

STIEBEL ELTRON Group Code

on Human Rights and Working Conditions



Dear Colleagues,

The STIEBEL ELTRON Group takes its social responsibilities very seriously. Upholding human rights and fair working conditions are an integral part of our corporate culture.

The Group's management signed this Code on Human Rights and Working Conditions in May 2022. The code is based on major international standards around human rights and labour conditions such as the UN's Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

This code outlines how our enterprise promotes human rights and good working conditions and implements the core labour standards of the International Labour Organization (ILO). It also covers key topics such as the equal treatment of all employees, the right to health and safety in the workplace and protecting the personal data of employees and customers.

The code applies to employees, suppliers and authorised sales partners.

Through it we make an invaluable contribution to the long-term success of our Group.

Dr. Kai Schiefelbein

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Basic principles

The core values of the STIEBEL ELTRON Group include acting in a responsible, sustainable and lawful way and this is firmly enshrined in its corporate strategy.

The STIEBEL ELTRON Group takes its ecological and social responsibilities very seriously. This approach has created a solid foundation in order to assure the enterprise's long-term success.

The STIEBEL ELTRON Group is committed to respecting internationally recognised human rights. It has already clearly stated its position in the 2012 Code of Conduct of the STIEBEL ELTRON Group, which was signed by the board at the time and reaffirmed in 2017.

This STIEBEL ELTRON Group Code on Human Rights and Working Conditions supplements existing declarations such as the Code of Conduct and the Supplier Code.

It corresponds with the STIEBEL ELTRON Group's identity and avoiding human rights violations is a stated goal. The STIEBEL ELTRON Group's responsibilities in the area of human rights focus on matters and action areas in which it can leverage its influence as an enterprise. In that regard, it complements the duties of countries and sovereign institutions to protect human rights.

Human rights are basic standards which serve to safeguard the dignity and equality of all. They are universal, inalienable and indivisible rights to which every human being is equally entitled. This definition is enshrined in the International Bill of Human Rights. The actions of the STIEBEL ELTRON Group are informed by the following international standards:

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

Objectives

This code defines and outlines how the STIEBEL ELTRON Group promotes human rights and implements the ILO's core labour standards in its business activities. It applies at all STIEBEL ELTRON Group locations worldwide and to all divisions and focuses on the topics which are especially relevant to the enterprise and its employees.

This STIEBEL ELTRON Group Code on Human Rights and Working Conditions is particularly applicable to:

- › Employees (see page 10 et seq.),
- › Suppliers (see page 26 et seq.),
- › Sales partners (see page 28).

This Code on Human Rights and Working Conditions confirms and provides more detail on the STIEBEL ELTRON Group's commitment to respecting human rights. It supplements the STIEBEL ELTRON Group's Code of Conduct and all other existing corporate policies, directives and guidelines. It is to be implemented in accordance with current legislation in the respective markets and locations, taking into account cultural differences.

If national legislation precludes the implementation of individual aspects of this STIEBEL ELTRON Group Code on Human Rights and Working Conditions, the STIEBEL ELTRON Group shall strive to enforce human rights to the highest possible degree under the prevailing legal framework.



Promoting human rights and good working conditions

The STIEBEL ELTRON Group respects the human rights of its employees and aims to exceed minimum standards with regard to working conditions. Within the STIEBEL ELTRON Group, mutual respect and the values set out in the Group's mission statement shape the way we work together. These values inform employees' attitudes and conduct worldwide and include aspects such as responsibility, appreciation, transparency, trust and openness. Managers within the STIEBEL ELTRON Group act as role models. They bring these values to life in the course of day to day management.

The sections below describe the areas pertaining to human rights and working conditions which are key for the STIEBEL ELTRON Group.

Prohibition of child labour

The STIEBEL ELTRON Group does not tolerate any form of child labour.

Employment must not keep children from their education or restrict their development in this way. Their dignity must be respected, and their safety and health protected. In accordance with the ILO's core labour standards, the STIEBEL ELTRON Group adheres to the minimum age for employment and staunchly opposes child labour. This applies in particular to the worst forms of child labour, e.g. hazardous activities which can jeopardise the health, safety or morals of children.

