle.



For the Individual and the Community

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 further education, individual needs are taken into account and diversity is seen as an enrichment. Techem takes its customers' and tenants' concerns seriously and they benefit from fast, unbureaucratic service and solutions for better housing health. An overarching contribution to society comes from research and development on smart and climate-neutral living, successful partnerships and cooperations, and our leading role in raising society's awareness of resource-conserving behaviour. In addition, we also include our social commitment in the form of social projects, donations and volunteering.



For Ethical Business Conduct

The basis for our actions is a modern, value-oriented company culture and responsible corporate management and control geared towards long-term value creation. This includes fair competition, a transparent pricing policy and ethical behaviour that complies with laws and avoids corruption. The exchange with politicians is fair, transparent and fact-based. We also apply the highest standards with regard to the security of customer and tenant data. The respectful treatment of employees and their training in fair conduct form the foundation. Our responsibility also extends to our subcontractors, suppliers and contractual partners, whom we encourage to comply with environmental and labour standards in the supply chain and monitor through audits.



Our sustainability programme

The Techem sustainability programme bundles all the goals we set for ourselves as part of a strategy process and based on our first materiality assessment. Since the Sustainability Report 2020, we have been able to achieve key goals. These include the development of a decarbonisation roadmap for climate neutrality in Scope 1-3 by 2045, the implementation of life cycle analysis for selected equipment or the certification of our headquarters according to the DGNB Gold Standard. Only a few goals could not be achieved in the planned timeframe or are in the process of being achieved. A comprehensive table provides transparency on all goals and the status of goal achievement (see [p. 101](#)).

The update of the materiality assessment in the fall of 2022 and the achievement of key milestones were the basis for validating and sharpening our sustainability programme. Based on a gap analysis, new measures were defined, existing measures sharpened and overarching goals were summarised for each field of action. The overarching goals can be seen in the adjacent chart.



Contribution to the Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs) are the centrepiece of the 2030 Agenda for Sustainable Development. The 17 goals with their 169 sub-goals are intended to guide politicians, companies and civil society in addressing the greatest economic, social and environmental challenges. Techem is committed to the SDGs and contributes directly to their achievement with its business model.

Through our activities as a company that operates internationally, we contribute along the value chain and with a view to our sustainability-related activities to many different SDGs. However, we see our greatest positive contribution in the SDGs that are directly related to our services and products. Against this backdrop, we have identified six goals and ten sub-goals of particular relevance.



Focus target

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

Relevant sub-goals: 7.1, 7.2, 7.3

We make an important contribution to energy efficiency in the context of consumption-dependent heating cost billing: by providing information on consumption during the year, tenants are made aware of their own energy consumption and the associated CO₂e emissions and motivated to act in a more resource-conserving manner. In addition, we contribute to the energy efficiency of heating systems through intelligent control. Through our contracting business, we ensure the supply of heat to our customers. Our decarbonisation plan forms the basis for our active contribution to the energy transition: Among other things, Techem wants to rely on CO₂e-neutral heating solutions when equipping new construction projects and gradually replace existing fossil heating systems with lower-emission technologies.

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

Relevant sub-goal: 3.9

Techem services such as the smoke alarm service, legionella testing and renovation advice contribute to the residential health of tenants. In doing so, we are researching innovative solutions that will continue to increase health and safety in homes in the future.

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

Relevant sub-goals: 6.3, 6.4

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

**SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialisation and support innovation**

Relevant sub-goal: 9.4

With around 63 (FY 2021: 60) million devices worldwide for recording heat, water, cooling and electricity, as well as smoke alarms, Techem is creating an infrastructure for sustainable buildings. Furthermore, we continuously invest in the maintenance and sustainability of our device infrastructure (Capex, see p. 9). The Techem portfolio also includes complete solutions for the charging infrastructure of e-cars in properties – thus we also contribute to the success of the mobility transition.

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

Relevant sub-goals: 11.3, 11.6

Techem is increasingly focusing on neighbourhood solutions. This is highly relevant, especially with regard to sustainable heat supply and sustainable mobility solutions. In addition, we research and co-operate on innovative concepts for modern neighbourhoods.

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

Relevant sub-goal: 13.3

Techem sees it as its task to create awareness in society for the conservative use of resources and thus to avoid CO₂e emissions. On the one hand, we contribute to the correct use of heat and hot water through public relations work. On the other hand, tenants receive transparency about consumption during the year, combined with the offer of additional consumption information over the course of the year. We also sensitise our employees to climate-friendly behaviour.



FOR THE CLIMATE & THE ENVIRONMENT

Climate change poses major challenges for the building sector, which Techem addresses with smart solutions in both its own business activities and in its own operations. With the help of innovative technologies, we are significantly advancing the energy transition in the building sector together with our customers. Through holistic management of energy and environmental issues, we ensure that we also continuously improve in our own company. A comprehensive decarbonisation plan shows us the way to the planned climate neutrality in 2045.



Climate-friendly buildings

Techem actively contributes to a climate-neutral building stock through its cross-sector business activities. Our solutions for real estate include precise measurement technology to raise awareness of resource consumption among tenants, the optimisation of heating systems using smart technologies and the provision of low CO₂e solutions in energy contracting. Techem's smart metering systems and smart meter gateway enable property owners to gain full transparency over consumption in their real estates – this is a prerequisite for flexibly adapting consumption to volatile electricity generation from renewable energies in the future and thus relieving the burden on the electricity grid. In addition, we offer complete solutions for e-charging stations to equip properties for electric vehicles.

Levers for transformation of the building sector

In real estate, around 85 percent of the final energy consumption is due to the generation of hot water and heating. The building shell, heating systems and usage behaviour determine the level of energy consumption and thus also the level of CO₂e emissions. Along the entire heating chain, there is considerable potential for saving the energy used and the resulting CO₂e emissions. From a technological perspective, climate-friendly buildings can be achieved through two types of measures:

1. Measures that reduce the final energy consumption of the building stock

With precise recording of consumption and the involvement of owners and tenants, energy consumption and CO₂e emissions for heating and hot water can be effectively reduced. In addition, the use of digital control devices for heating systems can optimise consumption behaviour.

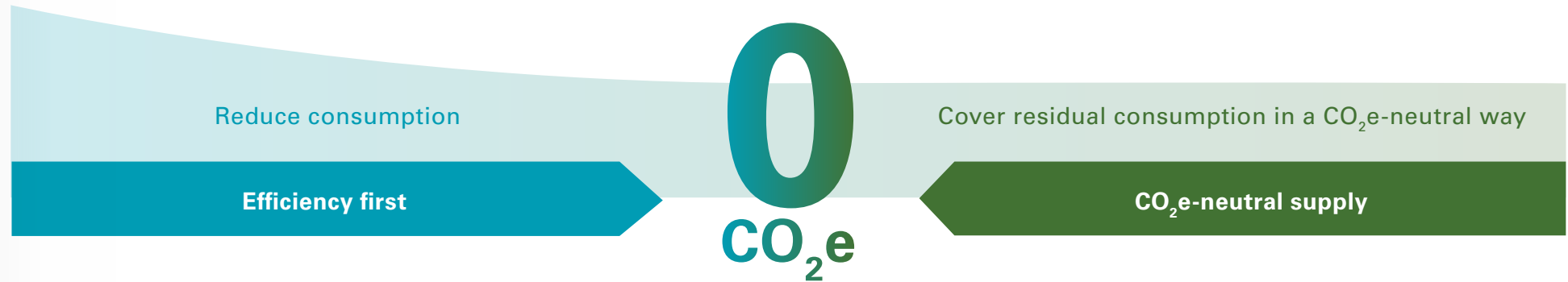
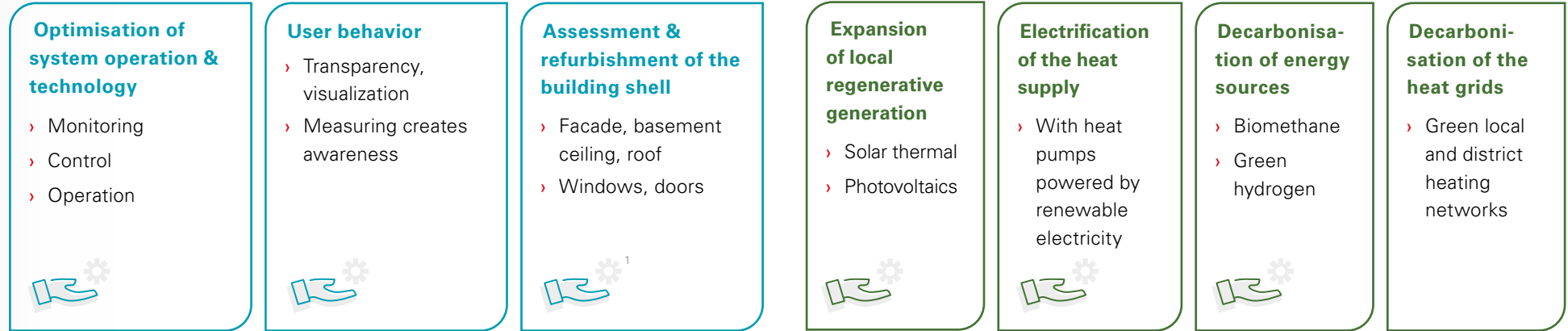
2. Measures that cover the remaining residual consumption with low CO₂e emissions

Techem specialises in supplying buildings with heat causing only low CO₂e emissions by means of innovative heating systems in contracting.

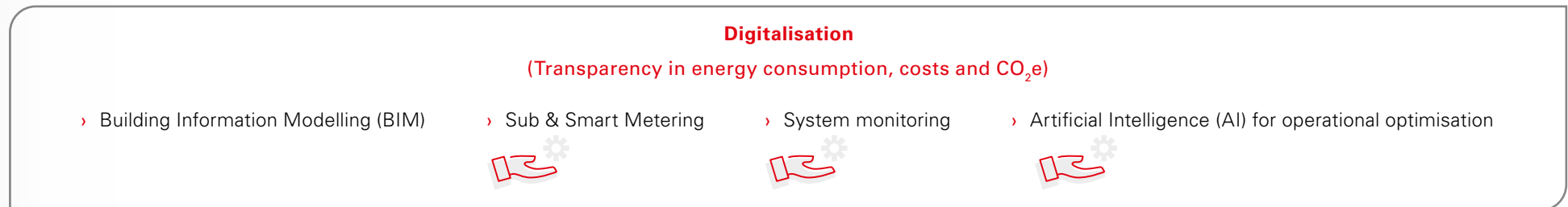
From Techem's point of view, these two building blocks should be accompanied by a comprehensive digitalisation offensive that also enables continuous monitoring using Artificial Intelligence (AI).

Decarbonisation in the building stock

Building blocks



Foundation



¹ Smart metering forms the basis for the renovation roadmap.



Precisely measure resource consumption and raise tenant awareness

Solutions from Techem provide owners and tenants with transparent information on their energy and water consumption. For this purpose, heat cost allocators, cooling and heat meters as well as water meters from Techem record these consumptions. The consumption information during the year provides the necessary digital data to raise awareness of one's own behaviour and the energy consumption and emissions caused by it. True to the motto "Measuring creates awareness," the EU Energy Efficiency Directive (EED) obliges building owners to provide monthly consumption information for tenants since 2022. Techem supports the sensitisation of tenants via its user-friendly tenant portal: Consumption for hot water and heat is clearly compared with the previous year's volumes and displayed in different consumption units. In addition, tenants receive a monthly energy-saving tip. This is made possible by Techem's monthly consumption recording. The basis for this is precise and remotely readable meters. Today, Techem already achieves a radio readout rate of approx. 82 percent (FY 2021: 80 percent), which is high by industry comparison. 90 percent of the devices in the properties are to be remotely readable by 2025.

In addition, the Techem Smart System offers a complete digital solution that enables constant monitoring of consumption and device status. From the previously only reporting date-related inspection of the infrastructure and the annual measurement of consumption, a constant overview is now possible. The continuous monitoring of the data from the meters by means of remote reading can indicate the need for replacement in the event of a defect or low battery test capacity, for instance. Energy monitoring is also based on remote reading of consumption.

Optimisation of heating systems

Even newly built, recently modernised or existing heating systems often do not fully exploit their savings potential. The heating control is normally oriented towards the maximum expected heat demand in the building instead of the actual heat consumption of the tenants. This generates heat that remains unused and thus increases energy consumption and CO₂e emissions. Networked consumption recording and control devices, sensors and artificial intelligence are used for intelligent system monitoring and operational optimisation. They already enable energy savings of 10 to 15 percent on average for heat generation systems in existing buildings (Source: BaltBest Study 2021).

Good to know

Secure data transmission

Secure data transmission and data protection are fundamental criteria for Techem in remote reading: The data of the Techem radio 4 radio data collection devices are transmitted encrypted according to the BSI-compliant data security standard OMS of the fourth generation. Legal requirements such as the General Data Protection Regulation are thus complied with.



For example, our “[Digital Heating Room](#)”, a technology platform for energy-efficient monitoring and remote optimisation of heating systems records temperature levels as well as the energy quantities and flows generated by means of sensors. Efficiency and utilisation levels can thus be recorded, calculated and monitored, and heating systems can be adjusted more efficiently on this basis. As a result, around 8,500 tons of CO₂e emissions can be avoided each year in our customer portfolio.¹ “Techem’s Digital Heating Room” is already being used in half of all heating systems and in all new heating systems in Techem’s operations. By the end of financial year 2026, we will have equipped all heating systems with the solution.

In addition, Techem also offers an intelligent heating control with the “[adapterm](#)” system for heating optimisation. The flow temperature is permanently adjusted to the actual demand in the building. The system takes the individual heating behaviour of the tenants into account and measures the outside temperature. The result: the flats remain as warm as before, but energy consumption is reduced significantly. Around 56,000 tons of CO₂e emissions were avoided in financial year 2022.²

Moreover, monitoring no longer takes place in the individual boiler room, but thanks to digital data collection and transmission in online portals. Via these portals, housing associations and property owners can centrally monitor and control hundreds of real estates. Malfunctions are detected at an early stage and can ideally be remedied “remotely” – i.e. from the control center – before customer complaints arise.

The infrastructure of the Digital Heating Room is complemented by digital electricity and gas meters, also known as smart metering (see the highlight on [p. 34](#)).

Replacing, improving and renewing heating systems

In addition to measures aimed at reducing consumption, the renewal and optimisation of heating systems is a key prerequisite for the success of the heat transition. For new buildings in neighbourhood networks, Techem can optimally plan and design regenerative systems right from the start. However, it is in existing properties in particular that the relevant potential for the heat transition lies. Here, we support our customers both in the development of their individual decarbonisation plan and in the implementation of sustainable, energy-related supply concepts. Technology openness is important to us. The spectrum of solutions we offer therefore ranges from the supply of a single property to holistic supply concepts for existing neighbourhoods.

Techem offers property owners in Germany to take over the entire investment for the construction and modernisation of the system technology and to supply the tenants with heating and hot water from a central heating system. This so-called energy contracting is ideally suited to accelerate the decarbonisation of the property portfolio and optimise the associated cash flow for property owners and tenants.

Techem’s goal is to convert heating systems powered by fossil fuels to emission-free solutions. One main component of our decarbonisation plan (see [p. 48](#)) is the use of bi- and monovalent heat pump solutions. To this end, Techem has initiated a heat pump campaign in which heat pump solutions for use in apartment buildings are being developed together with selected leading manufacturers. As part of our green contracting solutions, these are to be supplemented with renewable electricity production from photovoltaic systems to become the standard for emission-free heat supply to new and existing properties in Germany. We always offer our customers a 100 percent green supply solution. If this is not an option, we are already implementing systems with at least 65 percent renewable energy in any case (see [p.48](#)).

¹ The calculation basis was validated externally.

² The calculation basis was validated externally.



Enabling climate-friendly mobility

Until now, the electricity, heat and transport sectors in the energy industry have mostly been considered independently of each other. To increase the efficiency of the energy system as a whole, this silo thinking needs to be broken down. If more and more renewable energies are available in the future, the electricity generated in this way can be transferred to other sectors and be used for e-mobility, for example. For this reason, building the infrastructure for e-mobility in apartment buildings or commercial properties is a key aspect for an effective energy transition. This is the focus of Techem's "E-Mobility Solutions" division, which is responsible for all aspects of the charging infrastructure for electric vehicles. This includes the planning, construction and operation of charging infrastructure as well as the integration of renewable energies into the vehicle charging process.

Our objective is to reduce the CO₂e footprint at the interface between buildings and transport by providing green electricity and intelligent energy management.

We rely on innovative technologies, such as the wallbox

manufactured climate-neutrally by our partner KEBA, to minimise the use of fossil fuels along the value chain. To equip properties for electric vehicles, Techem offers complete solutions for e-charging stations.

These range from the creation of a concept on site or digitally, to the professional and standard-compliant installation of the charging facilities, to taking over the technical operation of the charging stations as well as the billing of the charging current. The awarding of one of the largest projects for private charging infrastructure in the public sector in Germany, in which, in the first step, up to 2,000 charging points will be installed throughout the country at prominent locations - including federal ministries, customs offices and police stations, was an outstanding success for Techem in financial year 2022. It will be transferred to Techem's full-service operation by 2030. To cope with the size and complexity of the project, Techem is focusing its activities on standardisation and scalability in the context of product, IT and process development. This lays a stable foundation for sustainable revenue and earnings growth in this area of the business.



FOCUS

Smart metering: Digitalisation of electricity and gas meters

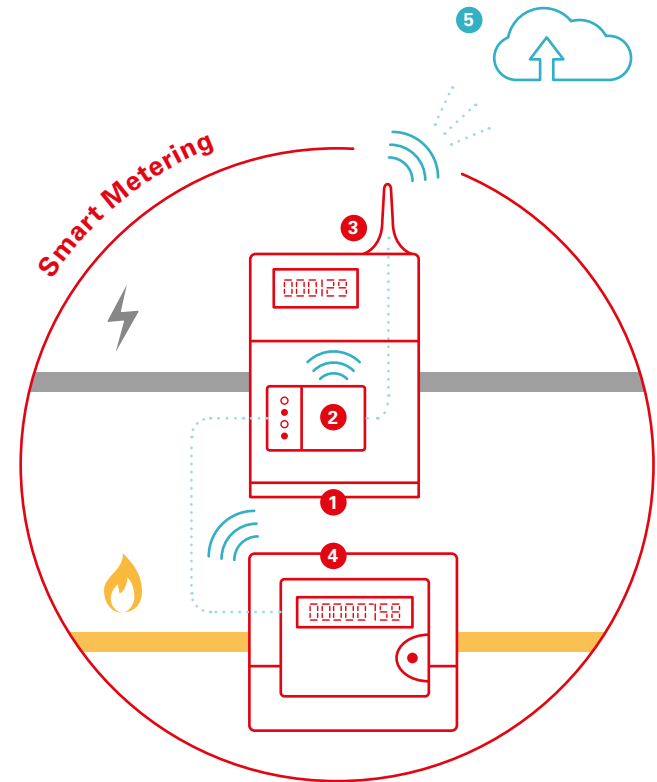
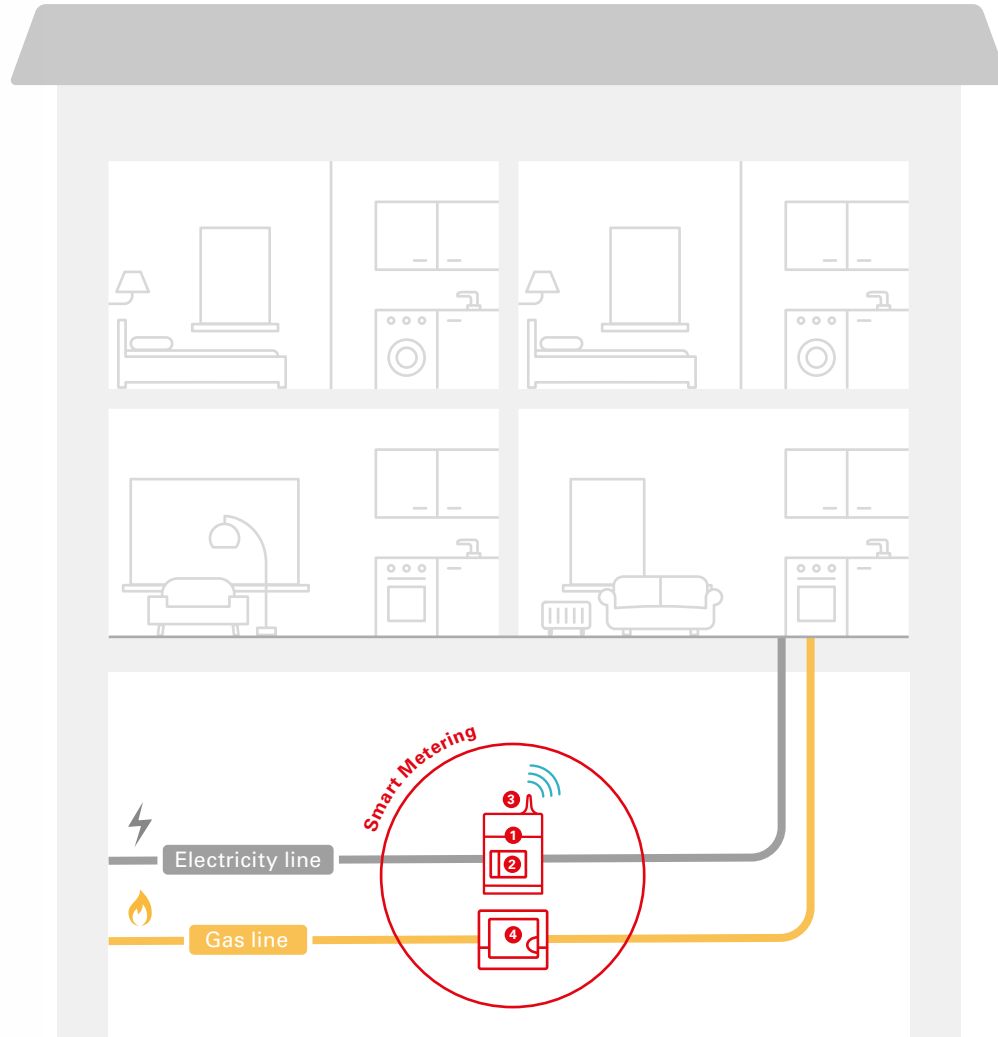
For Techem, smart metering as a digital infrastructure represents a vital prerequisite for a largely climate-neutral energy system with fluctuating consumption and fluctuating forms of generation. This is also the position of the German government, which launched a bill to relaunch the digitalisation of the energy transition at the beginning of 2023. Techem welcomes this step and will continue to accelerate the path taken towards the digitalisation of the energy transition.

For our main target audience, property owners, but also for managers and tenants, we focus in the first step on the general electricity meter and the gas central heating meter within the framework of smart metering. If the property owners digitalise these meters via our service, they receive daily information on the electricity and gas consumption of their properties. This transparency is necessary in order to obtain an overview of the energy consumed, monitor energy costs and determine their CO₂e footprint. Property owners and managers can thus view all relevant data digitally from a single source and have their energy consumption, costs and CO₂e emissions displayed via Techem's Energy Monitoring Portal. Based on this data, the companies can fulfil their reporting obligations, for the monthly closing or sustainability reporting, for example.

Smart metering is also a regulatory requirement for the operation of electric heat pumps, a charging infrastructure for e-vehicles and PV systems. Through the combination of smart and sub-metering, Techem becomes a cross-sector, universal metering point operator and, with this holistic view of resource consumption, creates the necessary transparency to be able to make effective investment decisions towards achieving a CO₂e-neutral building.

Smart Metering

Digitalisation of electricity and gas meters



- 1 Digital electricity meter
- 2 Smart Meter Gateway
- 3 Mobile phone antenna
- 4 Digitalised gas meter
- 5 Data cloud
- Digital data transmission



Climate and environmental protection in operations

Techem offers its customers innovative solutions for the efficient use of energy and water in the building sector. For us, consistent climate and environmental protection begins in our own company. In our own processes, too, we focus on environmentally and climate-friendly actions – which we are constantly expanding.

Reducing climate and environmental impacts

Anchoring climate and environmental protection

Our activities have an impact on the environment along the entire value chain. As a company in the energy services sector, we fulfil the legal requirements and even go beyond them in certain areas. To this end, we are increasingly assessing and monitoring the value chain and deriving measures. At the end of 2022, we bundled our approaches and goals on environmental and climate issues in an internationally valid [environmental policy](#).

In order to address climate and environmental protection in a uniform manner across the Group and to exploit synergies for the development of innovative market solu-

tions, we established the Techem Research Institute on Sustainability (TRIOS) at the beginning of 2022 (see [p. 15](#)). TRIOS is responsible for the topics of energy, emissions and water as well as the resource-saving handling of these topics throughout the Group.

The Supply Chain Management department is responsible for waste disposal management at Techem Germany. The countries are independently responsible for adequate waste management. Other environmental issues, such as biodiversity, are managed on a country-specific basis. The Device Development department is centrally responsible for taking environmental aspects into account in device development.

Environmental impacts in the supply chain

Our goal is to conserve resources, consistently avoid or reduce negative environmental impacts, prevent risks and thus ensure the long-term success of our business. Sustainability criteria as well as our Supplier Code of Conduct are components of our supplier selection and supplier evaluation. Techem also checks the compliance of strategic suppliers of direct purchasing with environmental and social standards as part of quality supplier audits. New strategic suppliers are audited as part of quality supplier audits shortly after the contract is signed, and existing strategic suppliers are audited every three to four years preferably.



Specific sustainability audits in the supply chain are planned (see [p. 89](#)). In order to be prepared for this in terms of personnel, we trained two employees to conduct supplier audits in financial year 2022.

Lifecycle of our products

The equipment Techem uses in the submetering business is responsible for around a quarter of our Scope 3 emissions. Likewise, the manufacturing, construction and subsequent dismantling of heat generation equipment result in CO₂e emissions. For this reason, we pay particular attention to the lifecycle of our equipment and contracting facilities.

Sustainable product design

Techem seeks to develop and offer products and services that are as sustainable as possible. The manufacturing of the devices and system components themselves is not in our hands, but in the hands of qualified Techem partners. The product design, on the other hand, is entirely or partially the responsibility of Techem, depending on the product. The main goals of our product design are high product quality and a long service life. Last but not least, this is how we use our leverage to achieve our Scope 3 emissions targets (see [p. 47](#)), which essentially depend on the aspects of durability, recycling, material and energy use in production and waste avoidance.

To better understand the impact of our appliances on the environment and climate, we already analysed our most important appliances and equipment in 2022. Based on these findings, a corresponding action plan was set up for our devices, which we will further develop in 2023 (see [p. 39](#)).

In addition, Techem consistently relies on continuous digitalisation and radio reading of the devices and properties, which avoids trips to read on site. This enables us to implement the legal requirements for consumption information during the year in a resource-saving manner. Remote reading is also considerably more customer-friendly, as customers no longer have to be present at meter reading appointments.

All current radio devices from Techem work in compliance with the Open Metering Standard (OMS). This basically enables the use of devices independent of the company. This means that installed devices can continue to be used even if the service provider changes.

Use of recycled materials and the same types of plastics

With regard to the product design, we partly rely on recycled materials. For example, recycled granulates are used to produce the housings of radio heating cost allocators. These are one of Techem's most important devices, with a production volume of around 2.1

(FY 2021: 2.1) million units in fiscal year 2022. In fiscal year 2022, the share of recycled raw materials in the material input for the production of Techem devices amounted to 3.1 percent (FY 2021: 2.2 percent).¹ As far as technically feasible, we want to increase this share in the future. By using the same plastic polymers in a device, we also create an improved recovery option for the final recycling of the devices.

Identifying the main sources of emissions

To identify the main sources of emissions from our products, we determined the ten Techem devices and systems that have both the highest number of units and, independently of this, also the highest material consumption in our portfolio. The findings from the analysis have been incorporated into the calculation of our carbon footprint. In addition, we have used the analysis to identify the main emitters in our product portfolio and have specifically selected a device for a comprehensive lifecycle analysis (LCA). Based on the ten devices and systems analysed as well as the comprehensive LCA, we have adopted measures to reduce emissions from our products.

¹ Materials procured by the international companies that were not delivered via the central warehouse in Liederbach were not taken into consideration.

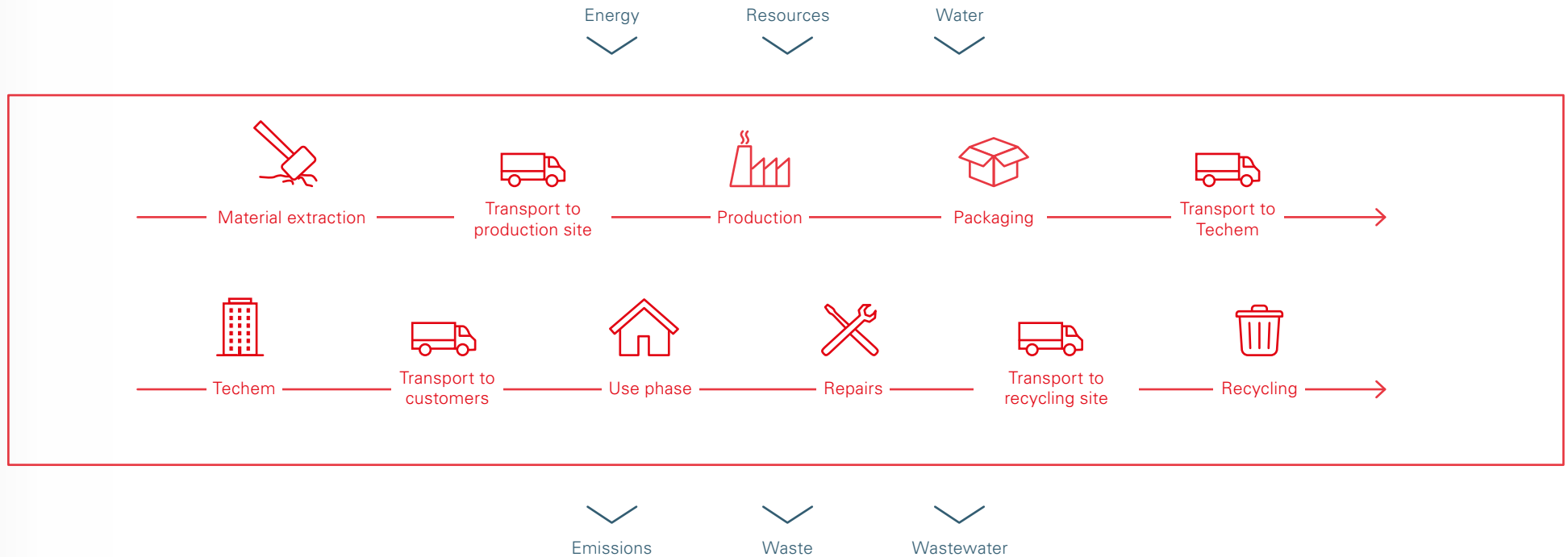


Extending the service life

In financial year 2022, we made progress in particular with regard to the service life of our devices. For example, the service life of components in the data III and radio 4 radio systems was increased by two to four years. The basis for this was an analysis of returns and a supplementation of the device permits.

In total, this amounts to around 29.4 million installed devices. Techem can thus tap into a reduction potential of CO₂e emissions of 20 to 30 percent here. Due to the longer period of use, the number of newly installed devices could be limited as early as financial year 2022, thus reducing production-related CO₂e emissions.

