

hagergroup

:hager

Our journey to sustainability

Hager Group
Sustainability Report 2022

E3 Ethics
Employees
Environment

Over the past years, we have made significant progress in embedding sustainability into our corporate life.



Daniel Hager
Chief Executive Officer

From reducing our environmental impact to improving the well-being of our employees, we are committed to creating transparency and reinforcing ethical business practices. I am pleased to introduce our sustainability report for this year to reflect on this journey following the best fitted practices in the corporate sustainability reporting field.

The electric infrastructure manufacturing industry is at a special crossroads in these developments: we both rely on inputs from the historic system but hold the key to transforming economies through the electrification of key infrastructure from homes to complete power grids.

Towards documenting our journey in this transformation, Hager Group aims to be both transparent about our business operations and to accelerate our transition to sustainable business practices through applying well-established standards. In this report, we give more clarity about what this means to us as an organisation.

Because Hager Group is an independent family company, we can think and plan long-term. We are focused on courageous, impactful decision-making that reflects the core values that underpin our strategy: courage, authenticity and integrity.

On our sustainability journey, it has always been important for us to seek external validation and review with stakeholders how we are progressing. While outside-in feedback and guidance led by our target group managers is of major value, we also learn from our ratings and rankings.

They provide us with additional perspectives on where we are doing well and where we have opportunities for improvement.

This year, in parallel to launching our sustainability report, we are relying on a Double Materiality Analysis to define the content of our report according to the latest European Sustainability Reporting Standards. Unlike the classical approach of reporting only on environmental and social impacts of our business we acknowledge with this double materiality concept the fact that risks and opportunities can be material from both a financial and non-financial perspective.

The core underpinning of our approach is our E3 Sustainability Strategy. This strategy builds upon our continued commitment to Ethics, our Employees, and the Environment. I am proud to say that in line with this, 2022 has been pivotal for Hager Group. We have consolidated our Greenhouse Gas emissions reduction actions according to the Science Based Targets initiative and have recently joined the reduced club of Klimaschutzunternehmen (Climate Protection Company) in recognition of our efforts.

Beyond these achievements, we continue to be one of the industry leaders in the field of electrification. Energy innovation remains a core aspect of our activities with a growth in our activities in the fields of digital innovation and smart energy distribution.

Companies are used to treating sustainability and profitability as two unrelated and often contradictory values that could not be properly balanced. However, we recognise that we cannot focus on profitability alone, as resource depletion and climate change have a sizable impact on our bottom line. Instead, we are building sustainability metrics into how we think, operate, and define success. This way, we can make more meaningful decisions from one end of the value chain to the next while managing our business in a holistic way. I truly believe that by adopting a long-term perspective, redefining success, and adjusting how we measure it, we can inspire a paradigm shift from short term profit maximisation to long term value optimisation, altering the status quo in our industry and throughout the world.

With this report, we aim to provide an open and transparent channel with all our stakeholders. Looking ahead, our sustainability reports will serve as a communication tool setting the highest standards in corporate sustainability governance across our E3 strategy pillars: Ethics, our Employees, and the Environment.

Thank you for reading and continuing this journey with us.

Sincerely,



Daniel Hager
Chief Executive Officer

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01

Introduction

Chapter 01

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“Corporate sustainability reporting is a credible way to showcase our achievements and progress towards a more sustainable future.”

Franck Houdebert,
Chief Human Resources Officer



A photo taken during a video shooting in the context of the sustainability report launch campaign on April 24th, 2023 in Studio 55 in the Blieskastel HQ. Dr. Ralph Fürderer (left) and Franck Houdebert (right) discussing the important of corporate sustainability reporting.

“This helps us identify areas for improvement, set targets, and measure our progress in our Sustainability Journey.”

Dr. Ralph Fürderer,
Chief Technical Officer

Our approach to Corporate Sustainability Reporting

In the transition towards more sustainable practices, it is increasingly clear to us that sustainable business is a profitable business. Adopting a modern Corporate Sustainability reporting approach enables our functions to acknowledge the fact that risks and opportunities can be material from both a financial and non-financial perspective. Financially, a robust reporting structure is often cited as an effective way of mitigating risks that could hurt the value of a business. At a higher level, it is virtually impossible to uphold a healthy business without a healthy society, environment and business practices that ensure fairness and respect prevail among all stakeholders.

Sustainability reporting is a vital component of promoting sustainable business. Accurate reporting enables us as a company and the groups that interact with us to manage material financial and non-financial risk factors to ensure long-term value creation. The objective is to back up our financial disclosures with information concerning our sustainability performance. Taking responsibility for the impacts generated through our activities, environmental disclosure is gaining momentum, alongside a variety of other indicators that give insight into our social impacts and approach to governance.



“We are working closely with research institutes to develop Hager Group tailor made structures that link our sustainability performance to our financial performance.”

Julien Keller,
Hager Group Financial Director



01.2

External Assurance

This report provides a data driven overview of our approach to sustainable development and our sustainability performance according to the German Sustainability Code¹ (DNK) across our E3 strategy around the environment, social, and governance (ESG) aspects. The reference year of all KPIs provided is for the financial year 2021 unless otherwise stated. Our reporting focuses on all our 22 production sites and main offices worldwide as a physical boundary. In reporting according to the DNK, we have chosen to report with reference to the Global Reporting Initiative (GRI) disclosures as shown in our GRI index.

PwC Deutschland has provided methodological support on the Double Materiality Assessment processes and validates its accordance with the European Sustainability Reporting Standards (ESRS). We obtain external assurance for our corporate carbon footprint calculations from Carbone 4.

To improve the accessibility and transparency of our reporting, we have included a GRI index at the end of the report and footnotes including important references. Alongside this report, our other reporting documents are intended to meet the interests and reporting requirements of a range of different stakeholders.

¹ The Sustainability Code, German Council for Sustainable Development

The Future is Electric: leveraging the opportunity

Our Environmental Value Proposition – an ongoing project

Along with creating transparency with and for our stakeholders and aiming to act as an exemplary industrial group when it comes to social and environmental impacts, our ambition is to act as an enabler for energy transition and have an impact on climate change mitigation and adaptation actions.

For Hager Group, engaging in a Corporate Sustainability Strategy is also, for a large part, about keeping our eyes on emerging opportunities alongside mitigating risks. There are many ways that our business is well positioned to play an integral part in building a sustainable future for our planet and in supporting a strong social contract.

According to the International Panel on Climate Change (IPCC)² special report on Global Warming of 1.5°C, this optimistic climate scenario would need the transition in energy, urban infrastructure, and industrial systems to considerably pick up their pace.

The energy transition presents a real opportunity for Hager Group in terms of its environmental value proposition. By offering products and services that support energy efficiency and the adoption of renewable energy, Hager Group positions itself as a responsible and environmentally conscious company. This attracts customers who are looking for sustainable and eco-friendly solutions, and consolidates the group's overall reputation and brand image. Additionally, by investing in research and development in this area, Hager Group can stay ahead of the competition and offer innovative solutions that support the energy transition and help to reduce carbon emissions.



² de Coninck, H., A. Revi, M. Babiker, P. Bertoldi, M. Buckeridge, A. Cartwright, W. Dong, J. Ford, S. Fuss, J.-C. Hourcade, D. Ley, R. Mechler, P. Newman, A. Revokatova, S. Schultz, L. Steg, and T. Sugiyama, 2018: Strengthening and Implementing the Global Response. In: Global Warming of 1.5°C. An IPCC Special Report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty [Masson-Delmotte, V., P. Zhai, H.-O. Pörtner, D. Roberts, J. Skea, P.R. Shukla, A. Pirani, W. Moufouma-Okia, C. Péan, R. Pidcock, S. Connors, J.B.R. Matthews, Y. Chen, X. Zhou, M.I. Gomis, E. Lonnoy, T. Maycock, M. Tignor, and T. Waterfield (eds.)]. Cambridge University Press, Cambridge, UK and New York, NY, USA, pp. 313-444, doi:10.1017/9781009157940.006. Extracted from: <https://www.ipcc.ch/sr15/chapter/chapter-4/>

“Customers are seeking offers and services that align with their values: integrating environmental considerations into our value proposition will be a competitive advantage and help attract and retain customers.”

Sévérine Lienhart,
Segment Solution Marketing Manager



Enabling our employees and their communities to thrive

Meaningful engagement with sustainability issues is a great motivator for Hager Group employees, both in terms of being able to make a difference in their own work as well as in terms of knowing that they work for a company that does the right thing for people and the planet.

While increasing motivation and engagement is a good lever to encourage employees to stay with our company, being one with strong commitment to sustainable development also helps Hager Group to attract the best talents. This includes both younger employees, just entering the

jobs market and looking for a chance to bring their personal values into the workplace, and more experienced recruits who are looking for new challenges. Many talented professionals are searching for meaningful employment aligned with their beliefs about how a company should be run and how it impacts the world and society at large.

We are convinced that our commitment to further transform into a sustainable business management model will enable us to attract and retain the highest calibre of employees in all our markets around the world. Going beyond communication, we tie our collective compensation schemes as an incentive to achieving sustainability performance objectives as part of remuneration policy.

Living up to our company founders' courageous entrepreneurial spirit, authenticity and integrity shape our future and make us who we are.

Our values are at the heart of everything we do and form the basis of our success. Being a good corporate citizen is an integral part of it. We contribute to the sustainable development of the communities where we operate through our activities, providing added value and job opportunities, this also through education focused actions supported by the Peter und Luise Hager Foundation.

Key Figures: Our Value Chain

Maximising value at all stages of our chain is an ongoing pursuit for Hager Group. While we have from the origin traditionally focused on **customer centricity** and the processes within our perimeter – labour costs, manufacturing, logistics and the like – we have put in place in the last few years programmes to be able to create even greater value by looking at our resource use in the product life cycle across our entire value chain. This is a data-intensive process, yet one that provides both our internal and external stakeholders a solid understanding of our product’s environmental impacts across the entire chain, from product development, sourcing, and manufacturing through distribution, marketing, use, and disposal.

A highly complex value chain like ours makes strong supply chain management essential. Monitoring issues such as human rights and conflict minerals is a priority.

We analyse the sustainability aspects in our value chain using a life cycle management approach for the environmental issues. Resource use and its associated wastes – such as inefficient consumption of energy, water, or raw materials – represent real costs to suppliers that trickle down the value chain. There are daunting challenges with unlocking the value that is “trapped” upstream in the supply chain with suppliers, potentially many tiers back.

We are continually developing our reporting and measurement systems to assess and manage our progress towards the 10-year goal for 2030 in an integrated way across the entire company and our value chain. We are working on the most comprehensive coverage possible as well as on the quality of the data. This gives us an increasingly clear picture of our footprint and our sustainability performance across our value chain. The table below highlights the different steps of our value chain through programmes and initiatives we have put in place to manage the most important sustainability issues.



Hager Group Value Chain and Sustainability issues

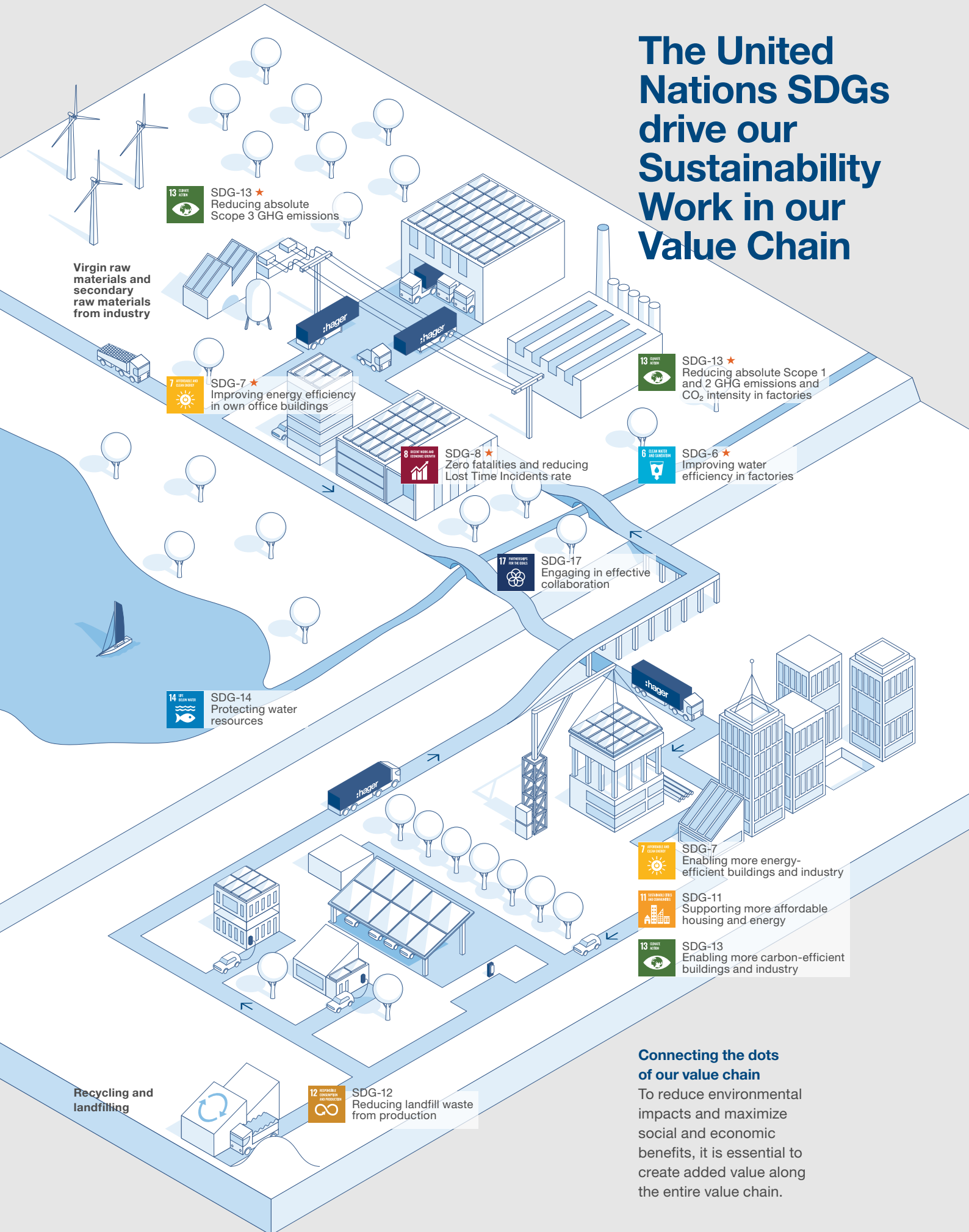
| Value Chain Step | Potential social and ecological issues identified | Existing mechanisms to address the identified respective issues |
|---------------------------------|---|---|
| Materials & Components Sourcing | Conflict Minerals | Supply Chain Management: implementation of Risk Methods |
| | Human rights violations | Integrity Alert System programme: Let's talk ⁴ |
| | Carbon intensive raw materials | Corporate carbon footprint Decarbonisation strategy |
| | Non-sustainable packaging materials | Eliminating non recycled plastics in packaging project ⁵ |
| | Use of hazardous materials | Product Customer Safety Standards |
| Development and Product Design | Well-trained employees are a key asset for Hager Group | Eco-Design Handbook, eco-design training Blue Planet Starter Training |
| | Knowledge transmission among employees is also essential (especially across generations) | Sustainable Materials Toolbox Hi University |
| Production and Manufacturing | Climate change and resource depletion | Low Carbon Manufacturing Roadmaps |
| | Following Health & Safety dangers are prevalent: - high physical stress - danger from toxins/chemicals - risk of accidents - stress | Occupational Health & Safety: ISO 45001 Management Systems - high temperature conditions - noise |
| Retail | Product packaging can lead to (long-lasting) pollution of air, water, and/or land | Eliminate use of non-recyclable materials project |
| | To keep up with consumers expectations and Hager Group's sustainability promise, proven product sustainability is required. | Environmental Value Proposition |
| | Reliance on a few main retailers, which could be associated with risks of bribery, fixing of prices, etc. | Ethical Business Code: Ethics Charter |

⁴ Available to all stakeholders internally and externally along the entire value chain:
<https://hagergroup.com/en/sustainability/ethics/lets-talk>

⁵ <https://hagergroup.com/annualreport/2021-22/en/designing-plastic/>

| Value Chain Step | Potential social and ecological issues identified | Existing mechanisms to address the identified respective issues |
|--------------------------|--|---|
| Installation | <p>Ability of well-trained technicians capable of installing Hager Group's products and solutions is essential; regional requirements in Germany to protect market</p> <p>improper installation of devices could lead to safety issues</p> | Hager Group capacity building and cooperation with Electrician training schools. |
| Distribution & transport | Transportation related GHG emissions | Logistics Centre concepts |
| Use Phase | Excessive energy use & carbon emissions | <p>Eco-design handbook, eco-design training</p> <p>Innovative approach: multi-function devices – alternative materials</p> |
| End of life | If improperly disposed of, products could present health hazards, due to, for example, chemical components or sharp parts | <p>Eliminate use of non-recyclable materials project</p> <p>Maximise life span (on average 20 years long life)</p> <p>Recycling initiatives in support to the Waste from Electrical and Electronic Equipment (WEEE) directive</p> <p>Second-life initiatives for products</p> |

The United Nations SDGs drive our Sustainability Work in our Value Chain



Connecting the dots of our value chain

To reduce environmental impacts and maximize social and economic benefits, it is essential to create added value along the entire value chain.