Prohibition of forced labour

The STIEBEL ELTRON Group does not tolerate any form of forced or compulsory labour.

In accordance with the ILO's core labour standards, the STIEBEL ELTRON Group rejects the use of forced or illegal compulsory labour in the context of its business activities.

Freedom of association and the right to collective bargaining

The STIEBEL ELTRON Group recognises the right of all employees to form employee representative bodies and to engage in collective bargaining to regulate working conditions.

The culture of the STIEBEL ELTRON Group is characterised by trust and constructive collaboration with the respective employee representative bodies. Even when discussions become controversial, the aim continues to be to work together effectively for the good of the enterprise and employees. Employees are treated neither more or less favourably whether or not they belong to a trade union or an employee representative body. At locations without an employee representative body, the STIEBEL ELTRON Group promotes regular dialogue between employees and the enterprise.





Protection against discrimination

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

The STIEBEL ELTRON Group does not tolerate any discrimination against its employees. No one may be disadvantaged, favoured or harassed on the basis of characteristics such as gender, skin colour, religion, nationality, political or any other opinion, ethnic origin, disability, age, sexual orientation or any other characteristic protected by local legislation such as belonging to a national minority, pregnancy or former membership of the armed forces (veteran status). As part of its diversity strategy, the STIEBEL ELTRON Group actively promotes diversity within the enterprise and an open, inclusive corporate culture.

Right to health and safety in the workplace

For the STIEBEL ELTRON Group, protecting and promoting the health of employees is a top priority.

The enterprise consistently complies with applicable occupational health and safety legislation worldwide and also sets its own additional standards to improve health and safety. Effective management systems and certifications (e.g. ISO 45001:2018) make it possible to review relevant standards relating to health and safety and the ergonomic design of workplaces regularly in order to reduce the risk of accidents.

The responsible managers perform their duties in line with the applicable health and safety requirements of the STIEBEL ELTRON Group. They ensure that the employees concerned receive regular instruction in relevant aspects of health and safety in the workplace. Managers also receive frequent training in this area. In addition, the enterprise actively promotes the physical and psychological health of employees through health management initiatives.

The STIEBEL ELTRON Group also takes appropriate protective measures to ensure the safety of its employees and visitors at all locations. Based on risk analyses of specific locations, corresponding measures are implemented in accordance with applicable legislation.





Remuneration

The STIEBEL ELTRON Group offers its employees competitive, performance-related pay which is supplemented by additional benefits.

The STIEBEL ELTRON Group compensates its employees fairly by comparison both internally and externally. The balanced system of remuneration is based on standard principles. Where applicable, remuneration complies with legally guaranteed minimum wages or minimum standards for the relevant business sectors. In addition, the STIEBEL ELTRON Group strives to position the overall remuneration package (pay and additional benefits) for its employees at above average for the relevant labour market.

At all STIEBEL ELTRON Group locations, performance and deliverables are a key benchmark for remuneration. The enterprise rewards employees for their individual or collective performance in line with local policies.

Working hours

The STIEBEL ELTRON Group complies with nationally applicable working time regulations as a minimum. Beyond that, our guidelines on working times describe the basic principles that apply within the STIEBEL ELTRON Group with regard to rest times, leisure, holidays and work-life balance. These principles help companies within the STIEBEL ELTRON Group worldwide to design their working times.

Operational and individual requirements are taken into consideration when establishing working times and breaks. They are based on criteria from occupational science such as medically recognised physical and psychological stress parameters.

The STIEBEL ELTRON Group encourages work-life balance. Depending on the location, the Group offers its employees a large number of different models for their working hours as well as childcare options to facilitate work-life balance at different stages in their careers and lives. Each location in the STIEBEL ELTRON Group develops corresponding measures in view of specific circumstances in the region and country in question.



Skills/qualification

The STIEBEL ELTRON Group encourages the long-term employability of its employees. It appoints new members of staff based on their individual skills and supports them in furthering and developing those skills accordingly. The enterprise supports employees to enhance their capabilities and talents in a targeted way by offering future-oriented training opportunities. This ensures a high level of performance and employability. The focus here is also on personal development, not just technical skills/qualification. Access to qualifications and training is based on the principle of equal opportunities for all employees.