The lifecycle of our products





Action plan for Techem devices

Based on our lifecycle analysis, we have identified several options for action to reduce the environmental impact of our devices – in particular by extending the service life and use of recycling materials. We have translated these into an action plan which serves as a guideline for our ambitions.

| Measure | Phase | Time until the end of |
|--|--|------------------------|
| Extending the service life of suitable recording equipment by assessing field returns and approval extensions | Implemented | › FY 2022 |
| Reducing the CO ₂ e footprint in the lifecycle of devices through concept optimisation | Feasibility study | › FY 2023 |
| Investigation of the CO ₂ e footprint of microcontrollers and radio chips in upstream value creation stages | Research | › FY 2023 |
| Extensive use of recycled materials for plastic enclosures | Feasibility studies | › FY 2023 › FY 2024 |
| Use of larger capacity batteries for longer operating time in system devices | Feasibility study | › FY 2024 |
| Optimisation of the deployment time in the field of exchangeable radio components | Design and implementation | › FY 2024 |
| Set up battery replacement process for suitable system devices | Design and implementation | › FY 2024 |
| Remanufacture of brass components or change to plastics for volumetric meters | Feasibility study | › FY 2024 |
| Sampling procedure for extending the service life of water and heat meters | Coordination in the industry association and with the Physikalisch-Technische Bundesanstalt (PTB) and the verification authorities | › FY 2024 |



Energy and emissions

Climate protection potential through Techem's business activities

Techem also shares responsibility for the energy transition in Germany through its business activities in the field of energy contracting. In contracting, we offer building owners the option of assuming full responsibility for investments in the construction and modernisation of systems technology and supplying tenants with heating and hot water from a highly efficient central heating system. In addition, the company makes a sustainable contribution to the conscious use of energy and water as part of its submetering business (see [p. 31](#)).

Climate-friendly energy management and energy efficiency are also indispensable for the properties used by Techem and for our own operations in order to keep costs and CO₂e emissions low. Our approaches and goals for climate-friendly management – through our equipment, solutions and services as well as in our own operations – are brought together in our decarbonisation plan (see [p. 48](#)).

Certified energy management

Our [energy policy](#) sets the guidelines for the responsible use of energy. Among other things, it states that we want to conserve resources, protect the environment and improve energy efficiency and cost-effectiveness in all energy supply facilities operated and properties used by Techem. Techem ensures that its energy management and energy-related performance (the measurable results in terms of energy efficiency, energy use and energy consumption) are monitored regularly and continuously improved. For this purpose, we have implemented an energy management system according to ISO 50001 for nearly 15 years and arranged for Techem's contracting segment to be certified. In the course of these efforts, we commit, among other things, to provide information on consumption, energy efficiency and emissions during the year, to invest in energy-efficient products and services, and to consider opportunities for improving energy-related performance in new or modified facilities and sites.

We constantly monitor whether our organisation is operating in an energy-efficient manner and make improvements wherever possible. Regular audits and assessments contribute to this. For example, Techem carries out energy audits at its sites in Germany in accordance with the requirements of DIN EN 16247-1 and the specifications of the Federal Office of Economics and Export Control (BAFA).

At our EU companies with mandatory energy audits, we have audits carried out in accordance with the national regulations there. The savings opportunities identified and relevant to us are discussed by the Management and addressed if the measures can be carried out economically.

Working energy-efficiently

The Techem Group does not own any properties, but rather has rented all its locations. In this respect, we have no direct influence on the energy condition of the building shell or on the technical building equipment. The Techem headquarter in Eschborn, which we have certified to the DGNB Gold standard together with the building owner and for which we are striving for platinum certification (see [p. 41](#)), is an exception. When sites are downsized or relocated, we pay attention to efficient and low-emission building technology and energy supply to ensure the lowest possible energy consumption and emission levels. Lighting has been converted to energy-saving LED technology in Germany and at most international locations. In addition, we switched over to a heating pump for heating and cooling during the reporting period at our site in Debrecen (Hungary). In addition, we place great importance on energy-saving and durable equipment in our offices and kitchens.



FOCUS

Techem strives for DGNB Platinum certification at its headquarter in Eschborn

Techem demonstrates how sustainability can be achieved in existing buildings at its headquarter in Eschborn. Together with the owner, Techem is bringing the more than 20-year-old property up to date, using its own products and solutions. After receiving DGNB Gold certification, Techem is aiming for the DGNB Platinum certificate. In the future, Techem itself will be responsible for the energy supply through its energy contracting, including maintenance, servicing, fuel procurement and (partial) financing at its headquarter in Eschborn. The heating and cooling supply is to be ensured in the future by a two-stage heat pump system with condensing boiler for peak loads. In addition, it is planned to equip the flat roof with a PV system for green electricity production. These innovations are intended to ensure a CO₂e reduction of around 85 percent. The outdoor area is also being redesigned as part of the DGNB Platinum certification. Together with the Global Nature Fund and a landscape architect (specialised in biodiversity), Techem drew up an action plan in financial year 2022. The measures are now being implemented in stages.

Green electricity

Techem obtains electricity from renewable sources for all sites in Germany. The conversion to 100 percent green electricity as of 01/01/2023 also includes the supply of all heating systems of the energy contracting business as well as the operation of charging stations for electric vehicles. Since the companies of DMG Beteiligungsgesellschaft are responsible for their own electricity procurement, the green electricity procurement does not yet include these locations. Our international companies are also increasingly purchasing green electricity. To this end, the national companies have initiated a change where the rental agreements allow it. Austria, Norway, Switzerland, Slovakia (Bratislava) and Spain have already switched completely to green electricity.

Energy consumption

Much of the energy purchased is converted into useful energy, heat and electricity, for example, as part of energy contracting (by burning natural gas, for example) and sold to customers. The actual energy consumption therefore takes place at the customer's premises. The energy used to generate useful energy is fully accounted for by Techem as its own energy consumption. In fact, only a small share of the energy purchased is consumed by Techem itself for office operations and the vehicle fleet.

The Techem Group's total energy purchases decreased by around 12 percent in financial year 2022 compared to the previous year. The reason for this is the reduced consumption of the properties supplied with heat by the segment Energy Efficiency Solutions (EES)¹ due to the increased savings efforts of the residents as a result of the high energy prices. In the segment Energy Services Germany / Energy Services International (ESG / ESI), the increase in the number of employees, company acquisitions, more local presence and the now complete recording of fuel consumption in the international companies resulted in an increase in reported energy consumption of nearly 19 percent. Overall, however, the Techem Group's energy consumption fell by 5.7 percent compared to the previous year.

¹ Business services around energy contracting are provided by the segment "Energy Efficiency Solutions" (EES), while services around submetering are provided by the segment "Energy Services Germany / Energy Services International" (ESG / ESI). Rational for the distinction between the segments in this report is the large difference of energy- and emission intensity of the segments.

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

| | Techem total | | EES (Contracting) | | ESG/ESI (Services around Submetering) | |
|---|--------------|----------------------|----------------------|----------------------|---------------------------------------|----------------------|
| | FY 2021 | FY 2022 ¹ | FY 2021 | FY 2022 ¹ | FY 2021 | FY 2022 ¹ |
| Total energy purchases ² | 1,216,127 | 1,068,971 | 1,190,405 | 1,038,356 | 25,722 | 30,615 |
| › Thereof energy from non-renewable sources | 1,156,090 | 1,004,897 | 1,132,546 | 976,584 | 23,544 | 28,313 |
| › Thereof energy from renewable sources | 60,037 | 64,074 | 57,859 | 61,772 | 2,178 | 2,302 |
| Total energy purchases ³ | 1,016,362 | 854,819 | 1,016,362 | 854,819 | 0 | 0 |
| Total energy consumption within the organisation ⁴ | 1,013,190 | 955,790 | 987,468 ⁵ | 925,173 ⁵ | 25,722 | 30,617 |
| Turnover (in € million) | 818.6 | 899.6 | 97.9 | 141.1 | 720.7 | 758.5 |
| Energy intensity ⁶ (in MWh / € million turnover) | 1,237.7 | 1,062.5 | 10,086.5 | 6,556.9 | 35.7 | 40.4 |

¹ Preliminary figures, as not all invoices were available at the time of editorial deadline.

² All energy that is purchased. Both electricity and district heating required for own offices and the operation of own facilities, as well as energy sources, such as natural gas or heating oil, which are used in own facilities to generate heat and/or electricity.

³ All energy sold by segment EES in the form of useful energy, e.g. electricity, heat or cooling. This includes self-generated useful energy, e.g. heat generated by burning natural gas in own plants, and externally generated useful energy, e.g. in the form of district heating, which is only resold.

⁴ The self-generated useful energy is accounted for as own energy consumption.

⁵ Purchased and resold district heating and purchased and resold electricity are not included.

⁶ Related to the "total energy consumption within the organisation".

Climate-friendly mobility

Techem is committed to providing its employees with the most climate-friendly means of transport possible. Measures to this end are implemented on a country-specific basis.

Techem Germany offers discounted leasing of e-bikes and bicycles. A good infrastructure for cyclists is provided with bicycle parking and showers at the headquarter in Eschborn. From 2023 on, Techem plans to gradually expand the bicycle infrastructure, including modern storage facilities, charging options and showers, at the seven major German sites.

In order to also make Techem Germany's vehicle fleet climate-friendly, we are planning to completely convert the German passenger car fleet to CO₂e neutral drives by 2028 – despite current challenges in the availability of e-vehicles. For our customer service technicians, we started launching a pilot project on the use of e-vehicles in the summer of 2023.

Employees can apply for a 50 percent subsidy for an annual public transport ticket or have individual journeys partially reimbursed. In the travel policy in force in Germany, train travel is preferred to air travel. If there is a justified need, employees receive a 2nd class Bahncard

free of charge. Flights that nevertheless take place are offset by the non-profit organisation atmosfair.

A few Techem subsidiaries have also established approaches and measures for climate-friendly mobility of their employees. The national companies in Norway, Austria, Belgium, the Netherlands, Switzerland and Bulgaria have already converted most of their vehicle fleets to e-mobility. In addition, several international locations offer incentives for the use of bicycles or public transport.



Our CO₂e footprint

As an energy service provider and metering point operator, we consider it our responsibility to make an effective contribution to the energy transition and to a climate-neutral building stock – especially through our products and services, but also 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). The basis for this is our CO₂e footprint – which we have drawn up in accordance with the Greenhouse Gas Protocol (GHG Protocol).

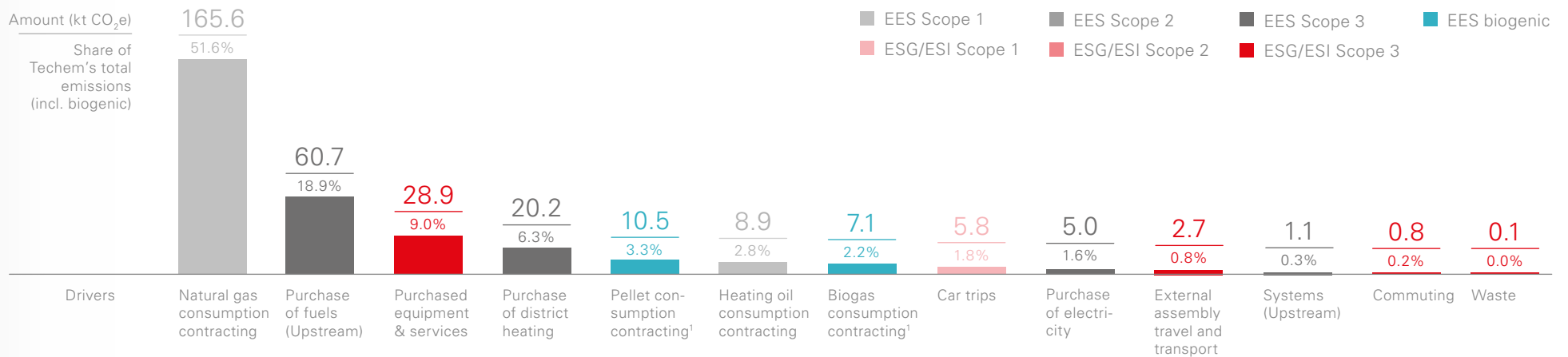
Techem Group’s global CO₂e footprint

Techem Group’s global CO₂e footprint amounted to approximately 306,800 tons (FY 2021: 313,800 tons) of CO₂e emissions in fiscal year 2022. The figures presented below are market-based. The complete key figures can be found in detail from [p. 110](#). The main emissions driver at Techem is natural gas consumption in the contracting business of the segment EES with a share of just under 51 percent (FY 2021: 59 percent) of the Techem Group’s total emissions. This is followed by upstream emissions from energy sources with just under 19 percent and the purchased goods and services in the

metering segment (ESG / ESI) with a share of 9 percent (FY 2021: 11 percent) of Techem’s total emissions.

Due to the very different business areas of the segment EES (contracting) and the segment ESG / ESI (services around submetering), the emissions are presented below transparently for the entire Techem Group, for the segment EES and for the segment ESG / ESI.

Main emission drivers of the Techem Group 2022 (in kt CO₂e)



¹ Biogenic emissions are reported as required by the GHG Protocol, but are not included in the sum of the total emissions of the individual scopes.

Scope 1 – our direct emissions

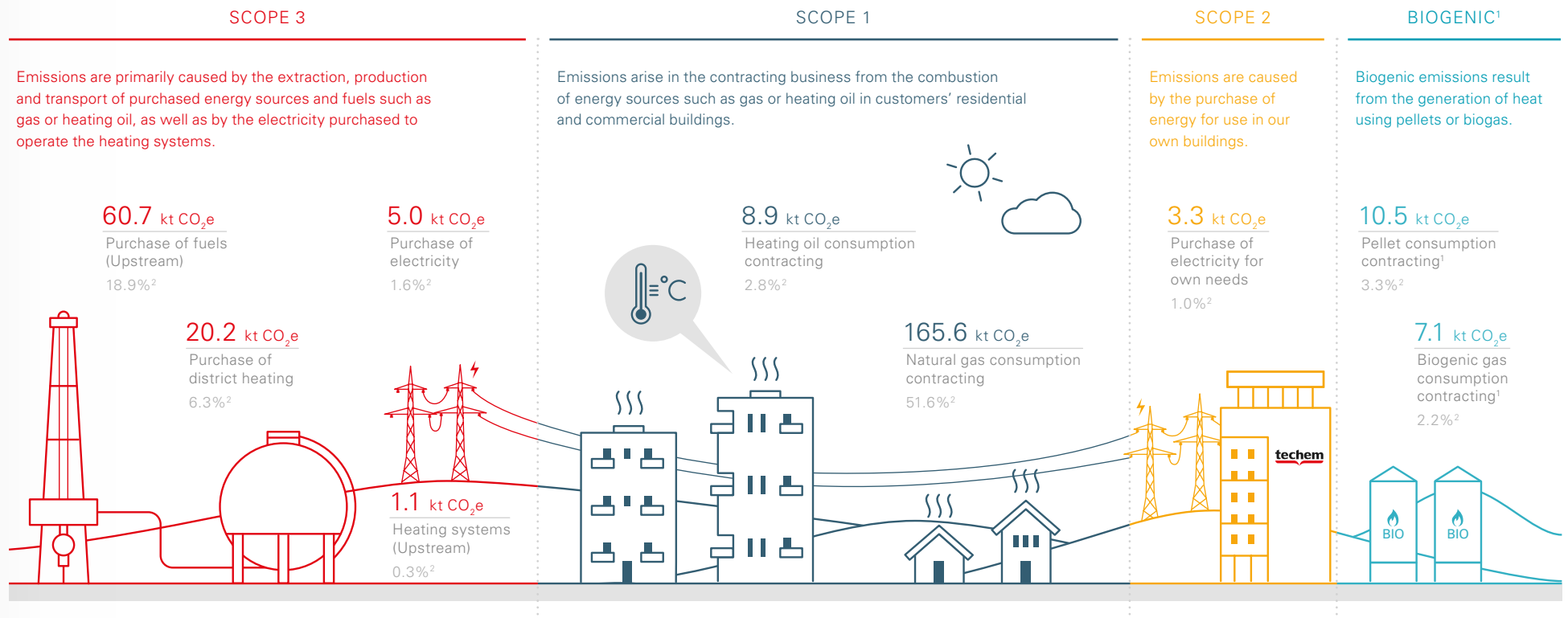
Techem’s Scope 1 emissions include those emissions over which we have a direct influence. They arise from the provision of energy – mainly in the form of heat – and the fuel consumption of our company vehicles. Compared to the previous year, our Scope 1 emissions

have decreased, but still account for the majority of Techem’s total emissions at just under 59 percent (FY 2021: 62 percent). Within our direct Scope 1 emissions, the segment of EES’ own energy production is the main source of emissions at 97 percent.

Scope 2 – our indirect emissions

Our Scope 2 emissions correspond to less than two percent of the Techem Group’s total emissions and can therefore be considered non-material.

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



¹ According to the GHG Protocol, biogenic emissions are not part of the CO₂e balance and are therefore reported separately.

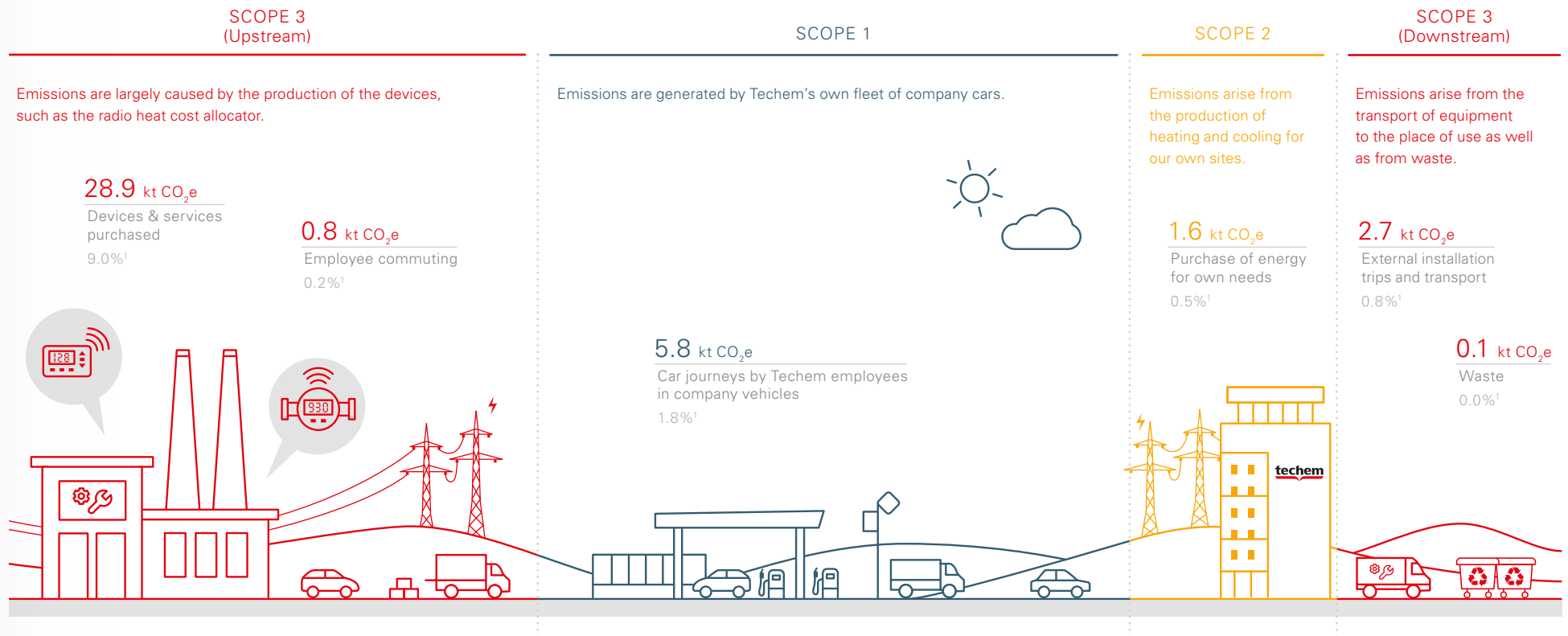
² Percent share of total emissions.

Scope 3 - our indirect emissions along the value chain

The CO₂e emissions released along our value chain are reported under the Scope 3 emissions. They arise in particular from the purchase of goods and services as well as from the purchase, sale and use of fossil fuels.

Our Scope 3 emissions are responsible for around 40 percent (FY 2021: 37 percent) of Techem's total emissions. Hotspots within Scope 3 emissions are fuel and energy-related activities of segment EES at 72 percent (FY 2021: 65 percent) and purchased goods and services of segment ESG / ESI at 24 percent (FY 2021: 31 percent).

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



¹ Percentage share of total emissions.

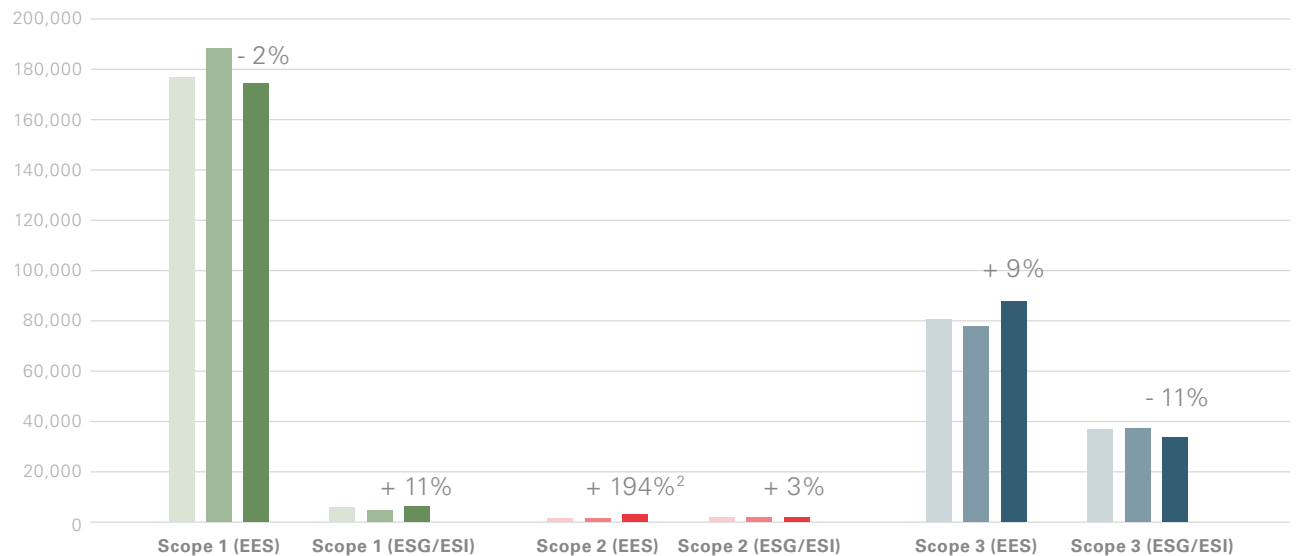


Development of our emissions

The total CO₂e footprint of the Techem Group decreased by 2.2 percent in financial year 2022 compared to the previous year. Furthermore, the developments of the last few years allow the following conclusions to be drawn:

- › Scope 1 emissions and fuel-related Scope 3 emissions from the segment EES' activities together represent the largest share of Techem's total emissions. These emissions are largely determined by the heat consumption of the apartments supplied by the segment EES and are therefore directly dependent on the behaviour of the occupants and the outdoor temperatures. In 2022, the average outdoor temperatures were higher than in 2021 and the users were significantly more economical due to the energy crisis and the increase in fuel prices. As a result, Scope 1 emissions fell by a total of 13 kilotons. In the medium and long term, the implementation of the decarbonisation plan will lead to a significant reduction in emissions for both the segment EES and Techem as a whole.
- › Scope 2 emissions result predominantly from the heating and electricity consumption of Techem sites as well as operating electricity for the heating systems of the segment EES. Overall, the contribution to Techem's emissions of around 1.6 percent (market-based) is very low. Assuming that the heat pumps that the segment EES operates in the future use green electricity, this share will not increase.

CO₂e emissions 2020 – 2022 of the Techem Group in Scope 1, 2 and 3 (in t CO₂e)¹



¹ The percentage figure describes the change in emissions compared to the base year. The data includes all CO₂e emissions of the Techem Group worldwide. For more information on the collection of data, see p. 111.

² The figure was estimated in previous years. The figure was measured in financial year 2022. Due to the switch to green power, emissions for financial year 2023 will decrease significantly again.

- › Besides the fuel-related emissions of the EES segment, Scope 3 emissions result from the emissions of the lifecycle of Techem's equipment in the ESG / ESI segment. This share is influenced by the number of devices and by the emission reduction measures (see p. 37). Compared to 2021, Scope 3 emissions increased by a total of 4 kilotons in 2022. This is

mainly due to higher emission factors for the upstream value chain of fuels, i.e. the extraction, processing or transport (upstream emissions) (+11 kilotons). A counteracting effect was caused by lower emissions from the appliance lifecycle due to a lower amount of devices (-7 kilotons). This decrease can be attributed to the extension of the lifecycle of devices.



Techem reduction targets for emissions according to SBTi

| Techem Group | 2030 | 2045 | |
|----------------------------|-------------------|------|--|
| Scope 1 | -42% | -90% | Net Zero according to SBTi in combination with carbon capture technologies for 10% remaining emissions |
| Scope 2 | -42% | -90% | |
| Scope 3 | -28% ¹ | -90% | |
| › Segment ESG / ESI | | | |
| Scope 1 & Scope 2 | -90% | | |

¹ Scope 3 target for 2030: Reduction of 42 percent from 67 percent of emissions compared to the base year 2020 according to the SBTi Corporate Net Zero standard. Excludes upstream emissions from district heating.

Our roadmap to climate neutrality

With our decarbonisation plan, we intend to reduce our CO₂e emissions by at least 42 percent in Scopes 1 and 2 and by 28 percent in Scope 3 and, in the long term, achieve emission reductions across all scopes of at least 90 percent (see table).

The base year for this is in each case financial year 2020. The remaining emissions are to be compensated in accordance with the Net Zero Standard of the SBTi with the help of carbon offsetting or carbon capture technologies in order to achieve climate neutrality for the Techem Group by 2045. In doing so, we also want to strengthen the climate-friendly effect of our products and services in order to contribute to the overall goal of climate-neutral building management.

Techem’s reduction targets in accordance with SBTi

The basis for our decarbonisation plan, in addition to our CO₂e footprint according to the GHG Protocol (see p. 43), are also the analysis of the environmental impact of Techem equipment and facilities (see p. 37) and workshops with Techem experts. Since the attainability of the targets is strongly linked to customer acceptance of contracting, which will be much more climate-friendly in the future, we will validate the targets accordingly. Our two business fields of contracting and submetering will be examined.



Main focuses of our decarbonisation plan

Segment Energy Efficiency Solutions (EES) – the contracting business

1. Low-emission growth in new buildings

The segment EES focuses on low-emission solutions for the supply of heating, cooling and electricity when equipping new construction projects. As a matter of principle, we offer all our customers a 100 percent green supply solution. If this is not an option for our customers, we already only implement systems with at least 65 percent renewable energy.

2. Conversion of the building stock to hybrid heating systems consisting of heat pumps and gas-fired peak load boilers

As part of the renewal of contracts, we replace existing, conventional heat supply systems with regenerative heat supply solutions with a minimum share of 65 percent regenerative energies. We also offer all our customers the option of converting an existing, conventional heat supply to 100 percent renewable even within an ongoing contractual relationship. In doing so, we rely mainly on heat pump solutions. From calendar year 2032 on, we plan to convert any remaining conventional fuel quantities to renewable fuels, green hydrogen or biomethane, for example. Our technology decisions are made based on availability, cost and customer preference.

3. Conversion to green electricity for customers

The operation of all facilities in the EES segment and the charging points for electric mobility has been converted to 100 percent green electricity.

4. Optimisation of system operation

The segment EES has consistently converted its energy generation plants to “eco operation.” This includes, among other measures, demand-driven control and optimisation of the operating times. In addition, a large part of the systems portfolio has been equipped with digital, remotely readable metering systems. Equipping of this technology is to be fully completed by the end of financial year 2026.

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

5. Circular design for Techem devices

Techem is conducting a feasibility assessment for the reduction potential for Techem devices in the areas of service life extension, use of recyclates, remanufacturing and refabrication by financial year 2025 and will then set carry out the most promising measures (see p. 39). The long-term reduction target can only be achieved if a holistic transition to circular manufacturing of all devices takes place. For this reason, Techem will intensively involve the supply chain here in order to achieve its emission reduction targets in cooperation with the manufacturers.

6. Emission-free mobility, green electricity for own use & emission-free heat in Techem buildings

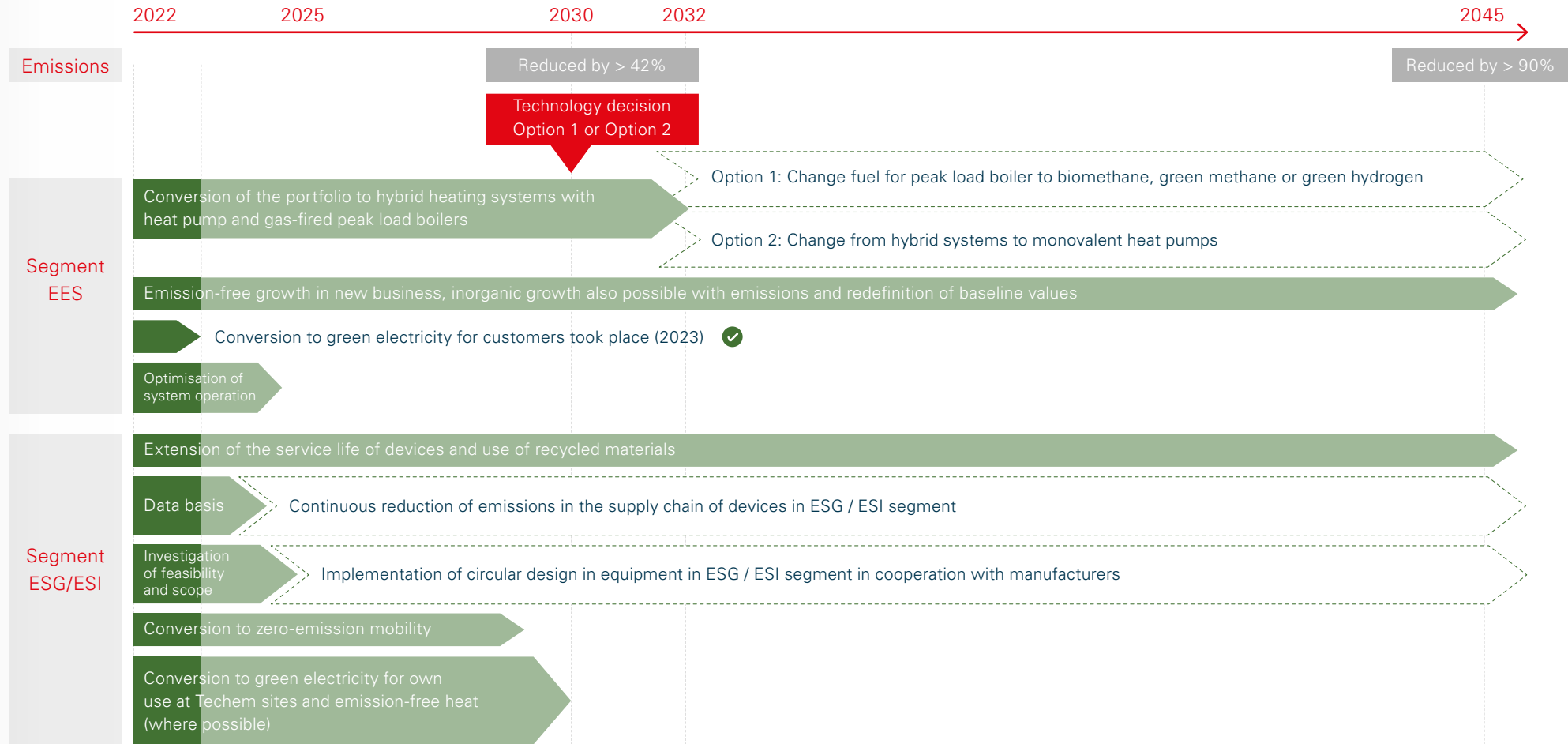
Techem plans to convert its car fleet¹ to CO₂ e-neutral drives by the end of financial year 2028. The challenge here, however, is the current availability of e-vehicles. Since the beginning of calendar year 2023, Techem sites in Germany have been covering their electricity requirements from renewable sources with a certificate of origin. Electricity is also generated from renewable sources wherever possible at the sites of the German companies belonging to Techem as well as our international sites. In addition, Techem’s headquarter in Germany will be supplied with heat from renewable sources in the future. A changeover is being examined for all other locations as well.