02

Materiality Assessment

Chapter 02

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Our sustainability reporting

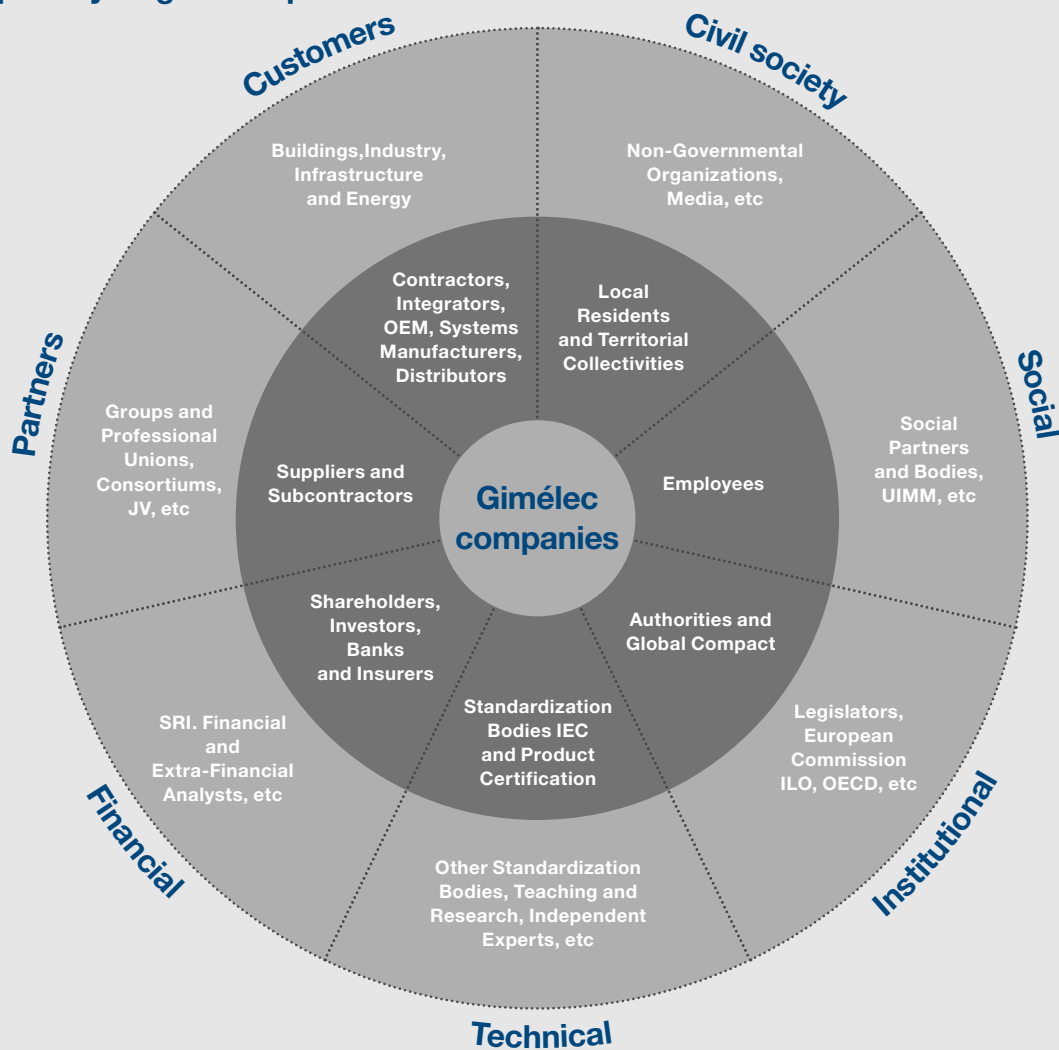
is built on solid foundations, including strong engagement with our industry peers, internal and external stakeholders, and a robust double materiality assessment to determine the core areas of sustainability that our company should report and focus on.

This chapter goes into more detail on how we work with stakeholders to shape a holistic view of our impacts at Hager Group.

“It is our responsibility to take a holistic view of our business operations and their impact on the world around us. The double materiality approach in our materiality assessment is essential in understanding the interconnectivity between the environment, society, and our business. We recognize the importance of both internal and external impacts and reflect on that in the methodology we have adopted in identifying material topics for our Group going forward.”

[Franck Houdebert,](#)
[Chief Human Resources Officer and](#)
[the Board of Director’s Sustainability Ambassador](#)

Overview of sector stakeholders proposed by Gimélec and adopted by Hager Group



02.1

Stakeholder Mapping

With activities and operations that span such a breadth of areas, we bring in a wide range of stakeholders to inform our materiality assessment. This is an important step in understanding the sustainability areas that are most relevant to our business, so we can allocate the appropriate resources to improving our performance and tracking our progress.

Bringing in a range of external voices makes sure that we include a diverse range of views and expertise, and do not miss out anything that is relevant to those who interact with Hager Group or are impacted by our operations.

Our stakeholder mapping, based on the proposal of Gimélec, the French trade association for electrical equipment, automation, and related services, is essential to this process, clustering stakeholders into the main groups relevant to our business.

Stakeholder Engagement

Hager Group engages in open and continuous dialogue with each of its stakeholders, at every level throughout the company through its **target group managers** approach.

Mapping-out Hager Group stakeholders is an entry-point to gaining understanding of the system and problems at hand, and is further important to gather an overview of the relevant stakeholders in this context and their expectations.

To share Hager Group expertise and develop increasingly innovative and higher performance solutions, Hager Group builds partnerships with a wide range of global and local players. The group is continually strengthening its

local connections and its partnerships in all countries to deliver the best customer experience, while integrating sustainability at every stage. Alongside this, the group is involved in various local or international associations and organisations supporting sustainability, working with key players from across society.

The table below presents a detailed stakeholder mapping in the group's ecosystem. Stakeholder expectations are listed along with how the group responds to them and identifies them through different communication mechanisms.



“Here it is extremely important that Hager – just like us at Sonepar – develops solid reports that incorporate double materiality in the future.”

[Arno Elz](#),
Sustainability Manager
at SONEPAR Deutschland

Stakeholder Engagement regarding Sustainability Issues in Hager Group (list is not exhaustive)

| Stakeholder Type | Stakeholder Group | Means of Communication | Expectations (key topics and concerns) | Group Response |
|------------------|---|---|--|--|
| Social | Employees, social partners, union organisations | Surveys on the quality of life at work (Tell Us Survey, OHI), Occupational medicine, Personnel and union representative bodies, Agreements signed or under negotiation, Hager Group live (Intranet), financial & non-financial reporting, Annual Report | Quality of life and Health & Safety at Work Social and union rights Training, Employability, Career development Diversity Recognition at work Pay and incentive schemes | Lifelong Learning: Hi! Corporate University Strategy Hager Total Reward Strategy Participants in social dialogue Internal Mobility Charter Ethics Charter |
| Institutional | Authorities and the UN Global Compact Legislators, European Commission OECD National Governments where Hager Group is active | Dedicated Corporate affairs team Membership in technical panels and associations | Legal compliance Cooperation Lobbying Contribution to legislative text development | Commitment to electrical equipment user safety Close links with the Standardisation Bodies and joint projects Joint research projects with research institutions |

| Stakeholder Type | Stakeholder Group | Means of Communication | Expectations (key topics and concerns) | Group Response |
|-------------------|---|--|---|--|
| Technical | Standardisation Bodies and Product Certification Environmental Standardisation Bodies, Teaching and Research, Independent experts, etc | | | Provide technical feedback to new and existing standards Contribute and participate to norms/standards development committees |
| Financial | Owners Banks Insurers | Financial Report | Good governance Performance Relationship of trust and consideration | Adequate reporting mechanisms allowing for corrective action when required |
| Business Partners | Suppliers and Subcontractors Groups & professional unions Consortiums Joint Ventures | Assigned target group managers take care of facilitating dialogue per target group per country | Durable relationship and guidance Shared specifications Loyalty and fairness Respect for confidentiality of data and exchanges | Evaluation of supplier CSR performance (approval procedure, audits, inspections, etc.), Annual meetings (supplier evaluation) |
| Customers | Integrators Original Equipment Manufacturers (OEM) Wholesalers Architects Installers Engineering Offices | Account executives | Quality, safety, and ease of installation of products Customer awareness Ethical practices and trust Innovation | Customer satisfaction Responsible communication Collaborative innovation Sustainability Certification schemes |
| Civil Society | Local Residents Territorial Collectivities NGOs Media | Local partnerships and Media Officers | Support to local economic growth Dialogue, transparency, and ethical behaviour Observance of regulations, employment law, human rights, occupational health Environmental protection Sustainable Partnerships | Patronage and support to local associations through the Peter und Luise Hager Foundation |

Materiality Analysis

Methodology

To ensure information provided in our sustainability report is relevant, meaningful and focused on the topics that matter most to our organisation and its stakeholders, we have conducted a **double** materiality assessment considering both the financial and non-financial impacts our activities on stakeholders, including social and environmental factors.

The analysis was conducted with the support of PwC Deutschland. The methodology can be summarised in the five following main steps:

- 1 **identification of relevant topics**
- 2 **value chain mapping**
- 3 **impact materiality**
- 4 **financial materiality**
- 5 **validation of results with relevant external and internal stakeholders**

1

Identification of relevant topics

To determine the relevant topics for Hager Group, a funnelling approach is used. To begin with, a long list of topics pulled from three different categories of sources – sector-agnostic, sector-specific, entity-specific was established.

The long list of topics leads to approximately 400 entries, which are then grouped into fifteen topic clusters to create a short list of topics. These topic clusters, which represent the relevant topics for Hager Group, are then matched with the three pillars of the group's E3 strategy (environment, ethics, employees) and with the twelve European Sustainability Reporting Standards.

Sources used to establish the long list of Potential Material Topics

| Sector-agnostic | Sector specific | Entity specific |
|---|--|---|
| ESRS European Sustainability Reporting Standards – Dec 2022 | SASB Electrical & Electronic Equipment: 2018 | Sonepar SAS 2021 CSR Report – published April 2022 |
| GRI Global Reporting Standard 2021 | Benchmark Analysis | Rexel SA Activity and Sustainable Development Report – published 12th July 2021 |
| DNK Deutsche Nachhaltigkeitskodex 2022 | Gimelec CSR guide for the electrical and digital equipment sector; latest version 06/2019 (in line with GRI) | |
| World Economic Forum: The Global Risks Report 2022 | | |

2

Value chain mapping

Hager Group's value chain, is mapped against the sustainability issues categories that correspond to the 15 material topic identified previously. The eight different steps of the value chain, from materials and components sourcing to installation, and the end of product life, are analysed according to the risks and opportunities they offer in terms of sustainability performance at shown in the table below.

2022 Hager Materiality Assessment/ Value Chain Mapping

| | Up-stream | Own | | Downstream | | | | |
|--|-----------------------------------|--------------------------------|------------------------------|------------|----------------------------|--------------|-----------|-------------|
| | Materials and Components Sourcing | Development and Product Design | Production and Manufacturing | Retail | Distribution and Transport | Installation | Use Phase | End of Life |
| Climate change mitigation, adaptation, resilience and transition | ● | | ● | | ● | | | |
| General pollution: air, water and land pollution | ● | | ● | ● | | ● | | ● |
| Water & marine resources | ● | | ● | | | | | |
| Biodiversity & ecosystems | ● | | ● | | | | | ● |
| Resource use & circularity | ● | | ● | ● | | ● | | ● |
| Responsible sourcing | ● | | | | | | | |
| Product safety | | | | | | ● | ● | ● |
| Product sustainability | | | | ● | | ● | ● | ● |
| Employee satisfaction and labor rights | | | ● | | | | | |
| Talent attraction, training & development | | ● | ● | ● | | ● | | |
| Occupational health & safety | | | ● | | | ● | ● | |
| Diversity & inclusion | | ● | ● | | | | | |
| Digitalization | | ● | ● | ● | | | | |
| Corporate governance | ● | ● | ● | ● | ● | ● | ● | ● |
| Ethical business conduct | ● | ● | ● | ● | ● | ● | ● | ● |

Estimated impact:

- Very high
- High
- Low/Moderate

3

Impact materiality (inside-out)

Similar to the approach used to assess impact along the value chain, each dimension was attributed a score based on the assessment, results and findings from previous projects, and a consideration of Hager Group's sector and also the group's size and company structure. The sum of the score for each of the scope was then divided by three to obtain the overall assessment of the potential impact on a scale from 0 to 5. In turn, each topic cluster received an overall score between 0 and 5, which allowed to determine the impact materiality of

each of the topic clusters. In addition to this, the topic clusters were rated between moderate and high.

Validation of results with internal stakeholders

Once Hager Group's potential negative impact on each topic had been established, the preliminary results of the material impact analysis were discussed with internal stakeholders to ensure that they properly reflected the current concerns and focuses of the company.

To determine Hager Group's potential negative impact on each of the fifteen identified topic clusters, they were all given a score between 0 and 5 across three dimensions to assess the possible extent of the potential impact:

| Scope how widespread the impact is | Scale how serious/ strong the impact is |
|---------------------------------------|--|
| 5 = global/total | 5 = absolute |
| 4 = widespread | 4 = high |
| 3 = medium | 3 = medium |
| 2 = concentrated | 2 = low |
| 1 = limited | 1 = minimal |
| 0 = none | 0 = none |

| Irremediable in character in case of negative impacts: how hard it is to counteract or correct harm done |
|---|
| 5 = non-remediable/ irreversible |
| 4 = very difficult to remedy or long-term |
| 3 = very difficult to remedy or long-term |
| 2 = remediable with effort (time & cost) |
| 1 = relatively easy to remedy short term |
| 0 = very easy to remedy |



4

Financial materiality (outside-in)

After conducting the impact materiality to determine Hager Group’s potential impact on the fifteen topic clusters, an outside-in approach was used to assess how those fifteen topics may affect Hager Group and present a financial risk for the company. The first component for evaluating those risks was to consider the thirteen financial drivers used by the Sustainability Accounting Standards Board (SASB) across the six disclosure topics they identified for Electrical and Electronic Equipment. The second component of the financial materiality assessment was the expertise of internal Hager Group experts. In turn, this followed the process logic presented below.

5

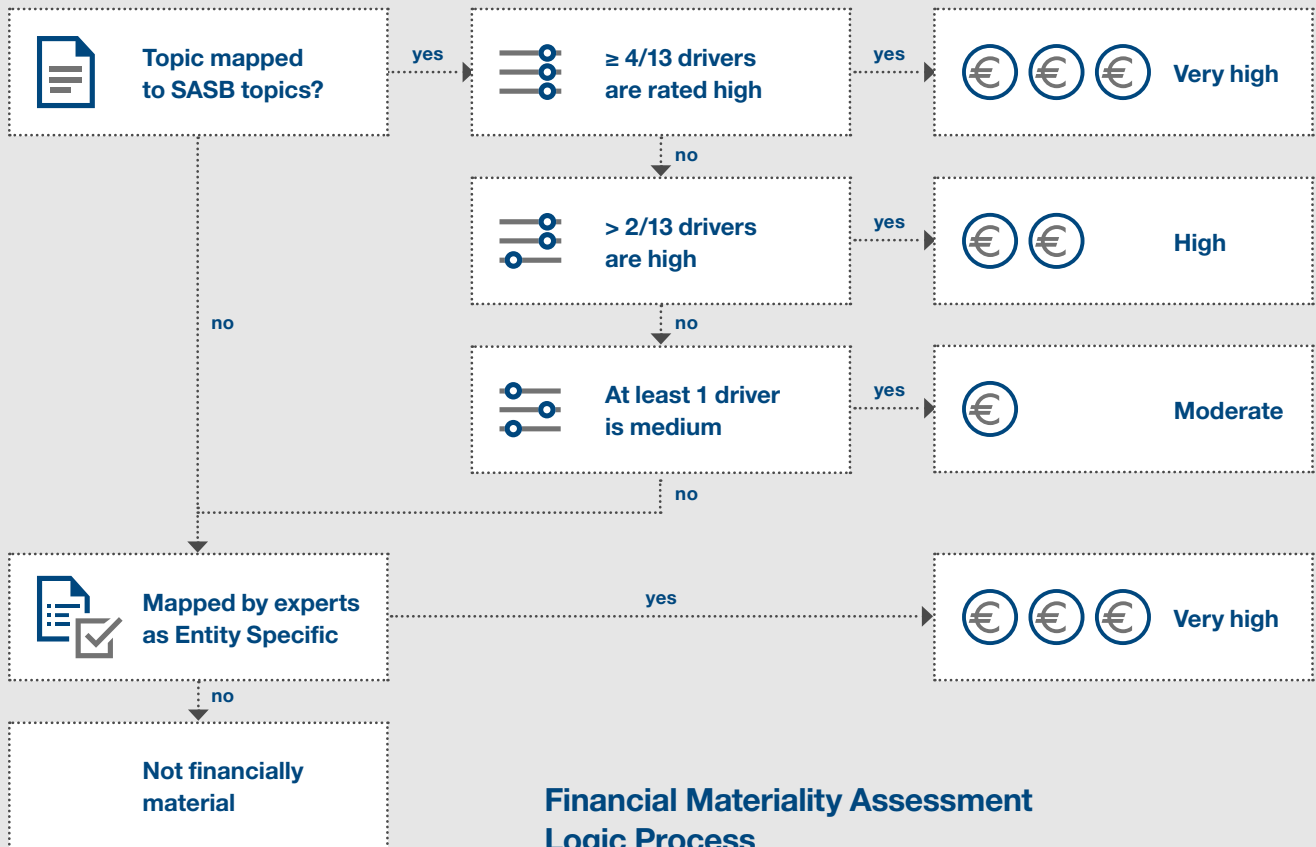
Validation of results with internal and external stakeholders

Once the preliminary results of the impact materiality and the financial materiality are finalised, results are discussed and validated internally by the sustainability council, markets, the Executive Board and strategy.