Rights at STIEBEL ELTRON Group sites

It is important to the STIEBEL ELTRON Group that environmentally responsible processes and methods that make careful use of resources are applied at its sites and that negative impacts on the local population are minimised. At its locations, the enterprise respects the human rights of local communities who may be affected by its business activities.





Right to privacy – protecting personal data

The STIEBEL ELTRON Group maintains high data protection standards to preserve employees' and customers' personal rights to privacy when it comes to the use of their personal data. By principally applying German and European data protection standards, the STIEBEL ELTRON Group ensures that all Group companies uphold personal rights as effectively as possible.

Innovative information technology and the growing interconnectedness of media can present major challenges when dealing with personal data in business scenarios. The Group privacy policies undertake to ensure that the use of such data complies with legislation, that the impacts on personal privacy are as minimal as possible and that the rights of each individual are maintained, including the right of access and the right to rectification, blocking or deletion of data.

Working with business partners

The STIEBEL ELTRON Group expects its business partners to uphold human rights, particularly the ILO's core labour standards, the principles of the UN Global Compact and the UN Guiding Principles on Business and Human Rights. It actively works towards the observance and implementation of these principles along the value chain.

Suppliers

The STIEBEL ELTRON Group expects its suppliers to respect human rights within the context of their business activities. For the STIEBEL ELTRON Group, its suppliers' commitment to meeting their social responsibilities, especially complying with the ILO's core labour standards, is a prerequisite for maintaining lasting business relationships.

As an enterprise with global operations, the STIEBEL ELTRON Group works with an extensive network of suppliers. With procurement becoming increasingly international and supply chains ever more complex, there is an increased risk of being directly or indirectly associated with violations of human rights. To maintain social standards within its network of suppliers, the STIEBEL ELTRON Group carries out enabling measures with suppliers

and has drawn up a multi stage risk management process.

The STIEBEL ELTRON Group's Sustainability Standard for the Supplier Network informs suppliers about basic principles, standards that must be met, and requirements relating to social responsibility. It is a fixed element of the RFQ documentation for new suppliers.

The general terms and conditions, the international terms of purchase and the STIEBEL ELTRON Group Supplier Code oblige suppliers to respect human rights and in particular to comply with the ILO Declaration on Fundamental Principles and Rights at Work. They are also required to call on their own suppliers to do the same in an appropriate way, e.g. by agreeing sustainability principles with their suppliers.

As well as the prohibition of child and forced labour, the prohibition of discrimination and upholding the right to freedom of association, suppliers must comply with health and safety standards and provide appropriate working conditions.

The STIEBEL ELTRON Group provides a range of target group specific training courses for its buyers. This training raises the participants' awareness of human rights and working standards and provides information about the enterprise's requirements.

Respecting human rights is an assessment criterion in the process of supplier selection and an integral part of a three-stage risk management process. This includes a risk filter, media monitoring, a sustainability questionnaire, a specific STIEBEL ELTRON Group modular questionnaire as well as internal on-site inspections and audits. These measures support the STIEBEL ELTRON Group in identifying supplier locations and product groups where the risk is particularly high of being involved in human rights violations.

Potential infringements of the required standards are followed up by the Compliance Department and Purchasing. If necessary, an escalation pro-

cess is initiated and plans for corrective action are devised in conjunction with the supplier. If a supplier does not take effective corrective action, this can lead to the STIEBEL ELTRON Group terminating the business relationship as a last resort.

The STIEBEL ELTRON Group does not tolerate any unlawful conduct by security personnel against employees or third parties. It is the STIEBEL ELTRON Group's aim that security service providers are contractually obliged to respect human rights and receive appropriate advice and, if necessary, training.

Sales partnerships

The STIEBEL ELTRON Group expects its sales partners to respect human rights and in particular to comply with the ILO's core labour standards.

The enterprise is taking active measures to encourage implementation within its sales organisation. For example, specific clauses are being added to new or updated contractual agreements and sales partners are obliged to adhere to the STIEBEL ELTRON Group Code of Conduct.