Dealing with remaining emissions

Remaining emissions are to be offset in accordance with the SBTi requirements using carbon offsetting or carbon capture technologies in order to achieve complete climate neutrality by 2045.

¹ The low number of company cars and premises of the segment EES are attributed here to the segment ESG / ESI.

Techem Decarbonisation Plan





Conserving resources

Save water

For Techem, water represents an important resource that is worth protecting. Due to climate change, water stress is becoming an increasing problem – even in temperate latitudes. By measuring and billing water consumption, we create transparency among tenants regarding their consumption and thus contribute to raising awareness.

In the Techem Group's own operations, water is only used to a small extent in sanitary facilities and for food preparation. In financial year 2022, 14,173 cubic metres of water were withdrawn (FY 2021: 10,880 cubic metres) (see [p. 113](#)). The increase can be explained by the increased presence of employees in the office, which was low in the previous years due to the corona pandemic. The water comes from the public drinking water supply and is used in the sanitary rooms, the office kitchens and the company restaurant. The sanitary rooms are equipped with water-saving fittings. Wastewater is discharged into the municipal systems. Techem does not maintain any production facilities that require water. Therefore, no minimum standards for the quality of wastewater discharge are necessary. The standard is set by the local water and wastewater legislation. As wa-

ter is only used to a small extent at Techem and not as process water, there is no approach to identify impacts related to waste or process water or to set targets for reducing water consumption. Nevertheless, all employees are encouraged to adopt water-saving behaviour.

Disposal management

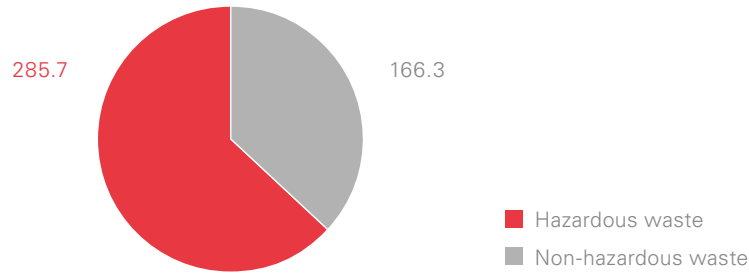
All electronic devices that Techem markets must be returned to the disposal cycle. In Germany, this is the responsibility of the Supply Chain Management division, which will further professionalise disposal management by the end of financial year 2023. The devices used by Techem consist of electronic components, plastics and metal. In the design stage of our products, we already take the waste impacts that arise in the course of their lifecycle into account: Among other things, we focus on a recyclable design of the products and on reducing packaging material (see [p. 37](#)). In financial year 2022, dismantled units in Germany weighing approx. 276 tons (FY 2021: 413 tons) were sent for disposal. Uninstalled units are taken to a certified disposal company.

In order to ensure the return of devices to Techem, corresponding work instructions were created and included in the obligatory hazardous goods training for fitters. In addition, selected managers are trained to return the equipment by the dangerous goods officers.

The Li-batteries installed in the electronic devices are also fed into a certified take-back system for further recycling. Internationally, disposal is carried out in accordance with the respective regulations.

At Techem Germany, the following figures were recorded in financial year 2022: 452.0 (FY 2021: 634.3) tons of waste generated, of which 285.7 tons of hazardous waste (FY 2021: 422.5 tons) (mostly e-waste). The decrease is partly due to the extended service life of Techem devices (see [p. 38](#)). Around 97.8 percent (FY 2021: 98.5 percent) of the waste was recycled, reprocessed or recovered, with the remainder disposed of in accordance with the German Closed Substance Cycle Waste Management Act (KrWG).

Waste by waste type and disposal method in Germany 2022 (in t)



Reducing paper consumption and using recycled paper

Avoiding paper consumption and switching to recycled paper also contributes to conserving resources in business activities. Techem Germany has set itself the goal of reducing its paper consumption by 50 percent by financial year 2024 and switching completely to recycled paper. The conversion to recycled paper of the central printing line, which is responsible for about 97.5 percent of the total paper consumption at Techem Germany, began on 03/01/2023. At Techem Germany, recycled paper is already used in a few areas, for envelopes, in the employee canteen or for paper use in the sanitary facilities, for example.

Furthermore, certain processes and IT systems were prepared in such a way that Techem’s services can be provided without paper. The conversion of customers will take place gradually as well. This can save up to 20 percent of paper consumption. With the implementation of the European Energy Efficiency Directive (EED), the Heating Costs Ordinance 2021 was amended and, among other things, expanded to include an obligation to provide consumption information during the year. According to this, tenants must be actively informed about their consumption during the year. Since the housing industry only has an email address for about half of tenants, postal deliveries with the associated paper consumption are currently still necessary.

As part of selected digitalisation projects, in customer communication or with regard to extensive assembly instructions, for example, paper consumption was reduced in Germany in financial year 2022. Some of Techem’s international sites have adopted targets for a “paperless office”. For example, Techem Belgium and Luxembourg intend to go paperless as far as possible by the end of 2023. Techem Netherlands has already switched to a paperless office.



Sensitising employees

Environmentally and climate-conscious behaviour can only develop its full effect collectively. We have anchored this in our Code of Conduct for employees. Through internal publications on energy and water-saving behaviour, employees are sensitised to resource-saving behaviour. In addition, we regularly provide up-to-date information on climate and environmental protection in the form of intranet articles or social media posts. Employees can also provide sustainability-related suggestions via a dedicated sustainability group on the intranet and at sustainability@techem.de.

In financial year 2023, we will launch an online training course that is mandatory for all employees in Germany and thus raise their awareness of the topic of sustainability even more in the future. In a second step, this will also be rolled out internationally. In Germany, there will also be an annual e-learning course for employees working in the EES segment on the economical use of energy and water with a final knowledge test. The actual savings achieved in the office will be communicated via internal channels.

In financial year 2022, Techem Germany held a Sustainability Week that included various activities. Here, we were able to reach more than 1,000 employees with a presentation by an external expert on sustainability. In an interactive climate workshop, participants tested strategies for coping with climate change using a simulator. In addition, we launched a waste collection campaign at Techem Germany in the spring of 2022 and gave employees time off to participate. To ensure that our employees are able to speak the language of the Sustainability Report, we have published a cheat sheet with the most important facts. In addition, we use fair trade organic coffee and tea at all our German locations, which are available to our employees free of charge. Employee awareness campaigns also take place at the international sites. For example, in financial year 2022, all Techem sites invited employees to take part in a quiz on the Sustainability Report. In addition, workshops on climate protection were held with employees in Denmark and Norway. In this context, ideas for a more sustainable lifestyle and workplace were collected, among other input.



FOR THE INDIVIDUAL & THE COMMUNITY

Techem stands for more than the products and climate solutions we offer. Techem is also about the people who keep our company running every day. After all, we need qualified employees in order to achieve the energy transition in the building sector. We offer them a safe and attractive working environment and focus on holistic training and further education. Together, we work to increase the satisfaction of our customers and develop solutions for green and smart buildings together with strong partners. In our social commitment, we also focus on cooperations with a positive impact on the individual and the community.

Attractive working conditions and a diverse workforce

Our 4,199 (FY 2021: 3,944) Techem employees worldwide form our backbone. They can develop individually in a safe working environment and continue their education. At Techem, demanding tasks can be reconciled with private commitments and requirements. Our employees benefit from the fact that diversity and equal opportunities are specifically promoted.

Attracting and retaining employees

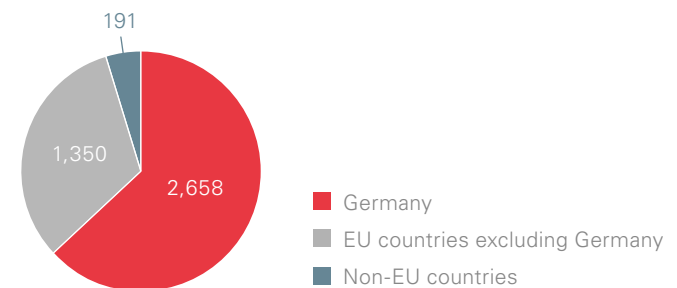
Our employees

Our employees are a key component of our company's success. We offer them attractive working conditions worldwide, which also include job security: The majority of our employees are therefore employed on a permanent basis, and in the reporting year we were also able to take on many of our temporary employees on a permanent basis.

Techem's aspiration is to retain employees in the long term. One indicator of this is the fluctuation rate. This

provides information on the number of departures in financial year 2022 in relation to the total workforce. The slight increase in the global attrition rate to 13.6 percent compared to the previous year (FY 2021: 11.5 percent) is partly due to the consolidation of customer support sites. In addition, there were terminations by technicians who changed careers due to the risk of corona infection while engaging in personal contact with customers. A total of 742 employees (FY 2021: 554 employees) were hired in financial year 2022, while 572 employees (FY 2021: 452 employees) left the company.

Employees by region in 2022



The figures include all active employees worldwide including trainees without temporary staff as of 09/30/2022.



Techem sometimes relies on service providers to carry out various activities:

- › Installation: Self-employed or small companies are used to install or repair Techem devices in properties. Fitters use Techem materials and ensure that the devices are used in a functional manner.
- › Meter reading: Self-employed persons or small companies are also used to read Techem devices in properties. This seasonal activity mainly takes place in the first quarter of a calendar year and is often carried out on a part-time basis. In most cases, this concerns properties that are equipped with radio frequency devices.
- › Call centers: Call center employees are specifically trained on Techem processes and work almost entirely for Techem. This ensures that Techem can also be reached outside of typical office working hours.

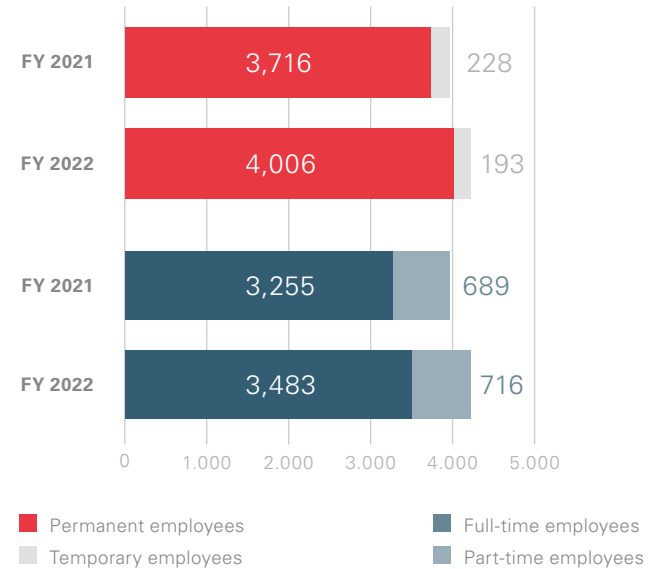
The total number of employees at the aforementioned service providers amounted to 1,848 in financial year 2022.

For Techem Germany, the fluctuation rate is particularly relevant to Management with regard to own terminations. We have therefore set ourselves the goal of keeping the fluctuation rate of own terminations in Germany below 5 percent in the long term. This rate was 5.5 percent (FY 2021: 3.2 percent) in financial year 2022.

In order to determine the satisfaction, motivation and affiliation to Techem of our employees, we conduct employee surveys in Germany and introduced an Employee Net Promoter Score (eNPS) and defined target figures in financial year 2021. The questions relate to the aspects of organisation, leadership, team and job activity. Employee surveys were also conducted in all 18 (FY 2021: 12) other Techem national companies and targeted measures were derived to increase satisfaction. Group-wide, Techem achieved an eNPS of +13 in financial year 2022.

The results of the employee survey are used throughout the Group. Thus, in 2022, over 25 teams took part in a so-called Employee Engagement Challenge, in which they developed measures to make their working environment more attractive – for example in the form of meet-ups on the topic of an error culture.

Overview of employment relationships



This data includes all active employees worldwide including trainees but without temporary staff as of 09/30 of the respective year. Installation of devices and reading of meters are partly carried out by external service technicians and meter readers with a work contract.

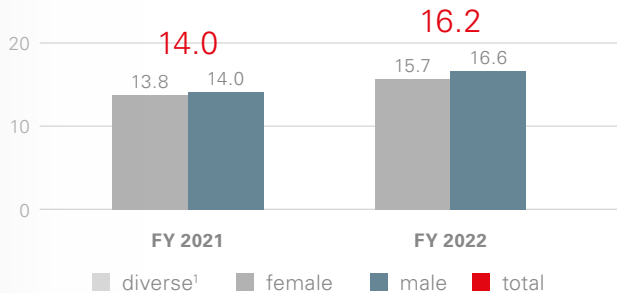
Training of junior staff

In order to secure our own junior staff and strengthen our solutions in the area of energy services, Techem relies on young professionals, whom we train in-house and in some cases together with other companies. To get started, we offer internships, vocational training and dual study programmes in Germany and in seven (FY 2021: six) other national companies. Students can also get to know us through digital formats for career guidance. We observe equal opportunities and the

diverse backgrounds of applicants during the selection process. In financial year 2022, the company employed 72 apprentices and dual students in Germany (FY 2021: 74) in four (FY 2021: four) apprenticeships and six (FY 2021: six) dual study programmes. In addition, five young professionals (FY 2021: five) were in a continuous trainee programme at the Eschborn site in financial year 2022. New orientations of further job profiles, such as the new dual course of study DLM-Consulting & Sales, are being planned for financial year 2023.

Responsibilities for training and development are anchored in 16 of 18 Techem national companies. The training team in Germany is integrated into the HR Management Services department, which in turn is assigned to the HR, Legal and Claims department. Our junior staff who are not employed at headquarters are supervised by regional trainers on site. The trainees regularly change departments in order to get to know all work processes. In order to develop the skills of our junior staff for the future, we continuously train them, on pres-

Training hours per employee* in Germany in financial year 2021 and financial year 2022



¹ This figure is not reported in order to comply with the General Data Protection Regulation (GDPR). Since Techem currently employs only one diverse person in the company, it was possible to draw conclusions about the working behaviour by specifying the training hours.

The data includes all employees in Germany and refers to the average number of training hours per employee in the respective Techem financial year. Reporting of international data was not possible in the reporting year due to the lack of a uniform system for recording training hours. Instruction by supervisors on site was not counted as training hours.



FOCUS Learning Days

In November 2022, we organised the second Learning Days under the motto “Discover, Learn, Grow” for all Techem employees in Germany. In total, more than 3,200 employees took part in the nearly 30 inspiring learning opportunities, which were organised by 32 employees and 10 external speakers. The focus of Learning Days lies on the easy integration of the offers into the daily work routine through a varied format mix with

entertaining learning impulses. The participants were able to choose from a wide range of content such as sustainability & energy efficiency, digitalisation, leadership or self-management. Together, we learned for more than 6,400 hours during the two days, which corresponds to 2.6 hours per employee. Learning Days were not only recognised internally, but also received the HR Energy Award for innovation projects in 2022.



entation and communication techniques or time and self-management. In addition, the trainees work together on projects that they implement independently. In financial year 2022, for example, our trainees and dual students organised an open house day at the Eschborn site. As part of this event, Techem, together with the city of Eschborn, invited students from the surrounding schools. They were able to learn more about Techem's training and study programmes at the various career booths. The offer ranged from learning content in theory, information on remuneration to an exchange of experiences with trainees. In addition to the career booths, workshops on the application process were also offered, among other topics.

Our trainees ("young professionals") are also expected to expand their experience in project management during their 18-month trainee phase and work together to drive a project forward. The topic we chose was CO₂e pricing and its impact on Techem.

Strengthened by the corona pandemic, the digitalisation of our processes will remain important in the future and training will continue to take place in the hybrid model.

Training in line with demand

With the introduction of a new learning management system, we have been providing employees across the Group with access to a wide range of learning opportunities since the fall of 2021 that are aimed at building up skills and competences that are relevant to us. In financial year 2022, the Techem Academy offered 477 (FY 2021: 375) learning opportunities, of which more than 98 (FY 2021: 95) percent could be accessed online and 71 (FY 2021: around 50) percent could be accessed regardless of location or time.

In total, Techem employees in Germany attended an average of 16.2 hours of training in financial year 2022 (FY 2021: around 14 hours). The course portfolio in 2022 was rated with an average of 4.5 out of 5 stars, which corresponds to satisfaction with the learning offer of 90 percent.

In addition, we sensitise and train our employees through various measures to act in an environmentally and climate-conscious manner (see [p. 52](#)).

Further development of the Techem Academy as a metaverse for learning

In line with our purpose of "working together for the digital energy transition in buildings and helping to make buildings greener, smarter and healthier," we have set ourselves the goal of creating a virtual learning energy-efficiency house of the future with the "Techem Metaverse for Learning". The first learning rooms will be available to employees starting in financial year 2024.

Based on the vision of not looking at working and learning worlds separately, but rather as a holistic ecosystem, the Metaverse for Learning offers employees different immersive learning and development opportunities and combines various learning formats, platforms and collaboration tools. In addition to the goal of experiencing energy efficiency in buildings, the exchange and networking among each other is promoted, learning needs are identified and relevant skills and meta-competences are built up. In addition, the employees are enabled to put themselves in the perspective of the customers and to experience the customer journey through the entire energetic solution portfolio and to design it according to the target audience. This transforms passive knowledge transfer into an active learning experience.



It makes the Techem Metaverse a living, self-perpetuating system that thrives on learner co-creation, participation and content, especially in social learning formats such as peer learning and learning circles. The integration of VR & AR technologies such as 3D objects in AR (e.g. radio heat cost allocators & Techem culture tree), interactive infographics and an “AR portal” as a physical anchor in the Techem headquarters also creates a seamless fusion of virtual and physical learning.

Employee appraisals as a basis

The managers discuss which further training measures are target-oriented together with the employees in employee appraisals. The formats vary in the Techem national companies. In Germany, we identify annually how individual employees can develop and what training is needed to do so. 94 percent of employees in Germany received regular performance and professional development reviews in financial year 2022. Based on this assessment, the next development steps and goals

are discussed. Separate leadership competencies are earmarked for managers. Training, events or courses on all core competencies are offered to promote continuous personal development. In Germany, a mid-year check is possible at the request of employees, which includes a second, shortened interview. Here, interim goals and development progress can be reviewed. All employees are encouraged to obtain feedback from their colleagues in advance of the appraisal interview, which can be viewed by employees and managers. This additional feedback helps managers in their assessment, promotes a feedback culture and increases employees’ ability to self-reflect.

Future-proof further development

At the latest every two years, employees who aspire to pursue a management or specialist career can apply for the corporate development programme “STEP.” The applicants are made known across all divisions and their potential is assessed in talent conferences to

ensure fairness and objectivity in the selection process. The programme consists of seven modules that are spread out across 18 months. It is not only advertised in Germany, but also at our international locations. 39 employees (FY 2021: 41) are participating in the current round of the junior staff development programme, which started in the spring of 2022. Of these, 13 (FY 2021: 13) percent come from international locations and 43 (FY 2021: 44) percent of participants are women. The latter roughly reflects the gender ratio of our workforce and meets our women’s quota for junior staff development programmes. The content of the programmes includes leadership skills and methods for team and project management. The spectrum of topics ranges from agile methods and energy management to diversity and resilience. For managers, we also offer the Leadership Development Programme. Participants acquire knowledge that is important for the cultural development and future viability of our company.



Open and respectful company culture

Diversity, equality and inclusion

We view the diverse perspectives and backgrounds of our employees as a key factor in our success. This includes fair and respectful interaction at eye level – both within the company and with customers and business partners. This attitude is also anchored in our Code of Conduct, which forms the basis for daily actions at Techem (see [p. 81](#)).

For Techem, Diversity, Equality and Inclusion (D,E&I) means that all employees

- › can be themselves and experience appreciation,
- › receive the same opportunities,
- › see diversity as enrichment and
- › live common Techem values that form the foundation for our cooperation.

We thus want to create a working environment in which our employees feel comfortable – regardless of age, ethnic origin and nationality, physical and mental abilities, religion and world view, sexual orientation and social origin.

In the spring of 2022, we developed a Group-wide Diversity and Anti-Discrimination Policy, which came into force at the beginning of 2023. This is a building block for our open company culture, which enables employees to develop in the work environment regardless of their individual characteristics. All forms of discrimination are strictly rejected. To anchor this in the organisation, we conducted an anti-discrimination campaign in the summer of 2023. In order to minimise discriminatory behaviour, guidelines point out desirable behaviour by a) people who feel discriminated against, and b) observers of discrimination and c) persons accused of discrimination. In addition, Techem increasingly refers to its different reporting channels.

We are a signatory of the Diversity Charter and have established a second Advisory Board with the Beyond Gender Agenda since 2023. In addition, our Head of Sustainability, Communications & Public Affairs, Katharina Bathe-Metzler, received an award as part of the Top 100 Women for Diversity campaign initiated by the Beyond Gender Agenda.

The topic of Diversity, Equality and Inclusion is the responsibility of the Managing Director or the Human Resources department, depending on the country. In Germany, the HR, Legal and Claims department is responsible for this in cooperation with the Sustainability Management department.

By involving many different internal stakeholders, Techem Germany is intensively dealing with the current status of Diversity, Equality and Inclusion (D,E&I) and has initiated steps for more diversity, inclusion and equal opportunities in 2022 as part of a diversity roadmap. This includes action points, targets, KPIs and measures.

Our focus areas

By raising awareness, ensuring fair framework conditions and adopting a clear zero-tolerance attitude towards discriminatory behaviour, we seek to promote an inclusive and diverse environment at Techem.

For more awareness & inclusion

Goals:

- › Sensitised workforce
- › Leaders acting as role models
- › Strong employees with diversity characteristics



For fair framework conditions

Goals:

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

Against discrimination

Goals:

- › Trusting environment in which cases of discrimination are reported
- › Clear consequences for discriminatory behaviour



Overview of diversity measures in financial year 2022

- › Support for the Diversity Network “Diversi-T” with more than 40 participants from different locations who meet each month to raise awareness of various aspects of diversity by organizing activities.
- › A 40 percent recruitment quota for female managers was introduced as a remuneration-relevant target for the top management levels.
- › As part of Diversity Week, we strengthened internal communication on D,E&I through external speakers such as Tijien Onaran and Janis McDavid, video messages from diverse staff groups and activities such as the creation of an intercultural cookbook.
- › Job advertisements have been designed more inclusively and platforms such as social bee are being used to address different candidates.
- › Interview guidelines have been standardised and assessment criteria objectified in recruitment procedures to reduce the personal bias of decision-makers.
- › Target audience-specific training courses for customer service technicians were introduced.
- › The whistleblower tool was strengthened internally and opened to external whistleblowers.

(Planned) activities for financial year 2023:

- › Between March and May 2023, mandatory training for all managers on promoting diversity and inclusive leadership took place.
- › A women-specific training measure on self-confidence and self-marketing was launched in February 2023.
- › Techem plans to introduce the berufundfamilie audit in 2023.

If incidents occur that violate our Code of Conduct or our Diversity and Anti-Discrimination Policy, employees worldwide can report them anonymously via the Whispli tool or contact HR, Legal and Claims (see [p. 82](#)). In financial year 2022, one discrimination incident (FY 2021: two) was reported at Techem. The incident was investigated thoroughly and led to the termination of the employment relationship with the person in breach of duty.

Employee network Diversi-T

Techem founded the employee network “Diversi-T” in financial year 2022 with the aim of promoting individual diversity among the workforce and anchoring it in our daily actions and work. Within Diversi-T, the awareness, perception and sensitisation for the topic of D,E&I and diverse employee groups are to be strengthened and a safe space is to be created for this.

During a kick-off event – with a keynote speech by Prof. Dr Ann-Kristin Achleitner, member of the Techem Advisory Board, and a panel discussion with Techem CFO & CPO, the Head of HR, Legal and Claims, the representative of the severely disabled and an employee – questions such as “What do diversity, equal opportunities and inclusion mean at Techem?” were discussed in several workshops.

The employee network meets each month to discuss current topics as well as in various working groups several times a month and actively raises awareness among the workforce through various measures. In 2022, for example, the members started organising measures within the framework of the Diversity Charter. So far, for example, a participatory challenge has been organised for the International Day of Persons with Disabilities. Another Diversi-T network activity was the production of a video in which employees share insights about their cultural or ethnic background. Measures on all dimensions of the Diversity Charter are to be implemented by the end of 2023.

To stay in regular contact and broaden horizons, members can participate in the Diversi-T lunch lottery. Once a month, participants are randomly assigned to a member of the network for a lunch break together.



Recruiting measures

In 2022, recruiters at Techem were trained for two days and sensitised for D,E&I aspects in recruitment processes. The recruiting team has conducted target audience analysis and is continuously identifying new platforms to address different target audiences as diversely as possible.

The job advertisements are worded in a gender-neutral way and supplemented with the following guiding principle: “We want to live our Techem values together, which form the foundation for our cooperation. At the same time, we see diversity as an enrichment and value it. It is important to us that all applicants and employees can be themselves, are appreciated and receive the same opportunities”. In addition, the arguments in the approach were adapted to appeal to diverse candidates. Examples of this

include flexible working hours and individual development within the company to become a manager or expert.

For all expert and management positions in the company, interview guides are used with questions targeting the core competences needed in the job. This means that standardised questions are asked within the interviews in order to be able to assess applicants based on objective criteria.

Main focuses & KPIs

For more awareness & inclusion

KPIs

- › Employee participation in training
- › Increasing staff approval to inclusive leadership in 360° feedbacks
- › Number of employees in employee networks

Targets

A sensitised workforce

Leaders acting as role models

Strong employees with diversity characteristics

Measures

› Training courses to promote D,E&I for employees with a subsequent dialogue format in their own area / team

› Target audience-specific training for individual employee groups such as customer service technicians

› Strengthening of internal communication on D,E&I

› Introduction of a Diversity and Anti-Discrimination Policy

See also measures on a sensitised workforce.

› Training formats on non-prejudiced and inclusive leadership

› Introduction of organisational and financial support for employee networks

› Conducting a survey and interviews on the needs of people with disabilities or physical illnesses and corresponding derivations

Status

› Completed; mandatory training on diversity and anti-discrimination for all employees in Germany in financial year 2022 and mandatory training for managers on inclusive leadership implemented in financial year 2023

› Completed; implemented in 2022

› Ongoing

› Completed; the Diversity and Anti-Discrimination Policy came into force in the spring of 2023, see [p. 59](#)

› Ongoing; training started in the spring of 2023

› Completed; employee network established in financial year 2022. 45 employees were members in the spring of 2023

› Implementation to follow



Main focuses & KPIs

For fair framework conditions

KPIs

- › Percentage of women in management positions
- › Gender pay gap
- › Mentees with diversity characteristics
- › berufundfamilie certificate

Against discrimination

KPIs

- › Proportion of respondents with knowledge of recommendations for action and consequences in the event of discrimination

Targets

Measures

Status

Prejudice-free recruitment procedures

- › Training of recruiters on unconscious bias
- › Identification of alternative platforms for approaching diverse applicants

- › Completed; training conducted in financial year 2022
- › Completed; analysis completed in financial year 2022

Equal opportunities for development and promotion

- › Women’s quota for managers and junior staff development programmes
- › Mentoring programme for employee groups with diversity characteristics
- › Offer women-specific further training measures, for example on self-confidence and self-marketing
- › Introduction of reintegration interviews and career counselling after parental leave

- › Ongoing; see targets programme [p. 103](#)
- › Implementation to follow
- › Ongoing; first women-specific workshop for communication was implemented in the spring of 2023. Further initiatives to follow
- › Completed; counselling option introduced in the spring of 2023

Fair working conditions

- › Introduction of the berufundfamilie audit
- › Investigation into a potential gender pay gap

- › Ongoing; audit has been commissioned, implementation will take place in financial year 2023
- › Completed; initial analysis has been started and appropriate measures are being derived and implemented. Analysis takes place annually

Trusting environment in which discrimination cases are reported

- › Strengthening the complaint channels, e.g. by establishing an internal person of trust
- › “Perspektive” provider free of charge as an external independent contact in private or professional crisis situations
- › Conducting a survey to better understand discrimination at Techem and the level of knowledge about recommendations for action and consequences in the event of discrimination.
- › Introduction of a Diversity and Anti-Discrimination Policy

- › Completed; the Whispli reporting channel has been strengthened and internal confidential counsellors have been provided by the works council
- › Completed; offer available to all employees in Germany
- › In planning; survey planned for the summer of 2023
- › Completed; the Diversity and Anti-Discrimination Policy came into force in the spring of 2023, see [p. 59](#)

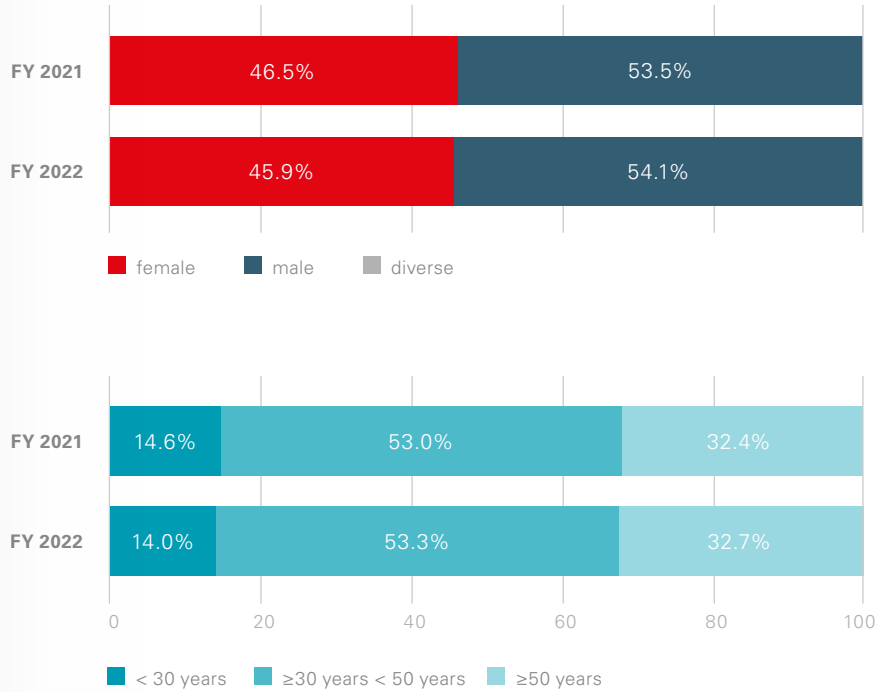
Clear consequences for discriminatory behaviour

- › Strengthening instructions for action with clearly defined consequences for inappropriate behaviour
- › Development of a behaviour matrix for cases of (co-)experienced discrimination

- › Completed; guidelines on dealing with discrimination were published in the spring of 2023
- › Ongoing; campaign with instructions on how to act in the event of discrimination ran in the spring of 2023

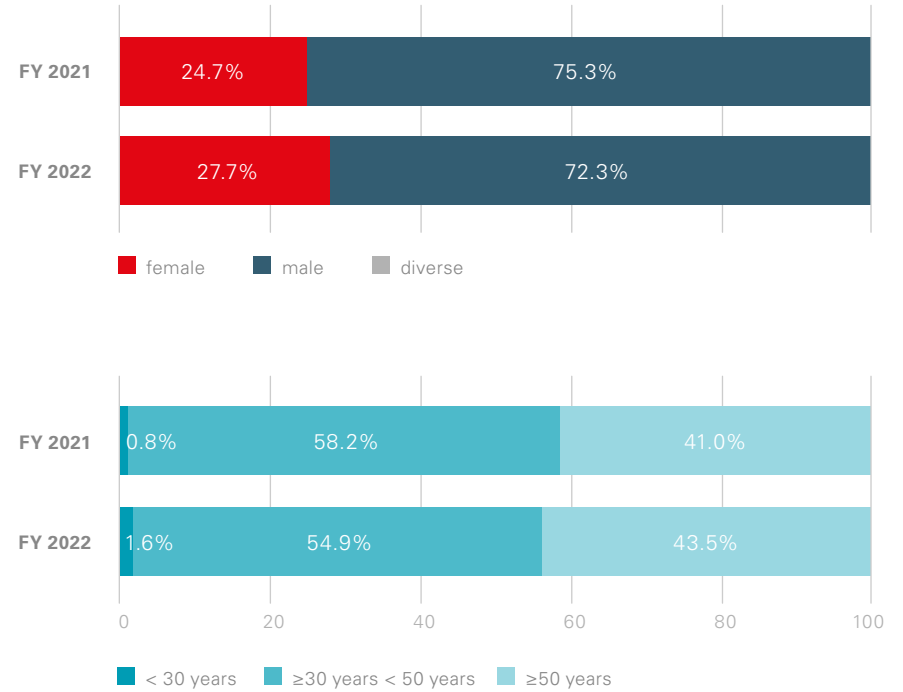


Employees by gender and age in financial years 2021 and 2022



The data includes all active employees worldwide, excluding executives of management levels 1-4 of Techem companies worldwide and temporary staff as of 09/30 of the respective year.