In parallel, interviews are organised with selected external stakeholders⁶ for validation.

During the interviews, the methodology used to conduct the materiality analysis and Hager Group’s sustainability strategy are briefly presented. The objective is to align materiality results and identify reasons of slight misalignments when it is the case. In a pure stakeholder engagement approach, this is a continual open dialogue that embarks us with our customers in the same journey towards sustainability.

⁶ SONEPAR Deutschland and REXEL France among other external stakeholders were interviewed for the double Materiality Assessment in 2023.



Key Learnings

“We want to involve our partners in our sustainable development approach. It is a story that we write with you Hager, as one of our biggest suppliers. As you said, we all have to go very fast, all together.”

Noémie Alcaraz,
Sustainability Manager
at REXEL France



The topics identified as material by the preliminary analysis were validated by external stakeholders, thus indicating an alignment between Hager Group’s sustainability focuses/concerns and what key external stakeholders deem relevant.

Overall, the assessment points towards material global trends be they environmental, social, political or economic. However, the group’s business context identifies new joiners like responsible sourcing and talent retention & attraction as very highly material topics:

Talent attraction, training, and development play a crucial role in attracting and retaining the best employees, enhancing their skills and capabilities, and ensuring their alignment with Hager Group’s mission and values. This, in turn, contributes to the group’s competitiveness, innovation, and ability to deliver on its commitments to stakeholders. By prioritising and addressing these issues, Hager Group demonstrates its commitment to creating a positive and supportive

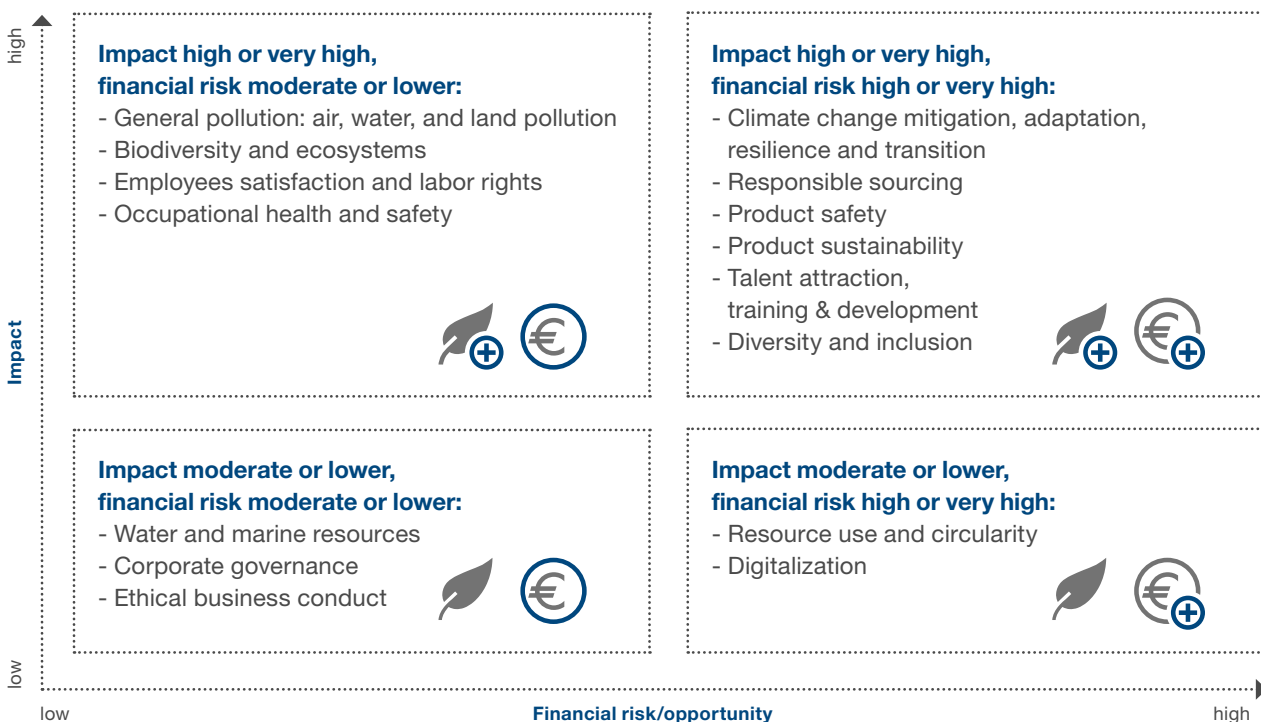
workplace, while also contributing to its long-term sustainability and success.

Product safety is a critical issue for Hager Group and is considered highly material to the company and its stakeholders. It is primordial in our business operations that our products meet relevant safety standards and regulations. Product safety is a key factor in building trust and confidence with our customers. Deficient product safety could lead to irreparable damage and significant financial losses.

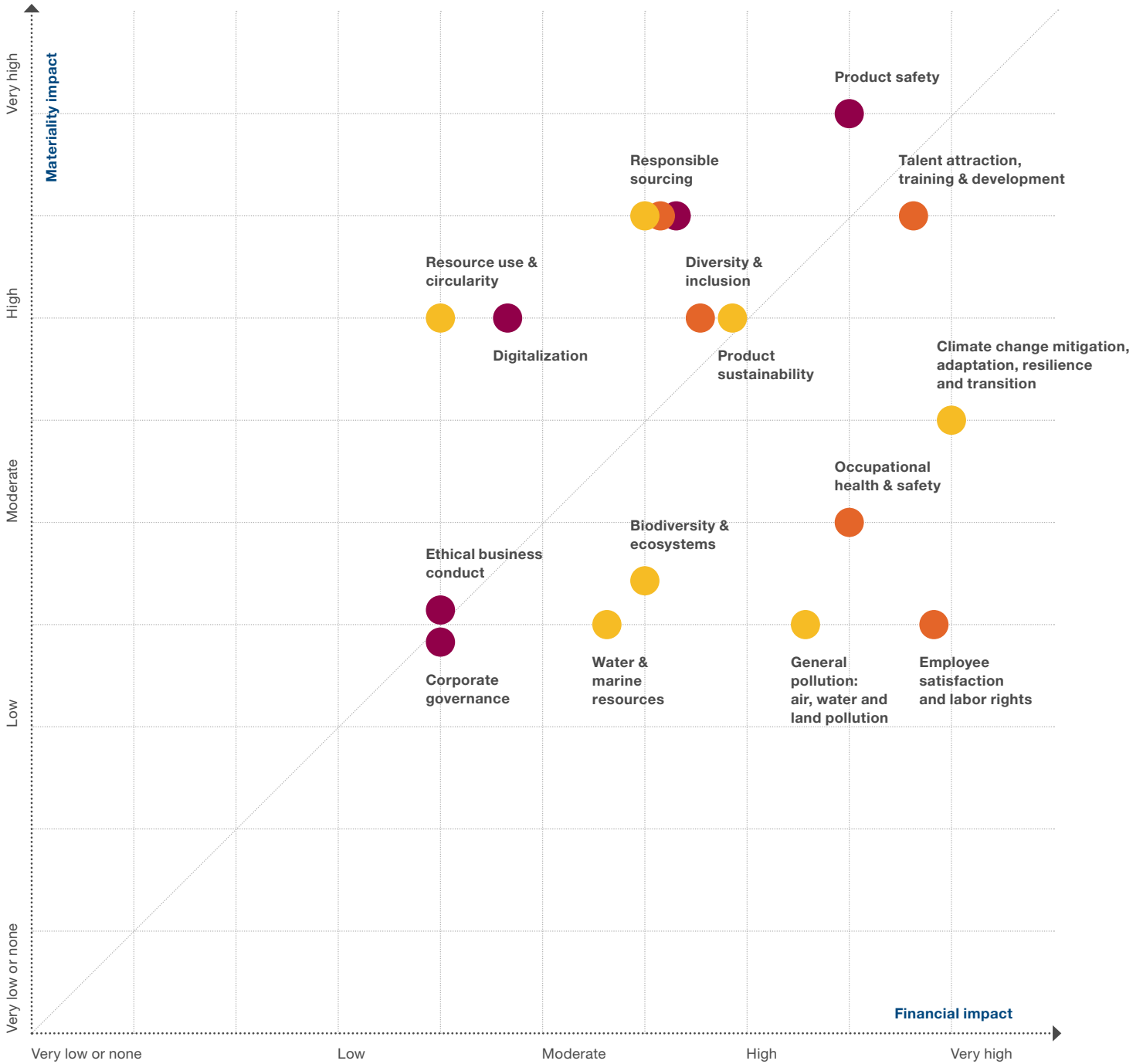
Climate is the main trend identified externally and internally. It includes the trend for energy transition, and green catalogues, on which external stakeholders expect Hager Group to take more leadership.

Responsible sourcing is an essential component of a sustainable and resilient supply chain and plays a critical role in overcoming current supply chain disruptions.

Double Materiality Assessment Results



Double Materiality Assessment Matrix



- Environment
- Employees
- Ethics

Scale of Impact:
 Very low or none < 1.5
 Low ≥ 1.5
 Moderate ≥ 2.5
 High ≥ 3.5
 Very high ≥ 4.5

03

E3: an Integrated Sustainability Strategy

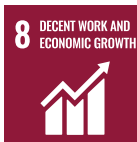
Chapter 03

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Sustainability that does not consider the triple bottom approach is not one.

As a family owned and run company with clearly defined values, we act today to ensure our success for tomorrow and the day after. We do this by investing in our employees by way of their skills development and training, as well as minimising our ecological footprint. Thinking and acting for the long term helps us systematically manage risks and take advantage of entrepreneurial opportunities earlier and with greater intensity.



Sustainability Governance in Hager Group

We realise that as one of the leading innovators in the electrical installation sector, we have both an opportunity and a responsibility to develop our business towards being a low carbon operation. Hager Group is uniquely positioned to provide some of the solutions to the climate crisis, spanning services from energy distribution to energy and load management and from security systems to building automation. By recognising our positioning, we can shape the future of sustainability both through the infrastructure we deliver to customers and partners as well as internally in Hager Group.

Practical engagement with sustainability issues is therefore key to our long-term success. The long-term nature of many of these factors, that is to say our Sustainability Strategy called E3, is embedded in our Corporate Strategy named Project 2030. Many of the issues are reflected in the three E3 pillars:

The **Ethics** pillar is a critical component of our sustainability strategy and refers to the ethical principles and values that guide the company's business practices. This pillar encompasses a range of issues related to ethical behaviour, responsible business practices, respect for human rights and the promotion of ethical behaviour throughout the supply chain.

The **Employees** pillar focuses on the well-being, development and engagement of its employees. It encompasses a range of issues related to human capital management, including employee Health & Safety, training & development, diversity, equity & inclusion and work-life balance.

Our work on the **Environment** pillar is a dedicated strategy named the Blue Planet Commitment. This is the blueprint through which the company reduces the environmental impact of the company's products and operations.

Responsibility for the sustainability lies with the Executive Board of Hager Group represented by the company's CHRO and Sustainability Ambassador, Franck Houdebert. Sustainability is firmly anchored at group management level, ensuring the resources and high-level input needed to engage with stakeholders and continuously improve performance. Governance and strategic sustainability initiatives are consistently a topic for the Executive Board and Sustainability Council meetings.

From left to right, the five members of our Executive Board:
Dr. Ralph Fürderer, Chief Technical Officer – Philippe Ferragu, Chief Resources Officer – Daniel Hager, Chief Executive Officer – Franck Houdebert, Chief Human Resources Officer – Mike Elbers, Chief Marketing Officer.






Our E3 objectives align with the UN Sustainable Development Goals

At Hager Group, we are convinced that the 17 Sustainable Development Goals cannot be tackled individually. There are many interlinkages between them and sometimes tradeoffs that are important to understand. The combination of different substantial efforts in a multidimensional approach

is the only way of getting to the main poverty reduction goal.

Hager Group has launched a 10-year corporate strategy, Project 2030⁷, designed to achieve different corporate ambitions of which the E3 sustainability approach is a priority. E3 is built on

a foundation of responsible business practices spanning business ethics & governance, human rights, communities, procurement and environmental impact. Each pillar has clear objectives that contribute to different SDGs.

| | Key Action Area and Governance | Qualitative Goals | Quantitative Goals | Monitoring | SDGs ⁸ |
|--|--|---|--|---|--|
| Coordination: Chief Human Resources Officer - Franck Houdebert | Environment Environmental Sustainability Director (Matthieu Alexandropoulos) under the CTO | Reduce the environmental impacts of our products and services | Reduce scope 1 & 2 emissions by 50% by 2030 | The Science based targets initiative (SBTi) has validated our objectives. |  SDG13 – Climate Action Aligning to limiting the temperature raise to 1.5% by reducing own emissions contributes directly to this SDG. |
| | | | Reduce scope 3 emissions by 25% by 2030 ⁹ | Starting 2023, we plan to yearly disclosure through CDP ¹⁰ – Climate Change questionnaire to verify and track our environmental performance. |  SDG17 – Partnerships for the Goals Hager Group partners with technical experts, GDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wild Fund for Nature (WWF) in the context of the SBTi to fulfil this target. |
| | | | Reduce by 100% non-sustainable packaging until the end of 2025 | A dedicated project team lead by environmental project managers |  SDG12 – Responsible Consumption and Production Reducing the use of non-sustainable packaging contributes to avoiding impacts related to the consumption of Hager Group Products & Solutions and makes sure production is cleaner and abides to eco-design ¹¹ guidelines. |



⁷ Project 2030 is designed for growth in times of rapid technological innovation and intensifying competition. It is geared to keep us customer centric, independent, strong, and sustainable.


⁸ <https://sdgs.un.org/goals>

⁹ Our GHG emissions reduction targets are in absolute values.

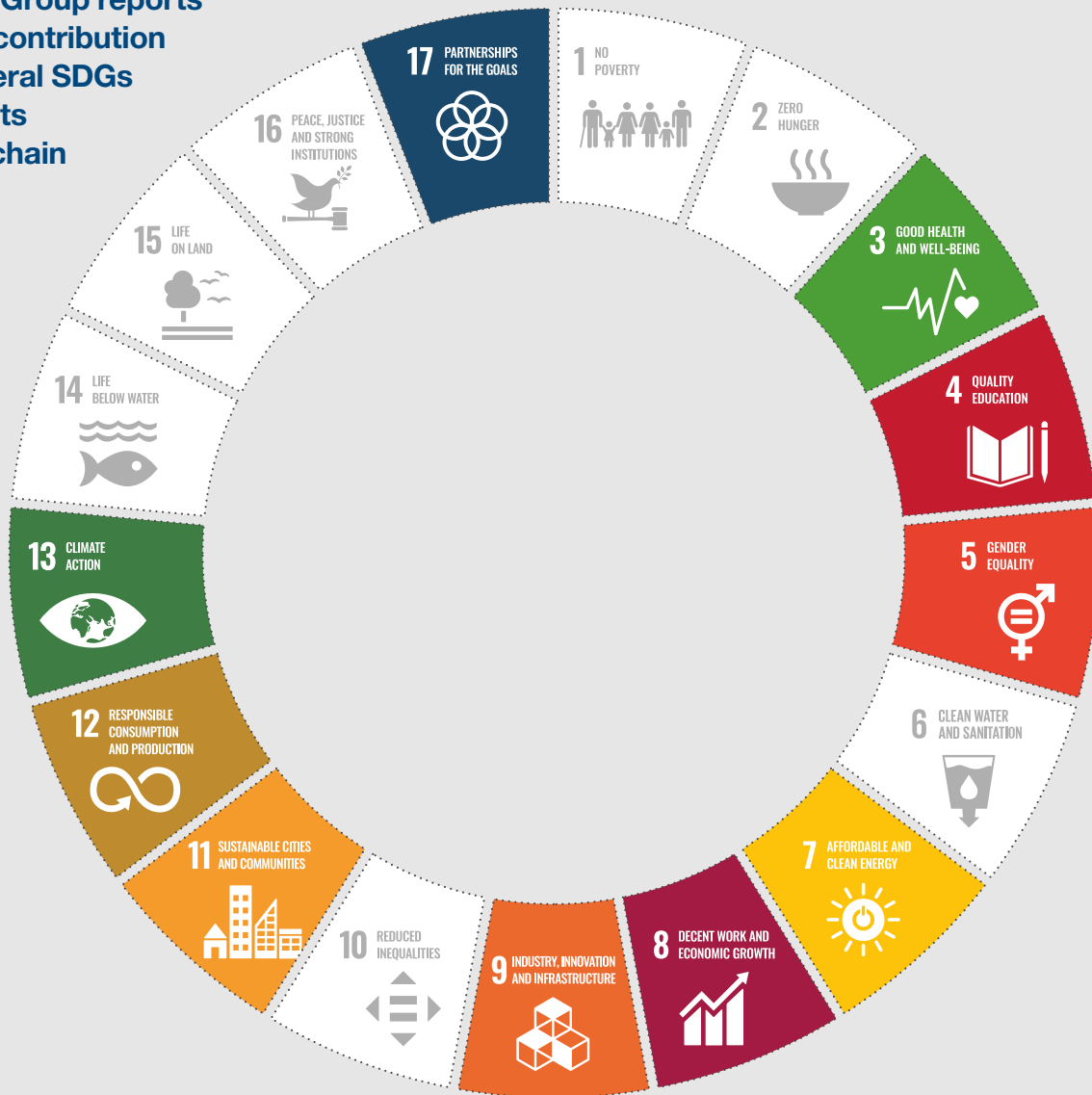
¹⁰ [cdp.net](https://www.cdp.net)