Implementation

When implementing the human rights code, the STIEBEL ELTRON Group follows the requirements of the UN Guiding Principles on Business and Human Rights. Based on systematic internal risk analysis, the management process around human rights within the enterprise and relating to our sales partners is evolving all the time. Human rights are an integral part of the STIEBEL ELTRON Group's corporate culture as well as of key investment decisions and operational processes such as risk management.

The STIEBEL ELTRON Group Code on Human Rights and Working Conditions is being communicated to all employees. In addition, employees receive training on the enterprise's associated views and requirements.

Responsibility

Managers are responsible for implementing the STIEBEL ELTRON Group Code on Human Rights within their remit.

Each manager is obliged to inform their employees of the content and importance of this code and to advise and support them on applying the principles in the course of their daily actions. At the same time, managers must follow the human rights code when carrying out their managerial functions, e.g. in their dealings with employees or as the basis for making business decisions. Any signs of potential violations of human rights must be clarified swiftly and with care.

Each employee is obliged to comply with this STIEBEL ELTRON Group Code on Human Rights and to base their professional conduct on the principles enshrined in it.

In the event of signs of potential violations of human rights, the employee can approach their own manager or one of the points of contact listed below. All questions and information are treated confidentially. The Compliance Department investigates the information and, if required, takes corrective action to resolve any problems at an early stage and to avoid further harm to those affected.



Scrutiny and regular reporting

The implementation status of the STIEBEL ELTRON Group Code on Human Rights and Working Conditions is reported on in the compliance report and within the sustainability committee. Information is also exchanged regularly with the works council, which also includes a report about information received and how it is processed. The STIEBEL ELTRON Group publishes up to date information about anchoring human rights within the enterprise and at its business partners in its sustainability report.

Review and dialogue

This human rights code was developed in consultation with relevant specialist units within the STIEBEL ELTRON Group as well as external experts and stakeholders, e.g. associations.

Because the challenges associated with upholding human rights are changing all the time for enterprises, the STIEBEL ELTRON Group reviews its position on human rights and the implementation thereof on an ongoing basis to ensure it is up to date and effective. In this way, key changes in the immediate context of the STIEBEL ELTRON Group can be accommodated and internal processes adapted accordingly.

Contacts

The STIEBEL ELTRON Group has established two points of contact for queries and information around the topic of human rights.

The STIEBEL ELTRON Group compliance contact answers queries about the STIEBEL ELTRON Group Code on Human Rights and Working Conditions and advises on assessing potential violations and how to proceed.

The helpline is available to all employees as well as external parties from Monday to Friday from 08:00 until 18:00 (CET). The service is available in English and German. Enquiries are treated anonymously if requested.

STIEBEL ELTRON compliance contact

Phone: +49 5531 702-96842

Email: Corporate-Compliance@stiebel-eltron.com

In addition, the STIEBEL ELTRON Group gives its employees and external parties alike the option of anonymously and confidentially reporting information about potential violations of human rights within the enterprise via the STIEBEL ELTRON SpeakUp system. The STIEBEL ELTRON SpeakUp System operates in all countries in which STIEBEL ELTRON has employees and can be reached via local, freephone numbers in a total of 18 languages. Alternatively, employees and external parties can submit messages online via the intranet or the corporate website.

Processing queries and information

Queries and information received are processed by the Compliance Department.

The works council and relevant specialist departments or external stakeholders may be involved on a case by case basis. The Compliance Department reviews the reported issues and initiates the necessary steps.

Should the review find that the STIEBEL ELTRON Group has directly or indirectly caused or contributed to an infringement, appropriate corrective action will be taken. Employee violations against the human rights principles described in the code can have disciplinary consequences, depending on local legislation.

Final provision

The STIEBEL ELTRON Group Code on Human Rights and Working Conditions shall enter into force on the date it is signed and supplements the existing statements in the STIEBEL ELTRON Group Code of Conduct and the Supplier Code as last amended. No individual claims or claims by third parties may be derived from it. Only the German version of this code is binding.

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