Managers by gender and age in financial years 2021 and 2022



The data includes all managers of the management levels 1-4 of Techem companies worldwide as of 09/30 of the respective year.



Compensation and incentives

Performance and professional experience are key factors in determining the salary of each employee at Techem. The methodology for determining salaries is shaped by the country-specific context. In Germany, we have established a job evaluation process that objectively assesses all positions. Based on this, we use external benchmarks. We thus want to ensure that equal work is remunerated in the same way. There are no collective agreements at Techem. The hourly wage of our employees in all Techem national companies is at least equal to the statutory minimum wage and even exceeds it in 18 (financial year 2021: 18) countries.

Once a year there are talks with the General Works Council about a general salary increase. The General Works Council basically represents all employees in Germany, with the exception of senior managers.

In addition, we conduct a structured process for individual salary reviews once a year. The target agreements and the system for management level 2 are agreed annually with our Nomination & Compensation Committee (NCC).

In Germany, Techem employees are entitled to individual information on their remuneration under the Act on the Promotion of Pay Transparency between Women and Men. The law is aimed at ensuring that women and

men receive the same salary for work of equal value. In financial year 2022, four (FY 2021: four) employees in the German Techem companies submitted requests for information. All requests for information were answered. Techem started an analysis to examine a potential gender pay gap at Techem Germany in calendar year 2022. We are currently in the process of conducting more in-depth analysis and will derive appropriate measures. In addition, Techem offers its employees various incentives. In Germany, we subsidise travel costs for local public transport or make bicycle leasing possible.

In addition, we grant a subsidy of more than 20 percent for company pension schemes. In all Techem companies, employees can apply for parental leave in accordance with legal requirements. In financial year 2022, 216 employees (FY 2021: 183) – of which 145 (FY 2021: 137) women and 71 (FY 2021: 46) men – were on parental leave. At the same time, 54.3 (FY 2021: 31.4) percent more men took parental leave than in the previous year. 121 (FY 2021: 105) employees returned from parental leave in financial year 2022. Twelve months after the end of parental leave, 47.6 (FY 2021: 91.6) percent of employees were still working for Techem (see also [p. 117](#)). Depending on the local conditions, Techem also offers its employees at international locations various incentives, such as subsidies for health insurance or offers for company pension schemes.

Safe and flexible working

Reconciling work and private life

Techem is committed to an agile working world that is becoming increasingly digital and flexible. We want to create a future-oriented working environment that meets both the needs of our employees for greater flexibility and our claim to be an innovative and digital service provider. It is also our aspiration to strengthen a balanced relationship between work and private life and to avoid work overload. Therefore, we will start introducing the *berufundfamilie* audit in financial year 2023.

At Techem Germany, employees can choose their working hours and location flexibly and work from home up to four days a week. This agreement applies depending on the individual job profiles and the requirements of the respective areas and departments. Techem also offers flexible work location and time models in 15 (FY 2021: 15) other national companies. These arrangements remain in place even after the end of the restrictions imposed by the corona pandemic, which has increased mobile working for many of Techem's employees.

In order to also do justice to this development in terms of space, we are promoting a modern working environment with a new room concept for Techem headquarters in Eschborn and increasingly also at the other



locations in Germany. Our goal is to create a modern working environment that combines flexible working in the office with the possibility of mobile working. Communication and networking are to be strengthened by using the office as a meeting place in the future. The implementation of various measures at our locations is progressing. The focus is on ergonomic furniture in different formats that is adapted to individual working methods and enables concentrated work, but also desk sharing and collaborative project work.

Furthermore, we have anchored an agile way of working in our company culture and in our management approach. For us, this means, among other things, dealing openly with mistakes and working collaboratively. For instance, Techem has established a lecture series where employees can share failures and learn from each other. The implementation of agile working methods e.g. in customer projects, is the responsibility of a team in the IT Digital division that consists of internal and external Scrum Masters.

Occupational health and safety

We consider it a fundamental obligation to provide our employees with a healthy working environment and a safe workplace. Particular attention is paid to our customer service technicians, who are exposed to specific accident hazards in the course of their work. The responsibilities for occupational safety and health protection at Techem are regulated on a country-specific basis according to the legal requirements. There is at least one contact person for the topic in all national companies. Techem observes the applicable occupational health and safety laws, regulations and recommendations at all locations.

We ensure the health and ability of our employees to perform through occupational health and safety measures and occupational healthcare. For example, we train them on the topics of fire protection and safe working in the office. All employees can access any information needed on the topics of occupational safety and health protection at work via Techem's internal information system TING (intranet). This information is constantly being expanded and updated.

In Germany, the topic of occupational safety is anchored in the Infrastructure division. Health protection is the responsibility of the interface between Infrastructure and HR, Legal and Claims. Technical safety support in Germany is provided by an external service provider. In addition, we have appointed a senior safety specialist who advises us on overarching issues and looks after our headquarters in Eschborn. Another safety specialist is responsible for the other locations in Germany. We have also appointed other officers, including first aiders, safety officers and site officers.

Four health and safety committee meetings are held each year to discuss and decide on all health and safety issues. The following people take part in the meetings: safety experts, safety officers, the company doctor, the Works Council, representatives of HR, Legal and Claims, the representative of the severely disabled and the Infrastructure department. In addition, our safety officers, site managers and site representatives exchange information on occupational safety issues on an annual basis. Depending on the local legislation, other national companies also have corresponding processes and positions that manage the topic of occupational safety and health protection.

Prevention of accidents at work

At Techem Germany, we assess potential hazards for work areas and activities by assigning them a specific risk rating. The assessment is based, among other aspects, on the probability of occurrence and the extent of damage. We initiate the necessary measures if the risk is in an unacceptable range for us (depending on the number of similar accidents or severity). Furthermore, external safety experts monitor the implementation of the measures.

If an accident occurs despite hazard prevention, a three-part process is triggered:

1. For accidents followed by a visit to the doctor, the safety officer receives the accident reports.
2. This is followed by an analysis together with the manager of the injured person. Measures are derived from the analysis.
3. If the analysis and the measures are also important for other employees, the contents are processed and distributed to the respective teams.

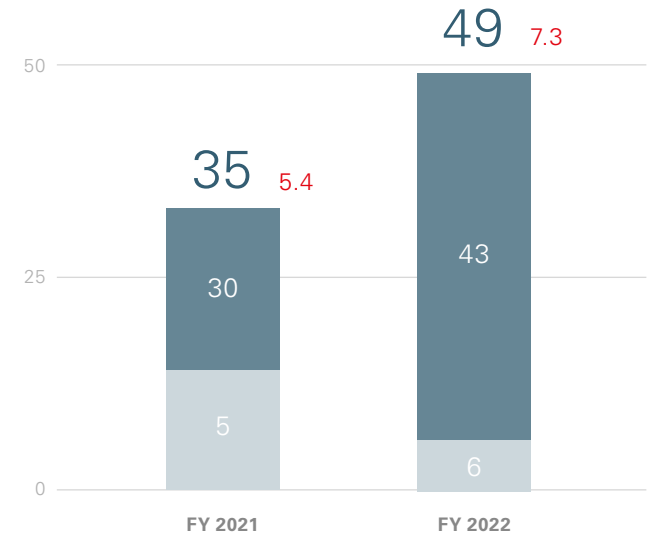
15 additional subsidiaries (FY 2021: 15) have defined processes for dealing with accidents in the workplace based on local laws and the hazard situation.

There were 49 work-related injuries (FY 2021: 35) in financial year 2022, 43 thereof (FY 2021: 30) were due

to occupational accidents and 6 (FY 2021: 5) due to commuting accidents. The increase in accidents is mainly due to the fact that employees are increasingly working on site following the corona-related decline. There were no fatalities or injuries with serious consequences.

In recent years, it has become apparent that occupational accidents with serious consequences have occurred mainly among customer service technicians. To change this, we are increasingly focusing on awareness-raising measures. In Germany, for example, there is a special training course for customer service technicians that teaches them how to perceive dangers. Appropriate prevention and reaction measures are trained on the basis of concrete case studies. In addition, the risk assessment for customer service technicians was validated in financial year 2022 and a re-assessment of the risk priorities was carried out. We strive to keep our LTIFR (Lost Time Injury Frequency Rate) below five. Unfortunately, this target was not achieved in financial year 2022 with an LTIFR of 7.3 (FY 2021: 5.4). In addition to the specific training courses, Techem will therefore set up additional meetings of the occupational safety committee with participants from the respective specialist departments for both the technical customer service and the warehouse in Liederbach from calendar year 2023 on in order to identify risks and initiate appropriate countermeasures.

Work-related injuries of employees



■ Thereof occupational accidents
 ■ Thereof commuting accidents
 ■ Rate of work-related injuries

The occupational and commuting accidents of the Techem companies' own employees worldwide were evaluated. The data included occupational and commuting accidents that resulted in at least one day of absence. Since financial year 2022, injuries due to commuting accidents have only been included if the transport was organised by Techem. For this reason, the data on work-related injuries from financial year 2022 cannot be compared with that of previous years. The increase in the rate is due to more presence on site following the pandemic. These accidents more than compensate for the reduced commuting accidents. The rate (LTIFR) of work-related injuries was calculated as follows: (Number of occupational and commuting accidents / target working hours in the financial year) x 1,000,000.



Raising awareness among employees

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

- › Initial training for new employees and follow-up training by the respective manager as needed.
- › Mandatory e-learning with a final test once per quarter, offered via Workday. This includes general safety training for all employees on the topics of hazard perception, hygiene and road safety on the way to work. In the future, our managers will also be trained via Workday on their active duty to participate in the area of occupational safety.
- › Instruction of technical customer service employees in the handling of hazardous substances

Safety and site officers attend our annual safety days.

Internationally, training courses on occupational safety are also held at 15 (FY 2021: 15) additional Techem sites, depending on the hazard situation.

Providing preventive healthcare

Our employees can consult a company doctor who holds regular consultations at the Eschborn site. Techem offers flu vaccinations in Germany and has provided access to corona vaccinations through an external service provider. In addition, our employees benefit from the services of the external service provider “Perspektive”. It advises them free of charge on personal, health-related, financial and company issues. Courses are also part of Techem’s preventive health measures. For example, many employees took part in digital yoga courses in financial year 2022, which they were able to book for a small fee. Other national companies have also established health offers for their employees, such as sports courses or medical checks.



Health and satisfaction of customers and tenants

Healthy and satisfied customers and tenants are a cornerstone of our company's success. We regularly survey our customer satisfaction and take measures to improve it. In addition, Techem offers services and products that strengthen health protection in real estates.

Holistic customer care

Improving customer satisfaction

By customer service we mean that we gear our thoughts and actions to the needs and concerns of our customers. Our goal is to ensure that our customers have only positive experiences and perceive us as a sympathetic and fair partner. At the same time, inconveniences for customers and tenants are to be avoided as far as possible. The responsibility for this topic is country-specific. Depending on the size of the company, it lies in a separate department for Customer Services or directly with the Managing Director. Our work processes are aligned with internal and external quality standards such as ISO 9001-9015, which we have regularly certified in Germany and at other international locations.

Techem Germany's customer service is handled by customer management. In financial year 2022, we at Techem Germany focused on further expanding the measurement of customer satisfaction at the telephone and written processing touchpoint, i.e. directly after the customer's contact with us. As a result, we have derived measures to improve customer satisfaction. For example, we rely on strong interdisciplinary cooperation to resolve customer concerns more quickly.

In addition, we conducted a strategic customer satisfaction survey in 2022, which included other key figures of relationship quality in addition to the Net Promoter Score. The study showed that the satisfaction of our customers has increased significantly compared to the

study from 2020. The Net Promoter Score has also improved compared to the previous year.

We have derived further targeted measures from the results of the touchpoint-related surveys and the findings of the strategic customer satisfaction survey. For example, very good availability by telephone and prompt and high-quality written processing are at the center of our activities. We ensure this through targeted quality and control measures. To this end, we are working on the expansion of customer-oriented, digital channels. We want to make the progress planned measurable by achieving a decreasing follow-up complaint rate. Specifically, we have set ourselves the goal of reducing the consequential complaint rate by 50 percent compared



to 2020 by the end of financial year 2023 and thus offer customers a much more positive experience in the event of a complaint. The follow-up complaint rate was reduced significantly in financial year 2022 compared to 2020.

Initiatives to improve customer and tenant satisfaction have been established in ten (financial year 2021: eight) other Techem national companies.

Involving tenants

Through our market research platform Techem Experts, we not only reach customers, but also keep an eye on the needs of tenants. For instance, they are asked how satisfied they are with the coordination of appointments, meter reading and billing, and can make suggestions for improvement. In financial year 2022, a total of 37 (FY 2021: eleven) qualitative and quantitative surveys were conducted in Germany, three thereof were also aimed at tenants.

Tenant health

Protecting tenants' health

It goes without saying that we protect tenants' health by constantly assessing the impact of our activities. At the same time, products and solutions to improve housing health are part of our portfolio. These are considered across the board in our product management, as are the effects of digital infrastructures. The safety of heat generation systems is ensured by the segment EES.

Keeping the concentration of legionella low

In partnership with accredited institutes, Techem offers a professional all-round solution for mandatory legionella sampling – from the expert inspection of the drinking water system and scheduling and carrying out the sampling through to the final inspection and transmission of the laboratory findings as well as information to the tenants and possible advice on solving the problem.

We have a mandate to test legionella concentrations regularly and on time for around 48,000 (FY 2021: more than 50,000) buildings in Germany. In these buildings, we have routine samples taken at around 280,000 (FY 2021: around 300,000) taps. We work with accredited institutes on performing legionella tests.

They are responsible for sampling and analytics. The data from the samples is recorded via app and transmitted to us. During the test, various DIN standards and worksheets of the German Technical and Scientific Association for Gas and Water (DVGW) are taken into consideration.

We optimised the legionella service process in financial year 2021. In organisational terms, the two teams of legionella testing (organisation of sampling) and remediation advice (support and advice in the event of infestation) have been merged to form Drinking Water Hygiene. Since January 2022, a tenant hotline has been set up at Techem to answer questions about the sampling appointment, which is also used to educate tenants about legionella. In addition, we have established an automated request of tenant data in order to increase the accessibility of tenants for sampling.

Smoke alarms protect tenants

In Germany, owners are required by law to equip flats with smoke alarms and to ensure their operational readiness. Techem offers high-quality 10-year smoke alarms with CE marking according to EN 14604. The smoke alarms are also independently certified as high-quality, reliable smoke alarms with the "Q" label and equipped



with functions for complete remote inspection according to DIN 14676-1. Around 96 (FY 2021: around 95) percent of smoke alarms in Techem Service can be controlled remotely, without access to the private dwelling. The remote inspection allows us to inspect flats for the annual review without having to enter them.

If problems occur between the annual tests, tenants can call a 24-hour hotline. We can then fix the problem within a few working days. We try to arrange a timely appointment with tenants within three working days to replace the faulty smoke alarm. In addition to the annual remote inspections, owners can also contact us to arrange an inspection, which is carried out twice a month. This increases the chance of detecting undiscovered malfunctions or defects at an early stage.

Maintenance and operational optimisation of heating systems

Techem operates around 2,500 systems in Germany, supplying over 143,000 homes with heat. The supply and operational safety of the systems plays a key role here. We ensure this by replacing systems and system components, such as pumps and heat generators, for instance. This ensures the health and safety of the owners and tenants. If hazards nevertheless occur, protective measures are initiated and the results documented. Legally required inspections are carried out and deficiencies are remedied. If a legal or protected right is violated, the reasons are analysed and measures are taken to prevent a recurrence. In financial year 2022, there were no known cases in which persons or objects of protection were endangered. No fines or warnings were issued.

Precluding exposure to stress from radio devices

The effects of radio signals on human beings have been discussed in public for quite some time. To prevent negative effects, we have the electromagnetic compatibility of the radio systems used by Techem tested regularly by independent bodies. All Techem devices are tested according to the relevant standards and meet the requirements of the relevant European directives. This reduces the electromagnetic radiation of a device to a necessary and technically possible level. Compared to other radio devices, the radio emissions of Techem devices are among the weakest in everyday life. For example: the transmission energy emitted during a four to five minute mobile phone call corresponds to the energy emitted by a Techem radio in an entire year. Accordingly, an expert opinion issued most recently in 2016 confirmed that there is no evidence of any impairment or health-relevant effect of Techem radio systems on the human organism.



Innovation, cooperation, cooperation and social commitment

Our goal is to make real estate greener, smarter and healthier. To this end, we research new solutions together with strong partners, raise tenants' awareness of consumption and engage in exchange with interest groups. We also take our social responsibility seriously beyond our business activities.

Research and cooperation

Cooperating with strong partners

Techem pursues the goal of strengthening its business model, expanding its business fields and further developing current products and services. We are assisted in this by cooperations and research projects, which we carry out on a topic-specific, cross-divisional basis and with varying responsibilities.

First and foremost, TRIOS (see [p. 15](#)), Business Platforms¹ and the Techem incubator Techem X work on research and innovation projects. When selecting a project, we make sure that it fits with our company vision and our company goals. The main focuses of research for Techem are primarily the development

of digital processes and solutions to ensure the security of supply, improve the energy efficiency of buildings and reduce CO₂e emissions (decarbonisation). In addition, we are constantly working on processes to improve the service life, display accuracy and reliability of our devices for recording consumption. We also work with partners to develop multi-sensor devices such as new smoke alarms. For this purpose, we cooperate with nationally and internationally recognised research institutions, development partners and metrology institutes. Techem is also involved in standardisation committees and, within this framework, creates the technical basis for legally and ordinarily compliant metering technology and billing procedures.

A few examples of our research collaborations are:

- › A platform controller for hybrid heating systems (boilers and heat pumps) together with the TU Dresden and the company Kermi GmbH. The goal is to reduce the use of fossil fuels, improve overall efficiency and significantly reduce CO₂e emissions from heating system technology.
- › A study on the influence of consumption information during the year (uVi) on the consumption behaviour of users and on the energy efficiency of residential buildings together with Prof. Dr.-Ing. Viktor Grinewitschus (EBZ, European Business School Bochum).

¹ The Strategic Business Development unit that was dissolved on 12/31/2022 was responsible for this until the end of 2022.



- › Standardisation of the Smart Readiness Indicator (SRI) together with the TU Karlsruhe (Prof. Dr.-Ing. Kunibert Lennerts, KIT, Institute for Technology and Management in the Construction Sector). The goal is to create procedures and methodologies for defining the SRI in order to be able to assess the intelligence capability and technological maturity of buildings – especially from an energy perspective – based on an SRI score.
- › Cooperation on research projects of the Physikalisch-Technische Bundesanstalt (PTB) in Berlin on the development of new heat meter technologies for the energy transition (fast heat meters; solar heat meters for water-glycol mixtures). In addition, a joint study with HLK Stuttgart GmbH and with Sachverständigenstelle A1 for heating cost allocators of the Institute for Building Energetics, Thermotechnology and Energy Storage (IGTE) at the University of Stuttgart will be started in financial year 2023 with the support of the European Metrology Association for Thermal Energy Measurement (EMATEM) to investigate the recording accuracy of electronic heating cost allocators in the field.
- › A cooperation with right° will be launched in financial year 2023. The objective is to use the XDC model (X-Degree Compatibility Model) from right° to describe the climate impact of the Techem Group and the billed

and managed building stock in the form of effects on global warming in degrees Celsius. In addition, a field study on the suitability of the stock of multi-family houses for heat pumps will be carried out in financial year 2023 in cooperation with Prof. Dr.-Ing. Markus Tritschler (Esslingen University of Applied Sciences).

A few examples of our involvement in technical bodies and committees:

- › Participation in 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;
- › Participation in product standards for heating cost allocators and heat meters in technical committees, in the Comité Européen de Normalisation (CEN) and DIN, for example;
- › Collaboration on the VDI2077 series of guidelines for consumption cost accounting for technical building equipment in the Association of German Engineers (VDI).

Techem aims to continuously cooperate with strong technology partners to develop new solutions for green and smart buildings for and with our customers. Here,

the focus is on companies that bring new ideas, impulses, approaches as well as approaches from inside and outside the industry in order to be at the cutting edge of technology. Techem also conducts regular field tests to identify partners and test solutions. Techem's focus is on trades that can be connected to the Internet of Things (IoT) and AI-based technologies as well as digital processes that can be operated more efficiently and thus improve the CO₂e profile of existing buildings. Furthermore, we cooperate with the start-up platform futury to strengthen the dialogue on new technologies and business models and establish contact with talented young people in the field of energy efficiency. Within this framework, Techem promotes young teams that develop new business models in short periods of time, by making sparring offers, for example. Techem conducted a pilot with the start-up "OneSpot" in 2022 that came from this program and tests the low-emission delivery of assembly components by e-bike within Frankfurt.

In addition, the national companies are also working together with partners on further technological developments in the building sector. For example, Techem Denmark is currently participating in a research project together with several Danish universities to improve the flow temperature of heating systems.



Exploiting the efficiency potential of systems technology

As part of the BaltBest¹ research project, Techem, together with a broad consortium of housing associations, energy service providers, manufacturers and scientists under the leadership of the EBZ Business School, investigated which solutions can be used to implement climate protection in existing buildings in an affordable manner. Across Germany, a total of 100 apartment buildings and around 1,200 flats were equipped with a radio measurement infrastructure comprising more than 7,000 sensors from Techem in order to analyse the efficiency potential in the system technology.

The results show that the often oversized and poorly adjusted systems in today's buildings cause consumption to rise. It was also found that when a heating system is replaced, the output of the new system is geared less to the actual heat demand and more to the old, often oversized system. Also, the heating output in daily operation is insufficiently adjusted to the current heat demand – depending on the outdoor temperature. Moreover, effective night setbacks are the exception in existing buildings.

The result of the project, which was completed in November 2021, shows energy savings potentials of 10 to 20 percent depending on the property:

- › 10 percent energy saving through optimisation of operational management,
- › 14 percent energy savings through boiler replacement,
- › 10 percent energy savings by changing the behaviour of tenants with above-average consumption to normal consumption,
- › up to 10 percent lower annual gas consumption for 79 percent of all boilers by switching them off in the summer months.

The project was funded in the amount of over € 1.1 million by the Federal Ministry for Economic Affairs and Energy (BMWi) and ran for three heating periods.

Raising consumer awareness

Positive influence on consumption behaviour

Transparency regarding consumption and costs creates awareness for energy-efficient behaviour. Techem considers it an important task to positively influence consumption behaviour – especially in order to reduce the consumption of natural resources. We contribute to this with our business activities: Techem offers consumption-based heating and water cost billing in 6.5 (FY 2021: 6) million households in Germany and in a total of 12.6 (FY 2021: 12) million households worldwide.

With the implementation of the Energy Efficiency Directive (EED), tenants within the European Union receive consumption information during the year – in addition to the annual consumption bill. Accordingly, potential savings become visible at an early stage, which makes it easier for tenants to save energy and costs.

Providing helpful information

In order to sensitise tenants to more conscious consumption behaviour, we provide them with tips on the proper use of heat and hot water. In the German and other national companies, Techem informs tenants via its own website, social media or newsletters. In Germany, we have been providing a website for several years that gives free recommendations for action. In Denmark, Techem offers an app that allows tenants to digitally monitor their consumption and set consumption alarms.

¹ Acronym for "Influence of operational management on the efficiency of old heating systems in existing buildings".



FOCUS

Techem X – Driving innovations

Techem X, based in Frankfurt, is a platform aside from the operational units of the Techem Group to support creative, agile work and promote core business-related digital innovations for smart and sustainable buildings.

The focus is currently on three projects:

› **Consumption information according to EED**

Today, around 1.6 million tenants in the property portfolios managed by Techem are already able to view their consumption figures for heating and hot water digitally compared to the previous month, previous year and average users. Based on this information, they can track and optimise their consumption behaviour. The resulting awareness-raising can help them reduce

the amount of energy consumed and the related CO₂e emissions. Of course, the owners and managers of properties have the same information at their disposal, supplemented by the annual billing information adjusted in accordance with the EED / HKVO. The fact-based interaction of owners, managers and residents thus contributes to climate protection in the building sector.

› **Energy efficiency – monitoring and optimisation of heating systems**

In addition to the billing and consumption services described above, we are starting directly with the customer with our expansion of the service portfolio. With a data-based, AI-supported service for all heating systems and energy sources that is low-investment for our customers, we

will be able to digitally set off malfunction alarms. Based on this, concrete recommendations for specific optimisation follow automatically – with the goal of higher energy efficiency and cost reduction.

› **Techem Digital Experience**

Techem X is working on redesigning the entire digital experience for its customers and developing a “Digital Customer Advisor” that will be gradually introduced over the next few years, thereby significantly reducing the volume of paper, among other things. In all software development projects for our data-based services, we are also increasingly pursuing the “green coding” approach in order to reduce energy consumption and CO₂e emissions at various levels.



Social commitment and dialogue

Engaging with stakeholders

We regularly engage with different stakeholders. These include customers, tenants, suppliers, non-governmental organisations, associations and investors. Besides engaging in direct dialogue, our market research captures trends and opinions to better understand stakeholder needs. We have also included various stakeholder groups in our materiality analysis (see p. 17). We plan to organise our first stakeholder roundtable in the fall of 2023. At this event, we would like to gather feedback from the most important stakeholder groups on our sustainability commitment.

Social projects, donations and volunteering

Techem and its employees are active in many different ways. At Techem Germany, the Sustainability, Communications & Public Affairs department is responsible for social commitment and stakeholder dialogue. The individual national companies act independently and support different initiatives and fundraising campaigns depending on the local circumstances.

Last year, Techem focused on various initiatives:



Cooperation with the Water Is Right Foundation (WIR): For Techem, water is an important resource that is worth protecting. We therefore support the WIR Foundation, which works for a fairer distribution of water – especially for people in disaster areas and developing regions. We have been replacing the water dispensers in the coffee kitchens at our headquarters and selected branches since the beginning of 2022. As part of the new rental agreements for the water dispensers, ten percent of the monthly turnover goes to WIR. In addition, since financial year 2022, we have been donating one euro to WIR for every 1,000 litres of water consumed at the German branches, which equates to a donation of over € 14,000 in financial year 2022.



In the spring of 2022, Techem initiated a waste collection campaign for employees at all German sites. The campaign was accompanied by communication measures to raise awareness on the topic of water, waste and microplastics and was linked to a donation to WIR.



In view of the war in Ukraine, Techem donated € 50,000 in March 2022 as emergency aid to UN refugee aid. In addition, a Group-wide donation campaign was launched for employees. This raised a sum of around € 35,000, which was subsequently doubled by the Management. The international aid organisation Save the Children received the total of around € 70,000 to support children and families in Ukraine and neighbouring countries.

Furthermore, various local organisations were financially supported by Techem itself or through employee donations in Germany and at some international locations in the reporting year – including the Saarbrücken Warming House, Child Cancer Aid, Think Pink, Crosspoint or the Norwegian Childhood Cancer Society.

In addition, we have set ourselves the goal of launching our own social project to strengthen our social commitment.



FOR ETHICAL BUSINESS CONDUCT

At Techem, respectful interaction at eye level and shared cultural elements form the basis for the successful development of the company. We place great importance on acting with integrity, which we embed throughout the company through our Techem Code of Conduct and our compliance management system. Strengthening sustainability risk management also has an impact on the supply chain.



Ethical corporate governance and compliance

For Techem, business success is directly linked to corporate responsibility. The prerequisite for this is a company culture that is characterised by appreciation and team spirit – and that is shaped together with our employees. A holistic compliance management system ensures that rule-based business conduct with integrity is practised throughout the company.

Value-oriented company culture

Developing the culture together

We view a sustainable organisational culture as a prerequisite for reconciling growth and digitalisation. To this end, we have anchored the cultural elements of customer focus, team culture, personal growth, courage, networking, leadership, innovation and commitment, which are promoted and practised throughout the company. Both internally and externally, we place importance on

open, clear, honest and binding cooperation and communication. In an intensive communication process, Techem Germany had presented the culture elements to all employees in Germany in 2019 and included their feedback. The cultural elements are reflected in two fundamental company concepts, the guidelines for leadership and cooperation and the Techem competence model. The company-wide core competences contained

here form the basis for empowering all employees for the transformation into a digital and customer-centric organisation. In financial year 2022, job-specific competency requirements were developed to complement the core competencies, which are assessed in the application process and in the annual staff appraisals. In this way, we increase clarity, fairness and comparability of job requirements across the organisation.

We successfully implemented the HR software Workday across the Group in financial year 2021 in order to further digitalise and internationalise our collaboration and processes. This enables processes such as our recruiting, talent and performance management to be managed efficiently, and employees can obtain feedback

digitally from colleagues during appraisal interviews and participate in online training. In addition, an international HR community was founded in financial year 2022. With the help of an international HR presence and stronger cooperation, we want to identify synergies, share best practices and identify leading practices.

We also want to strengthen the transparency of all relevant HR data and KPIs and further digitalise HR processes in order to work more efficiently. In addition, our goal is to use this to address challenges such as the “war for talents” and the employee market, which are relevant for all 19 national companies.

Our core competencies as drivers for innovation and growth

Acting in a customer-oriented manner

Understanding needs, involving, long-term customer relationships

Developing personally

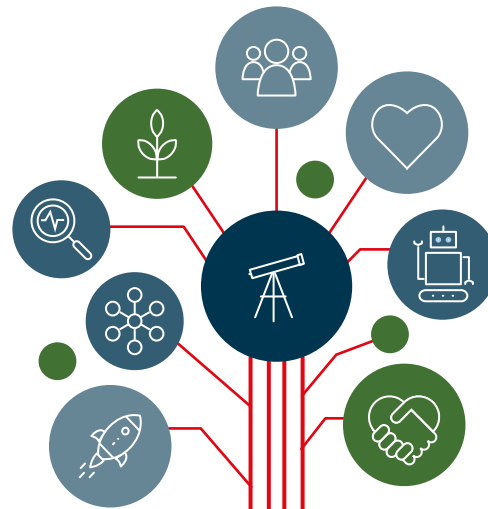
Motivation, curiosity, self-reflection, lifelong learning

Working with others

Self-organised, results-oriented, cooperative

Acting responsibly

Commitment, error culture, feedback



Acting with commitment

Passion, solution-oriented, performance, success

Showing willingness to change

Leaving the comfort zone, flexibility, willingness to change, openness to technology

Dealing with uncertainty

Ambiguity, create orientation, trusting working atmosphere

Working in networks

Interdisciplinary, international, break down silos

Communicate vision

Energy and optimism for the future, role model, eye level, high commitment

Clarity

Openness

Honesty

Commitment



Leaders and experts as role models

We see our leaders as the main target audience and ambassadors for Techem's cultural elements. For this reason, the cultural elements are part of our leadership development programme. For this purpose, the Management has defined a generally valid understanding of leadership, which each manager has answered with his or her own individual leadership concept. This is rounded off by 360° feedback from the team, colleagues and their own manager, adapted to the management culture. The 360° feedback is given to the managers every two years in all national companies. The expectation of our managers is that they exemplify the Techem culture and act as role models. This is checked with the help of questions derived from our leadership guidelines.