¹¹ Hager has developed an Eco-design handbook that supports in implementing circular economy practices in our production sites

| | Key Action Area and Governance | Qualitative Goals | Quantitative Goals | Monitoring | SDGs ⁶ |
|--|---|--|---|--|---|
| Coordination: Chief Human Resources Officer - Franck Houdebert | <p>Employees</p> <p>Cécile Zuber / François Belot</p> <p>Talent Development and Culture Senior Director under the CHRO</p> | <p>Attract and retain talent</p> <p>Hi! University</p> | <p>Skills Development</p> <p>Programme specific objectives</p> | Time spent on My learning Hub platform. |  <p>SDG4</p> <p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.</p> |
| | <p>Michael Blieberger</p> <p>Senior Health and Safety Manager under Manufacturing SVP</p> | <p>Empower our employees and make our working environment safe and secure with a preventive and continuous improvement approach.</p> | <p>Reduce the number and rate of recordable work-related injuries</p> | the number and rate of recordable work-related injuries per site |  <p>Occupational Health & Safety is linked to the sustainable development goals through Goal 8: Decent Work and Economic Growth, as well as SDG3: Good Health and well-being. Providing safe and healthy working conditions is a key aspect of decent work, and it contributes to the overall health and well-being of workers, which is essential for sustainable development. Additionally, reducing work-related accidents and illnesses can lead to increased productivity and economic growth.</p> |

| | Key Action Area and Governance | Qualitative Goals | Quantitative Goals | Monitoring | SDGs ⁹ |
|--|------------------------------------|---|--|--|--|
| Coordination: Chief Human Resources Officer - Franck Houdebert | Ethics Group Ethics Officer | Ensure ethical business practices along the value chain of our products | Train 100% of Group Managers on how to analyse and interpret difficult ethical situations through the "Serious Game" (Let's Practice) programme by 2024 | Number of managers trained: 50% by the end of 2022 | <p>These are programmes that reinforce capacities and resilience of managers to unethical behaviour in every single aspect of daily business operations in clear accordance with our Hager Group values in particular: courage, authenticity and integrity. Ethics play a crucial role in sustainable development goals as they provide a moral framework for making decisions and taking actions that promote sustainable development. Ethics provide guidance on what is considered fair, just, and responsible, which is important when addressing issues such as corruption, harassment, and ethical business practices. This is of particular importance to</p>  <p>SDG 16 Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.</p> |
| | | | <p>Expand the Ethics Ambassadors network to 20 ambassadors worldwide by the end of 2022.</p> <p>The ambassadors are part of a train-the-trainer system that ensures different ethical business workshops are organised regularly and equally among employees in all different sites worldwide.</p> | Number of ambassadors in the network | |

Hager Group reports on its contribution to several SDGs along its value chain



03.2

Rules, Processes, and Controlling: Embedding Sustainability in daily operations

Hager Group has a proactive approach to sustainability management and has developed a sustainability policy to make sure sustainability is anchored in decision making.

Our main Corporate Sustainable Development policy describes clauses related to:

- **Accountability**
- **Disclosure**
- **Scope and boundaries**
- **Grievance through our Integrity Alert System (Let's talk!)**

Attached to it, specific themes policies treating material topics, as defined by our materiality assessment, are implemented using internal processes:

- **Ethics Charter**
- **Environmental Policy**
- **Internal Mobility Charter**
- **Hager Anti-Corruption Code of Conduct**
- **Supplier Code of Purchasing**

Hager Group uses an X-Matrix model to monitor, track Executive Board priority targets to be translated into all functions in the company. For every managerial function where sustainability issues are relevant, KPIs used to monitor yearly targets are controlled periodically using reporting dashboards transmitted to the Executive Board.

Controlling Sustainability Targets in Hager Group

| Quantitative Goals | Monitoring | Control |
|---|---|--|
| <p>Reduce direct emissions by 50% by 2030</p> <p>Reduce indirect emissions by 25% by 2030¹²</p> | <p>The Science based targets initiative (SBTi) has validated our objectives. Starting 2023, we plan to yearly disclosure through CDP¹³ – Climate Change questionnaire to verify and track our environmental performance.</p> | <p>Activity data used in calculating the carbon footprint is monitored, namely Energy Consumption on a monthly basis.</p> |
| <p>Reduce by 100% non-sustainable packaging until the end of 2024</p> | <p>A dedicated project team following definitions of the Ellen MacArthur foundation definition of sustainable packaging</p> | <p>SAP operating systems track quantities of sustainable & non-sustainable packaging purchased against objectives</p> |
| <p>Talent Attraction and Preservation</p> | <p>Turnover and recruitment figures</p> | <p>SuccessFactors HR system</p> |
| <p>Talent Development</p> <p>People and Organisation Review (P&O R) yearly: define training needs</p> | <p>Hi! University</p> <p>Performance Development Interviews - Development interviews</p> | <p>Digital platform (hours spent training): MyLearning hub</p> |
| <p>Empower our employees and make our working environment the best it can possibly be</p> | <p>The number and rate of recordable work-related injuries</p> | <p>Monthly reports on work related injuries and fatalities are presented by the manufacturing department to the Executive Board</p> |
| <p>Train 100% of group managers on how to analyse and interpret difficult ethical situations through the “Serious Game” programme by 2024</p> | <p>Number of managers trained: 50% by the end of 2022</p> | <p>Attendance to training workshops is documented and communicated upon.</p> |
| <p>Expand the Ethics Ambassadors network to 20 ambassadors worldwide by the end of 2022.</p> <p>The ambassadors are part of a train-the-trainer system that ensures different ethical business workshop are organised regularly and equally among employees in all different sites worldwide.</p> | <p>Number of ambassadors in the network</p> | <p>Recruitment campaigns for ambassadors are internally launched. Their selection is validated by their managers as they have to agree to having an additional role (next to their main function) and allocate a part of their working time on the ethics training programmes.</p> |
| <p>Treat 100% of eligible ethics alerts received.</p> | <p>Rate of closed cases against number of reported ethics calls.</p> | <p>CSR & ethics officer KPI reports to Sustainability Council</p> |

¹² Note that we exclude our end of life of sold products emissions from our scope 3 reduction targets.

¹³ cdp.net

Incentive Systems



Eve-Madeleine Groeblbauer,
Group Compensation and
Benefits Senior Director

Aligned with Group Corporate strategy, a holistic approach for developing Compensation & Benefits programmes and policies is in place since 2019. The company has created an incentive scheme to consistently pursue and not lose sight of its most important corporate goals. The bonus scheme allocation at Hager Group between individual performance and collective performance depends on the position and responsibility in the organisation of each employee. The group performance is triggered when a group net cash flow is reached.

There are 4 domains and 6 Group KPIs to measure collective group performance. The KPIs involve and engage every business function setting equally weighted objectives recognising their equal importance to deliver superior performance. As seen above, the defined KPIs cover the three different dimensions of sustainability (economy, social, environment). Minimising work related injuries and reducing our carbon footprint (energy intensity) while keeping a strong economic performance of our operations are top priorities.

Weightings of Different KPIs in defining the collective performance linked to Bonus Compensation

| Group objectives | KPIs to measure 2022 performance | Definition | Weightings | |
|------------------|--|--|------------|-----|
| Business | Turnover growth in % | External sales: income from ordinary operating activities less value added tax | 17% | 34% |
| | EBIT | External sales: income from ordinary operating activities less value added tax | 17% | |
| Customers | OTRC / On-Time Received by the Customer | number of order lines received on time or before time by our customers / number of order line requested to be delivered by the customer during the period. | 17% | 34% |
| | Customer Quality Issues managed within 30 days | All declared customer issues from all Market Areas | 17% | |
| Employees | Work-related injuries | # injuries / 1.000 employees | 16% | 16% |
| Carbon Footprint | Energy Intensity | Reduction of the energy consumption of the production sites per Mio€ Turnover | 16% | 16% |



“Responsible sourcing is a highly material component of our sustainability strategy. We believe that managing ESG risk in sourcing materials, products, and services is not only important for the environment and society, but critical for the long-term success of our business. We are committed to working with suppliers who share our values and principles, and who prioritise environmental and social responsibility in their operations.”

Thomas Stein,
Senior Director Sourcing Hager Group

03.4

Responsible Sourcing

When it comes to our sourcing operations, we are progressing towards developing and implementing a more complete strategy to put sustainability at the very heart of our mission. To streamline global action, we are assessing our operations in a multi-stakeholder consultation

process. This strategy is focused on a vision of collaboration with our global supplier network to build an inclusive and carbon neutral world, where ecosystems and resources are preserved, and people get access to economic opportunities and decent working conditions. In 2022, we carried out

several actions to strengthen our sustainable sourcing practices. Our approach lays on a clear process: policy commitment, risk assessment, audits, and supplier engagement.

Responsible sourcing process



Policy and Business procedures

Our Supplier Code of Purchasing is a clear policy statement that commits us and our suppliers to fundamental sustainability requirements. This provides a clear direction for procurement activities and highlights priorities when it comes screening and assessing our suppliers. All our suppliers are obliged to sign this code to qualify as an eligible business partner with Hager Group.

Risk Assessment and Audits

Conducting risk assessment to identify potential environmental, social, and economic risks associated with the supply chain is critical to our business. In line with the German Supply Chain Due Diligence act, we have incorporated different tools to be able to:

- continually perform risk assessment analysis using the Riskmethods artificial intelligence powered software establishing a single source of truth for handling risk across the entire organization.
- lay down preventive measures in an enterprise's own area of business, vis-à-vis direct suppliers and – if there are indications that suggest a possible violation of human rights – vis-à-vis indirect suppliers
- Identify high risk suppliers for potential audits
- Conduct administrative audits to ensure that risks are addressed properly and our Supplier Code of Purchasing is properly reinforced across our value chain.

Supplier Engagement

Engaging with suppliers and incorporating sustainability criteria into procurement processes helps to identify and select suppliers that share the organization's commitment to sustainability. This also creates opportunities for collaboration and innovation with suppliers. The objective is also to implement an action plan that helps collaborate across the organization and with the suppliers to orchestrate the tasks needed to both proactively and reactively mitigate sustainability linked risks.

04

Protecting the Climate & the Environment

Chapter 04

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The Blue Planet Commitment



As a manufacturing company in our value chain, we are committed to managing our impact on the environment and preserving ecosystem services we depend on.

Fulfilling our legal obligation regarding environmental legislation is the minimum standard we set for ourselves to make a real impact. Our environmental strategy, Blue Planet Commitment, outlines our approach to reducing our environmental footprint and acting as a sustainability enabler for our customers. This strategy reflects our values and our commitment to decarbonisation, eco-design, an environmental value proposition in full transparency.



Matthieu Alexandropoulos,
Environmental
Sustainability Director

“Decarbonising our own operations and reducing scope 3 emissions is a significant challenge, yet it is crucial in addressing our environmental impacts. Suppliers and customers alike must recognise the importance of their role in the transition to a more sustainable future and cooperate closely to develop an environmental value proposition that is both economically feasible and environmentally more competitive than its alternatives.”

Matthieu Alexandropoulos,
Environmental Sustainability Director

The Blue Planet Commitment

Environmental Value Proposition

Our aim is to act as an enabler for energy transition and have an impact on climate change mitigation and adaptation actions.

- Transversal role in defining the framework to providing low carbon and enabling solutions
- Market leadership role as a provider for innovative and sustainable solutions



Commitment on climate change

By 2030, we want to reduce our scope 1 & 2 emissions by 50% and our scope 3 emissions by 25%.

- Yearly Carbon Footprint
- Top management commitment for climate action
- Low carbon roadmap rolled out at factory level 0



Eco-design

We commit to 100% sustainable packaging by 2025 and we constantly explore alternative, more sustainable materials for our products.

- More than 10% reduction in virgin plastic packaging use
- Eco and circular design is part of our R&D processes
- Over 200 plastic components in our products made of recycled plastic



Transparency for customers

We work on sustainability reporting initiatives and work on strategic partnerships with reputable organisations.

- Easier access to environmental data for customers
- Life-cycle assessment reports for our products
- Open and regular dialogue with key external stakeholders



04.1

Advancing our decarbonisation commitment

Reducing carbon intensity is a prerequisite for achieving our science-based absolute emission reduction targets.

In 2022, Hager group has submitted its near term target in terms of GHG emission reduction to the Science based target initiative (SBTi). In early 2023, this target has been approved by SBTi as aligned with a 1.5 C° trajectory, currently the most ambitious designation available through the SBTi process.

In this context, Hager group commits to reduce absolute scope 1 and 2 GHG emissions by 50% by 2030 Compared to 2021 as a base year. The Group also commits to reduce absolute scope 3 GHG emissions 25% within the same timeframe¹⁷.



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

¹⁷ The category End-of-life treatment of sold products will be excluded from the targets due to the lack of leverage to reduce emissions from this source. (It represents 9% of scope 3 emissions).

Our Carbon Footprint

Hager Group updates its end-to-end carbon footprint (Scope 1, 2 and 3) annually and obtains a “reasonable assurance” from **Carbone 4**, an independent third party verifier on all figures.

The carbon footprint of Hager Group is significant due to our operations and production processes, but in particular the nature of our products activities in the electrical equipment industry. The assessment has been calculated according to the widely used global standard for GHG accounting and reporting, the Corporate Accounting and Reporting GHG Protocol Standard. This provides a comprehensive framework for us to understand and quantify our GHG emissions and to develop strategies to reduce them.

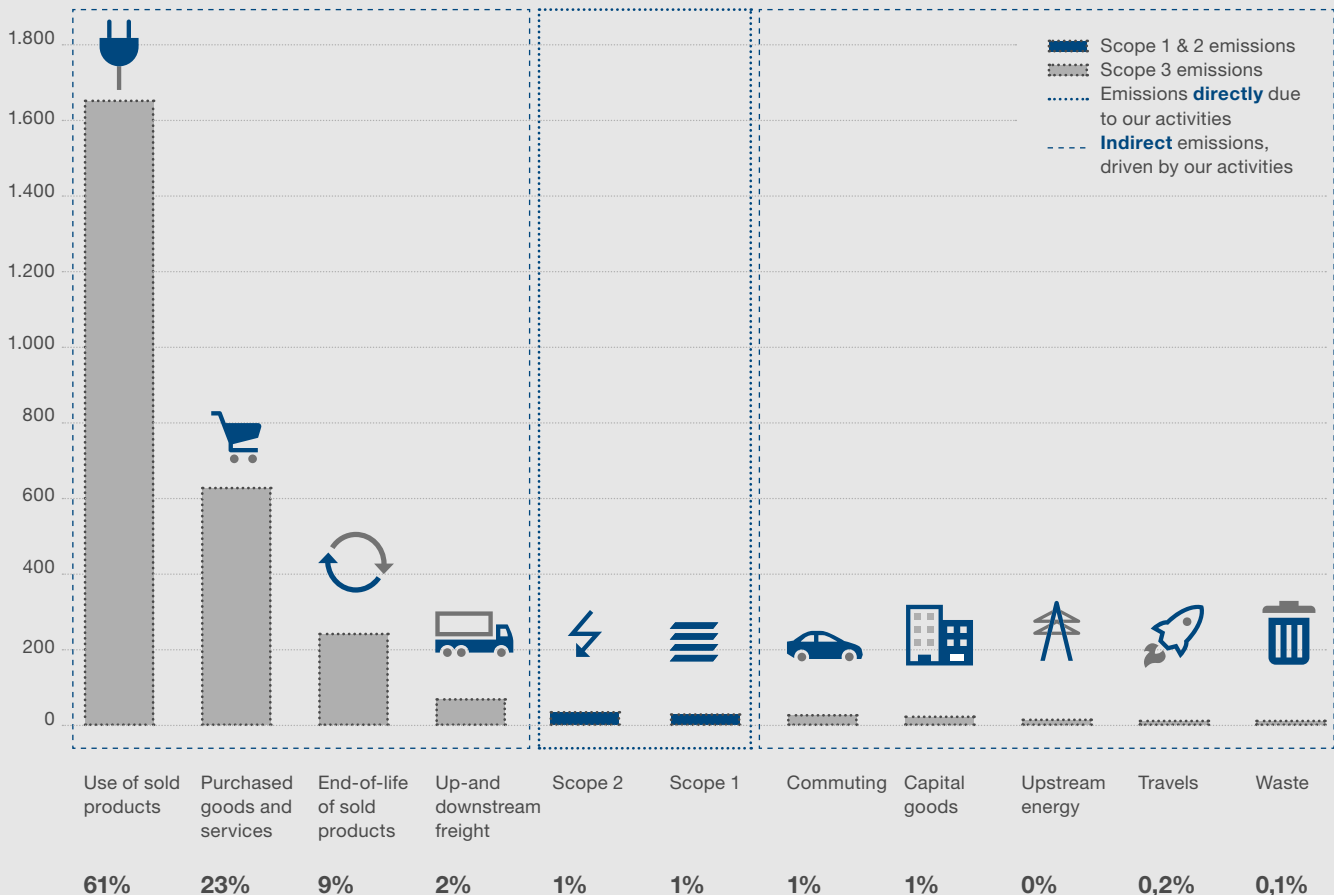
The chart below represent our carbon footprint on Scopes 1, 2 and 3, including all greenhouse gas emissions (GHG), from the upstream activity of all its suppliers to the use and end of life of its offers sold to customers. Analysing the scope of the group’s carbon footprint, several factors must be considered, including:

- The use of our products requires energy: 61% of our Carbon Footprint comes from the “use of sold products”. The carbon intensity of the electricity grids where our products are used is out of our control (hence the important role of countries to pursue their efforts in the energy transition – decarbonization is a collective challenge) but our efforts are focused on eco-design principles to improve the energy efficiency linked to the operations of these

devices. Our products are long lasting, and we have to take the total life cycle of the product into consideration in the calculation. It is true to say that products with a twenty-year life span emit more than those with a two-year one, however, lowering the life span of our products and solutions is not the solution as this would generate more production of said products and solutions and the use of more raw materials to satisfy the same needs).

- Purchased goods and services is our second most important impact covering 23% of our carbon footprint. The embedded carbon footprint of our raw materials is important which highlights the role of eco-design and responsible sourcing mitigating our overall carbon footprint.

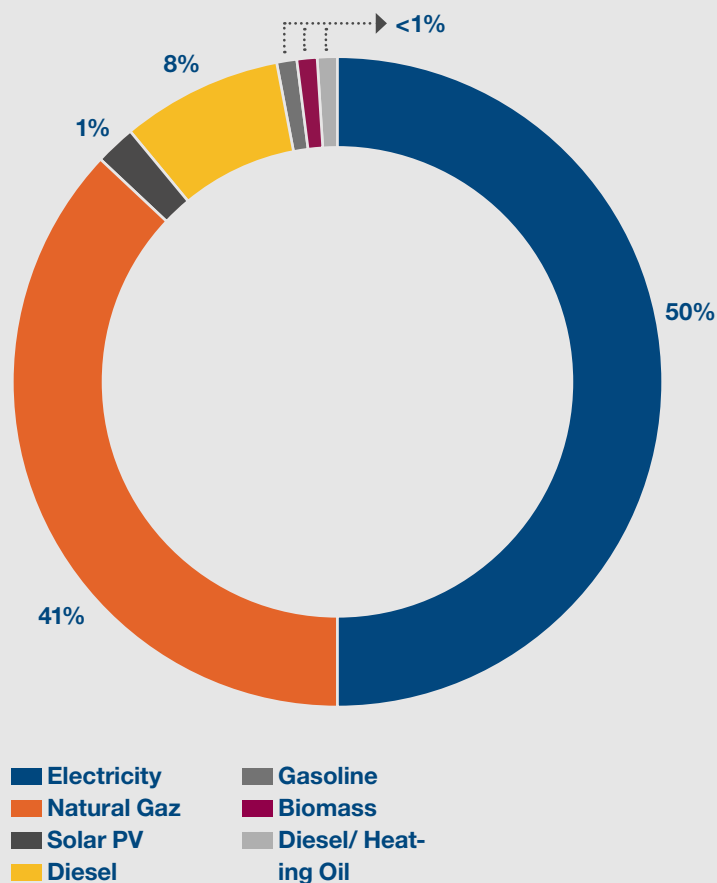
Hager’s 2021 GHG footprint: 2.709 ktCO₂e



- Transportation: Hager Group's products are transported globally, which results in emissions from shipping, trucking and other forms of transportation. Hager Group's products are transported globally, most of them by road, mainly within Europe, others by sea and in some rare cases by air. Even if Hager's freight „only” represents 2% of the overall GHG emissions, acting on reducing emissions will require actions in the whole value chain.

- Energy consumption: Hager Group's energy consumption also contributes to our carbon footprint. The company uses large amounts of energy to power its production processes, which results in considerable emissions.

Hager Group Energy Mix in 2021



This photo was taken on the roof of Hager Forum in Obernai, France. Hager Forum is first and foremost a meeting place, it also serves as a catalyst for the development of Hager Group. The roof hosts 440 photovoltaic panels that transform solar energy into electric energy. They cover 40% of Hager Forum's energy consumption needs.

Our Decarbonisation plan

Our decarbonisation strategy science based targets rely on decarbonising the operations of our current plants but also set sustainability requirements for our new investments. From 2021 to 2022, our efforts have contributed to reducing **8% of our scope 1 & 2 emissions**.

6 Factories at the heart of our strategy

Representing 70% of our energy related emissions, the 6 selected manufacturing sites have developed low carbon roadmaps in order to contribute to the ambitious objective of halving our Scope1&2 emissions by 2030. For each site, energy usage in particular was analysed and corresponding decarbonisation levers were studied economically and technically. In the period between 2023 and 2028, the plan is to activate three levels: heat pumps installations – PV energy supply – Power Purchase Agreements from renewable energies. Short-term levers include thermal leaks detection, the stoppage of equipment when possible, reducing heating demand, introducing LEDs, and lowering lighting intensity. Long-term levers include an overall reduction of energy consumption and switching to alternative (clean) energy sources.

New plant in Poland to increase production capacity: Bieruń

To meet increasing customer demand and support growth, Hager Group is building a new plant in Bieruń, Poland. This allows us as a group to increase our production capacity and further develop our product portfolio. The new plant will cover more than 21.000 square metres, of which 1.000 square meters will be storage and production space. About 1.000 employees will work in the Bieruń site. By using modern technologies that ensure the highest level of energy efficiency, we reduce our impact on the environment. The building will be one of Hager Group's most modern and efficient. As part of our sustainability strategy, we use the Building Research Establishment (BREEAM) environmental assessment methodology to ensure we are effectively measuring and reducing the impact of our buildings. As such, we create greater added value and reduce the risks for people and the environment in the region. The rating we hope to achieve is "Excellent". In conjunction with a photovoltaic system on the roof with a capacity of 750 kilowatts peak, our energy-efficient buildings will help avoid CO₂ emissions into the atmosphere by around 900 tons in comparison to other similar buildings with a lower environmental performance.

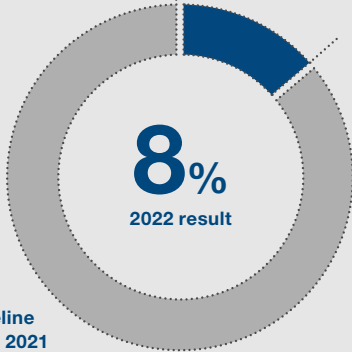
Bischwiller: regional biomass energy supply to cover 100% in heat energy needs

In order to accelerate the decarbonisation of Bischwiller's industrial site in France, and reduce its dependence on natural gas, Hager Group has connected its heating network to that of the Sonnenhof foundation in collaboration with ES Energy Services. The objective for the site is multiple: reduce the carbon footprint as well as dependence on natural gas, pool the energy network with local players and develop a circular economy. By switching from town gas to biomass, more than 300 tonnes of CO₂ emissions per year will be avoided. 500.000 € have been invested in the necessary infrastructure, supported by nearly 150.000 € in public aid, in particular from ADEME. Eventually, the site's current heating units operating mainly on natural gas will be dismantled and recycled. The Bischwiller industrial site is the first of the group's 22 production sites to benefit from this type of investment. This approach is part of Hager Group's environmental strategy aimed at reducing its industrial greenhouse gas emissions by 50% (scope 1 & 2) by 2030.

Protecting climate and environment

Absolute Scope 1 and 2
greenhouse gas emissions (CO₂e)
science-based target**

2030 goal: 50%



Baseline
year: 2021

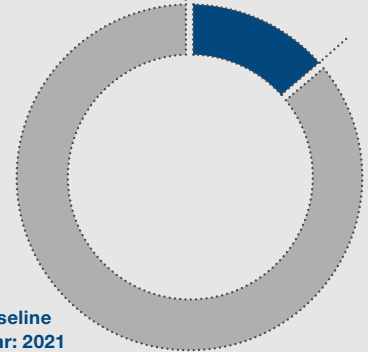
Reduce absolute Scope 1 and 2
GHG emissions by 50%

How

- Energy efficiency
- Technical innovation
- Circularity

Absolute Scope 3
greenhouse gas emissions (CO₂e)
science-based target**

2030 goal: 25%



Baseline
year: 2021

Reduce absolute Scope 3
GHG emissions by 25% by 2030

How

our Scope 3 emissions mitigation
strategy is under development
focusing on eco-design and re-
sponsible sourcing.

2021
Baseline year

2022
now

2023
SBTs approved

2030

Reduce absolute
GHG emissions
Scope 1 and 2 by 50%
Scope 3 by 25%
by 2030

Circularity

Energy Efficiency

Technical Innovation

Bischwiller
France



Biomass Plant

Blieskastel
Germany



Compressed air
production energy
efficiency measures:
Compressors Retro-
fits and installation
of Variable Speed
Drives

Obernai
France



-Rooftop PV plant
-Lighting System
Retrofits
-Optimization of
Internal temperature
set points.

Telford
England



Rooftop PV plant

Tychy
Poland



Heat recovery
in compressed air
production

Ottfingen
Germany



Building insulation
for facades and
windows

Heltersberg
Germany



Replacement of Oil
heating systems with
Heat Pumps

Bierun
Poland



New investment
aligned with the
highest building
energy efficiency
standards

**2022 data in scope of limited assurance.



existing sites



new investment

Eco-design to embed life cycle thinking in our engineering functions

Looking at how important the group's scope 3 emissions relative to other scopes are, an Eco-design approach considering the entire life cycle of our products, from their raw material extraction and production to their disposal is necessary to assess our environmental impacts and to minimise them, especially their carbon footprint. Embedding life cycle thinking into engineering departments is crucial to our eco-design approach:

Eco-design Training:

Educating and raising awareness among engineers about the importance of life cycle thinking and eco-design is key. Workshops, training sessions, and online courses are organised with eco-relays¹⁸ to provide engineers with the knowledge and tools they need to integrate eco-design into their work.

Incorporate Life Cycle Assessment (LCA) into the Design Process:

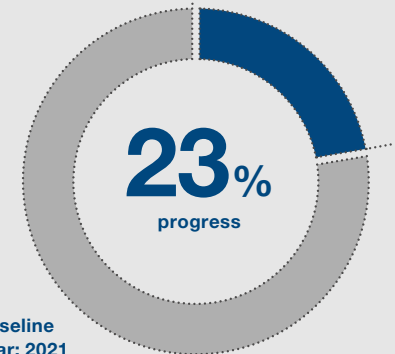
LCA is a systematic approach to evaluate the environmental impact of a product throughout its entire life cycle. By incorporating LCA into the design process, engineers make informed decisions about the materials and processes they use, based on their environmental impact. In 2022, 23% of our references were covered by a PEP Ecopassports¹⁹. The objective is to cover 80% of our references with LCA reports by 2024.

Providing the right tools and resources:

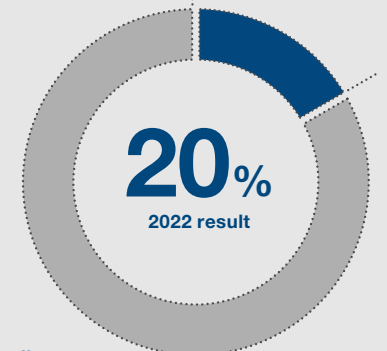
engineers have access to the right tools and resources to effectively implement eco-design into their processes. In addition to Hager Group's specific Eco-design Handbook serving as a reference document describing process flows to embed eco-design principles in our products, an ongoing flagship project is the Sustainable Materials Toolbox that is expected to support in setting clear metrics and targets to our Eco-design approach.

Coverage of our high-runner references with LCA reports

2023 goal: 80%



2025 goal: 100%



Eliminating Non Recycled Plastic Packaging

How:

Sustainable packaging alternatives

¹⁸ Eco-relays are contact point engineers in different functions implementing eco-design measures co-developed under with a dedicated environmental project manager.

¹⁹ PEP Ecopassports are environmental declarations for products and references in the electrical equipment industry.

Sustainable Packaging: eliminating non-recyclable plastic

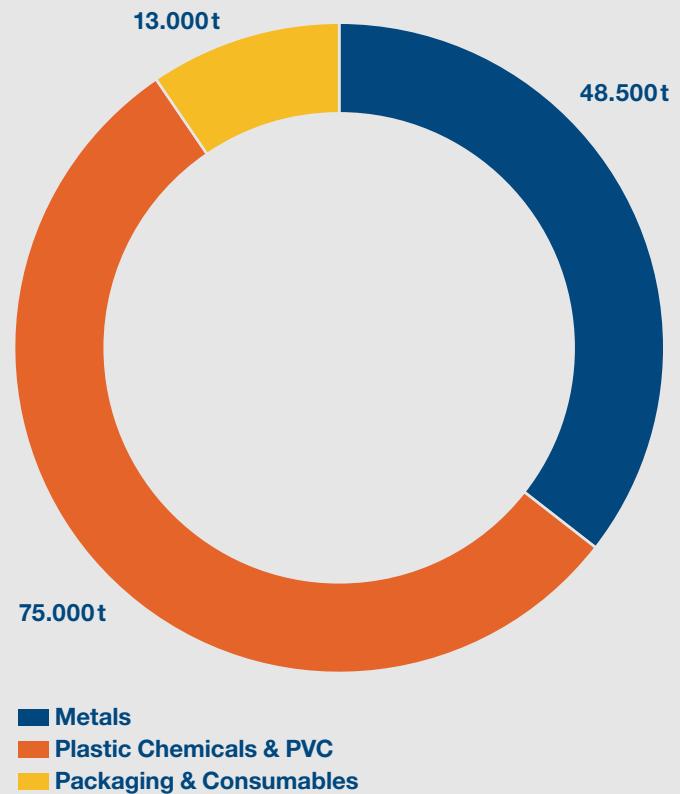
In line with our eco-design approach, we aim to phase out non-sustainable packaging from our products. While plastics have many benefits to our industry, they can cause irreversible negative consequences if they become waste or pollution²⁰.

The main objective of our approach in introducing sustainable packaging solutions to our value chain is to innovate to ensure that the plastics we do need are recycled, reusable or recyclable. This requires a combination of redesign and innovation in business models, materials, packaging design, and reprocessing technologies.

While improving recycling is crucial, we cannot recycle our way out of the plastic issues we currently face. Wherever relevant, reuse business models are explored as a preferred solution (or 'inner loop' in circular economy terms), reducing the need for single-use plastic packaging.

A flagship ongoing project is eliminating non recycled plastic packaging (NRPP). At Hager Group we aim to making our packaging 100% sustainable by 2025. In 2022, we have exceeded our annual NRPP elimination target in product and logistics packaging by 12%, eliminating 112 tons of our yearly consumption.

Materials used to produce and package Hager Group's primary products in 2021



04.3

Environmental Value Proposition

This pillar is introduced and explained with more detail in the first chapter. The development of an Environmental Value Proposition roadmap is an ongoing project. Validation and launch is expected in 2024.

²⁰ World Economic Forum, Ellen MacArthur Foundation and McKinsey & Company, The New Plastics Economy – Rethinking the future of plastics (2016, <http://www.ellen-macarthurfoundation.org/publications>).

Water and Biodiversity

Water management

Since 2021, we made several improvements to optimise water usage across our factories. A good example of these efforts is our factory in Obernai in France where a rain harvesting system is channeling rainwater for use in sanitary purposes. In Huizhou, China several underground water tank leakages have been identified and repaired leading to savings amounting to 10 ML per year.

Water scarcity assessment

In 2022, we conducted a water scarcity assessment to identify sites operating in areas with high water stress risks. The assessment determined that a total of 3 Hager Group manufacturing sites were located in areas of high or extreme high water stress basins. We will continue to prioritise the implementation of water efficiency improvements at 5 factories identified to be using more than 80% of the total reported water withdrawn.

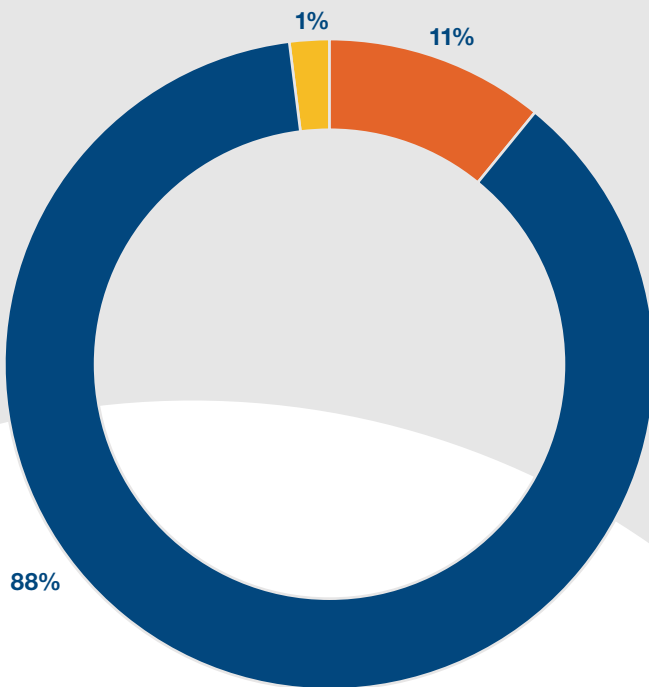
A key aspect of efficient resource use is water withdrawal, an integral issue for all industries working with and in manufacturing. In the reporting period, we have withdrawn 292.295 Megalitres of fresh water, of which 33.438

were from ground water. Of the total we withdrew, 1.891 Megalitres from areas with high water stress, primarily at our locations in La Roca del Valles (Spain), Pune (India) and Caltanissetta (Italy).