New support programmes for managers and experts were launched at the end of 2022. Experts are employees who have a high degree of responsibility because they lead projects, are knowledge carriers or work with large clients. Within the framework of the ada Fellowship development programme, 15 colleagues from differ-

ent Techem countries discuss their personal skills in the area of digital transformation with managers from other companies. In the so-called Future Lab, the participants can then apply the skills they have acquired in practice and work on new ideas and solutions for Techem. The second programme – the Digital Growth Leadership Learning Journey – is attended by nearly 100 employees. In addition to internal networking, the goal is to develop and expand personal leadership skills.

At the management level, we train so-called brand ambassadors as additional communicators to ensure that important information from the company, our purpose and our values are communicated continuously and clearly to our employees. The brand ambassadors help us to fill complex contents and contexts as well as our company story with life and examples. In addition, they are available to all employees for questions and act as sparring partners to reflect feedback to the communications department and management. Our goal: to strengthen our employees' identification with Techem.

Employees throughout the country also contribute to this voluntarily as so-called culture makers. For each cultural element, they define actions for the entire organisation and implement them together. For example, they call for cross-cutting team competitions to strengthen the team culture or organise networking relay races in Techem's internal social network. In financial year 2021, a cross-border digital culture event was held by and with employees for the first time. In 2022, Techem Germany also held six meetups on the topic of error culture, at which employees reported on their supposed failures and on the lessons they learned from them. In addition, we organised two self-organised learning weeks on the topic of innovation as part of the 5x5 Innovation Impulses series, for which Techem received the HR Energy Award. The award is presented every year at the HR Energy Forum.



Responsible Corporate Governance

Anchoring compliance

Techem places great importance on acting with integrity and acts in accordance with applicable law. Our self-imposed standards extend beyond the legal requirements in some cases. The Compliance department with the Group Compliance Officer is an important multiplier in this respect and therefore reports directly to the CEO. The Group Compliance Officer also reports several times a year to the Risk and Audit Committee of the Advisory Board.

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 in the company through a compliance management system that encompasses the entire Techem Group in its consideration and mode of operation. The Managing Directors of our international subsidiaries report to the Group Compliance Officer at least once a year. Based on this feedback, our compliance management system is constantly adapted. In addition, all Techem companies are audited as part of a holistic risk assessment with regard to various compliance risks, including the risk of corruption. Individual audits are also carried out as required.

Rules for behavior and training

Particularly in view of Techem's significant market position – and the increased competition law requirements associated with it – acting with integrity is of immense importance to Techem. Our Group-wide Techem Code of Conduct, published by the Management, serves as a clear commitment to convey our understanding of values from the inside to the outside. This is supplemented by in-depth guidelines, leaflets and training courses. Techem has set itself the goal of training all employees worldwide on the applicable compliance requirements at least every two years. To this end, training sessions on compliance focus topics were held throughout the Group in financial year 2021, as well as a general compliance training session in Germany. In Germany, more than 99 percent of employees were trained on compliance topics, including bribery and corruption prevention, in financial year 2021 (see also p. 124). The missing one percent are people who were unable to attend the training due to long-term illness, for example. In financial year 2022, there were compliance training sessions on specific topics such as antitrust and competition law. In addition, the Group-wide training on compliance was fundamentally revised. From financial year 2023 on, all employees worldwide will receive training on compliance topics at least once a year. The topic of compliance is also an integral part of the Group-wide onboarding process for new employees.

Techem assesses corruption risks in all national companies at the national level. Accordingly, the topic of corruption prevention is of high priority for Techem. In order to prevent corruption, we offer our employees guidance by means of a corruption prevention guideline and concrete behavioural instructions. Techem also provides guidelines on the avoidance of conflicts of interest, the correct handling of donations and sponsoring, and the correct handling of gifts and invitations. With regard to antitrust awareness, the guideline on association work was updated in financial year 2022 and training sessions were held with managers in Germany and the Managing Directors of our national companies. In addition, a training course was held for in-house lawyers on the prevention of money laundering and terrorist financing.



Contact points for critical concerns

Our employees have various contact and reporting channels at their disposal to get in touch with the Compliance department regarding questions, suggestions, concerns or violations. Violations of the Techem Code of Conduct or non-compliant behaviour can be reported internally in German or English to our Group Compliance Officer and externally via the anonymous whistleblowing system Whispli, by e-mail to compliance@techem.de or in the form of a personal direct approach. HR is another central point of contact for allegations of discrimination, and our Head of Sustainability, Communications & Public Affairs for sustainability-related concerns. The latter can also be reported by email to sustainability@techem.de. In the national subsidiaries, the respective Managing Directors can also be contacted. All information is investigated. Since financial year 2022, our [Tell Techem reporting channel](#) has also enabled customers, suppliers and other stakeholders to submit information on compliance-relevant issues in multiple languages, securely and, if necessary, anonymously. The reports can relate to our Code of Conduct, policies and standards or compliance with applicable laws or regulations. Depending on the severity of the reported concerns, the CEO and, if applicable, the Chairperson of the Risk and Audit Committee or the Chairperson of the NCC are informed about the reported cases.

Dealing with compliance cases

There were no violations of competition law within the Techem Group in financial year 2022. However, one pending case against an Austrian subsidiary of Techem due to violations of antitrust and competition law in the period from 2004 to 2019 was concluded in October 2022. No fines or non-monetary sanctions were imposed on Techem Messtechnik GmbH as a result, however.

Techem Energy Services Middle East FZCO was charged with a fine of around € 23,000 from customs in October 2021. The reason was the transfer of goods from the free zone without having all the necessary permits. No other significant fines or monetary sanctions were imposed on companies of the Techem Group. In financial year 2022, there were no significant violations of laws and regulations from the economic or social sphere or significant cases of corruption. All suspected cases were investigated and appropriate measures or consequences were initiated, if necessary. See [p. 59](#) for information on discrimination cases and our handling of them.

Human rights in our own business

As part of the compliance management system (CMS), we also monitor and assess the risk of human rights violations at our own sites. We conduct a risk analysis and assessment every one to two years. In doing so, we identify the human rights risk in the countries in which we operate, based on the Human Freedom Index. These values serve as the basis for an assessment of how likely a human rights violation is due to our activities on site and how high the potential impact on Techem is. On this basis, we decide whether and in what form further measures are necessary to prevent possible human rights violations in our field of business. As part of the Supply Chain Due Diligence Act (LkSG), Techem has introduced a risk management tool that also analysis human rights risks (see also [p. 89](#)).

Avoiding conflicts of interest on the Board

The Advisory Board is the main control body of the Techem Group (see also [p. 16](#) and [p. 121](#)). In decision-making processes, it is important to counteract any conflicts of interest of the Board members. Members of the Advisory Board always declare potential conflicts of interest and are then accordingly excluded from casting a vote on the specific decision.



Compliance with environmental regulations

Responsible corporate governance also includes compliance with environmental regulations, to which Techem is bound. At Techem, the Supply Chain Management and Procurement department is responsible for material compliance – i.e. material management that is aligned with relevant standards and norms. Techem adheres to the requirements of international standards such as REACH, RoHS or CE marking.

We are currently establishing a material compliance management system, including document management, for the European sites in accordance with EN 63000 with an external service provider. No significant fines or non-monetary sanctions were imposed on Techem due to non-compliance with environmental protection laws and regulations in financial year 2022.

Protecting data

As one of the largest data processors in the industry, data protection and security are indispensable for our core business. They form the basis for the trust that our customers and tenants place in us. The respective Managing Directors of the companies are responsible for compliance with data protection requirements within the Techem Group. In Germany, a data governance organisation has been implemented for the operational implementation of data protection, which ensures that the company's data complies with quality as well as data

protection and security requirements. In all companies of the Techem Group, data protection officers have been appointed or additional data protection coordinators have been named who advise on implementation, specify guidelines and monitor compliance with the 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 the secure handling of data. The Group Data Protection Officer and the Head of Information Security report several times a year to the Risk and Audit Committee of the Advisory Board.

The new company-wide data protection policy was published in December 2022. It covers all relevant aspects of data protection. A policy and guideline on information security including respective procedural instructions – such as the password guideline – regulate the security of data and IT systems. In addition, specific guidelines exist in individual countries with reference to the topic, the guideline for flexible and mobile working that applies to Techem Germany, for example.

In addition to these guidelines and best practice recommendations, the ISO 27001 standard in particular forms the basis of our data security measures. In accordance with this standard, Techem has introduced a management system for information security and had it certified for the critical business processes in Germany in 2022.

The system is to be extended to all non-critical IT systems in Germany and to all critical ones in the national companies by financial year 2025.

In order to validate the implementation of data protection, a comprehensive internal data protection audit for Techem Germany has been running since the end of 2021. In financial year 2023, we intend to conduct an external audit to perform a data protection compliance check. For this purpose, the internal audit was already successfully carried out in financial year 2022. Subsequently, internal and external audits are planned for the national subsidiaries.

There were 26 new (FY 2021: 16) substantiated data protection complaints from customers or supervisory authorities (see also [p. 125](#)) in financial year 2022, all of which were countered with appropriate measures. The breaches are non-critical breaches that did not result in any fines or measures by the authorities in financial year 2022. Techem is not aware of any incidents of data loss or data theft from the reporting period.

Techem conducts mandatory information security and data protection training for all Techem employees worldwide, which is repeated annually. In order to further educate Techem executives on the topic of data security, they were trained on crisis scenarios such as information security in the event of cyber-attacks in financial year 2022.



Responsible tax policy

Techem's approach as an internationally operating company is to fully comply with tax obligations in the local markets and countries the business is conducted in. For this reason, there are no tax-driven models within the Techem Group that would have the sole aim of saving taxes, independently from the operating business.

Compliance with all regulatory requirements is ensured across all divisions, with the Group Tax department playing a major role. It reports to the Head of Finance, who in turn reports to the CFO. The company's overall Management is responsible for the fulfilment of tax obligations.

The risk management system of the Techem Group is an integral part of the management structure and also includes tax risks. Responsibility for the risk management system lies with the Management. It reports regularly to the Risk and Audit Committee of the Techem Group and ensures that necessary risk management measures are adopted. Tax risks identified are monitored by the tax department and accounting and covered by ongoing processes. New risks can result from changed or new business models as well as from a changed regulatory environment. The former are therefore reported to the

tax department and subsequently evaluated. The regulatory environment is also monitored by the tax department with the help of external tax consultants, among others, and corresponding changes are responded to. The tax information in Annual and Consolidated Financial Statements is externally audited by an auditor.

Techem considers the tax authorities to be an important stakeholder. The main point of contact for the tax authorities with regard to tax issues is Techem's Group Tax department. Inquiries from internal and external stakeholders in tax matters are bundled centrally here and answered after careful examination. If necessary, ongoing processes are adjusted. Techem does not exert any direct political influence in tax matters.

Responsible remuneration policy

The Management Board of Techem, the management of the national companies and the level 2 executives receive a fixed and a variable salary component, which is based on country-specific and overall company targets as well as individual targets. Level 3 and 4 executives are generally not remunerated with variable salary components.¹ In order to promote the value-oriented management of our company, we have decided to continue

working on a responsible remuneration policy and to link the remuneration structure of the top management in Germany to the achievement of sustainability targets. In this regard, an initial KPI relating to the social dimension has already been included in the variable remuneration of the Management Board and level 2 executives for financial year 2022 in the form of the dismissal rate. The new KPI "quota of women in management positions" will be included as of financial year 2023.

All members of the Advisory Board receive fixed basic remuneration for their work. This is twice as high for the Chair of the Advisory Board as for the other members. In addition, committee chairpersons receive annual fixed supplementary remuneration. The independent members of the Advisory Board (see p. 121) also participate in the equity of the company.

The ratio of the CEO's total annual remuneration to the median level of total annual remuneration for all employees (excluding the highest paid individual) is 25.1². 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 individual) is zero².

¹ Employees and managers in sales are excluded.

² This key figure includes all important operating sites of Techem Germany and all operating national companies of Techem in the eight focus countries Austria, Switzerland, France, Italy, Belgium, the Netherlands, Denmark and Poland.



Political dialogue

Bringing in expertise

Techem operates in an environment that is regulated in many areas. Examples include traditional metering services as well as – depending on the country – heat or electricity supplies from fossil or renewable energies, e-charging solutions, legionella testing or smoke alarm services. They are all based on laws, ordinances or standards. In many cases, national regulations are based on European Union (EU) regulations that are subject to regular review and adjustment. These can have both positive and negative effects for Techem. For example, increasing climate protection requirements have a positive impact on Techem’s business model. It is therefore important for us to be informed about upcoming changes in order to accompany them, in direct exchange with politicians and to adapt our services to current developments, for example.

At the same time, policymakers are dependent on the expertise of market participants such as Techem in order to be able to achieve a climate-neutral building stock by 2045 (Germany) or by 2050 (in the EU). We contribute with our expertise on energy efficiency and the avoidance of CO₂e emissions in the building sector, as well as on digitalisation in real estate, in exchanges with policymakers and key stakeholders.

Responsibility for the topic of “Political Dialogue” is regulated differently in the Techem national companies. Depending on the country, it lies with the Communications department, the Legal department or the Managing Director, for example. In our political work, we adhere to our Group-wide compliance requirements and guidelines for association work and sponsoring. We see ourselves as a political contact for energy efficiency and climate neutrality in buildings at the German and the European level. In this function, we hold bilateral talks with members of the European Parliament and the Bundestag as well as representatives from the ministries. As a rule, we organise a political event once a year in Germany or at the EU level (Brussels). In the other countries, political exchange takes place primarily within the framework of association work.

Techem is registered in the EU Transparency Register and in Germany in the Lobby Register. We do not make donations to political parties. The company is a member of the Wirtschaftsrat der CDU e. V. in Germany. The membership fee in calendar year 2022 was € 12,000. In addition, the company has again been a member of the SPD Economic Forum since the spring of 2022 and pays an annual membership fee of € 20,000.

Strengthening association work

Beyond direct political dialogue, Techem is involved in the growing work of associations. We are represented in various industry-relevant associations. A list of the memberships of the Techem national companies can be found on [page 120](#). In Germany, we are active in the following associations, among others:

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

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

Bundesverband der Deutschen Industrie - “Initiative Energieeffiziente Gebäude” – Federation of German Industries - “Initiative Energy-Efficient Buildings” (BDI-IEG)

The BDI Initiative is a cross-sector and cross-trade organization of associations, companies and research institutions. As an association member of the BDI Initiative, we want to contribute to Germany’s position as a pioneer in the field of climate protection and make it clear that Germany is the world market leader in the field of climate-protecting technologies.

**Telekommunikation und neue Medien – Telecommunications and New Media (Bitkom)**

Bitkom is Germany's digital association. As a member of the association, we are strongly committed to the digitalisation of the economy, society and administration. Techem CEO Matthias Hartmann is a member of the Executive Committee.

Bundesverband Neue Energiewirtschaft – Federal Association of the New Energy Industry (BNE)

The Federal Association of the New Energy Economy (BNE) represents the energy industry in Germany. Together with the BNE, we are pushing the expansion of renewable energies, especially with regard to sustainable decentralised energy solutions.

Deutsche Unternehmensinitiative Energieeffizienz – German Business Initiative Energy Efficiency (DENEFF)

DENEFF is an initiative consisting of companies with products and services in the field of energy efficiency. Together with DENEFF, we have stepped up as the “strong voice of energy efficiency” to advocate an ambitious and effective energy efficiency policy as the first independent, cross-sector network of pioneering companies and organisations.

Europäischer Verein zur verbrauchsabhängigen Energiekostenabrechnung – European Association for Consumption-based Energy Cost Billing (E.V.V.E.)

The E.V.V.E. is an independent and Europe-wide interest group that works at a political level. As a member company, we support the E.V.V.E. in promoting systems for saving energy and water in buildings. Techem's Chief Sales Officer, Nicolai Kuß, has also held the office of President since November 2022. E.V.V.E. is currently undergoing a modernisation process and is expanding its work to include decarbonisation and digitalisation.

Verband für Energiedienstleistungen, Effizienz und Contracting – Association for Energy Services, Efficiency and Contracting (vedec)

Contracting makes an important contribution to achieving climate targets and can open up even greater potential in a technology-open, efficient and sustainable way. vedec is the interface between politics and the contracting industry. To this end, the association maintains a lively exchange with political actors at all levels and, through this communication, improves the framework conditions for contracting as a business model overall. With vedec, we are working together to promote the contracting business, which uses more modern and efficient systems.

Zentraler Immobilien Ausschuss – Central Real Estate Committee (ZIA)

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

Sustainable supply chain

Our corporate responsibility also includes our supply chain, which we want to make as sustainable and as resilient as possible. We consider environmental and social criteria when selecting our suppliers and require them to comply with our Supplier Code of Conduct. In order to implement the Supply Chain Due Diligence Act, we will expand our quality audits of suppliers to include specific sustainability audits in the future – based on the results of our risk analysis.

Supply chain at a glance

Our supply chain

In total, Techem works centrally with 4,429 (FY 2021: 4,360) suppliers. In this context, 443 (FY 2021: 617) suppliers account for 95 percent of our sales. 81 (FY 2021: 73) percent of our purchasing volume is sourced locally.¹ The Procurement and Supplier Quality division is responsible for supplier management.

We spend 22.0 percent (FY 2021: around one third) of the procurement volume on direct purchasing – i.e. devices such as measuring devices or smoke alarms. This is mainly managed centrally. Only about 13.1 (FY 2021: five) percent of the direct procurement volume is decentralised from the national subsidiaries with the support

of two international buyers. Some of the suppliers from whom we purchase the equipment are based outside of Europe or have production carried out in non-EU countries. In addition, the Tier 2 suppliers, i.e. the suppliers of our suppliers, are in some cases located in emerging countries. The risk potential for violating environmental and social standards is correspondingly higher here.

78.0 percent (FY 2021: two-thirds) of our procurement volume is accounted for by indirect purchasing, which is managed either centrally or locally via the Techem national companies. This includes services such as the reading or installation of meters, IT and consulting services, travel bookings, marketing, vehicles and other

indirect product groups. This also includes the operation of our call centers within the EU, which is carried out by service providers.

Suppliers

| | |
|---|-------|
| Suppliers in total | 4,429 |
| › thereof from Germany | 4,313 |
| › thereof from Europe (excluding Germany) | 107 |
| › thereof from other regions worldwide | 9 |

This data includes all suppliers controlled from Techem headquarters. The reporting date is 09/30/2022.

¹ The reporting date is 09/30/2022 (FY 2021: 09/30/2021). Generally speaking, the invoice address is used to assess the geographical location (local or international) of the suppliers. Suppliers with a procurement volume of more than € 1 million (FY 2021: € 1 million) in the period under review (FY 2022) are an exception to this: In these cases, the place of origin of the products or services is used for the assessment.



Procurement and delivery of devices

In our procurement of goods, we always adapt when something changes in the market or on the customer side. An established key figure system assists us with this. Based on a rolling forecast, our Techem central warehouse at the Liederbach site is supplied on a daily basis by our suppliers in Germany and Europe. In doing so, we consolidate our requirements in order to optimise the size of the consignments and conserve resources. Goods are delivered exclusively by road using freight forwarders.

Goods are delivered to our customers, our international companies, our assembly partners and customer service technicians on a daily, weekly or monthly basis as required. Here, too, we pay attention to consolidating demand and conserving resources. Goods are delivered to Germany and other European countries by truck; to Brazil by cargo ship or air freight. We mainly ship to Dubai by air freight due to the small consignment sizes.

Basis for cooperation¹

An international purchasing guideline anchors all valid principles and guidelines on the topic of purchasing and procurement at Techem. At the level of the individual countries, Techem is currently developing local purchasing guidelines that take regional specifics into account. These have already been implemented in the national companies in France, Austria and Poland. Sustainability aspects will be integrated into both the international and national guidelines in accordance with the German Supply Chain Due Diligence Act (LkSG, see [p. 89](#)) in the future.

When selecting new suppliers, Techem takes their sustainability activities into account and has integrated criteria for this into the evaluation matrix for suppliers. If a business relationship is established, the suppliers undertake to comply with the Supplier Code of Conduct of the German Association of Materials Management, Purchasing and Logistics (BME) or their own with comparable content. The Supplier Code of Conduct includes environmental and social criteria. Its ethical guidelines are based, among other information, on the conventions of the International Labour Organization (ILO) and on the principles of the UN Global Compact. If a new supplier or service provider does not commit to the BME Code of Conduct – or a code with comparable requirements – Techem will not work with them.

In order to make its supply chain as resilient as possible, Techem relies on fair and long-term supplier relationships as well as multiple sourcing. We have also anchored this in our purchasing strategy. Procurement and Supplier Quality is responsible for this together with Device Development.

Audits on environmental and social standards

Techem also reviews the compliance of strategic suppliers in direct purchasing with environmental and social standards as part of quality supplier audits. New strategic suppliers are audited as part of quality supplier audits shortly after the contract is signed, and current strategic suppliers are audited every three to four years preferably. Some of the audits are carried out abroad by service providers.

In addition, we already conduct occasional quality supplier audits of tier 2 suppliers in particularly high-risk supply chains, such as those for batteries or injection moulding. In indirect purchasing, we audit subcontractors' compliance with the minimum wage for assembly and meter reading every two years. Specific sustainability audits in the supply chain are being planned and will be developed as part of the implementation of the Supply Chain Due Diligence Act.

¹ The following information applies to procurements managed by the Techem purchasing departments. Procurements with very low order volumes can also be made in the national companies, especially in the indirect area, without involving the purchasing department.



Implementation of the Supply Chain Due Diligence Act (LkSG)

Techem has positioned itself in a cross-divisional manner to drive the implementation of the German LkSG. The law applies to Techem from 01/01/2024 on. Responsibility for its implementation lies with Procurement and Supplier Quality. A Human Rights Committee consisting of the Group Compliance Officer, the Head of Sustainability, Communications & Public Affairs and the Group Risk Manager is a sparing partner in its implementation and assumes a control function with regard to the human rights and environment-related obligations under the LkSG.

A pre-screening of Techem suppliers in Germany was carried out in financial year 2022. This will be rolled out to other national companies and DMG Beteiligungsgesellschaft in 2023. Pre-screening is used to identify suppliers with potential human rights and environmental risks. The pre-selected suppliers were then added to our new risk management tool. For this purpose, a risk assessment software that also maps sustainability risks was selected in financial year 2022. Among other things, the tool enables continuous monitoring of suppliers with regard to their criticality and status in the individual due diligence obligations. Furthermore, questionnaires can be sent to the suppliers and measures can be tracked. This software will be fully implemented in financial year 2023.

Based on the findings of this risk assessment and a risk analysis for our own business activities, appropriate prevention, control and remediation measures such as specific sustainability audits are implemented. In addition, training for employees is planned. Further, revision of the purchasing documents such as the purchasing strategy, the purchasing guideline as well as the contract documents with suppliers will be carried out in calendar year 2023 in order to implement the requirements of the LkSG accordingly.

An initial policy statement for employees and suppliers was published by Techem's CEO at the beginning of 2023. In this statement, Techem commits to respecting human rights and the environment both within our company and along our supply and value chain. Techem is committed to respecting internationally recognised human rights and preventing human rights violations. If we determine that the violation of a human rights-related duty has already occurred or is imminent at our company or at a supplier, we take appropriate remedial action to prevent, end or minimise the extent of such a violation. Against this backdrop, the policy statement will be validated by the end of 2023 and be published in an LkSG-compliant version.

In addition, Techem expanded the online reporting system for employees for (external) third parties in financial year 2022. Employees, customers, suppliers and other

stakeholders can use this reporting channel to securely and, if necessary, anonymously report illegal or inappropriate behaviour at Techem. This serves in particular to learn about compliance violations, such as human rights-related risks, at an early stage and to uncover actual violations and initiate countermeasures. Confidential handling of the reports is guaranteed and every tip is followed up on. Furthermore, Techem does not tolerate retaliation or adverse behaviour against individuals who report observed or suspected illegal or unethical behaviour or violations with the best intentions. The Human Rights Committee is responsible for the legal compliance of the grievance mechanism at Techem.

For Techem, it is important to fulfil its corporate responsibility and to go beyond the legal requirements in some areas. With this in mind, we have set out to conduct pilot audits of Tier 2 suppliers in emerging markets.



REPORTING ON CLIMATE RISKS & OPPORTUNITIES ACCORDING TO TCFD

In view of the societal and environmental effects caused by climate change, Techem has looked at two different future scenarios and their implications for our business model. Based on the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), we describe Techem's management of climate-related issues, outline potential opportunities and risks, and address our strategic response.



Reporting on climate risks and opportunities according to TCFD

Techem seeks to systematically address risks and opportunities resulting from climate change. In the following, we report on our identified climate risks and opportunities as well as the anchoring of the topic in the company along the requirements of the Task Force on Climate-Related Financial Disclosures (TCFD).

Governance

At Techem, sustainability is anchored as a cross-cutting issue in the organisation, which is established across all disciplines in the company. This also ensures that Techem's climate-related risks and opportunities are known within the company and can be taken into account operationally. Key positions, committees and areas relevant to the topic of climate risks and opportunities are as follows:

› CEO

CEO Matthias Hartmann has overall responsibility for sustainability at Techem and holds the highest management position with regard to climate-related risks and opportunities in the company. Matthias Hartmann heads the Techem Sustainability Council and is responsible for the company's sustainability performance. The Sustainability Council brings together the sustainability stewards – divisional managers and experts relevant to the implementation of sustainability-related objectives – and meets several times a year. In addition, CEO Matthias Hartmann reports regularly to the Advisory Board and the Risk & Audit Committee on the opportunities and risks of sustainability issues.

› CFO

CFO Dr.-Ing. Carsten Sürig supports the tracking of sustainability goals and the associated KPIs with the Finance department. As part of conducting a target-performance comparison, conclusions are constantly drawn for the content-related design of individual measures of the sustainability plan. In addition, the CFO is the internal control body for validating the data from the relevant departments and ensuring audit-proof data for sustainability reporting, and is thus part of Group-wide enterprise risk management. The CFO department acts as an interface to the capital market – in this way, capital market requirements are continuously compared with the current and future requirements for sustainability reporting in order to reflect corresponding further developments in content at an early stage.



› Techem Advisory Board

As the highest supervisory body, the Advisory Board supports the Management in its decision-making and reviews and decides on business transactions of Techem companies that require approval. Two members of the Advisory Board are tasked with driving the sustainability strategy and the decarbonisation plan forward as part of a separate Strategic Initiative on Sustainability and monitoring their implementation. The Board is informed six times a year through Board meetings.

Within the Strategic Initiative Sustainability, we work continuously with the Advisory Board members and separately review the progress of the most important climate-related topics four times a year. These are taken into account in the decisions of the Advisory Board as appropriate. As part of the Strategic Initiative Sustainability, the Chairman of the Advisory Board, Andreas Umbach, and Advisory Board member Prof. Dr. Ann-Kristin Achleitner meet with Techem's CEO, Head of Sustainability, Communications & Public Affairs, the Head of TRIOS and the Head of Finance.

› Risk & Audit Committee

The Risk & Audit Committee (RAC) supports the Advisory Board in assuming its responsibility for the monitoring and assessment of the integrity of the financial statements (quarterly and annual financial statements), the external presentation of the financial situation (incl. any treasury risks), the operational results and risks of the Techem Group (Risk Management) and the processes with regard to compliance with legal and regulatory requirements (Compliance and Legal). The RAC assesses the qualification, independence and performance of the internal and external auditors and reviews the adequacy of the processes regarding financial reporting (external audit), internal accounting and financial controls, data protection organisation and IT security. Furthermore, the RAC monitors compliance with current and future sustainability requirements and is actively involved in sustainability projects. The RAC receives extensive reports on the aforementioned topics at regular meetings, which take place in direct temporal connection with those of the Advisory Board. Specifically, the RAC is informed by CEO Matthias Hartmann as well as by the Risk Management and TRIOS departments on the topic of climate-related risks. The RAC in turn reports to the Techem Advisory Board.

› Sustainability, Communications & Public Affairs

The Sustainability team in the Sustainability, Communications & Public Affairs department is responsible for managing Techem's sustainability-related activities and developing them holistically together with TRIOS and the Finance department – and taking internal and external stakeholders along with them on this journey. This also includes the topic of climate risks and opportunities, particularly with regard to reporting in accordance with the recommendations of the TCFD. Under the leadership of the Head of Sustainability, Communications & Public Affairs, the cross-divisional team reports regularly to the CEO Matthias Hartmann.

› TRIOS

The Techem Research Institute on Sustainability (TRIOS) is responsible for and manages the Group-wide research, analysis and implementation activities on consumption transparency, energy efficiency and CO₂e reduction and interlinks these with sustainability management. This also includes the analysis and evaluation of climate risks and opportunities for Techem's individual business areas. TRIOS is also responsible for the climate scenario analysis in accordance with the TCFD recommendations. The Head of TRIOS reports regularly to the CEO Matthias Hartmann. In addition, TRIOS is invited to report on climate-related topics in the RAC on an ad hoc basis.



› Risk Management

The Enterprise Risk Management unit, which is part of Group Controlling, reports to the CFO, Dr. Carsten Sürig, and is mandated to consolidate and standardise Group-wide risks. Climate-related risks are thus also part of this responsibility, although operational responsibility lies with the TRIOS division. The risk situation for the Group is presented to the RAC once a quarter and explained in detail once a year in a detailed risk catalogue. It is also possible to issue ad hoc reports to the RAC on acute risks. The head of risk management is in close contact with the Management.

Assessment of climate-related risks and opportunities

As a matter of principle, Techem assesses all risks – including those related to the climate – using a uniform risk assessment framework. Climate risks are included here either as regulatory or external risks. The relative importance of climate risks is measured based on the probability of occurrence, the possibility of mitigation, the impact and the specific risk tolerance. Taking our two business areas and the approach recommended by the TCFD into account, Techem identified climate-related risks and opportunities in financial year 2023 and determined their materiality. This was based on a risk

register with a total of 26 climate-related opportunities and risks. In addition, we conducted a pre-screening of our suppliers in financial year 2022 and identified potential human rights and environmental risks, which also include climate risks (see [p. 89](#)).

Transition and physical opportunities and risks

Both physical and transition climate-related risks and opportunities can have an impact on Techem's business activities. In contrast to physical risks, which can have a direct impact on company locations and supply chains due to climate change, transition risks are potential impacts due to the shift towards a decarbonised economy. Transition risks can be associated with changes in supply and demand or new cost structures, for example.

According to our analysis below, the transition opportunities and risks play a far greater role for Techem than the possible physical effects. In order to assess the physical consequences of global warming for Techem, especially with regard to office locations and heating systems of the contracting business, the locations and assets were analysed for temperature increase, the number of heat days and heating degree days and heavy rain events. The results under the 2-degree scenario

show that Techem is not expected to experience any significant physical adverse effects in its daily business operations. Although the heating systems of the contracting business could be affected regionally by heavy rainfall events, there is only a low risk because these extreme precipitation events are geographically limited. In contrast, there is a high physical risk in the supply chain, which is why Techem will increasingly address this challenge in the future.

The analysis of the average temperature increase, which varies in intensity at Techem's sites, is one example of the investigation of physical impacts.

In the following, we have presented all opportunities and risks for Techem whose materiality was classified as "high" within the scope of the two climate scenarios carried out.



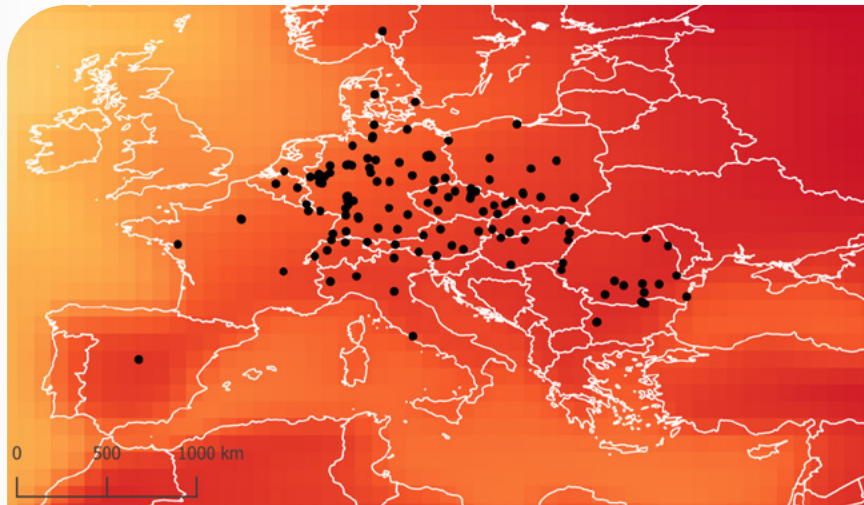
FOCUS

Climate scenarios

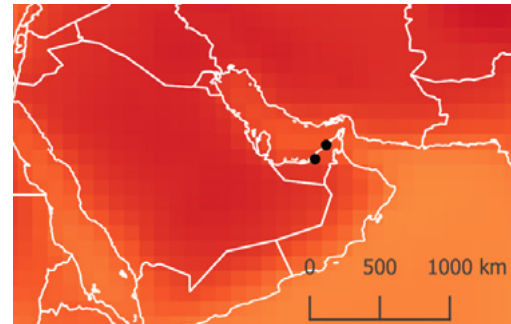
The core element of the TCFD recommendations is the analysis of climate scenarios that can either directly or indirectly influence the business success of a company. Based on this information, it is possible to better understand how a company could develop with regard to various transition and physical opportunities and risks. Techem bases its analysis on two established climate scenarios:

- › The 2-degree scenario corresponds to the commitments of the EU and the German Federal Government to climate neutrality by 2050 and 2045 respectively. The scenario is based on the Energy Technology Perspectives (ETP) 2DS scenario of the International Energy Agency (IEA).
- › The worst-case scenario is based on the Shared Socioeconomic Pathways 5-8.5 (SSP5-8.5) – the global climate development pathways coordinated by the IPCC. This represents a global development with strongly sustained economic growth based on fossil fuels.

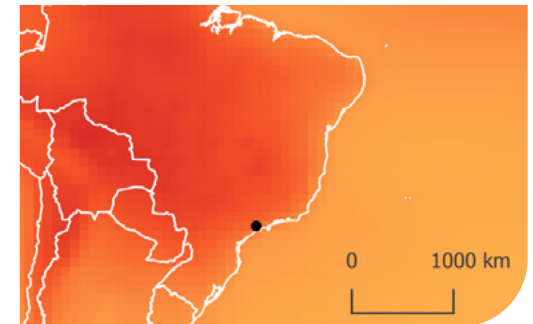
Temperature change in degrees through 2050



Europe



Arabian Peninsula



South America (Brazil)

• Techem administrative locations

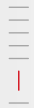
Temperature rise (in degrees)





Key opportunities and risks for Techem in the 2-degree scenario

| Opportunities | Classification | Initial situation and effects |
|--|--|---|
| <p>Building business by providing innovative and low-emission heating technologies (especially heat pumps)</p> | <p>Time horizon Medium-term</p> <hr/> <p>Category Products & Services</p> <hr/> <p>Business area Segment EES (Contracting)</p> <hr/> <p>Materiality High</p> | <p>Ambitious sales forecasts for heat pumps are expected, regardless of the electricity price level, and a corresponding market ramp-up. According to Prognos, the share of heat pumps in heated living space will have increased to nearly 60 percent and displaced gas and heating oil for residential heating by the year 2045. It can be assumed that the market situation will continue to improve in this scenario, so that Techem can realise this opportunity with current and new customers in the medium term.</p> |
| <p>Additional revenues from combining submetering and smart metering for electricity</p> | <p>Time horizon Medium-term</p> <hr/> <p>Category Products & Services</p> <hr/> <p>Business area Segment ESG / ESI (Submetering)</p> <hr/> <p>Materiality High</p> | <p>New regulations to promote the energy transition in the building sector as well as indirectly related laws – the Act on the Digitalisation of the Energy Transition (GDEW) or the Metering Point Operation Act – for example, can have a positive influence on Techem’s submetering and smart metering business. However, the focus of these regulatory changes is on competition law issues, so that this opportunity tends to develop independently of the scenario examined. As soon as clear requirements for the simultaneous provision of metering services for heat and electricity are in place, this opportunity will become even more important.</p> |
| <p>Demand and customer-oriented services based on digital metering to ensure new regulatory requirements</p> | <p>Time horizon Medium-term</p> <hr/> <p>Category Products & Services</p> <hr/> <p>Business area Segment ESG / ESI (Submetering)</p> <hr/> <p>Materiality High</p> | <p>The target of an average renovation rate of 1.75 percent for climate neutrality by 2045 requires increased measures in the digitalisation of metering and its use to optimise the energy efficiency of buildings – this has a promoting effect on corresponding product developments. Techem can make a valuable contribution here in the future by offering data analysis and benchmarks for complex energy systems in buildings and neighbourhoods at an early stage.</p> |



| Opportunities | Classification | Initial situation and effects |
|---|---|--|
| <p>Opening up new markets through conducive legal framework conditions in the field of e-mobility</p> | <p>Time horizon Short-term</p> <hr/> <p>Category Products & Services</p> <hr/> <p>Business area Segment ESG / ESI (Submetering)</p> <hr/> <p>Materiality High</p> | <p>In the IEA's 2DS scenario, the number of electric vehicles is expected to increase more than sixfold by 2050, with a simultaneous increase in the share of electric vehicles in the total fleet. A corresponding scenario for meeting the 2-degree target for Germany via the path to climate neutrality assumes targeted promotion of electric mobility and expansion of the charging infrastructure. For example, 16 million e-cars are to be brought onto the market in Germany by 2030; currently, the share of e-vehicles in the total vehicle fleet is about 2 percent. In this context, larger residential areas in particular offer potential that Techem can increasingly exploit for itself in this scenario.</p> |
| <p>Increasing demand for products and services for reducing the (personal) ecological footprint</p> | <p>Time horizon Short-term</p> <hr/> <p>Category Products & Services</p> <hr/> <p>Business area Segment ESG / ESI (Submetering)</p> <hr/> <p>Materiality High</p> | <p>Climate scenarios for meeting the 2-degree target imply that indoor temperatures in residential buildings will tend to be closer to outdoor temperatures – so that energy and thus greenhouse gas emissions are saved. In addition, recent surveys of the German population show that 9 out of 10 Germans consciously save heating energy and 79 percent would prefer to use digital meters that show in real time how much energy their own heating system uses.</p> <p>Beyond the legal requirements (especially the Heating Costs Ordinance), this scenario already illustrates in the short term the opportunity to offer services to increase consumer transparency – and thus to promote efficient heating behaviour.</p> |
| Risks | Classification | Initial situation and effects |
| <p>Impairment of business fields related to the heat supply of fossil energy sources and more efficient energy supply</p> | <p>Time horizon Medium-term</p> <hr/> <p>Category Technology</p> <hr/> <p>Business area Segment EES (Contracting)</p> <hr/> <p>Materiality High</p> | <p>According to the current draft of the amendment of the Building Energy Act (Gebäudeenergiegesetz, GEG), from 2024 on, as a rule, newly installed heating systems are to be operated with 65 percent renewable energies and already installed gas and oil heating systems are only to run for a maximum of 30 years. In the long term, this is practically equivalent to a ban on fossil gas and oil heating. Within this framework, previous revenues from gas and oil boilers could be lost in the medium term, taking the contract terms into account, whereby the technological change requires an adjustment of the business model. The 65 percent target is already taken into account in the Techem decarbonisation plan.</p> |



Key opportunities and risks for Techem in the worst-case-scenario

| Opportunities | Classification | Initial situation and effects |
|---|--|---|
| <p>New business fields in the area of measurement and billing thanks to increasing demand for cooling on hot days</p> | <p>Time horizon Long-term</p> <hr/> <p>Category Products & Services</p> <hr/> <p>Business area Segment ESG / ESI (Submetering)</p> <hr/> <p>Materiality High</p> | <p>In Germany, 58 percent of all Techem locations are located in zones with >2 degrees of warming on an annual average. Of the Techem locations supplied, 22 percent are above the global average for the expected increase in heat days and over 70 percent are exactly in the average. By 2050, an increase in cooling degree days to over 200-300 is possible for large parts of Germany and up to 300-500 in the Upper Rhine Valley. With this increase, the need to use thermal measurement instruments for both heating and cooling demand intensifies. This results in additional potential for Techem’s meter reading business.</p> |
| <p>Additional revenues due to increasing demand for cooling and the possibility of combined provision of heating and cooling</p> | <p>Time horizon Medium-term</p> <hr/> <p>Category Products & Services</p> <hr/> <p>Business area Segment EES (Contracting)</p> <hr/> <p>Materiality High</p> | <p>A significant increase in the average cooling demand is to be expected, whereby both active and passive cooling measures will be relevant in the future. By 2035, the cooling energy demand of residential buildings in Germany is expected to increase by more than 50 percent and by more than 90 percent by 2085. Overall, building air conditioning is expected to account for 3-6 percent of private household electricity consumption by 2050. For Techem, the projected additional demand for cooling can open up significant business potential – especially through the combined provision of heating and cooling.</p> |
| Risks | Classification | Initial situation and effects |
| <p>Temporary lack of customer-side willingness to invest in low emission, capital-intensive solutions (heat pumps, in particular)</p> | <p>Time horizon Medium-term</p> <hr/> <p>Category Market</p> <hr/> <p>Business area Segment EES (Contracting)</p> <hr/> <p>Materiality High</p> | <p>The scenario SSP5-8.5 assumes a clear focus on energy efficiency and cost-effectiveness in the building sector and low climate policy support measures for “green” heat technologies. As a consequence, the trend towards more energy efficiency in the fossil sector could have a negative impact on a willingness to finance lower-emission technologies, unless further legal requirements in the field of “green” technologies follow. The willingness of customers to invest, which is already observed as hesitant today, could therefore be confirmed in the medium term in this scenario, especially 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>Supply chain disruptions due to physical risks such as heat events, droughts, floods or storms</p> | <p>Time horizon Long-term</p> <hr/> <p>Category Physical risk; acute</p> <hr/> <p>Business area Segment ESG / ESI (Submetering)</p> <hr/> <p>Materiality High</p> | <p>The product groups with the highest risk potential for segment ESG / ESI are devices for heat / energy control in the household, whose direct suppliers in Central Europe are located in less risky regions. Exceptions are Eastern European supplier countries. Here, the average temperature rises are already critical in the medium term and associated with high risks from heat waves and droughts. Goods with long upstream chains are problematic (electronics, critical raw materials, for example), from regions with a high frequency of physical risks (China, Indonesia, Romania, for example) or with dependence on vulnerable resources (iron goods – water scarcity, for example). Transport routes within Germany are also affected by the increase in extreme rainfall events, drought and less transport by waterways.</p> |

Strategy, Goals and Key Figures

The scenario analysis carried out make it clear that, at least in the short and medium term in the 2-degree scenario, the transition opportunities and risks of climate change have a significantly greater impact on Techem than the physical ones. Due to Techem’s business model, the transitory potential outweighs the physical potential, which we are already tapping into through various solutions as part of our company strategy. In essence, we want to strengthen the climate-friendly effect of our products and services in order to contribute to a climate-neutral building management. These include:

- › Heat pump solutions and the low-emission growth in new construction (see [p. 48](#))
- › An e-mobility infrastructure as a new offer for our customers (see [p. 33](#))

- › Digital infrastructure, such as wireless sensors, smart readers and smart metering (see [p. 31](#) and [p. 34](#))
- › Possibilities for digital metrology for optimising building energy efficiency as well as new concepts for building modernisation, such as the Digital Heating Room or the adapterm system. (see [p. 31](#))
- › Cooling meter and cooling supply within the scope of our contracting
- › Energy assessment of buildings by the Energy Performance Certificate Service

An important part of our strategic response is also to reduce emissions in-house. As part of our decarbonisation plan, we intend to reduce our CO₂e emissions in Scope 1 and Scope 2 by at least 42 per cent by 2030 and in Scope 3 by 28 per cent compared to financial year 2020.

In the long term, we aim to achieve an emissions reduction of at least 90 percent in all scopes by 2045. In order to meet the net zero standard of the SBTi and make the Techem Group climate neutral by 2045, the remaining emissions are to be offset with the help of carbon offsetting or carbon capture technologies.

Techem’s carbon footprint with key figures on our Scope 1, Scope 2 and Scope 3 emissions is reported starting on [p. 43](#).

Our climate-related objectives are presented in bundled form in our target programme starting on [p. 101](#).

FACTS & FIGURES

We have defined clear targets and key figures within our three focus areas and seven fields of action. This is the only way we can effectively implement our sustainability strategy and adapt measures accordingly, measure our successes and present our commitment transparently – for all German and international business units of the Techem Group.



About this report

This Sustainability Report transparently presents our commitment in the dimensions of environment, society and governance. We are thus addressing all stakeholders who would like to gain an impression of our sustainability-related performance. Reporting by Techem is voluntary and annual.

With this third Techem Sustainability Report, we were able to further expand and professionalise our reporting – in particular with an updated materiality analysis based on the Corporate Sustainability Reporting Directive (CSRD) as well as expanded reporting on our climate-related opportunities and risks within the framework of the requirements of the Task Force on Climate-Related Financial Disclosures (TCFD).

The reporting period follows financial year 2022 of financial reporting, which extends from 10/01/2021 to 09/30/2022. The editorial deadline for this report was mid-May 2023. Individual qualitative information relating to the period from October 2022 to May 2023, and thus outside Techem's financial year 2022, has been included in the report and indicated accordingly in order to ensure the greatest possible up-to-dateness. There were no significant organisational changes during the

reporting period, so that the data is largely comparable with the previous Sustainability Report. The Sustainability Report for financial year 2022 was published on 07/26/2023.

The scope of application of the sustainability data and key figures basically refers to all German and international business units of the Techem Group. In some cases, key figures are only available for Techem Germany – we have indicated this accordingly in the respective text passages and tables. The Techem Group consists of various locations and companies in Germany and abroad. The ultimate parent company of the Techem Group is Techem Verwaltungsgesellschaft 671 mbH.¹ The Sustainability Report is published by Techem GmbH for the Techem Group. The relevant business units in Germany are Techem Energy Services GmbH, Techem Solutions GmbH, Techem X GmbH, DMG Beteiligungsgesellschaft mbH and bautec Energiemanagement GmbH.

An external audit with limited assurance of a broad set of indicators contributes a significant further step to the professionalisation of reporting. Audited indicators are marked accordingly in this report. The auditor's opinion can be found [here](#).

The Techem Sustainability Report was prepared in accordance with the current standards of the Global Reporting Initiative (GRI Universal Standard 2021) – an internationally recognised framework for Sustainability Reporting.

When we refer to tenants in this report, we also mean users of owner-occupied housing.

Relevant specialist departments were involved in the reporting process. The Techem Management – with the participation of selected members of the Advisory Board – reviewed and approved the report to the best of their knowledge.

¹ The Consolidated Financial Statements of Techem Verwaltungsgesellschaft 671 mbH are published in the Federal Gazette.



Techem sustainability programme

| Target | Measure | Target Horizon | Scope | Status |
|---|--|----------------|---------------------------|---|
| For the Climate and the Environment | | | | |
| Climate-friendly buildings | | | | |
| Reduction of emissions in the contracting business (according to the decarbonisation plan: 90% CO₂e emission reduction by 2045) | Conversion to green power for customers | FY 2022 | Segment EES (Contracting) | New measure; achieved: derived from the decarbonisation plan. |
| | 100% of offers for heating solutions also include a renewable energy alternative | FY 2022 | Segment EES (Contracting) | Achieved |
| | For new heating solutions, CO ₂ e emissions are shown on invoices | FY 2022 | Segment EES (Contracting) | Achieved (transparency regarding CO ₂ e on invoices is subject to legal requirements). |
| | Conversion of 100 existing systems to dual-fuel heating systems consisting of heat pumps and gas-fired peak load boilers | FY 2024 | Segment EES (Contracting) | New measure; the changeover is on schedule. |
| | Equipping all heating systems with a smart monitoring system "Techem Digital Heating Room" (formerly Techem Smart Monitor) (TSM)) for automatic monitoring of the energy efficiency of heating systems | FY 2026 | Segment EES (Contracting) | Measure adjusted: target horizon adjusted due to the new framework conditions of the current crisis. The final validation of the economic savings results of the already equipped plants will be used as a basis for equipping further systems. |
| | Equipping all heating systems with intelligent measuring systems (smart metering) | FY 2026 | Segment EES (Contracting) | New measure; 299 installations in EES segment equipped with 263 digital electricity meters and 74 digital gas meters. A total of 317 smart meter gateways (SMGWs) have been installed. |
| | Pilot projects on expanding the product portfolio with green solution packages (PV, e-charging, tenant electricity, CHP, heat pump, smart metering) | ongoing | Segment EES (Contracting) | Pilot projects on heat pumps, e-charging and smart metering already completed and integrated into the regular portfolio. Pilot projects in the area of PV and tenant electricity are currently being planned and implemented. |
| Digitalisation of real estates | 90% of the devices in the properties will be remotely readable | FY 2025 | Techem Group | FY 2022: 82% (incl. smoke alarms), 80% (excl. smoke alarms); scope expanded from Europe-wide to Group-wide. |
| <i>See also measures under Reduction of emissions in the contracting business (Digital Heating Room & smart metering systems).</i> | | | | |



| Target | Measure | Target Horizon | Scope | Status |
|---|---|----------------|--------------|---|
| For the Climate and the Environment | | | | |
| Climate-friendly buildings | | | | |
| Climate-friendly mobility | > 5,000 charging points to be supplied with green electricity in the Techem service (for private charging infrastructure) | FY 2027 | Techem DE | Measure adjusted: The new target now refers to Germany (private charging infrastructure at attractive locations) as a scope with an extended time horizon until FY 2027. The reason for this is a strategic focus on the core market Germany, in particular on the lead customer with 2,000 charging points. FY 2022: 144 charging points and further > 1,800 charging points in roll-out (Techem DE) |
| Climate and environmental protection inside the company | | | | |
| Reduction of emissions in operations (according to the decarbonisation plan: 90% CO₂e emission reduction by 2045) | Development of a climate roadmap for climate neutrality in Scope 1-3 including definition of the target horizon | FY 2022 | Techem Group | Achieved (see p. 47) |
| | Certification of the headquarters according to DGNB Gold | FY 2022 | Techem DE | Achieved |
| | Conversion to green electricity for own use at Techem sites | FY 2023 | Techem DE | New measure; achieved: The conversion took place on 01/01/2023. |
| | Certification of headquarters according to DGNB Platinum | FY 2025 | Techem DE | New measure; concept has been developed (see p. 41), the building owner is in the decision-making process. |
| | Conversion of the passenger car fleet to CO ₂ e-neutral drives | FY 2028 | Techem DE | New measure; at the time of publication of the report, approx. 25% of the total passenger cars in the fleet in Germany are electric vehicles (incl. current orders). In addition, Techem is conducting a pilot project for the electrification of customer service vehicles in the summer. |
| Reduction of environmental impacts in office operations | Introduction of an environmental management system in accordance with ISO 14001 | FY 2023 | Techem DE | The measure will not be pursued any further because our environmental impacts in operations as a service provider are low. However, as an energy service provider, Techem has a certified energy management system according to ISO 50001 (see p. 40). |
| | Development and roll-out of a waste management & recycling concept | FY 2023 | Techem DE | The measure has been adjusted: The new target now refers to Germany as scope. The reason for this is a transfer of responsibilities regarding waste management to the countries. Internationalisation is planned afterwards. |
| | 50% reduction in paper consumption and 100% conversion to recycled paper compared to FY 2020 | FY 2024 | Techem DE | The reduction of paper was initiated as part of various digitalisation projects. The conversion to recycled paper is currently at approx. 97%. |



| Target | Measure | Target Horizon | Scope | Status |
|--|---|-------------------|--------------|--|
| For the Climate and the Environment | | | | |
| Climate and environmental protection inside the company | | | | |
| Ecological device design | Development of a product refurbishment approach to extend the service life of equipment | FY 2022 | Techem Group | Extension of the service life of equipment has been achieved. The development of a product refurbishment approach is included in the following measure "Feasibility check regarding the reduction potential for remanufacturing of devices and components of devices". |
| | Carrying out lifecycle analysis (LCA) of selected devices | FY 2023 | Techem Group | Achieved |
| | Review of stakeholder initiatives along the value chain | FY 2024 | Techem Group | New measure |
| | Feasibility check regarding the reduction potential for remanufacturing of devices and components of devices (with high savings potential). | FY 2025 | Techem Group | New measure; see action plan for devices |
| | Renewal of the device design to reduce CO ₂ e emissions | FY 2025 | Techem Group | New measure; see action plan for devices |
| For the Individual and the Community | | | | |
| Attractive working conditions and a diverse workforce | | | | |
| Increase in diversity | Investigate potential gender pay gap and publication from FY 2023 | FY 2022, annually | Techem DE | Initial analysis has been started and corresponding measures will be derived and implemented. |
| | Receipt of the berufundfamilie certificate | FY 2023 | Techem DE | New measure; implementation will take place in FY 2023. |
| | 35% women in management positions | FY 2025 | Techem Group | FY 2022: 27.7% |
| | 40% women in Techem support programmes for high potentials | ongoing | Techem Group | Achieved: FY 2022: 43% |
| | Exceed legal minimum of 5% severely disabled employees | annually | Techem DE | New measure; the legal minimum of 5% was exceeded in FY 2022. |



| Target | Measure | Target Horizon | Scope | Status |
|--|---|-------------------|--------------|---|
| For the Individual and the Community | | | | |
| Attractive working conditions and a diverse workforce | | | | |
| Expansion of employee training | Measurement of training success for sustainable quality improvement at the Techem Academy | FY 2022, annual | Techem DE | Achieved: A KPI dashboard was introduced as early as the spring of 2022 and has been continuously developed since then. It serves as a basis for tracking the new measures (see below). |
| | 85% of the employees participate in at least one training session on their own initiative (without obligatory training courses) | FY 2023, annually | Techem DE | New measure |
| | 80% completion rate for trainings (without compulsory training) | FY 2023, annual | Techem DE | New measure |
| | Introduction of an annual Learning Net Promoter Score (NPS) with a target value of at least 30 | FY 2023, annually | Techem DE | New measure |
| | Learning satisfaction of at least 80% | annually | Techem DE | New measure |
| Increase in employee satisfaction | Survey of the Employee Net Promoter Score (eNPS) incl. derivation of country-specific measures | annually | Techem Group | Achieved: eNPS was surveyed in FY 2022 and corresponding measures derived. |
| | Keep fluctuation rate (own terminations) below 5% | annually | Techem DE | FY 2022: 5.5% |
| Improvement of employee health | Develop a health promotion concept | FY 2024 | Techem DE | New measure |
| | Keep LTIFR (Lost Time Injury Frequency Rate) under 5 | annually | Techem Group | Measure has been adjusted: The scope was expanded to international. FY 2022: 7.3% |
| Customer and tenant satisfaction | | | | |
| Increase in customer and tenant satisfaction | Reduction of the follow-up complaint rate and share of follow-up contacts by 50% each compared to 2020 | FY 2023 | Techem DE | Measures to improve customer service were initiated and the follow-up complaint rate was thus significantly reduced compared to 2020. |
| | Regular survey of the Net Promoter Score (NPS) via touchpoints and strategic customer satisfaction surveys | FY 2023, ongoing | Techem DE | Achieved: the NPS has been surveyed and has improved compared to the pre-survey. |
| | Keep churn rate below 5% | FY 2023, annually | Techem DE | New measure; FY 2022: 2.4% |



| Target | Measure | Target Horizon | Scope | Status |
|---|--|-------------------------------------|--------------|--|
| For the Individual and the Community | | | | |
| Innovation, cooperation and social commitment | | | | |
| Expansion of research cooperations and promotion of innovation | Conduct research cooperation to strengthen business models, expand business fields and further develop current products and services with a focus on consumption transparency, energy efficiency improvement and decarbonisation of the building stock | ongoing | Techem DE | New measure; new projects see p. 72 |
| | Further development of our service through continuous learning along partnerships and market-driven technology use to improve energy efficiency, the CO ₂ e balance sheet and process optimisation | ongoing | Techem DE | The measure has been adapted: Exclusive focus on start-ups has been expanded. In the reporting year, external impulses were used on a regular basis and cooperations, including with start-ups, were screened and validated. |
| Strengthen stakeholder relationships | Strengthen relationships with relevant stakeholders and organise a first Stakeholder Round Table | FY 2021, annually | Techem DE | Implementation in FY 2023 |
| Promotion of social engagement | Design and launch a social project with the aim of raising awareness for resource conservation (in buildings) | FY 2022 | Techem DE | Implementation in FY 2023 |
| For Ethical Business Conduct | | | | |
| Ethical corporate governance and compliance | | | | |
| Full compliance | Training of all employees on compliance topics | FY 2023, annually | Techem Group | 99% of the employees in Germany were trained in FY 2021. Only need-based training took place in FY 2022. Techem followed a two-year training rhythm. |
| | No cases of corruption | annually | Techem Group | Achieved: FY 2022: 0 |
| Data protection and information security | External audit to review data protection compliance | FY 2022, thereafter every two years | Techem Group | A comprehensive internal audit has taken place. The improvement measures identified will be implemented before the external audit can be initiated. The start of the external audit has therefore been postponed to FY 2023. |
| | Introduction of an information security management system in accordance with ISO 27001 for critical (DE & INT) and non-critical IT systems (DE) | successively by FY 2025 | Techem Group | ISO 27001 certification for critical systems in DE completed in FY 2022. Now the extension of the certification to the core systems of the segment EES and INT will follow. |



| Target | Measure | Target Horizon | Scope | Status | |
|--|---|---|--|--|--|
| For Ethical Business Conduct | | | | | |
| Ethical Corporate Governance and Compliance | | | | | |
| Data protection and information security | No critical customer data protection breaches | annually | Techem Group | Achieved: There were 26 (FY 2021: 16) substantiated data protection complaints from customers or regulators across the Group in FY 2022, all of which were addressed by taking appropriate measures. The breaches were non-critical breaches that did not result in any fines or measures by the authorities in financial year 2022. | |
| | Strengthening sustainability understanding and performance | Design and implementation of mandatory online training on the topic of sustainability for employees | FY 2022, biennially thereafter | Techem Group | Appropriate training has been identified and will be made mandatory by the end of FY 2023. |
| | | Linking top management remuneration to sustainability targets | FY 2023 | Techem Group | FY 2023: Techem has integrated the share of women in management positions into the bonus structure for all members of the Management Board and second-level managers. The bonus is linked to the achievement of the target that at least 40% of new management positions be filled with female managers. |
| | | Implementation of a Sustainability Council Meeting 3 times per year | FY 2023 | Techem Group | New measure |
| | Conduct an sustainability rating | FY 2023, annually | Techem Group | New measure; a sustainability rating was conducted in FY 2023 (Sustainalytics). | |
| Sustainable supply chain | | | | | |
| Sustainable supply chain | Design and launch a pilot project for random audits of Tier 2 suppliers in emerging markets | FY 2021 | Techem DE | The design was initiated in FY 2021. The design will be specified in FY 2023 as part of the implementation of the Supply Chain Due Diligence Act (LkSG) (LkSG effective for Techem from 01/01/2024). | |
| | Creation of a catalogue of criteria for suppliers to reduce emissions | FY 2025 | Techem DE | New measure | |
| | Request sustainability information from strategic inventory suppliers (A and B suppliers, Tier 1) and confirmation of the Supplier Code of Conduct or a comparable code | biennially (since FY 2021) | Techem DE, Group-wide in the second step | The measure was implemented in Germany in FY 2021. The two-year cycle will no longer be implemented in the future, as all orders, contracts, etc. will refer to the obligation of the Supplier Code of Conduct. | |



Our key figures

About Techem

Key financial figures (in € thousands)

| | Comparative period FY 2020 ¹ | FY 2021 ² | FY 2022 ³ |
|----------------|---|----------------------|----------------------|
| Sales | 783,493 | 818,618 | 899,629 |
| EBIT | 111,654 | 114,021 | 198,233 |
| Free cash flow | 154,042 | 52,832 | 90,729 |
| Capex | 126,614 | 148,622 | 151,144 |

¹ This data covers the period from 10/01/2019 to 09/30/2020, which was derived from the six-month short financial year ending 09/30/2020 (audited) and the last six months (unaudited) of the financial year from 04/01/2019 to 03/31/2020 (audited). In the Sustainability Report 2021, the comparative figures for the period 10/01/2019 to 09/30/2020 were presented for the first time for both the financial and sustainability key figures. In the Sustainability Report 2020, only the six-month short financial year is reported, so that comparability with this report is limited.

² This data covers the period from 10/01/2020 to 09/30/2021. The data has been audited by the auditor. The audit opinion is published in the Federal Gazette.

³ This data covers the period from 10/01/2021 to 09/30/2022. The data has been audited by the auditor. The audit opinion is published in the Federal Gazette.