Biodiversity screening

We also conducted an assessment, mapping biodiversity sensitive areas in close proximity to our manufacturing sites. We will use this assessment to evaluate the need for additional mitigation measures together with opportunities for enhancing biodiversity in some of the areas.

Water Withdrawal Operations in Hager Group



- Third Party Municipal Water
- Ground Water
- Water Withdrawal in High Risk Water Stress Areas

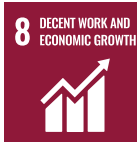
05

Ethics and Corporate Citizenship

Chapter 05

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Present in over 100 countries through our products



Hager Group is committed to behaving responsibly in relation to all its stakeholders. A thoughtful approach to business ethics is central to how Hager Group operates.

We recognise that our actions have a direct impact on the communities and environments in which we operate, and we are dedicated to ensuring that these impacts are positive and well managed. Our approach to ethical business conduct is rooted in transparency, accountability and respect for all stakeholders. The main objectives of the Ethics Group Team lead by Denis Munch, our Group Ethics Officer and CSR Director, are to raise awareness and instil an ethics culture.

Our group policies are important in fighting corruption; they provide a framework for ethical behaviour & decision-making, set clear expectations & consequences for violating

these expectations and promote a culture of transparency and accountability. By establishing these policies and enforcing them consistently, we deter corrupt practices and create a working environment where employees are less likely to engage in corrupt behaviour.

The ethics pillar of E3, has four components: our Hager Group Ethics Charter as a reference document, ethics training, and an Integrity Alert System “Let’s talk”, and an Ethics Ambassadors Network.



Denis Munch,
Group Ethics Officer

“Our first sustainability report is a critical milestone for our organisation, as it serves as a public declaration of our continuing commitment to operate in an ethical and sustainable manner. By detailing our environmental and social governance (ESG) performance, we are holding ourselves accountable for our actions and demonstrating transparency to our stakeholders. This will foster a culture of responsible business practices and ensure sustainability considerations are embedded in our decision-making processes.”

Denis Munch,
Group Ethics Officer and CSR Director

Ethical Risk Assessment

Fostering a culture of ethical behaviour and improving our stakeholder relationship can only be achieved by minimising the likelihood of ethical breaches. Ethical risk assessment is essential for our group because it has a significant impact on society, the environment and the economy. By conducting an ethical risk assessment, we identify potential ethical risks and can therefore manage them effectively.

As shown below, our ethical risk assessment method comprises several steps:

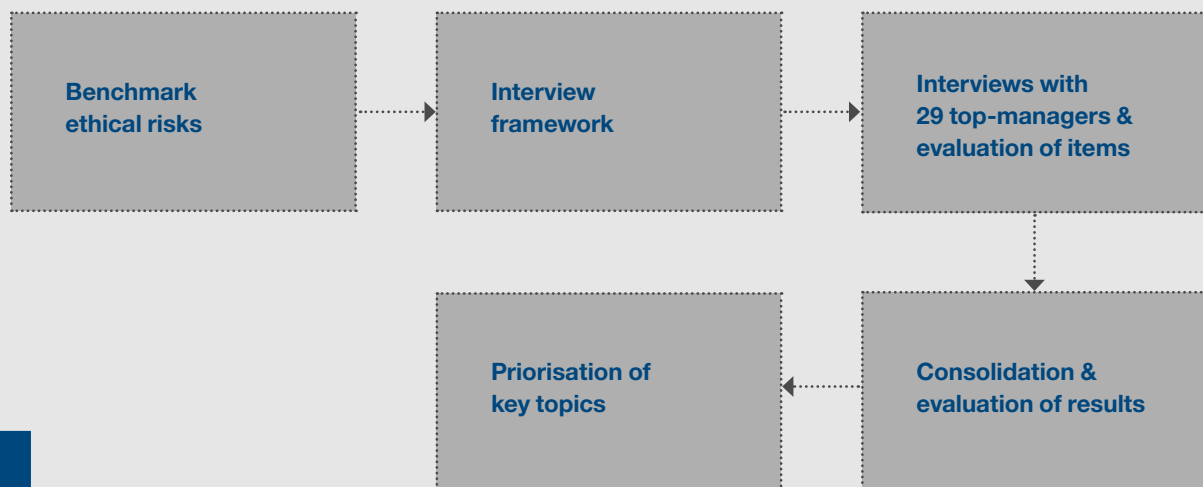
Benchmark ethical risks: this is the process of comparing our group's ethical risk management practices with those of other companies or industry standards. The goal of benchmarking ethical risks is to identify best practices and areas for improvement in our ethical risk management approach.

Interviews: holding interviews after selecting relevant stakeholders representing sensitive functions is essential to providing information about a particular area of risk that may not be readily available through other sources. Interviews contribute to identifying potential ethical risks, assessing the effectiveness of existing controls and developing strategies to mitigate risks.

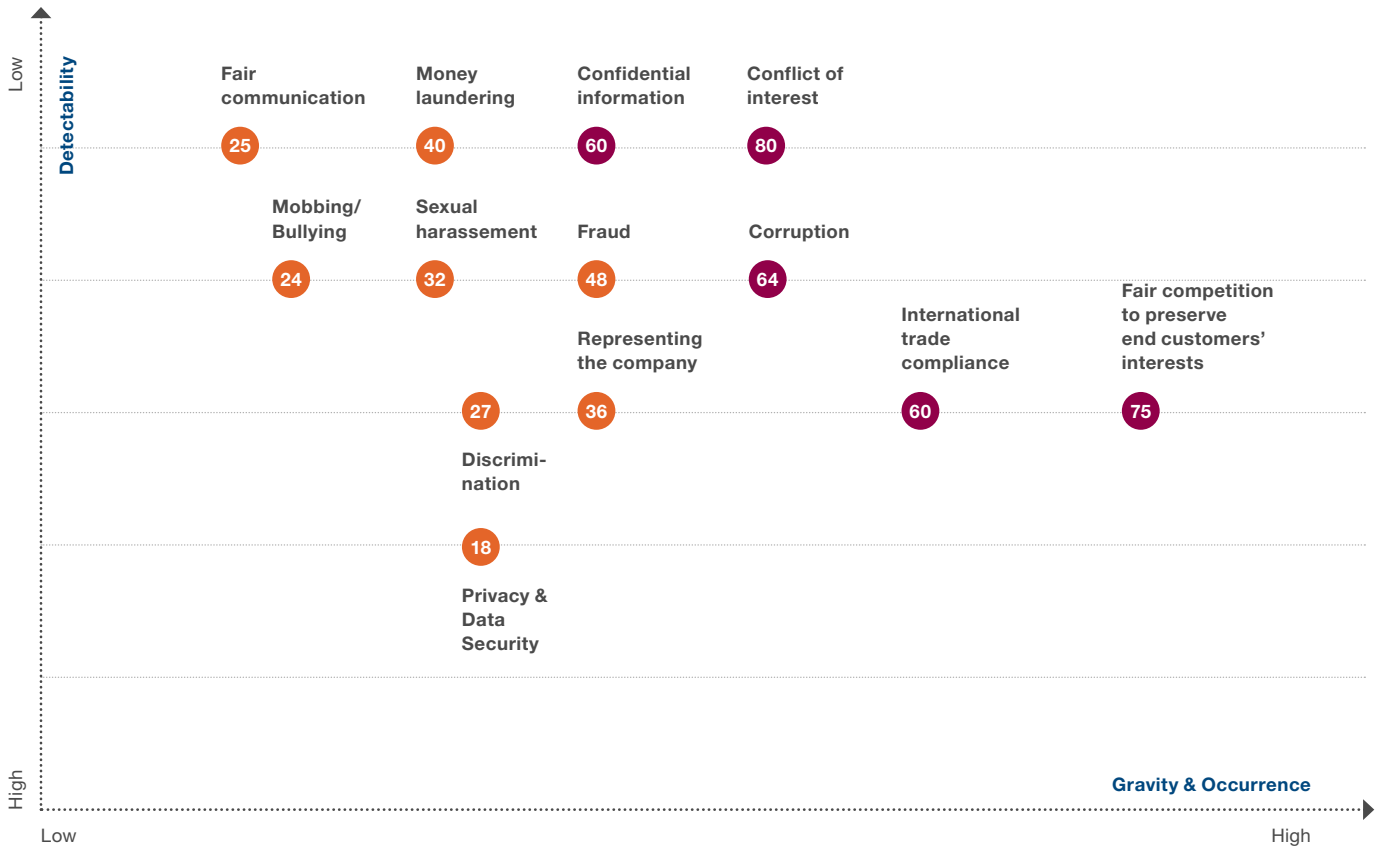
Identify potential ethical risks: identify potential ethical risks associated with actions, decisions or situations. This could include risks related to conflicts of interest, breaches of privacy, discrimination, environmental impact and others.

Prioritisation: we evaluate the potential ethical risks to assess the severity and likelihood of each potential ethical risk. This involves the potential harm to stakeholders, the extent of the risk and the probability of it occurring.

Ethical Risk Assessment Method



Ethical Risks Assessment Results for 2021



05.2

Ethics Charter

At Hager Group, we put a strong emphasis on a responsible approach towards business. As a family-owned and run company, our values and ethical stance are an integral part of our business. Ethical business is not a vague concept at Hager Group. Our Ethics Charter is a foundational component of our business. The charter contains a set of rules that apply to everyone within the company as well as external parties we work with. It guides us through complex situations, ensuring we make the right decisions when tough choices are faced.

This approach considers our own employees as well as everyone involved in our value chain: from our suppliers to partners and customers. We believe that sustainable business requires trust between all stakeholders. For us, the best way to achieve this is by staying true to our values and putting them into action.

The Ethics Charter was developed in 2012 and updated in 2018. It is displayed in all Hager Group sites and departments and explained to all employees when they join the company. The Ethics Charter is supported by Business Ethics training and awareness. Ethics training has evolved and been adapted over the years. Its goal is to strengthen our ethical mindset

through a combination of e-learning modules and interactive tools, including game-based awareness sessions to learn how to deal with complicated ethical situations without any negative impact on the business or any of our stakeholders.

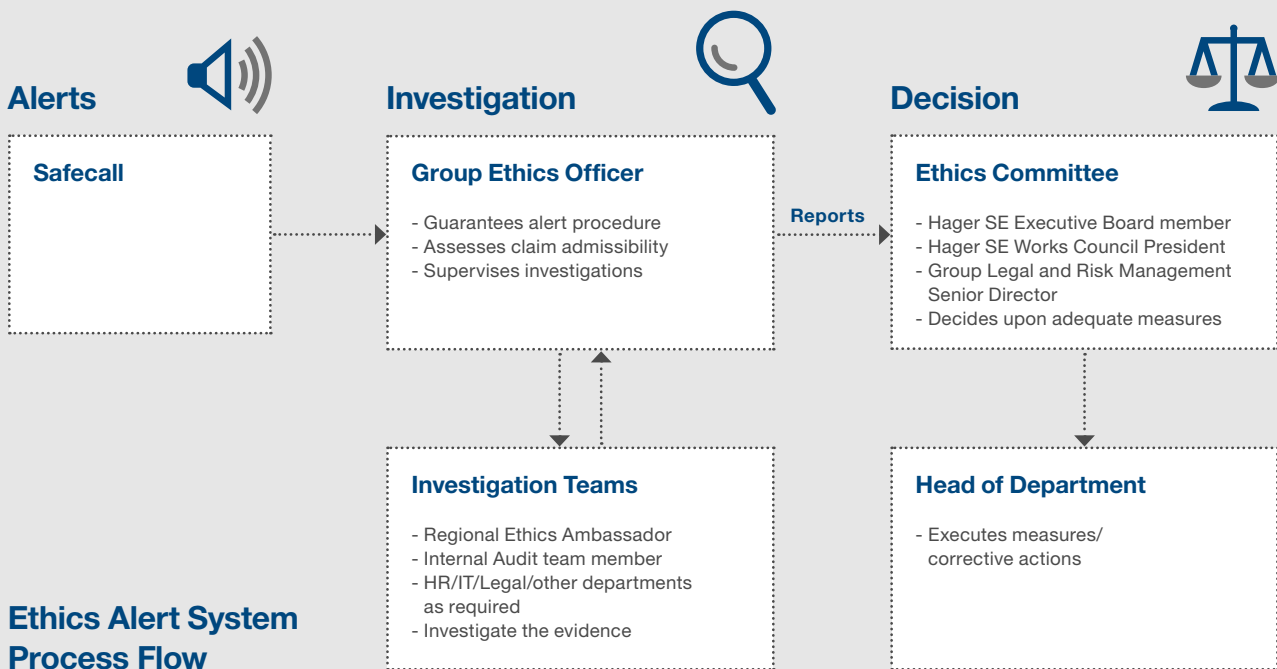
Reporting integrity and ethical alerts

Integrity Alert System Cases in 2021

| Alert Type | Number |
|---|--------|
| Harassment | 4 |
| Discrimination | 1 |
| Management Practices | 1 |
| Sexual harassment | 1 |
| Victimisation | 1 |
| Corporate Governance – Policy | 1 |
| Dishonest behaviour – corruption | 2 |
| General – Reputation Corporate, Governance & Lobbying | 1 |
| Unfair treatment, Harassment | 1 |

Our Integrity Alert System called “Let’s talk” allows employees and other stakeholders to report suspected unethical practices confidentially and without fear of retaliation. The system is available 365 days a year in the native languages of all employees at Hager Group. The service is assured through a third-party independent agency guaranteeing data protection. Misconduct can be reported anonymously or not. In 2021, 13 cases of ethical misconduct were reported in the categories detailed below:

When an alert is received, an investigation is conducted by the Group Ethics Officer with the assistance of local Ethics Ambassadors and relevant functions. To address the reported case, an Ethics Committee composed of the relevant Hager SE Executive Board members, the Works Council President and the head of the department concerned by the alert is responsible for developing an action(s) to address and correct the issue(s). This process is detailed below:



Ethics Alert System Process Flow

Ethics Training Programme

This Hager Group tailor-made e-learning programme covers the basics of business ethics for our group: our ethical culture, our Ethics Charter, our Integrity Alert System and our Ethics Ambassadors are also trained internally.

The objective of the training module “Business Integrity @ Hager Group” is to gain a basic understanding of what business ethics is and why it is important for any company. A second objective is to present the main elements of Hager Group’s ethical culture.

The training programme currently has three different modules:



Module 1
“Know your basics”

Module 2
“Wake up your values”

Know the meaning of Ethics at work, in the company = What & Why

Module 3 - Serious Game
“Let’s Practice!”

Act in an ethical way when facing a dilemma: Analyse and interpret the situation, determine which actions to take, be capable of defending ones choices

“Let’s Practice!” is a tailor-made serious game developed for Hager Group on business ethics. It is mandatory training for those chosen by HR.

The objective of “Let’s Practice!” is to give participants a chance to:

- Discuss and learn how to analyse and interpret difficult ethical situations,
- Determine what actions to take, or where to look for help,
- Be able to defend their choices.

The content is developed based on, but not exclusively, real-life situations experienced by Hager Group colleagues.

Currently under development is a tailor-made workshop called “Ethics @ Hager Group”. It is based on the general concepts of and the importance of ethics at Hager Group as well as the serious game “Let’s Practice!”. This workshop is specifically aimed at and adapted to colleagues in production.

The objectives of “Ethics @ Hager Group” are:

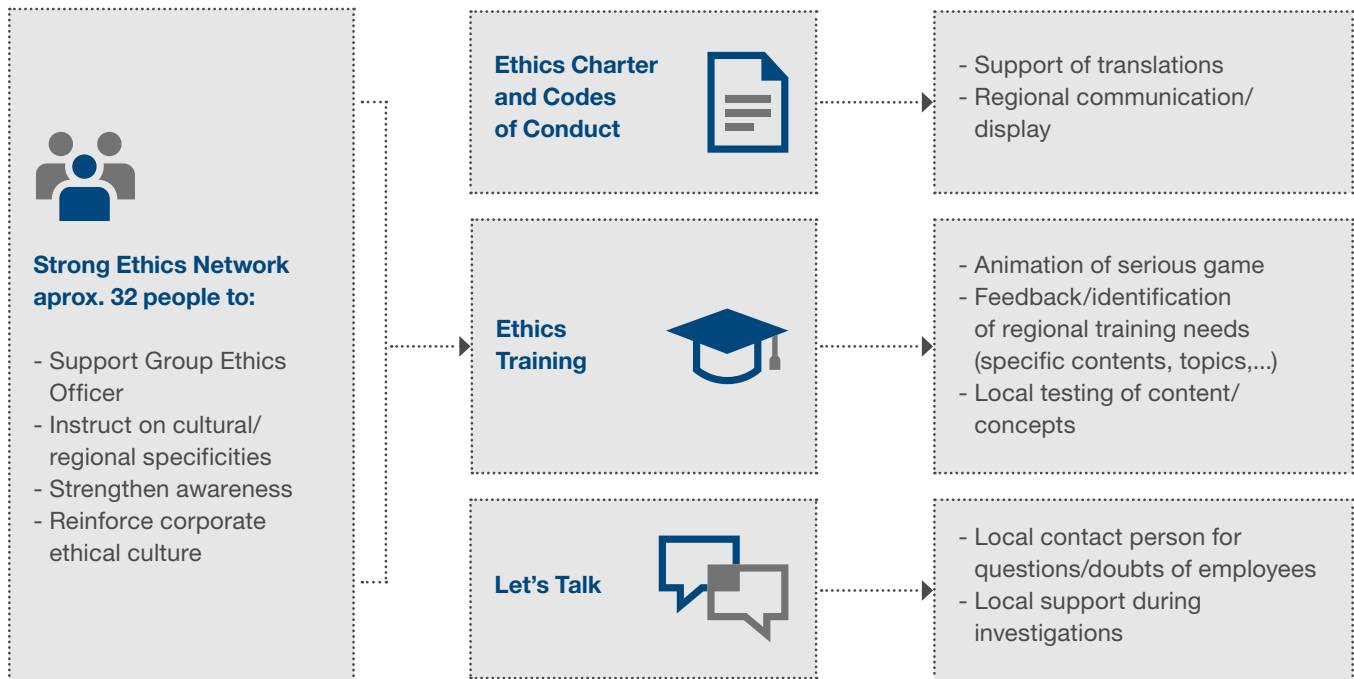
- Individual questioning on the notion of ethics and the impact in a professional context.
- Defining what ethics is.
- Being able to apply this in a professional context.