For the Climate and the Environment

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

| | Techem total | | | EES (Contracting) | | | ESG/ESI (Services around Submetering) | | |
|--|--------------|----------------------|-----------|-------------------|----------------------|--------------------|---------------------------------------|----------------------|---------|
| | FY 2020 | FY 2021 ¹ | FY 2022 | FY 2020 | FY 2021 ¹ | FY 2022 | FY 2020 | FY 2021 ¹ | FY 2022 |
| Total energy purchases ² | 1,167,780 | 1,216,127 | 1,068,971 | 1,140,657 | 1,190,405 | 1,038,356 | 27,123 | 25,722 | 30,615 |
| › Thereof for Techem's own use | 31,094 | 29,756 | 40,485 | 3,971 | 4,034 | 9,870 | 27,123 | 25,722 | 30,615 |
| Thereof fuel (company car fleet) | 19,702 | 18,236 | 22,049 | 0 | 0 | 0 | 19,702 | 18,236 | 22,049 |
| Thereof natural gas | 2,514 | 2,454 | 3,918 | 0 | 0 | 0 | 2,514 | 2,454 | 3,918 |
| Thereof district heating | 1,480 | 1,707 | 1,271 | 0 | 0 | 0 | 1,480 | 1,707 | 1,271 |
| Thereof district cooling | n.a. | n.a. | 69 | 0 | 0 | 0 | n.a. | n.a. | 69 |
| Thereof heating oil | 79 | 110 | 49 | 0 | 0 | 0 | 79 | 110 | 49 |
| Thereof wood pellets and wood chips | 6 | 4 | 2 | 0 | 0 | 0 | 6 | 4 | 2 |
| Thereof power/electricity | 7,284 | 7,216 | 13,127 | 3,971 | 4,034 | 9,870 ⁹ | 3,313 | 3,182 | 3,257 |
| › Thereof for sale (own generation and trading of useful energy) | 1,136,686 | 1,186,371 | 1,028,486 | 1,136,686 | 1,186,371 | 1,028,486 | 0 | 0 | 0 |
| Thereof biomethane | 37,183 | 35,840 | 36,107 | 37,183 | 35,840 | 36,107 | 0 | 0 | 0 |
| Thereof natural gas | 828,625 | 906,506 | 819,391 | 828,625 | 906,506 | 819,391 | 0 | 0 | 0 |
| Thereof district heating | 151,148 | 139,740 | 98,936 | 151,148 | 139,740 | 98,936 | 0 | 0 | 0 |
| Thereof heating oil | 35,480 | 19,069 | 33,386 | 35,480 | 19,069 | 33,386 | 0 | 0 | 0 |
| Thereof wood pellets and wood chips | 22,034 | 22,019 | 25,665 | 22,034 | 22,019 | 25,665 | 0 | 0 | 0 |
| Thereof power/electricity | 62,216 | 63,197 | 15,001 | 62,216 | 63,197 | 15,001 | 0 | 0 | 0 |

see next page



Continuation

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

| | Techem total | | | EES (Contracting) | | | ESG/ESI (Services around Submetering) | | |
|---|--------------|----------------------|---------|----------------------|----------------------|---------|---------------------------------------|----------------------|---------|
| | FY 2020 | FY 2021 ¹ | FY 2022 | FY 2020 | FY 2021 ¹ | FY 2022 | FY 2020 | FY 2021 ¹ | FY 2022 |
| Purchasing of renewable energy | | | | | | | | | |
| › Absolute | 65,510 | 60,037 | 64,074 | 59,217 | 57,859 | 61,772 | 2,293 | 2,178 | 2,302 |
| › Relative to total energy purchases | 5.3% | 4.9% | 6.0% | 5.2% | 4.9% | 5.9% | 8.5% | 8.5% | 7.5% |
| Total energy sales ³ | 945,956 | 1,016,362 | 854,819 | 945,956 | 1,016,362 | 854,819 | 0 | 0 | 0 |
| › Electricity sold | 62,216 | 63,197 | 15,001 | 62,216 | 63,197 | 15,001 | 0 | 0 | 0 |
| › Useful energy sold ⁴ | 883,740 | 953,164 | 839,818 | 883,740 | 953,164 | 839,818 | 0 | 0 | 0 |
| Total energy consumption within the organisation ⁵ | 954,416 | 1,013,190 | 955,790 | 927,293 ⁶ | 987,468 ⁶ | 925,173 | 27,123 | 25,722 | 30,617 |
| › Total energy consumption within the organisation ⁷ | 221,824 | 199,765 | 214,154 | 194,701 | 174,044 | 183,537 | 27,123 | 25,722 | 30,617 |
| Sales (in € millions) | 783.5 | 818.6 | 899.6 | 88.2 | 97.9 | 141.1 | 695.3 | 720.7 | 758.5 |
| Energy intensity (in MWh / € million in sales) ⁸ | 1,218.1 | 1,237.7 | 1,062.5 | 10,513.5 | 10,086.5 | 6,556.9 | 39.0 | 35.7 | 40.4 |

¹ Preliminary figures, as not all invoices were available at the time of editorial deadline.

² All energy that is purchased. Both electricity and district heating required for own offices and the operation of own facilities, as well as energy sources, such as natural gas or heating oil, which are used in our own facilities to generate heat and/or electricity.

³ All energy sold by Techem in the form of useful energy, e.g. electricity, heat or cooling. This includes self-generated useful energy, e.g. heat generated by burning natural gas in own facilities, and externally generated useful energy, e.g. in the form of district heating, which is only resold.

⁴ Excluding the electricity sold.

⁵ The self-generated useful energy is accounted for as own energy consumption.

⁶ Purchased and resold district heating and purchased and resold electricity are not included.

⁷ Less useful energy sold.

⁸ Based on total energy consumption within the organisation.

⁹ Level of own electricity demand redefined (only estimated values available until 2021).

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

| | Techem total | | | EES (Contracting) | | | ESG/ESI (Services around Submetering) | | |
|---------------------------------|--------------|----------------------|---------|-------------------|----------------------|---------|---------------------------------------|----------------------|---------|
| | FY 2020 | FY 2021 ¹ | FY 2022 | FY 2020 | FY 2021 ¹ | FY 2022 | FY 2020 | FY 2021 ¹ | FY 2022 |
| Scope 1 - direct GHG emissions | 182,671 | 193,654 | 180,415 | 177,400 | 188,774 | 174,566 | 5,271 | 4,879 | 5,848 |
| › Heat supply (EES Contracting) | | | | | | | | | |
| Heating oil | 9,519 | 5,116 | 8,935 | 9,519 | 5,116 | 8,935 | 0 | 0 | 0 |
| Propane | 42 | 0 | 0 | 42 | 0 | 0 | 0 | 0 | 0 |
| Biogenic emissions ² | | | | | | | | | |
| Biogas | 7,332 | 7,068 | 7,104 | 0 | 0 | 7,104 | 7,332 | 7,068 | 0 |
| Wood pellets | 9,635 | 9,629 | 10,523 | 0 | 0 | 10,523 | 9,635 | 9,629 | 0 |
| Natural gas | 167,839 | 183,658 | 165,632 | 167,839 | 183,658 | 165,623 | 0 | 0 | 0 |
| › Company car fleet | | | | | | | | | |
| Petrol | 202 | 182 | 757 | 0 | 0 | 0 | 202 | 182 | 757 |
| Diesel | 5,070 | 4,697 | 5,091 | 0 | 0 | 0 | 5,070 | 4,697 | 5,091 |

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

| | Techem total | | | | | | EES (Contracting) | | | ESG/ESI (Services around Submetering) | | |
|----------------------------------|----------------|----------------------|---------|--------------|----------------------|---------|-------------------|----------------------|---------|---------------------------------------|----------------------|---------|
| | location-based | | | market-based | | | market-based | | | market-based | | |
| | FY 2020 | FY 2021 ¹ | FY 2022 | FY 2020 | FY 2021 ¹ | FY 2022 | FY 2020 | FY 2021 ¹ | FY 2022 | FY 2020 | FY 2021 ¹ | FY 2022 |
| Scope 2 – indirect GHG emissions | 3,695 | 3,781 | 6,300 | 2,645 | 2,763 | 4,869 | 1,120 | 1,138 | 3,297 | 1,525 | 1,625 | 1,573 |
| › Purchased electricity | 2,634 | 2,594 | 5,062 | 1,581 | 1,573 | 3,633 | 1,120 | 1,138 | 3,297 | 461 | 435 | 336 |
| › Electricity for company e-cars | 5 | 6 | 22 | 8 | 10 | 21 | 0 | 0 | 0 | 8 | 10 | 21 |
| › Purchased district heating | 523 | 652 | 406 | 523 | 652 | 406 | 0 | 0 | 0 | 523 | 652 | 406 |
| › Purchased district cooling | 2 | 2 | 5 | 2 | 2 | 5 | 0 | 0 | 0 | 2 | 2 | 5 |
| › Heat from natural gas | 509 | 497 | 792 | 509 | 497 | 792 | 0 | 0 | 0 | 509 | 497 | 792 |
| › Heat from heating oil | 21 | 30 | 13 | 21 | 30 | 13 | 0 | 0 | 0 | 21 | 30 | 13 |

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

| | Techem total | | | EES (Contracting) | | | ESG/ESI (Services around Submetering) | | |
|--|--------------|----------------------|---------|-------------------|----------------------|---------|---------------------------------------|----------------------|------------------|
| | FY 2020 | FY 2021 ¹ | FY 2022 | FY 2020 | FY 2021 ¹ | FY 2022 | FY 2020 | FY 2021 ¹ | FY 2022 |
| Scope 3 – other indirect GHG emissions | 118,059 | 117,343 | 121,517 | 80,651 | 77,492 | 88,173 | 37,408 | 39,851 | 33,344 |
| › Purchased goods and services | 34,336 | 36,376 | 28,941 | 0 | 0 | 0 | 34,336 | 36,376 | 28,941 |
| › Capital goods | 762 | 1,023 | 1,075 | 762 | 1,023 | 1,075 | 0 | 0 | 0 |
| › Fuel and energy-related activities | 80,049 | 76,629 | 87,184 | 79,874 | 76,456 | 87,080 | 175 | 174 | 104 |
| › Transport and distribution (upstream) | 146 | 126 | 100 | 0 | 0 | 0 | 146 | 126 | 100 |
| › Waste generated in operations | 72 | 70 | 156 | 0 | 0 | 0 | 72 | 70 | 156 |
| › Business travel | 252 | 41 | 245 | 0 | 0 | 0 | 252 | 41 | 245 |
| › Commuting | 10 | 8 | 839 | 0 | 0 | 0 | 10 | 8 | 839 ³ |
| › Transport and distribution (downstream) | 2,026 | 2,636 | 2,697 | 0 | 0 | 0 | 2,026 | 2,636 | 2,697 |
| › Rented or leased property, plant and equipment | 406 | 434 | 279 | 15 | 13 | 17 | 391 | 421 | 262 |

¹ Preliminary figures, as not all invoices were available at the time of editorial deadline.

² Biogenic emissions are reported as required by the GHG Protocol, but are not included in the sum of the total emissions of the individual scopes.

³ Significant increase due to the changed calculation basis and much higher attendance rate than in previous years.

Explanation of greenhouse gas emissions Scope 1: The calculation is based on the internationally recognised calculation guidelines of the Greenhouse Gas (GHG) Protocol. Emissions are expressed in CO₂ equivalents (CO₂e), which include the emissions of CO₂, CH₄ and N₂O. Due to rounding, errors can occur in the totals.

Explanation of greenhouse gas emissions Scope 2: The calculation is based on the internationally recognised calculation guidelines of the GHG Protocol. Emissions are calculated in CO₂ equivalents (CO₂e), which include emissions of CO₂, CH₄ and N₂O. All emission factors used are from internationally recognised sources. For the calculation of emissions from the consumption of conventional electricity, data from the Association of Issuing Bodies (AIB) was used. The calculation bases for heating energy sources come from the GHG Protocol, Ecolnvent and IINAS (GEMIS factors). Techem collects its Scope 2 emissions both market-based and site-based.

The market-based calculation of emissions for Germany is carried out using the specific emission factors of the energy supplier. For the location-based survey, average emission factors of the respective country in which the consumption takes place are used. Rounding can lead to inaccuracies in the totals.

Explanation of greenhouse gas emissions Scope 3: The calculation is based on the internationally recognised calculation guidelines of the GHG Protocol. Emissions are calculated in CO₂ equivalents (CO₂e), which include emissions of CO₂, CH₄ and N₂O. All emission factors used are from internationally recognised sources.

**Greenhouse gas emissions Scope 1, 2 & 3 and intensity (in t CO₂e)** GRI 305-4

| | Techem total | | | | | | EES (Contracting) | | | ESG/ESI (Services around Submetering) | | |
|---|----------------|--------------|----------------------|--------------|----------------|--------------|-------------------|----------------------|---------|---------------------------------------|----------------------|---------|
| | FY 2020 | | FY 2021 ¹ | | FY 2022 | | FY 2020 | FY 2021 ¹ | FY 2022 | FY 2020 | FY 2021 ¹ | FY 2022 |
| | location-based | market-based | location-based | market-based | location-based | market-based | market-based | | | market-based | | |
| GHG emissions total | 304,425 | 303,375 | 314,778 | 313,760 | 308,231 | 306,800 | 259,717 | 267,404 | 266,036 | 44,204 | 46,356 | 40,765 |
| › Scope 1 GHG emissions | 182,671 | | 193,654 | | 180,415 | | 177,400 | 188,774 | 174,566 | 5,271 | 4,879 | 5,848 |
| › Scope 2 GHG emissions | 3,695 | 2,645 | 3,781 | 2,763 | 6,300 | 4,869 | 1,120 | 1,138 | 3,297 | 1,525 | 1,625 | 1,573 |
| › Scope 3 GHG emissions | 118,059 | | 117,343 | | 121,517 | | 80,651 | 77,492 | 88,173 | 37,408 | 39,851 | 33,344 |
| Value added (in € million) | 783.5 | | 818.6 | | 899.6 | | 88.2 | 97.9 | 141.1 | 695.3 | 720.7 | 758.5 |
| Intensity of GHG emissions (in t CO ₂ e/€ million) | 388.6 | 387.2 | 384.5 | 383.3 | 342.6 | 341.0 | 2,938.4 | 2,731.4 | 1,884.8 | 63.6 | 64.3 | 53.7 |

¹ Preliminary figures, as not all invoices were available at the time of editorial deadline.

The calculation is based on the internationally recognised calculation guidelines of the GHG Protocol. Emissions are calculated in CO₂ equivalents (CO₂e), which include emissions of CO₂, CH₄ and N₂O. All emission factors used are from internationally recognised sources. See separate tables for the collection of emissions from the scopes.

Biogenic emissions (in t CO₂) GRI 305-1 [Key figures audited from 2021 on]

| | Techem total | | | EES (Contracting) | | | ESG/ESI (Services around Submetering) | | |
|--|--------------|---------|---------|-------------------|---------|---------|---------------------------------------|---------|---------|
| | FY 2020 | FY 2021 | FY 2022 | FY 2020 | FY 2021 | FY 2022 | FY 2020 | FY 2021 | FY 2022 |
| Total biogenic emissions | 16,972 | 16,699 | 17,628 | 16,969 | 16,697 | 17,627 | 2 | 2 | 1 |
| › Combustion of biogas | 7,333 | 7,068 | 7,104 | 7,333 | 7,068 | 7,104 | 0 | 0 | 0 |
| › Combustion of wood pellets | 9,636 | 9,629 | 10,523 | 9,636 | 9,629 | 10,523 | 0 | 0 | 0 |
| › Purchased heat from wood pellet combustion | 2 | 2 | 1 | 0 | 0 | 0 | 2 | 2 | 1 |

The calculation is based on the internationally recognised calculation guidelines of the GHG Protocol. The emissions are calculated in CO₂ equivalents (CO₂e), which include emissions of CO₂, CH₄ and N₂O. Due to rounding, errors can occur in the totals. Biogenic emissions are emissions that originate from renewable sources but have global warming potential like fossil emissions. Emission data for 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 are not included in the total emissions of Scopes 1-3.



Use of materials and recycled raw materials GRI 301-2

| | FY 2021 | | FY 2022 | |
|---------------------------------------|---------|------|---------|------|
| | in t | in % | in t | in % |
| Materials used | 2,341 | 100 | 1,575 | 100 |
| › Thereof recycled starting materials | 48 | 2.2 | 44 | 2.8 |

The data was collected for the first time for financial year 2021. All materials used in the production of Techem devices were taken into account – with the exception of materials procured from international companies and not delivered via the Liederbach warehouse.

Waste generated (in t) GRI 306-3

| | FY 2021 | FY 2022 |
|--|---------|---------|
| Total volume of waste | 634.3 | 452.0 |
| › Thereof non-hazardous waste | 211.8 | 166.3 |
| Thereof paper and cardboard packaging | 63.7 | 48.9 |
| Thereof plastic packaging | 5.5 | 2.4 |
| Thereof mixed municipal waste | 108.0 | 74.6 |
| Thereof kitchen and canteen waste | 13.9 | 6.6 |
| which waste from waste water treatment | 20.0 | 32.6 |
| Other | 0.7 | 1.2 |
| › Thereof hazardous waste | 422.5 | 285.7 |
| Thereof electronic waste | 413.0 | 275.7 |
| Other | 9.5 | 10.0 |

The waste for Techem Germany was recorded in full for the first time in financial year 2021. A small share of the figures is based on estimates.

Water consumption (in m³) GRI 303-5

| | FY 2020 | FY 2021 | FY 2022 |
|------------------------------------|---------|---------|---------|
| Total water consumption | 15,061 | 10,880 | 14,173 |
| › Thereof water from third parties | 15,061 | 10,880 | 14,173 |

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

| | FY 2021 | FY 2022 |
|--|---------|---------|
| Total waste volume | 634.3 | 452.0 |
| › Thereof non-hazardous waste | 211.8 | 166.3 |
| Thereof share in recycling, treatment or recovery ¹ | 100% | 100% |
| Thereof share in disposal | 0% | 0% |
| › Thereof hazardous waste | 422.5 | 285.7 |
| Thereof share in recycling, treatment or recovery ¹ | 97.7% | 96.5% |
| Thereof share in disposal | 2.3% | 3.5% |

¹ As defined by the Closed Substance Cycle Waste Management Act (KrWG). It is currently not possible to differentiate between reused, processed or recycled waste – Techem is aiming for a higher level of detail for the Sustainability Report 2023. Disposal was carried out entirely through the method of incineration without energy recovery.

The waste for Techem Germany was recorded in full for the first time in financial year 2021. Data collection will be extended to the international sites by the end of financial year 2023. A small share of the figures is based on estimates.



For the Individual and the Community

Overview of employment relationships GRI 2-7

| | FY 2020 | FY 2021 | FY 2022 | Relative change to previous year |
|-----------------------|---------|---------|---------|----------------------------------|
| Total employees | 3,869 | 3,944 | 4,199 | + 6.5% |
| › Temporary employees | 340 | 228 | 193 | - 15.4% |
| Thereof female | 181 | 126 | 97 | - 23.0% |
| Thereof male | 159 | 102 | 96 | - 5.9% |
| Thereof diverse | 0 | 0 | 0 | - |
| › Permanent staff | 3,529 | 3,716 | 4,006 | + 7.8% |
| Thereof female | 1,572 | 1,626 | 1,752 | + 7.7% |
| Thereof male | 1,957 | 2,090 | 2,253 | + 7.8% |
| Thereof diverse | 0 | 0 | 1 | - |
| › Full-time employees | 3,166 | 3,255 | 3,483 | + 7.0% |
| Thereof female | 1,232 | 1,239 | 1,296 | + 4.6% |
| Thereof male | 1,934 | 2,016 | 2,186 | + 8.4% |
| Thereof diverse | 0 | 0 | 1 | - |
| › Part-time employees | 703 | 689 | 716 | + 3.9% |
| Thereof female | 518 | 513 | 553 | + 7.8% |
| Thereof male | 185 | 176 | 163 | - 7.4% |
| Thereof diverse | 0 | 0 | 0 | - |

The data includes all active employees worldwide including trainees, but excluding temporary workers as of 09/30 of the respective year. The installation of the devices and the reading of the meters are partly carried out by external customer service technicians and meter readers with a contract for work.

The total number of employees with non-guaranteed working hours for financial year 2022 was only collected in Germany. There are no employees with non-guaranteed working hours in Germany. Data collection will be extended to the international sites by the end of FY 2023.

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

| Employment contract | Region | FY 2020 | FY 2021 | FY 2022 | Relative change to previous year |
|---------------------|-------------------------------|---------|---------|---------|----------------------------------|
| Full-time | EU countries | 3,017 | 3,107 | 3,312 | + 6.6% |
| | › Thereof Germany | 1,865 | 1,885 | 2,072 | + 9.9% |
| | Non-EU countries ¹ | 149 | 148 | 171 | + 15.5% |
| Part-time | EU countries | 673 | 657 | 696 | + 5.9% |
| | › Thereof Germany | 563 | 554 | 586 | + 5.8% |
| | Non-EU countries ¹ | 30 | 32 | 20 | - 37.5% |

¹ Techem operates in the following non-EU countries: Switzerland, Norway, United Arab Emirates, Brazil.

The data includes all active employees worldwide including trainees, but excluding temporary staff as of 09/30 of the respective year. The installation of the devices and the reading of the meters are partly carried out by external customer service technicians and meter readers with a contract for work.

New employees and departures from the workforce GRI 401-1

| | Number of entries | | | | Number of exits | | | |
|--------------------|-------------------|---------|---------|----------------------------------|-----------------|---------|---------|----------------------------------|
| | FY 2020 | FY 2021 | FY 2022 | Relative change to previous year | FY 2020 | FY 2021 | FY 2022 | Relative change to previous year |
| Total | 664 | 554 | 742 | + 33.9% | 396 | 452 | 572 | + 26.5% |
| By age | | | | | | | | |
| › < 30 years | 251 | 187 | 226 | + 20.9% | 99 | 121 | 143 | + 18.2% |
| › ≥ 30 < 50 years | 324 | 300 | 409 | + 36.3% | 182 | 228 | 302 | + 32.5% |
| › ≥ 50 years | 89 | 67 | 107 | + 59.7% | 115 | 103 | 127 | + 23.3% |
| By gender | | | | | | | | |
| › Thereof female | 282 | 196 | 262 | + 33.7% | 165 | 181 | 207 | + 14.4% |
| › Thereof male | 382 | 358 | 479 | + 33.8% | 230 | 271 | 365 | + 34.7% |
| › Thereof diverse | 0 | 0 | 1 | | 1 | 0 | 0 | - |
| By region | | | | | | | | |
| › EU countries | 652 | 537 | 683 | + 27.2% | 383 | 436 | 540 | + 23.9% |
| Thereof Germany | 390 | 257 | 341 | + 32.7% | 173 | 218 | 262 | + 20.2% |
| › Non-EU countries | 12 | 17 | 59 | + 247.1% | 13 | 16 | 32 | + 100% |

The data includes all active and passive employees worldwide, excluding temporary staff, as of 09/30 of the respective year.

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

| | Entry rate | | | Fluctuation rate | | |
|--------------------|--------------|--------------|--------------|------------------|--------------|--------------|
| | FY 2020 | FY 2021 | FY 2022 | FY 2020 | FY 2021 | FY 2022 |
| Total | 17.2% | 14.1% | 17.7% | 10.2% | 11.5% | 13.6% |
| By age | | | | | | |
| › < 30 years | 6.5% | 4.7% | 5.4% | 2.6% | 3.1% | 3.4% |
| › ≥ 30 < 50 years | 8.4% | 7.6% | 9.7% | 4.7% | 5.8% | 7.2% |
| › ≥ 50 years | 2.3% | 1.7% | 2.5% | 3.0% | 2.6% | 0% |
| By gender | | | | | | |
| › Thereof female | 7.3% | 5.0% | 6.2% | 4.3% | 4.6% | 4.9% |
| › Thereof male | 9.9% | 9.1% | 11.4% | 6.0% | 6.9% | 8.7% |
| › Thereof diverse | 0% | 0% | 0.02% | 0% | 0% | 0% |
| By region | | | | | | |
| › EU countries | 16.9% | 13.6% | 16.3% | 9.9% | 11.1% | 12.9% |
| Thereof Germany | 10.1% | 6.5% | 8.1% | 4.5% | 5.5% | 6.2% |
| › Non-EU countries | 0.3% | 0.4% | 1.4% | 0.3% | 0.4% | 0.8% |

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

The entry rate corresponds to the share of entries in the financial year in the total workforce as of 09/30 of the respective year.

The fluctuation rate corresponds to the share of departures in the financial year in the total workforce as of 09/30 of the respective year.

**Parental leave** GRI 401-3

| | FY 2020 | FY 2021 | FY 2022 | Relative change to previous year |
|--|---------|---------|---------|----------------------------------|
| Employees who took parental leave | 183 | 183 | 216 | + 18.0% |
| › Thereof female | 148 | 137 | 145 | + 5.8% |
| › Thereof male | 35 | 46 | 71 | + 54.3% |
| › Thereof diverse | 0 | 0 | 0 | - |
| Employees returning to work after parental leave | 95 | 105 | 121 | + 15.2% |
| › Thereof female | 61 | 63 | 59 | - 6.3% |
| › Thereof male | 34 | 42 | 62 | + 47.6% |
| › Thereof diverse | 0 | 0 | 0 | - |
| Return rate ¹ | - | 57.4% | 66.1% | + 15.2% |
| › Thereof female | - | 42.6% | 43.1% | + 1.2% |
| › Thereof male | - | 120.0% | 134.8% | + 12.3% |
| › Thereof diverse | - | 0% | 0% | - |
| Employees still employed at Techem twelve months after the end of parental leave | - | 87 | 50 | - 42.5% |
| › Thereof female | - | 53 | 21 | - 60.4% |
| › Thereof male | - | 34 | 29 | - 14.7% |
| › Thereof diverse | - | 0 | 0 | - |
| Retention rate ² | - | 91.6% | 47.6% | - 48.0% |
| › Thereof female | - | 86.9% | 33.3% | - 61.7% |
| › Thereof male | - | 100% | 69.0% | - 31.0% |
| › Thereof diverse | - | 0% | 0% | - |

¹ The return rate was calculated as follows: (the 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. A return rate of over 100 percent 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 is the case when employees both went on and returned from parental leave in financial year 2022.

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 parental leave / number of employees who returned to work after parental leave in the previous year) x 100.

The data includes all employees worldwide, excluding temporary staff. The data refers to the respective Techem financial year.

Employees can apply for parental leave at all Techem companies in accordance with the legal requirements.

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

| | FY 2020 | FY 2021 | FY 2022 | Relative change to previous year |
|---|---------|---------|---------|----------------------------------|
| Number of work-related injuries | 55 | 35 | 49 | + 40.0% |
| › Thereof occupational accidents | 38 | 30 | 43 | + 43.3% |
| › Thereof commuting accidents | 17 | 5 | 6 | + 20.0% |
| Rate of work-related injuries | 9.2% | 5.4% | 7.3% | + 35.2% |
| › Number of work-related injuries with serious consequences | 0 | 0 | 0 | - |
| › Number of fatalities due to work-related injuries | 0 | 0 | 0 | - |

The occupational and commuting accidents of the Techem companies' own employees worldwide were evaluated. The data included occupational and commuting accidents that resulted in at least one day of absence. Since FY 2022, injuries due to commuting accidents have only been included if the transport was organised by Techem. For this reason, the data on work-related injuries from FY 2022 cannot be compared with that of previous years. The rate (LTIFR) of work-related injuries was calculated as follows: (number of occupational and commuting injuries / target working hours in the financial year) x 1,000,000.

Training hours in Germany GRI 404-1

| | FY 2020 | FY 2021 | FY 2022 | Relative change to previous year |
|---|---------|---------|-------------------|----------------------------------|
| Average number of training hours by gender | 16.9 | 14.0 | 16.2 | + 15.7% |
| › Thereof female | 16.8 | 13.8 | 15.7 | + 13.8% |
| › Thereof male | 16.9 | 14.0 | 16.6 | + 18.6% |
| › Thereof diverse | 0 | 0 | n.a. ¹ | - |
| Average number of training hours by employee category | 16.9 | 14.0 | 16.2 | + 50% |
| › Management levels 1–4 | 15.8 | 6.2 | 10.4 | + 67.7% |
| › Employees | 17.0 | 14.7 | 16.7 | + 13.6% |

¹ This figure is not reported in order to comply with the General Data Protection Regulation (GDPR). Since Techem currently employs only one diverse person in the company, conclusions could be drawn about work behaviour by reporting the number of training hours.

The data includes all employees in Germany and refers to the average number of training hours per employee in the respective Techem financial year. Reporting of international data was not possible due to a lack of a uniform system for recording training hours in the reporting year. On-site supervisor briefings were not calculated as training hours.

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

| | FY 2022 |
|--|---------|
| Share of performance reviews received by gender | 94.0% |
| › Thereof female | 93.0% |
| › Thereof male | 94.7% |
| › Thereof diverse | 100% |
| Share of performance reviews received by employee category | 94.0% |
| › Employees | 95.1% |
| › Management levels 1-4 | 80.8% |

The data includes all active employees in Germany excluding temporary staff, temporary workers, employees of DMG companies and passive employees as of 09/30 of the respective year. The key figures were collected for the first time in the 2022 financial year.

Managers by age and gender GRI 405-1

| | FY 2020 | FY 2021 | FY 2022 |
|----------------------------------|---------|---------|---------|
| Distribution according to gender | | | |
| › Thereof female | 25.1% | 24.7% | 27.7% |
| › Thereof male | 74.9% | 75.3% | 72.3% |
| › Thereof diverse | 0% | 0% | 0% |
| Age structure | | | |
| › < 30 years | 0.3% | 0.8% | 1.6% |
| › ≥ 30 < 50 years | 58.5% | 58.2% | 54.9% |
| › ≥ 50 years | 41.2% | 41.0% | 43.5% |

The data includes all managers of management levels 1-4 of Techem companies worldwide as of 09/30 of the respective year.

Employees by age and gender GRI 405-1

| | FY 2020 | FY 2021 | FY 2022 |
|----------------------------------|---------|---------|---------|
| Distribution according to gender | | | |
| › Thereof female | 47.4% | 46.5% | 45.9% |
| › Thereof male | 52.6% | 53.5% | 54.1% |
| › Thereof diverse | 0% | 0% | 0.03% |
| Age structure | | | |
| › < 30 years | 15.4% | 14.6% | 14.0% |
| › ≥ 30 < 50 years | 53.1% | 53.0% | 53.3% |
| › ≥ 50 years | 31.5% | 32.4% | 32.7% |

The data includes all active employees worldwide, excluding managers of management levels 1-4 of Techem companies worldwide and temporary staff as of 09/30 of the respective year.

Advisory Board by age and gender GRI 405-1

| | FY 2022 |
|----------------------------------|---------|
| Distribution according to gender | |
| › Thereof female | 11.1% |
| › Thereof male | 88.9% |
| › Thereof diverse | 0% |
| Age structure | |
| › < 30 years | 0% |
| › ≥ 30 < 50 years | 44.4% |
| › ≥ 50 years | 55.6% |

The composition of the Advisory Board of the Luxembourg Investment Company 261 S.a.r.l. (LIC 261) in financial year 2022 is shown. LIC 261 is the company in which the shareholders of the Techem Group are organised. The Advisory Board of LIC 261 supports the management of LIC 261 in its decision-making and reviews and decides on business transactions of the Techem companies that require approval.

Discrimination cases GRI 406-1

| | FY 2020 | FY 2021 | FY 2022 |
|----------------------------------|---------|---------|---------|
| Reported cases of discrimination | 2 | 2 | 1 |

One incident of discrimination was reported at Techem during the reporting period. The incident was thoroughly investigated, which in this case led to the termination of the employment relationship with the person in breach of duty.