To be rolled out in 2024, the workshop targets 4.800 blue collar employees, it is on a voluntary basis. Training will be available in French, German, Italian, Spanish, Chinese and Polish.

In addition to the programmes detailed above, “off the shelf” training modules are provided in three different fields of interest:

- Anti-bribery and corruption
February 2023
- Conflict of interest and fraud
June 2023
- Discrimination and harassment
October 2023





05.5

Ethics Ambassadors

Ethics Ambassadors are Hager Group employees from different functions and countries to promote ethical behaviour and values within the organisation. They act as advocates for ethical conduct and serve as a resource for employees who have questions or concerns about ethical issues.

Our Ethics Ambassadors are selected based on their knowledge and understanding of the organisation's ethical policies, their ability to communicate effectively and their commitment to promoting ethical behaviour. They receive special training to help them fulfil their role effectively.

The responsibilities of Ethics Ambassadors may include:

- Promoting the group's Ethics Charter and values to all employees
- Providing guidance and advice to employees on ethical issues and dilemmas
- Identifying potential ethical issues and bringing them to the attention of management
- Contributing to Let's talk investigations

- Implementing training programmes, in particular the serious game "Let's Practice!"
- Encouraging open communication and transparency within the organisation
- Serving as a liaison between employees and management on ethical matters
- Participating in the development and implementation of ethical policies and procedures.



Corporate Citizenship

Peter und Luise Hager Foundation

The Peter und Luise Hager Foundation was established to serve as an umbrella organisation for our charitable activities and reflect the corporate citizenship of the company. It focuses on the development, support and implementation of its own projects. The Foundation's desire is to promote skills and education in all areas forms the overarching framework for all projects.

Professionalism and responsible handling of the Foundation's funds guarantee that the help arrives exactly where needed. Accordingly, the Foundation focuses on the following, which also reflect the philosophy of the group:

Education and learning (EL)
Science and research (SR)
Art and culture (AC)
Environmental protection (EP)
Social activities (S)

In 2021, more than 420.000 € in funds were allocated by the Peter und Luise Hager Foundation:

| Project Name | Partner | Country | Category |
|--|--|--------------------------|----------|
| Music programme for children | Fundaciòn A la Rueda Rueda | Colombia | EL |
| Speech to high school graduates of the Saarland | SR, Kulturministerium Saarland | Germany | EL |
| Maths circle of Strasbourg | Fondation Université de Strasbourg | France | EL |
| Deutscher Kinderschutzbund | Deutscher Kinderschutzbund | Germany | EL |
| Special support programme for kindergarten children | Association of Protestant Day Care Centers in the Saarland | Germany | EL |
| Trinational summer camp for teenagers from Poland, Ukraine and Germany | Ecological School camp "Spohns Haus", Gersheim | Germany, Poland, Ukraine | EL |
| Creative holiday workshops for teenagers | Cultural Center at the Eurobahnhof (KuBa), Saarbrücken | Germany | EL |
| "Positive Behaviour Support In Schools" Programme | Lakewood High School | USA, New Jersey | EL |
| Education for Indian girls | LIFT e.V. | India | EL |
| "Master Founder Award" for electricians | Peter und Luise Hager Foundation | Germany | EL |

EL – Education and learning SR – Science and research AC – Art and culture EP – Environmental protection S – Social activities

| Project Name | Partner | Country | Category |
|--|--|-----------------|----------|
| Student Research Centre Saarlouis | Förderverein Schülerforschungszentrum Saarlouis e.V. | Germany | EL |
| EnerTec student laboratory | Faculty of Automation Technology at the Saarland University | Germany | EL |
| START Stress resilience programme for children and young people | Universitätsklinikum des Saarlandes (UKS), Lehrstuhl für Kinder- und Jugendpsychiatrie und -psychotherapie | Germany | EL |
| Experimance Festival, Saarbrücken | Prospektiv e.V. | Germany | AC |
| Festival de Musique d'Obernai | Association Musique à Obernai | France | AC |
| Festival Perspectives | Stiftung für die deutsch-französische kulturelle Zusammenarbeit | Germany/ France | AC |
| Peter und Luise Hager Award for students of the HBKsaar | HBKsaar | Germany | AC |
| Exhibition of international artists in the "Moderne Galerie" in Saarbrücken | Stiftung Saarländischer Kulturbesitz | Germany | AC |
| Music Festival Saar | Musikfestspiele Saar | Germany | AC |
| Culture magazine OPUS | Verein zur Foerderung der Kultur im Saarland e.V. | Germany | AC |
| Saarländische Galerie Berlin | Saarländische Galerie – Europäisches Kunstforum e.V. Berlin | Germany | AC |
| Funding of the studio scholarship | Saarländisches Künstlerhaus Saarbrücken e.V. | Germany | AC |
| Health and school education in Zimbabwe | Afrikaprojekt Dr. Schales e.V. | Zimbabwe | S |
| Rounding of the cents in Germany and France (employee project) | Peter und Luise Hager Foundation | Germany/ France | S |
| Training and further education of helpers for grief counselling | JALMALV | France | S |
| Freizeitangebote für Kinder und Jugendliche Leisure activities for socially disadvantaged children and young people | Judo Club Folsterhöhe e.V. | Germany | S |
| "Here at home" – adapting to a new country & culture | Kulturverein Burbach e.V. | Germany | S |

EL – Education and learning SR – Science and research AC – Art and culture EP – Environmental protection S – Social activities

| Project Name | Partner | Country | Category |
|--|--|-------------|----------|
| Further training for a Mozambican ophthalmologist | Light for the World | Mozambique | S |
| “Maaximal bewegen” – Exercise programme for children with cancer | Princess Maxima Centrum | Netherlands | S |
| Therapeutic Riding for handicapped Children | Associação Hipica Terapeutica (AHT) | Portugal | S |
| Training and further education of helpers for grief counselling | Vivre le deuil ensemble | France | S |
| Sustainable drinking water project in Tanzania | BlueFuture Project | Tanzania | EP |
| Reforestation project | Blue Mountain World Heritage Institute | Australia | EP |
| Reforestation project in Central Africa | WWF Deutschland | Congo | EP |
| The Peter und Luise Hager-Award – Science Award in the Field of Chemical and Process Engineering | Helmholtz Institute | Germany | SR |
| Scholarships for students in the Saarland | Studien Stiftung Saar | Germany | SR |

EL – Education and learning SR – Science and research AC – Art and culture EP – Environmental protection S – Social activities

06

Employees

Chapter 06

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Empowering employees is essential to creating a sustainability culture.

“Employees” as a pillar of our E3 strategy sets the fundamentals to tap into the knowledge and expertise of our workforce.

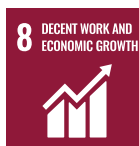
The combined skills and dedication of our employees make us who we are. Our main objective is to offer an inspiring environment for everyone to fulfil their potential.

Hager Group is a family-run company with more than 12.800 employees, which manufactures and produces in different countries around the world. While German laws regarding employee rights are binding and adhered to at our German sites, sites outside Germany adhere to their respective national regulations. For example, the French Code du Travail is observed in France where a large percentage of our workforce is located.

Led by our Social Dialogue managers, our employees have the right to engage with management and collectively put across their concerns and requests. This dialogue encourages workers to timely raise concerns, acts as a barometer, early warning system to assess worker satisfaction and reduces worker vulnerability. Satisfaction surveys like the “Tell us” survey started in 2022 serve as a basis to identify misfunctions and develop roadmaps to address critical issues faced by employees.



Cécile Zuber,
Talent Development and
Culture Senior Director



“As a company, we recognise that our employees are our greatest asset, and their engagement and empowerment is critical to our E3 sustainability strategy. Our employees are the backbone of our organisation, and by providing them with the tools, resources, and support they need to excel, we are not only creating a positive work environment, we are also driving business success and contributing to a more inclusive society.”

Cécile Zuber,
Talent Development and Culture Senior Director

Employee Value Proposition

Hager Group looks to establish a strong name as an employer and communicate around its Employee Value Proposition, which is our promise to current and future employees. We believe that great people make Hager Group a great company. We are driven by our meaningful purpose and continuously create an inclusive environment where employees are empowered to be at their best and innovate. Our Employee Value Proposition continues to evolve in line with the business.

| Employee Value Proposition | | |
|---|--|--|
| <p>Family Company</p> <p>We are big enough to matter and small enough to care. We are convinced that we can achieve far more together than we ever could on our own.</p> | <p>Shaping tomorrow's electrical world</p> <p>As a leading supplier of solutions and services for electrical installations, we always have, and always will, put protecting people's lives first.</p> | <p>Shaping tomorrow's electrical world</p> <p>Both on a professional and personal level, we truly believe that people and business grow together.</p> |

Talent Development

At Hager Group, our vision is to shape the electrical world of tomorrow. We can only achieve this if our employees are equipped to lead our transformation, which requires of everyone to have the skills needed to operate at the leading edge in our industry.

Our approach to learning is guided by two principles - being available on demand and structured for the long term. It is only through relevant knowledge, fresh ideas, and innovation that our business can develop and our people with it. We know that learning needs to be delivered in an accessible and engaging way so that everyone can benefit.

A core element of our talent development is Hager University, or Hi! as it is officially known. Hi! provides development opportunities with in-person academies, online courses and digital communities. In 2021, over 60% of employees participated in learning through Hi!, completing a total of over 105.000 training hours.

The Hi! curriculum covers many areas that are crucial for individual - and therefore our company's - success. Employees can find training on leadership development, project management, improving language skills and gaining official certifications. Hi! Combines all our training courses together making it easier for employees to find the knowledge they need to succeed in one place.

We are currently rolling out a selection of new modules that cover topics aligned with the Hager Group sustainability strategy, to ensure that everyone has the knowledge and skills required for this to be successful.

These include elements on GHG emissions reduction, circular economy, and compliance for our engineers, alongside broader courses designed to be relevant to all business functions.

There have been and continue to be many programmes and initiatives in place at Hager Group to develop talent and prepare the electrical world of tomorrow. Our Annual Report this year is dedicated to personal growth and lifelong learning at Hager Group.

Equal Opportunities and Diversity

Empowering employees is key to any company's sustainable growth, all employees need to feel valued and know they have the resources they need to succeed. Working in an increasingly international environment with colleagues from all over the world provides many opportunities but also comes with risks if not properly managed. Transversal projects and processes throughout the group necessitate a better understanding of cultural & linguistic differences.

In Hager Group, employment is based on merit, ability to do the job. Fair treatment is extended to all employees without exceptions regardless of any background. We are aware that differences in lifestyle, choices, etc., often become a source of discrimination,

victimisation and harassment. This curbs freedom of expression, hiding preferences (unconscious biases), and creates mental health challenges. Our responsibility is to ensure a workplace that accepts diversity and provides an inclusive work environment. There are no clear goals regarding diversity, yet different programmes related to work-life balance and the creation of working offices in international hubs contribute to promoting diversity in the workplace.

Hager Group boasts a highly diverse workforce, and we know how important this is to the success of our business and the supportive environment it creates for our workforce. Hager Group team members come from all

backgrounds and operate in a global, multicultural, multigenerational and diverse world. We are present in over 120 countries and our workforce comprises over 70 nationalities with a wide range of cultural heritages, languages and lifestyles.

Health and Safety

All Hager Group employees work responsibly in the daily application of occupational safety measures. Everyone has the duty to point out recognised dangers as well as the right to eliminate potential dangers. The health and safety of our employees are part of our corporate objective and are the responsibility of the company management. ISO 45001 systems for Occupational Health and Safety (OHS) are implemented by HS managers in 80% of Hager Group sites.

Hager Group does not compromise on safety be it for employees, customers, partners or those working on their behalf. Safety is a component of the Ethics Charter and it reinforces the group's commitment to provide a healthy and secure workplace for all. In addition, Hager Group's aim is to achieve the highest standards of safety excellence in manufacturing operations.

07

About this Report

Chapter 07

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Sustainability Performance

German Sustainability Code

Our Sustainability Report, was prepared in accordance with the reporting standards of the German Sustainability Code (DNK). Our formal report based on the 20 criteria of the DNK is accessible in the database on the DNK website.



Klimaschutzunternehmen

In 2022, we have joined the limited club of the Klimaschutzunternehmen network in Germany.



ECOVADIS – Silver Medal

In February 2023, Hager Group has achieved 64 points in the EcoVadis rating, missing out on the gold medal by just three points.

“This performance reflects the commitment we display when working on the issue of sustainability. Together with various departments and functions, we were able to implement a wide range of measures to be able to report on our sustainability performance transparently and identify gaps to address for the near future. We are proud to be among the top 25 percent of all participating companies,” said Samir Rouini, Sustainability Reporting Manager at Hager Group.



Science Based Targets

The SBTi’s Target Validation Team has classified our company’s scope 1 and 2 target ambition and has determined that it is in line with a 1.5°C trajectory. The SBTi commends our ambitious 1.5°C-aligned target, currently the most ambitious designation available through the SBTi process.



UN Global Compact

Hager Group is committed to the United Nations’ voluntary Global Compact initiative to promote corporate social responsibility. As a result, we publish an annual progress reports on our business strategies and day-to-day operations, thereby demonstrating our commitment to the Global Compact.



DNK-GRI Index Environment

GRI SRS 301-1 Material used by weight or volumes

The reporting organisation shall report the following information:

- a. Total weight or volume of materials that are used to produce and package the organisation’s primary products and services during the reporting period, by:

| Raw Materials | t |
|-------------------------|--------|
| Metals | 48.414 |
| Plastic Chemicals & PVC | 75.077 |
| Packaging & Consumables | 12.898 |

- I. non-renewable materials used
- II. renewable materials used

In this case, no distinction is made between renewable and non-renewable materials

Data differentiation management processes are necessary at sourcing level for future reporting purposes.

GRI SRS 302-1 Energy consumption within the organisation

The reporting organisation shall report the following information:

- a. Total fuel consumption within the organisation from non-renewable sources, in joules or multiples, and including fuel types used.

| | | | | | |
|----------------------------------|---------------------|---------|-----|-----------|---|
| Energy used for facilities | Natural Gaz | 103.300 | GWh | | |
| | Diesel/ Heating Oil | 1 | GWh | | |
| Energy used for company vehicles | Diesel | 19.776 | GWh | 1.977.632 | I |
| | Gasoline | 0,343 | GWh | 39.197 | I |

- b. Total fuel consumption within the organisation from renewable sources, in joules or multiples, and including fuel types used.

| | | | | | |
|------------------|----------|-----|-----|--|--|
| Renewable Energy | Biomass | 1 | GWh | | |
| | Solar PV | 1,3 | GWh | | |

- c. In joules, watt-hours or multiples, the total:
 - I. electricity consumption: **124.200 MWh**
 - II. heating consumption: **- 105.300 MWh**
 - III. cooling consumption: -
 - IV. steam consumption: -
 Out of 22 production sites, 6 are ISO50001 certified in 2021, which means that the breakdown of energy consumption by function (cooling, heating,..) is not available for all sites.

- d. In joules, watt-hours or multiples, the total:
 - I. electricity sold
 - II. heating sold
 - III. cooling sold
 - IV. steam sold**No energy is sold externally.**

- e. Total energy consumption within the organisation, in joules or multiples. **250,920 GWh including company car fuels**

- f. Standards, methodologies, assumptions, and/or calculation tools used
Energy is collected according to ISO50001 management systems and audited accordingly.

- g. Source of the conversion factors used
International Energy Agency Conversion factors and unit abbreviations²¹

²¹ https://iea.blob.core.windows.net/assets/5c2a826c-5ec7-4517-b713-1b0fc3dea05e/Key-WorldEnergyStatistics2020_Methodology.pdf

GRI SRS 302-4 Reduction of energy consumption

The reporting organisation shall report the following information:

- a. Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples.

Energy between 2021 and 2022 has been reduced by 12.700 MWh²².

- b. Types of energy included in the reductions; whether fuel, electricity, heating, cooling, steam, or all.

Reductions have been made in all these types of energies.

- c. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it.

Energy reduced has been calculated between 2021 and 2022.

- d. Standards, methodologies, assumptions, and/or calculation tools used.

GRI SRS 303-3 Water withdrawal

The reporting organisation shall report the following information:

- a. Total water withdrawal from all areas in megalitres, and a breakdown of this total by the following sources, if applicable:

- I. Surface water
- II. Groundwater
- III. Seawater
- IV. Produced water
- V. Third-party water.