For Ethical Business Conduct

Overview of association memberships GRI 2-28

| Active Techem national company | Organisation |
|--------------------------------|--|
| Techem Belgium | Unie van Zelfstandige Ondernemers – Union of Independent Entrepreneurs (UNIZO) |
| Techem Bulgaria | Asociatia na druzestvata za toplinno schetovodstvo – Association of Heating Cost Settlement Companies (ADTS) |
| Techem Germany | Arbeitsgemeinschaft Heiz- und Wasserkostenverteilung – Working group for Heating and Water Cost Allocation (ARGE) |
| | Bundesverband der Deutschen Industrie - “Initiative Energieeffiziente Gebaude” – Federation of German Industries - “Initiative Energy-Efficient Buildings” (BDI-IEG) |
| | Bundesverband Neue Energiewirtschaft - Federal Association of the New Energy Industry (BNE) |
| | Deutsche Unternehmensinitiative Energieeffizienz – German Business Initiative Energy Efficiency (DENEFF) |
| | Europäischer Verein zur verbrauchsabhängigen Energiekostenabrechnung – European Association for Consumption-based Energy Cost Billing (E.V.V.E.) |
| | Telekommunikation und neue Medien – Telecommunications and new media (Bitkom) |
| | Verband für Energiedienstleistungen, Effizienz und Contracting – Association for Energy Services, Efficiency and Contracting (vedec) |
| | Zentraler Immobilien Ausschuss – Central Real Estate Committee (ZIA) |
| Techem France | Syndicat de la mesure – Surveying Union (SyM) |
| Techem Italy | Associazione Nazionale Contabilizzazione Calore e Acqua – National Association for the Billing of Heating and Water (ANCAA) |
| | L’Associazione Motus-E – Platform for the transition to sustainable mobility (MOTUS-E) |
| Techem Netherlands | Nederlandse Vereniging voor Verbruiksafhankelijke Energiekostenafrekening - Dutch Association for Consumption-Based Energy Cost Billing (NL.V.V.E.) |
| Techem Poland | Stowarzyszenie Ds Rozliczania Energii – Energy Billing Association (STOW) |
| Techem Switzerland | Swiss Association for Energy and Water Cost Accounting (SVW-ASC) |
| | Suisstec – Employers’ and Trade Association of Building Technology and Building Envelope Techem |
| Techem Slovakia | Asociácia rozpočítavateľov tepla a vody Slovensko – Association of Heat and Water Suppliers (ARTAV) |
| Techem Spain | Asociación de Empresas del Sector de las Instalaciones y la Energía – Association of Companies in the Equipment and Energy Sector (Agremia) |
| | Asociación Española de Empresas de Lectoras de Contadores de Agua y Energía – Association of Water and Energy Metering Companies (Apecae) |
| | Asociación Espanola de Repartidores de Costes de Calefacción – Association of Heat Cost Allocators (AERCCA) |
| Techem Czech Republic | Asociace rozuctovatelů nakladu na teplo a vodu – Association of Heat and Water Suppliers (ARTAV) |
| Techem Hungary | Lakberendezők Országos Szövetsége – National Association of Interior Designers (LOSZ) |
| | Magyar Távhőszolgáltatók Szakmai Szövetsége – Professional Association of Hungarian District Heating Suppliers (MATÁSZSZ) |

**Composition of the Advisory Board** GRI 2-9

| Member | Role | Duration of position | Independence | Gender | Other commitments | Competencies |
|----------------------------------|---|-------------------------|--------------|--------|--|--|
| Andreas Umbach | Chairman of the Advisory Board | since 2018 ¹ | yes | male | <ul style="list-style-type: none"> › Chairman of the Board of Directors of Landis+Gyr Group AG › Chairman of the Board of Directors of SIG Group Ltd. › Chairman of the Board of Rovensa SA | <ul style="list-style-type: none"> › Sustainability Officer of Techem's Advisory Board › Chairman of the Nomination, Governance and Sustainability Committee of Landis+Gyr Group AG |
| Dr. Eric Strutz | Chairman 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 controlling bodies of HSBC Bank plc. HSBC Continental Europe and HSBC Trinkaus & Burkhardt | |
| Prof. Dr. Ann-Kristin Achleitner | Chairwoman of the Nomination, Compensation & Audit Committees | since 2020 | yes | female | <ul style="list-style-type: none"> › Distinguished Affiliated Professor of the TU Munich › Member of the controlling bodies of Linde plc., Lazard Ltd., Munich Reinsurance Company › Member of the International Advisory Board of Investcorp and the Advisory Board of Lakestar | <ul style="list-style-type: none"> › Member of the Audit Committee with proven sustainability expertise and Chairwoman 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 Committees of Lazard Ltd. › Sustainability Officer of Techem's Advisory Board |
| Dr. Jürgen Diegruber | | 2018 – 2023 | no | male | <ul style="list-style-type: none"> › Partner of Partners Group Holding AG; Head, Managing Director and Chairman of Partners Group (EU) GmbH in Munich › Member of the Advisory Board of Hofmann Menue Manufaktur and Vermaat › Member of the Board of Directors of Porterhouse Group AG | |



| Member | Role | Duration of position | Independence | Gender | Other commitments | Competencies |
|--------------------------|------|----------------------|--------------|--------|--|--|
| Michael Barben | | since 2018 | yes | male | <ul style="list-style-type: none"> Member of the Board of Directors and Supervisory Board of Esentia Energy and VSB Holding, respectively. | <ul style="list-style-type: none"> Chairman of the Investment Committee of Blueearth Capital Board of Directors of Carnot Capital Chairman 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 of International Schools Partnership and Key Retirement Group | |
| Andreas Holz Müller | | since 2018 | no | male | <ul style="list-style-type: none"> Managing Director of Partners Group Holding AG Member of the Advisory Board of Schleich GmbH Member of the Advisory Board of Breitling SA | |
| Albrecht von Alvensleben | | since 2019 | no | male | <ul style="list-style-type: none"> Managing Director at Caisse de dépôt et placement du Québec (CDPQ), Head of Private Equity activities in Europe Member of the Board of Datamars SA Member of the Board of QIMA | |
| Marvin Teubner | | since 2018 | no | male | <ul style="list-style-type: none"> Managing Director of Private Capital at Ontario Teachers' Pension Plan Board (OTPP) Member of the Advisory Board of Logoplaste and Lowell Group | <ul style="list-style-type: none"> Sustainability Officer of OTPP on the Advisory Board of Logoplaste |

¹ The Advisory Board has been in place since 2018.

The composition of the Advisory Board of Luxembourg Investment Company 261 S.à.r.l. (LIC 261) is shown. LIC 261 is the company in which the shareholders of the Techem Group are organised. The Advisory Board of LIC 261 supports the management of LIC 261 in its decision-making and reviews and decides on business transactions of the Techem companies requiring approval.

There was a change in the Advisory Board in May 2023. Since then, Dr. Jürgen Diegruber has no longer been a member of the board. He was replaced by Kim Nguyen (Member of the Board of Directors and Member of Supervisory Board of Version 1, Emerica, Schleich and Cerba) who joined the Advisory Board.

**Suppliers by region** GRI 2-6

| | FY 2020 | FY 2021 | FY 2022 | Relative change to previous year |
|---|---------|---------|---------|----------------------------------|
| Total suppliers | 4,228 | 4,360 | 4,429 | + 1.6% |
| › Thereof from Germany | 4,131 | 4,249 | 4,313 | + 1.5% |
| › Thereof from Europe (excluding Germany) | 85 | 99 | 107 | + 8.1% |
| › Thereof from other regions worldwide | 12 | 12 | 9 | -25.0% |

This data includes all suppliers managed by Techem headquarters. The reporting date is 09/30.

Local procurement GRI 204-1

| | International suppliers | | National suppliers | |
|--|-------------------------|---------|--------------------|---------|
| | FY 2021 | FY 2022 | FY 2021 | FY 2022 |
| Total procurement volume | 26.7% | 18.9% | 73.3% | 81.1% |
| › Thereof Techem international (excluding Germany) | 50.0% | 43.9% | 50.0% | 56.1% |
| › Thereof Techem Germany | 18.5% | 14.1% | 81.5% | 85.9% |

The procurement volume includes all major operating sites of Techem Germany and all operating national companies of Techem in the eight focus countries Austria, Switzerland, France, Italy, Belgium, the Netherlands, Denmark and Poland. The share of local procurement refers to the total expenditure for suppliers in financial year 2022 that these Techem countries each made in their own country. As a rule, the invoice address is used to assess the geographical location (national or international) of suppliers. Suppliers with a procurement volume of more than one € million in financial year 2022 are an exception to this. In these cases, the place of origin of the products or services is used to make the assessment.

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

| | FY 2020 | | FY 2021 | | FY 2022 | |
|--|----------|----------|----------|----------|----------|----------|
| | absolute | relative | absolute | relative | absolute | relative |
| Communication to members of governing bodies | 37 | 100% | 22 | 54% | 42 | 100% |
| › In Germany | 19 | 100% | 22 | 100% | 22 | 100% |
| › International | 18 | 100% | 0 | 0% | 20 | 100% |
| Communication to employees | 985 | 26% | 2,415 | 61% | 4,198 | 100% |
| › In Germany | 700 | 29% | 2,415 | 99% | 2,657 | 100% |
| › International | 285 | 20% | 0 | 0% | 1,541 | 100% |
| › Managers | - | - | 181 | 52% | 434 | 100% |
| › Employees | - | - | 2,234 | 62% | 3,764 | 100% |

Anti-corruption training¹ GRI 205-2

| | FY 2020 | | FY 2021 ² | | FY 2022 | |
|---|----------|----------|----------------------|----------|----------|------------------|
| | absolute | relative | absolute | relative | absolute | relative |
| Training of members of governing bodies | 28 | 76% | 12 | 29% | 12 | 29% |
| › In Germany | 10 | 53% | 12 | 54% | 12 | 54% |
| › International | 18 | 100% | 0 | 0% | 0 | 0% |
| Training of employees | 985 | 26% | 2,415 | 61% | 2,504 | 94% ³ |
| › In Germany | 700 | 29% | 2,415 | 99% | 2,504 | 94% ³ |
| › International | 285 | 20% | 0 | 0% | 0 | 0% |
| › Managers | - | - | 181 | 52% | 232 | 94% ⁴ |
| › Employees | - | - | 2,234 | 62% | 2,272 | 94% ⁴ |

¹ It was not possible to collect information on managers and employees retroactively for financial year 2020. Members of the governing bodies include the Managing Directors of Techem companies worldwide, the Supervisory Board of Techem Energy Services and the Advisory Board of LIC 261. Executives include management levels 1-4 of Techem companies worldwide. Employees include all employees worldwide excluding managers and temporary staff.

² The training of international staff takes place every two years - most recently in financial year 2020.

³ As the training of staff 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. Six percent of the employees were not trained because they were hired by Techem shortly before the end of financial year 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 2020 | FY 2021 | FY 2022 |
|--|---------|---------|----------------|
| Confirmed corruption cases ¹ | 0 | 0 | 0 |
| Proceedings due to anti-competitive behaviour, cartel and monopoly formation ² | 2 | 2 | 2 ³ |
| Significant fines and non-monetary sanctions due to non-compliance with laws in the social and economic field ⁴ | 0 | 0 | 1 |

¹ A case of corruption is considered confirmed when an internal investigation or a final judgment concludes that a case of corrupt conduct has occurred.

² The number of legal proceedings pending or concluded during the reporting period for anti-competitive behaviour and violations of antitrust and monopoly laws in which Techem was identified as a party.

³ There were no violations of competition law within the Techem Group in financial year 2022, although two proceedings were still pending. In Germany, a single price level abuse complaint by an applicant is still in the hearing process at a state cartel authority. The proceedings pending since 2019 against an Austrian subsidiary of Techem due to violations of antitrust and competition law in the period from 2004 to 2019 were concluded in October 2022. This resulted in neither fines nor non-monetary sanctions.

⁴ Sanctions are considered significant if they exceed a threshold of € 10,000 or have to be made public.

Complaints related to data protection GRI 418-1

| | FY 2020 | FY 2021 | FY 2022 |
|---|---------|---------|---------|
| Complaints from external parties | 3 | 14 | 24 |
| Complaints from supervisory authorities | 2 | 2 | 2 |
| Cases of data theft or loss | 0 | 0 | 0 |

The breaches are non-critical breaches that did not result in any fines or measures by the authorities in the reporting period. Techem is not aware of any incidents of data loss or data theft from the reporting period.



Auditor's opinion

Independent auditor's opinion on a limited assurance engagement on sustainability information

To Techem GmbH, Eschborn

We have audited the information marked with an  in the Sustainability Report of Techem GmbH, Eschborn, (hereinafter referred to as the "company"), for the period from 1 October 2021 to 30 September 2022 (hereinafter the "Report") subject to a limited assurance engagement. Our assurance engagement covers only the information marked with the symbol .

Management's responsibility

The legal representatives of the company are responsible for the preparation of the Report in compliance with the principles set out in the Sustainability Reporting Standards of the Global Reporting Initiative (hereinafter the "GRI criteria") and for the selection of the disclosures to be assessed.

This responsibility of the company's Management includes selecting and applying appropriate Sustainability Reporting methodologies and making assumptions and estimates about individual sustainability disclosures that are reasonable under the circumstances. Furthermore, Management is responsible for such internal control as Management determines is 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 complied with the German professional regulations on independence as well as other professional conduct requirements.

Our auditing firm applies the national statutory regulations and professional pronouncements – in particular the professional statutes for auditors and certified public accountants (BS WP/vBP) as well as the IDW Quality Assurance Standard 1 "Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis" (IDW QS 1) issued by the Institute of Public Auditors in Germany (IDW) – and accordingly maintains a comprehensive quality assurance system that includes documented regulations and measures relating to compliance with professional conduct requirements, professional standards as well as relevant statutory and other legal requirements.



Auditor's responsibility

Our responsibility is to express a conclusion with limited assurance on the disclosures in the report marked with an based on our audit.

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

We conducted our audit in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the IAASB. Those standards require that we plan and perform the audit to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the information marked with an in the company's report for the period from 1 October 2021 to 30 September 2022 is not prepared, in all material respects, in accordance with the relevant GRI criteria. This does not mean that a separate audit opinion is issued for each marked disclosure.

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

In the course of our audit, we performed the following audit procedures and other activities, among others:

- › Gained an understanding of the structure of the sustainability organisation and how to engage stakeholders
- › Interviewed employees who were involved in the preparation of the Sustainability Report about the preparation process, about the internal control system related to this process, and about selected disclosures in the Sustainability Report
- › Identified probable risks of material misstatement in the report based on the GRI criteria
- › Analytical assessment of selected disclosures in the Sustainability Report
- › Assessment of the presentation of the selected sustainability performance disclosures

Audit opinion

Based on the audit procedures performed and the audit evidence obtained, nothing has come to our attention that causes us to believe that the disclosures marked with an in the company report for the period from 1 October 2021 to 30 September 2022 are not prepared, in all material respects, in accordance with the relevant GRI criteria.

Intended use of this audit opinion

We issue this report on the basis of the engagement we have entered into with the company. The audit was conducted for the company's purposes and the report is intended solely for the company's information on the results of the audit. The report is not intended to be relied upon by third parties for the purpose of making (financial) statements. Our responsibility is to society alone. We do not assume any responsibility towards third parties.

Frankfurt am Main, 10 July 2023

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Nicolette Behncke

ppa. Meike Beenken

Auditor



GRI Content Index

Declaration of use

| | |
|-----------------------------------|--------------------|
| GRI 1 used | GRI 1: Basics 2021 |
| Applicable GRI sector standard(s) | None |

Techem reports in consistency with the GRI standards over financial year 2022 beginning on 10/01/2021 and ending on 09/30/2022.

| GRI Standard | Page reference | Comments/Omission justification | Ext. validation |
|--|------------------------------|---|-------------------------------------|
| General information | | | |
| GRI 2: General disclosures 2021 | | | |
| GRI 2-1 Organisational details | P. 6–7 | Techem Verwaltungsgesellschaft 671 mbH | |
| GRI 2-2 Entities included in the organisation's sustainability reporting | P. 100 | | |
| GRI 2-3 Reporting period, frequency and contact point | P. 100, 137 | | |
| GRI 2-4 Restatements of information | P. 100 | | |
| GRI 2-5 External assurance | P. 126–127 | | |
| GRI 2-6 Activities, value chain and other business relationships | P. 6–7, 9–12, 87–88, 123 | This data includes all suppliers managed from Techem headquarters. The reporting date is 09/30. | |
| GRI 2-7 Employees | P. 54–55, 114–115 | The data includes all active employees worldwide including trainees, but excluding temporary staff as of 09/30 of the respective year. The installation of the devices and the reading of the meters are partly carried out by external customer service technicians and meter readers with a contract for work. The total number of employees with non-guaranteed working hours for FY 2022 was only recorded in Germany. There are no employees with non-guaranteed working hours in Germany. The data collection will be extended to the international sites by the end of FY 2023. | <input checked="" type="checkbox"/> |
| GRI 2-8 Workers who are not employees | P. 55 | | <input checked="" type="checkbox"/> |
| GRI 2-9 Governance structure and composition | P. 6, 8, 14–16, 119, 121–122 | | |
| GRI 2-10 Nomination and selection of the highest governance body | P. 8, 121–122 | | |



| GRI Standard | Page reference | Comments/Omission justification | Ext. validation |
|--|---|---|-------------------------------------|
| GRI 2-11 Chair of the highest governance body | P. 6, 121 | | |
| GRI 2-12 Role of the highest governance body in overseeing the management of impacts | P. 8, 14–17 | | |
| GRI 2-13 Delegation of responsibility for managing impacts | P. 14–16 | | |
| GRI 2-14 Role of the highest governance body in sustainability reporting | P. 100 | | |
| GRI 2-15 Conflicts of interest | P. 82 | | |
| GRI 2-16 Communication of critical concerns | P. 82 | | |
| GRI 2-17 Collective knowledge of the highest governance body | P. 14–16, 81–83, 91–92 | | |
| GRI 2-18 Evaluation of the highest governance body | P. 8, 14, 16 | While an assessment of the management level by the Advisory Board is already established and ensured, Techem is still developing a procedure to ensure an assessment of the Advisory Board as well. This procedure will be in place from the next reporting year. | |
| GRI 2-19 Remuneration policies | P. 61, 84, 106 | | |
| GRI 2-20 Process to determine remuneration | P. 61, 65, 84 | | |
| GRI 2-21 Annual total compensation ratio | P. 85 | This indicator includes all major operating sites of Techem Germany and all operating national companies of Techem in the eight focus countries Austria, Switzerland, France, Italy, Belgium, the Netherlands, Denmark and Poland. | <input checked="" type="checkbox"/> |
| GRI 2-22 Statement on sustainable development strategy | P. 3–5 | | |
| GRI 2-23 Policy commitments | P. 23–25, 36, 59, 77–84, 87–89, 101–106 | | |
| GRI 2-24 Embedding policy commitments | P. 26–27, 34, 81–89 | | |
| GRI 2-25 Processes to remediate negative impacts | P. 60–70, 82 | | |
| GRI 2-26 Mechanisms for seeking advice and raising concerns | P. 15, 22, 69–70, 81–82 | | |
| GRI 2-27 Compliance with laws and regulations | P. 82–83, 125 | | <input checked="" type="checkbox"/> |
| GRI 2-28 Membership associations | P. 85–86, 120 | | |
| GRI 2-29 Approach to stakeholder engagement | P. 14, 17, 22, 76, 69, 85, 104–105 | | |
| GRI 2-30 Collective bargaining agreements | P. 65 | | |



| GRI Standard | Page reference | Comments/Omission justification | Ext. validation |
|---|----------------|--|-------------------------------------|
| Material topics | | | |
| GRI 3: Material topics 2021 | | | |
| GRI 3-1 Process to determine material topics | P. 17–18 | | |
| GRI 3-2 List of material topics | P. 19–22 | | |
| Procurement practices | | | |
| GRI 3: Material topics 2021 | | | |
| GRI 3-3 Management of material topics | P. 87–89, 106 | | |
| GRI 204: Procurement practices 2016 | | | |
| GRI 204-1 Proportion of spending on local suppliers | P. 87, 123 | The procurement volume includes all major operating sites of Techem Germany and all operating national companies of Techem in the eight focus countries Austria, Switzerland, France, Italy, Belgium, the Netherlands, Denmark and Poland. The share of local procurement refers to the total expenditure for suppliers in financial year 2022 that these Techem countries each made in their own country. For the assessment of the geographical location (national or international) of suppliers, the invoice address is generally used. An exception to this is suppliers with a procurement volume of more than € 1 million euros in financial year 2022. In these cases, the place of origin of the products or services is used to make the assessment. | <input checked="" type="checkbox"/> |
| Anti-corruption | | | |
| GRI 3: Material topics 2021 | | | |
| GRI 3-3 Management of material topics | P. 81–82, 105 | | |
| GRI 205: Anti-corruption 2016 | | | |
| GRI 205-1 Operations assessed for risks related to corruption | P. 81 | | <input checked="" type="checkbox"/> |
| GRI 205-2 Communication and training about anti-corruption policies and procedures | P. 81, 124 | | <input checked="" type="checkbox"/> |
| GRI 205-3 Confirmed incidents of corruption and actions taken | P. 105, 125 | | <input checked="" type="checkbox"/> |
| Anti-competitive behaviour | | | |
| GRI 3: Material topics 2021 | | | |
| GRI 3-3 Management of material topics | P. 81–82 | | |
| GRI 206: Anti-competitive behaviour 2016 | | | |
| GRI 206-1 Legal actions for anti-competitive behaviour, anti-trust and monopoly practices | P. 82, 125 | | <input checked="" type="checkbox"/> |



| GRI Standard | Page reference | Comments/Omission justification | Ext. validation |
|--|-------------------------------------|---|-------------------------------------|
| Tax | | | |
| GRI 3: Material topics 2021 | | | |
| GRI 3-3 Management of material topics | P. 84 | | |
| GRI 207: Tax 2019 | | | |
| GRI 207-1 Approach to tax | P. 84 | | |
| GRI 207-2 Tax governance, control and risk management | P. 84 | | |
| GRI 207-3 Stakeholder engagement and management of concerns related to tax | P. 84 | | |
| GRI 207-4 Country-by-country reporting | | Techem operates in the following tax jurisdictions: Austria, Belgium, Brazil, Bulgaria, Czech Republic, Denmark, France, Germany, Hungary, Italy, Luxembourg, Netherlands, Norway, Poland, Romania, Slovakia, Spain, Sweden, Switzerland and United Arab Emirates. As part of its business reporting in accordance with IFRS, Techem reports in detail on its tax position. The company complies with all national and international reporting regulations and submits the country-by-country reporting to the Federal Central Tax Office on an annual basis. The tax information included is based on the Consolidated Financial Statements, which have been audited by an independent auditing firm. We do not provide detailed information on country-by-country reporting here, as this would disclose information relevant to competition. | |
| Materials | | | |
| GRI 3: Material topics 2021 | | | |
| GRI 3-3 Management of material topics | P. 36–39, 50–51, 102–103 | | |
| GRI 301: Materials 2016 | | | |
| GRI 301-2 Recycled input materials used | P. 37, 51, 102–103, 113 | All materials used in the production of Techem equipment were taken into account – with the exception of materials procured from international companies and not supplied via the Liederbach warehouse. | <input checked="" type="checkbox"/> |
| Energy | | | |
| GRI 3: Material topics 2021 | | | |
| GRI 3-3 Management of material topics | P. 26, 29–42, 47–49, 91–98, 101–103 | | |
| GRI 302: Energy 2016 | | | |
| GRI 302-1 Energy consumption within the organisation | P. 42, 108–109 | | <input checked="" type="checkbox"/> |



| GRI Standard | Page reference | Comments/Omission justification | Ext. validation |
|--|------------------------------|--|-------------------------------------|
| GRI 302-3 Energy intensity | P. 42, 109 | | <input checked="" type="checkbox"/> |
| GRI 302-4 Reduction of energy consumption | P. 41 | | |
| Water and effluents | | | |
| GRI 3: Material topics 2021 | | | |
| GRI 3-3 Management of material topics | P. 36–37, 50 | | |
| GRI 303: Water and effluents 2018 | | | |
| GRI 303-1 Interactions with water as a shared resource | P. 10, 27, 50, 70, 74–76 | | |
| GRI 303-2 Management of water discharge-related impacts | P. 50 | | |
| GRI 303-5 Water consumption | P. 50, 113 | | <input checked="" type="checkbox"/> |
| Emissions | | | |
| GRI 3: Material topics 2021 | | | |
| GRI 3-3 Management of material topics | P. 27, 29–49, 91–98, 101–102 | | |
| GRI 305: Emissions 2016 | | | |
| GRI 305-1 Direct (Scope 1) GHG emissions | P. 12, 43–46, 110, 112 | | <input checked="" type="checkbox"/> |
| GRI 305-2 Energy indirect (Scope 2) GHG emissions | P. 12, 43–46, 110 | | <input checked="" type="checkbox"/> |
| GRI 305-3 Other indirect (Scope 3) GHG emissions | P. 12, 43–46, 111 | | <input checked="" type="checkbox"/> |
| GRI 305-4 GHG emissions intensity | P. 112 | | <input checked="" type="checkbox"/> |
| GRI 305-5 Reduction of GHG emissions | P. 5, 46–49, 98 | | |
| Waste | | | |
| GRI 3: Material topics 2021 | | | |
| GRI 3-3 Management of material topics | P. 36–39, 50–52, 102–103 | | |
| GRI 306: Waste 2020 | | | |
| GRI 306-1 Waste generation and significant waste-related impacts | P. 50–51 | | |
| GRI 306-2 Management of significant waste-related impacts | P. 36–39, 50–52, 102–103 | | |
| GRI 306-3 Waste generated | P. 50–51, 113 | Waste was recorded for Techem Germany. | <input checked="" type="checkbox"/> |



| GRI Standard | Page reference | Comments/Omission justification | Ext. validation |
|---|----------------------------|--|-------------------------------------|
| GRI 306-4 Waste diverted from disposal | P. 113 | Waste was recorded for Techem Germany. | <input checked="" type="checkbox"/> |
| GRI 306-5 Waste directed to disposal | P. 113 | Waste was recorded for Techem Germany. | <input checked="" type="checkbox"/> |
| Supplier environmental assessment | | | |
| GRI 3: Material topics 2021 | | | |
| GRI 3-3 Management of material topics | P. 88–89, 106 | | |
| GRI 308: Supplier environmental assessment 2016 | | | |
| GRI 308-1 New suppliers that were screened using environmental criteria | P. 88 | | |
| Employment | | | |
| GRI 3: Material topics 2021 | | | |
| GRI 3-3 Management of material topics | P. 54–55, 65, 104 | | |
| GRI 401: Employment 2016 | | | |
| GRI 401-1 New employee hires and employee turnover | P. 12, 54–55, 104, 115–116 | The data includes all active and passive employees worldwide excluding temporary staff as of 09/30 of the respective year. | <input checked="" type="checkbox"/> |
| GRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | P. 65 | | |
| GRI 401-3 Parental leave | P. 63, 65, 117 | The data includes all employees worldwide, excluding temporary staff. The data refers to the respective Techem financial year. | <input checked="" type="checkbox"/> |
| Occupational health and safety | | | |
| GRI 3: Material topics 2021 | | | |
| GRI 3-3 Management of material topics | P. 66–68 | | |
| GRI 403: Occupational health & safety 2018 | | | |
| GRI 403-1 Occupational health and safety management system | P. 66 | | |
| GRI 403-2 Hazard identification, risk assessment and incident investigation | P. 67 | | |
| GRI 403-3 Occupational health services | P. 68 | | |
| GRI 403-4 Work participation, consultation and communication on occupational health and safety | P. 68 | | |
| GRI 403-5 Worker training on occupational health and safety | P. 67–68 | | |
| GRI 403-6 Promotion of worker health | P. 68 | | |
| GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | P. 66–68 | | |



| GRI Standard | Page reference | Comments/Omission justification | Ext. validation |
|--|--------------------------|---|-------------------------------------|
| GRI 403-9 Work-related injuries | P. 67, 118 | The occupational and commuting accidents of Techem’s own employees worldwide were evaluated. The data included occupational and commuting accidents that resulted in at least one day of absence. Since financial year 2022, injuries due to commuting accidents have only been included if the transport was organised by Techem. | <input checked="" type="checkbox"/> |
| Training and education | | | |
| GRI 3: Material topics 2021 | | | |
| GRI 3-3 Management of material topics | P. 56–58, 104 | | |
| GRI 404: Training and education 2016 | | | |
| GRI 404-1 Average hours of training per year per employee | P. 56, 104, 118 | The data includes all employees in Germany and refers to the average number of training hours per employee in the respective Techem financial year. | <input checked="" type="checkbox"/> |
| GRI 404-2 Programmes for upgrading employee skills and transition assistance programs | P. 56–58 | | |
| GRI 404-3 Percentage of employees receiving regular performance and career development reviews | P. 58, 119 | The data includes all active employees in Germany excluding temporary staff, temporary workers, employees of DMG companies and passive employees as of 09/30 of the respective year. | <input checked="" type="checkbox"/> |
| Diversity and equal opportunity | | | |
| GRI 3: Material topics 2021 | | | |
| GRI 3-3 Management of material topics | P. 59–63, 65, 104 | | |
| GRI 405: Diversity and equal opportunity 2016 | | | |
| GRI 405-1 Diversity of governance bodies and employees | P. 64, 104, 119, 121–122 | Employees by age and gender: The data includes all active employees worldwide, excluding managers of management levels 1-4 of Techem companies worldwide and temporary staff as of 09/30 of the respective year. Managers by age and gender: The data includes all managers of management levels 1–4 of Techem companies worldwide as of 09/30 of the respective year. | <input checked="" type="checkbox"/> |
| GRI 405-2 Ratio of basic salary and remuneration of women to men | | No information available: The data basis for the disclosure is only partially available to Techem. At the moment, a detailed analysis is still taking place. A consolidated, quality-assured survey will be possible in the next reporting year. | |
| Non-discrimination | | | |
| GRI 3: Material topics 2021 | | | |
| GRI 3-3 Management of material topics | P. 59–63, 65, 104 | | |

| GRI Standard | Page reference | Comments/Omission justification | Ext. validation |
|--|-------------------|---|-------------------------------------|
| GRI 406: Non-discrimination 2016 | | | |
| GRI 406-1 Incidents of discrimination and corrective actions taken | P. 61, 119 | | <input checked="" type="checkbox"/> |
| Freedom of association and collective bargaining | | | |
| GRI 3: Material topics 2021 | | | |
| GRI 3-3 Management of material topics | P. 82, 88–89, 106 | | |
| GRI 407: Freedom of association and collective bargaining 2016 | | | |
| GRI 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | | Techem has no indication that there is a significant risk of violations of the right to freedom of association and collective bargaining at its global sites. We refuse to cooperate with suppliers who are known to pose a significant risk of such violations. We are setting up a systematised risk analysis in financial year 2023 as part of the Supply Chain Due Diligence Act and developing appropriate measures to deal with risks (see p. 89). | |
| Child labour | | | |
| GRI 3: Material topics 2021 | | | |
| GRI 3-3 Management of material topics | P. 82, 88–89, 106 | | |
| GRI 408: Child labour 2016 | | | |
| GRI 408-1 Operations and suppliers at significant risk for incidents of child labour | | Techem has no indication that there is a significant risk of child labour at its sites worldwide. We refuse to cooperate with suppliers who are known to have a significant risk of such violations. We will set up a systematised risk analysis in financial year 2023 as part of the Supply Chain Due Diligence Act and develop appropriate measures to deal with risks (see p. 89). | |
| Forced or compulsory labour | | | |
| GRI 3: Material topics 2021 | | | |
| GRI 3-3 Management of material topics | P. 82, 88–89, 106 | | |
| GRI 409: Forced or compulsory labour 2016 | | | |
| GRI 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour | | Techem has no evidence of significant risk for incidents of forced or compulsory labour at its sites worldwide. We refuse to cooperate with suppliers who are known to have a significant risk of such violations. We will set up a systematised risk analysis in financial year 2023 as part of the Supply Chain Due Diligence Act and develop appropriate measures to deal with risks (see p. 89). | |



| GRI Standard | Page reference | Comments/Omission justification | Ext. validation |
|---|-------------------|---------------------------------|-------------------------------------|
| Supplier social assessment | | | |
| GRI 3: Material topics 2021 | | | |
| GRI 3-3 Management of material topics | P. 88–89 | | |
| GRI 414: Supplier social assessment 2016 | | | |
| GRI 414-1 New suppliers that were screened using social criteria | P. 88 | | |
| Public policy | | | |
| GRI 3: Material topics 2021 | | | |
| GRI 3-3 Management of material topics | P. 85 | | |
| GRI 415: Public policy 2016 | | | |
| GRI 415-1 Political contributions | P. 85 | | <input checked="" type="checkbox"/> |
| Customer health and safety | | | |
| GRI 3: Material topics 2021 | | | |
| GRI 3-3 Management of material topics | P. 70–71 | | |
| GRI 416: Customer health and safety 2016 | | | |
| GRI 416-1 Assessment of the health and safety impacts of product and service categories | P. 70–71 | | |
| GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services | P. 71 | | |
| Customer privacy | | | |
| GRI 3: Material topics 2021 | | | |
| GRI 3-3 Management of material topics | P. 83–84, 105–106 | | |
| GRI 418: Customer privacy 2016 | | | |
| GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | P. 125 | | <input checked="" type="checkbox"/> |



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