- b. Total water withdrawal from all areas with water stress in megalitres, and a breakdown of this total by the following sources, if applicable:

- I. Surface water
- II. Groundwater
- III. Seawater
- IV. Produced water
- V. Third-party water, and a breakdown of this total by the withdrawal sources listed in i-iv.

- c. A breakdown of total water withdrawal from each of the sources listed in Disclosures 303-3-a and 303-3-b in megalitres by the following categories:

- I. Freshwater (≤ 1.000 mg/L Total Dissolved Solids);
- II. Other water (> 1.000 mg/L Total Dissolved Solids).

-> For parts a) b) and c), refer to Table 8 and Table 9.

Table 8: Water Withdrawal Quantities for all production sites in Megalitres (ML)

| | Surface Water | | Ground Water | | Seawater | | Produced Water | | Third Party Water | | Total Water Withdrawal | |
|-------|---------------|-------------|--------------|-------------|------------|-------------|----------------|-------------|-------------------|-------------|------------------------|-------------|
| | Freshwater | Other Water | Freshwater | Other Water | Freshwater | Other Water | Freshwater | Other Water | Freshwater | Other Water | Freshwater | Other Water |
| Total | | | 33.438 | | | | | | 258.857 | | 292.295 | |

²² Energy reduction does not include evolution in fuel car consumptions.

Table 9: Water Withdrawal Quantities in Megalitres (ML) from high water stress areas

| | Surface Water | | Ground Water | | Seawater | | Produced Water | | Third Party Water | | Total Water Withdrawal | |
|--------------|---------------|-------------|--------------|-------------|------------|-------------|----------------|-------------|-------------------|-------------|------------------------|-------------|
| | Freshwater | Other Water | Freshwater | Other Water | Freshwater | Other Water | Freshwater | Other Water | Freshwater | Other Water | Freshwater | Other Water |
| Total | | | | | | | | | | | 1.891 | |

d. Any contextual information necessary to understand how data has been compiled, such as any standards, methodologies, and assumptions used.

The WWF Water Risk Filter is a corporate and portfolio-level screening and prioritisation tool to enable companies and investors to assess and respond to their water risks both now and in the future. This

tool is used to identify high water resources risks production sites at Hager Group in a scenario analysis approach.

**GRI SRS 306-3
Waste by type and disposal method**

The reporting organisation shall report the following information:

- a. Total weight of waste generated in metric tons, and a breakdown of this total by composition of the waste.
- b. Contextual information necessary to understand the data and it data has been compiled.

Table 10: Breakdown of the total waste production by Hager Group production sites by composition in Metric Tons

| | Total waste | Recycling | Other end of life treatment | Incineration |
|-----------------------------|---------------|-----------|-----------------------------|--------------|
| Cardboard | 1.382 | 1.131 | 251 | - |
| Plastics | 2.206 | 912 | 810 | 484 |
| Normal industrial waste mix | 1.514 | 1 | 333 | 1.180 |
| Metal | 10.799 | 10.799 | - | - |
| Copper | 1.451 | 1.451 | - | - |
| Mixed electronics | 407 | 76 | 329 | 1 |
| Wood | 779 | 563 | 169 | 48 |
| Other | 152 | 108 | 44 | 1 |
| Bio waste | 146 | 113 | 30 | 3 |
| Special industrial waste | 681 | 266 | 219 | 196 |
| Batteries | 126 | 126 | 1 | - |
| Total | 19.643 | | | |

GRI SRS 305-1 Direct (Scope 1) GHG emissions

The reporting organisation shall report the following information:

- a. Gross direct (Scope 1) GHG emissions in metric tons of CO₂ equivalent.
26.646
- b. Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.
All gases are included in the calculation.
- c. Biogenic CO₂ emissions in metric tons of CO₂ equivalent.
- d. Base year for the calculation, if applicable, including:

- i. the rationale for choosing it;
The year was chosen because the reference year of the whole report is 2021. Data in terms of quality and availability was fitting.
 - ii. emissions in the base year;
 - iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.
- e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.
Sources of emission factors: the IEA and French Environment and Energy Management Agency (ADEME) databases.

- f. Consolidation approach for emissions; whether equity share, financial control, or operational control.
- g. Standards, methodologies, assumptions, and/or calculation tools used.
The Greenhouse Gas Protocol²³ was followed as a methodology to calculate the three scopes of emissions.

GRI SRS 305-2 Energy indirect (Scope 2) GHG emissions

The reporting organisation shall report the following information:

- a. Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO₂ equivalent.
32.564
- b. If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO₂ equivalent.
- c. If available, the gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.
All gases are included in the calculation.

- d. Base year for the calculation, if applicable, including:
 - i. the rationale for choosing it;
The year was chosen because the reference year of the whole report is 2021. Data in terms of quality and availability was fitting.
 - ii. emissions in the base year;
 - iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.
- e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.
Sources of emission factors: The IEA and French Environment and Energy Management Agency (ADEME) databases.

- f. Consolidation approach for emissions; whether equity share, financial control, or operational control.
- g. Standards, methodologies, assumptions, and/or calculation tools used.
The Greenhouse Gas Protocol was followed as a methodology to calculate the three scopes of emissions.

²³ The standard covers the accounting and reporting of seven greenhouse gases covered by the Kyoto Protocol – carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆) and nitrogen trifluoride (NF₃). It was updated in 2015 with the Scope 2 Guidance, which allows companies to credibly measure and report emissions from purchased or acquired electricity, steam, heat and cooling.

GRI SRS 305-3 Other indirect (Scope 3) GHG emissions

The reporting organisation shall report the following information:

- a. Gross other indirect (Scope 3) GHG emissions in metric tons of CO₂equivalent.
2.664.170
- b. If available, the gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.
- c. Biogenic CO₂emissions in metric tons of CO₂equivalent.
All gases are included in the calculation.
- d. Other indirect (Scope 3) GHG emissions categories and activities included in the calculation.

- Purchased goods and services
 - Capital goods
 - Upstream energy
 - Upstream transportation & distribution
 - Waste generated in operations
 - Business travels
 - Employees commuting
 - Downstream transportation & distribution
 - Use of sold products
 - End-of-life of sold products
- e. Base year for the calculation, if applicable, including:
 - i. the rationale for choosing it;
Reduction is from 2021 to 2022. Data in terms of quality and availability is fitting starting 2021 as the base year.

- ii. emissions in the base year;
- iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.

- f. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.

Sources of emission factors: the IEA and French Environment and Energy Management Agency (ADEME) databases.

- g. Standards, methodologies, assumptions, and/or calculation tools used.

The Greenhouse Gas Protocol was followed as a methodology to calculate the three scopes of emissions.

GRI SRS 305-5 Reduction of GHG emissions

The reporting organisation shall report the following information:

- a. GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO₂equivalent.
- 4.730 tCO₂e
- b. Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.
All gases are included in the calculation.
- c. Base year or baseline, including the rationale for choosing it.
The year was chosen because the reference year of the whole report is 2021. Data in terms of quality and availability was fitting.
- d. Scopes in which reductions took place; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).
Scope 1 & 2

- e. Standards, methodologies, assumptions and/or calculation tools used.

We have set science based reduction targets by 2030 compared to our baseline year 2021:

- -50% on scopes 1 & 2 emissions
- -25% on scope 3 emissions

| | 2021 baseline (tCO ₂ e) | 2022 results with 2022 emission factors (tCO ₂ e) | Hager Group's reduction |
|-------|------------------------------------|--|-------------------------|
| Total | 59.210 | 54.479 | -8% |

Social

GRI SRS 201-1

Direct economic value generated and distributed

The reporting organisation shall report the following information:

- a. Direct economic value generated and distributed (EVG&D) on an accruals basis, including the basic components for the organisation's global operations as listed below. If data are presented on a cash basis, report the justification for this decision in addition to reporting the following basic components:
 - I. Direct economic value generated: revenues;
 - II. Economic value distributed: operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments;
 - III. Economic value retained: 'direct economic value generated' less 'economic value distributed'.
- b. Where significant, report EVG&D separately at country, regional, or market levels, and the criteria used for defining significance.

Table 13: Direct economic value generated and distributed

| | | Value in k€ |
|---------------------------------|---|-------------|
| Direct economic value generated | Revenues | 2.245.957 |
| Economic value distributed | Production costs of the services rendered to generate sales | 1.292.631 |
| | Wages And Salaries | 540.981 |
| | Social Security Expenses | 146.115 |
| | Pensions Costs | 14.136 |
| | Gross Profit | 953.326 |
| | Other expenses | 742.526 |
| Economic value retained | Net Income | 210.800 |

Table 14: Distribution of revenues per sector for the year 2021

| Revenues per sector | k€ | % |
|---------------------|-----------|------|
| Housing | 778.050 | 35% |
| Protection devices | 762.914 | 34% |
| Building control | 466.621 | 21% |
| Energy Storage | 171.406 | 8% |
| Other | 66.966 | 3% |
| | 2.245.957 | 100% |

Table 15: Distribution of revenues per Geographical Zone for the year 2021

| Revenues by geographical zones | k€ | % |
|--------------------------------|-----------|------|
| Germany | 877.415 | 39% |
| Northern and Central Europe | 395.366 | 18% |
| France | 320.992 | 14% |
| Rest of Europe | 238.136 | 11% |
| South Europe | 175.211 | 8% |
| Asia | 129.739 | 6% |
| Rest of the world | 109.099 | 5% |
| | 2.245.958 | 100% |

GRI SRS 403-4

Worker participation, consultation, and communication on occupational health and safety

The reporting organisation shall report the following information for employees and for workers who are not employees but whose work and/or workplace is controlled by the organisation:

- a. A description of the processes for worker participation and consultation in the development, implementation, and evaluation of the occupational health and safety management system, and for providing access to and communicating relevant information on occupational health and safety to workers.
As part of the ISO 45001 Systems, at any moment employees can contact the Occupational Safety Specialist (FASI) or their direct manager should they have any questions. Employees at Hager Group indubitably constitute the organisation's most significant interested party, whose needs and expectations are identified and addressed. The Occupational Health and Safety

Committees seek out their views on health and safety concerns regarding work activities, products or services. They follow up on inquiries, requests, complaints or suggestions made by employees to learn more about their expectations. The Health and Safety Committee meetings are an excellent forum to gather and evaluate workers' concerns. Regular employee satisfaction surveys are available for specific concerns and are recorded to develop plans to address them. An effective and immediate method for employee participation is Kaizen alerts cards, this method is implemented in factories where health and safety risks are the highest. These Kaizen cards are available on site for workers to fill in when they identify a near-miss or safety risk to report on for immediate and/or longer-term actions to address them.

- b. Where formal joint management-worker health and safety committees exist, a description of their responsibilities, meeting frequency, decision-making authority, and whether and, if so, why any workers are not represented by these committees
There are dedicated Occupational Safety Committees per subsidiary that meet regularly (typically quarterly but that could vary depending on the country). The committees typically²⁶ consist of the specialist for occupational safety (HS Manager) of the specific site, safety officers, company doctors, members of the work council, fire protection officer, the operations manager, an HR manager, and a representation from top management.

GRI SRS 403-9 (a + b)

Work-related injuries

The reporting organisation shall report the following information:

- a. For all employees:
 - I. The number and rate of fatalities as a result of work-related injury;
0
 - II. The number and rate of high-consequence work-related injuries (excluding fatalities);
0
 - III. The number and rate of recordable work-related injuries;
Number of Accidents: 110
Rate: 4,9
 - IV. The main types of work-related injury;
Absence of normalised group defined categories - each site reports based on National Requirements
- V. The number of hours worked.
22.128.720
- b. For all workers who are not employees but whose work and/or workplace is controlled by the organisation:
 - I. The number and rate of fatalities as a result of work-related injury;
0
 - II. The number and rate of high-consequence work-related injuries (excluding fatalities);
0
 - III. The number and rate of recordable work-related injuries;
-
 - IV. The main types of work-related injury;
-

- V. The number of hours worked.
It is illegal to record worked hours by external workforce in France.

²⁶ This can vary depending on the size and location of the site.

GRI SRS 403-10 (a + b) Work-related ill health

The reporting organisation shall report the following information:

- a. For all employees:
 - I. The number of fatalities as a result of work-related ill health;
 - II. The number of cases of recordable work-related ill health;
 - III. The main types of work-related ill health.

b. For all workers who are not employees but whose work and/or workplace is controlled by the organisation:

- I. The number of fatalities as a result of work-related ill health;
- II. The number of cases of recordable work-related ill health;
- III. The main types of work-related ill health.

No global group level reporting on work-ill related indicators.

GRI SRS 404-1 Average hours of training per year per employee

The reporting organisation shall report the following information:

- a. Average hours of training that the organisation's employees have undertaken during the reporting period, by:
 - I. gender;

| Gender | Total Hours | Number of people trained | Average hours by people trained |
|--------------|----------------|--------------------------|---------------------------------|
| Male | 72.204 | 4.902 | 14,73 |
| Female | 32.994 | 2.306 | 14,31 |
| TOTAL | 105.199 | 7.208 | 14,59 |

- II. employee category.

| Function | Number of training hours | Percentage |
|--|--------------------------|-------------|
| Manufacturing | 42.826 | 41% |
| Support function | 7.214 | 7% |
| Solution Development and Marketing | 4.317 | 4% |
| Engineering, Quality, Industrialisation, D&I | 24.927 | 24% |
| Supply Chain & Logistics | 4.250 | 4% |
| Sales | 21.665 | 21% |
| Total | 105.199 | 100% |

GRI SRS 405-1

Diversity of governance bodies and employees

The reporting organisation shall report the following information:

a. Percentage of individuals within the organisation's governance bodies²⁷ in each of the following diversity categories:

I. Gender;

| | |
|--------|-----|
| Female | 15% |
| Male | 85% |

II. Age group in years: under 30, 30-50, over 50;

| | |
|-------|--------|
| 60-64 | 15,35% |
| 55-59 | 34,62% |
| 50-54 | 38,46% |
| 45-49 | 7,69% |
| 40-44 | 3,85% |

III. Other indicators of diversity where relevant (such as minority or vulnerable groups).

b. Percentage of employees per employee category in each of the following diversity categories:

I. Gender;

| | |
|--------|-----|
| Female | 40% |
| Male | 60% |

II. Age group: under 30, 30-50, over 50;

III. Other indicators of diversity where relevant (such as minority or vulnerable groups)

²⁷ The governance body in this case is defined as the top Executives of the Group (including the board of executive directors).

Governance

GRI SRS 102-16

Values, principles, standards, and norms of behaviour

As a family business, the company founders' **courageous** entrepreneurial spirit, **authenticity** and **integrity** are values that shape the company's identity and business ethical behaviour²⁴. This starts by compliance with all national and international industry standards and in many instances go above and beyond what is required. Since 2020, an Ethics Charter²⁵ developed by the Sustainable Development department and validated by the

Executive Board serves as a reference framework to these values. The members of the Executive Board also maintain responsibility for chapters in the charter. Available in 17 languages, the charter aims at building up trust between all company stakeholders and ensures accountability regarding sustainable and ethical issues. The Ethics Charter is reviewed regularly and is signed by all Hager Group employees as a commitment to its

importance and value. Training on ethics in business is given regularly to governance body members, workers performing the organisation's activities, through two modules:

- Ethics in Business: Know your basics
- Ethics in Business: Wake-up your values

GRI SRS 414-1

New suppliers that were screened using social criteria

The reporting organisation shall report the following information:

- Percentage of new suppliers that were screened using social criteria.

All new suppliers of direct materials will be screened after their onboarding by the third-party software solutions using social criteria.

GRI SRS 414-2

Negative social impacts in the supply chain and actions taken

The reporting organisation shall report the following information:

- Number of suppliers assessed for social impacts.
- Number of suppliers identified as having significant actual and potential negative social impacts.
- Significant actual and potential negative social impacts identified in the supply chain.

- Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment.
- Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why.

In compliance with the German Supply Chain act, we have implemented a third-party software solution to assess and identify suppliers against environmental and social criteria as described. The software has been implemented in Q2 2022 for screening in 2023 in accordance to the effectiveness of the act.

²⁴ Detailed description of Hager Group values are available on the company's corporate website: <https://hagergroup.com/en/values>

²⁵ Updated in 2018, the Ethics Charter text is available on the company's corporate website: <https://hagergroup.com/en/sustainability/ethics/ethics-charter>

GRI SRS 102-35 Remuneration policies

The reporting organization shall report the following information:

- a. Remuneration policies for the highest governance body and senior executives for the following types of remuneration:
 - I. Fixed pay and variable pay, including performance-based pay, equity-based pay, bonuses, and deferred or vested shares;.
 - II. Sign-on bonuses or recruitment incentive payments;
 - III. Termination payments;
 - IV. Clawbacks;
 - V. Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees.

- b. How performance criteria in the remuneration policies relate to the highest governance body's and senior executives' objectives for economic, environmental, and social topics.

a. Our employees are paid according to collective agreements in their respective countries, in Germany the following collective agreements are in place:

- **chemical collective agreement (State of Saarland): Hager Vertriebsgesellschaft mbH & Co.KG, Blieskastel**
- **chemical collective agreement (State of Rhineland-Palatinate): Tehalit GmbH, Heltersberg**

- **metal & electrical collective agreement (Area of Saarland): Hager Electro GmbH & Co.KG, Blieskastel**
- **metal & electrical collective agreement (State of North-Rhine Westphalia): Berker GmbH & Co.KG, Ottfingen**

- b. **Our collective bonus scheme, including for top executives, is covering 4 dimensions: Business, customer, employees and sustainability: For each dimension we have measure with concrete KPI per year our performance.**

GRI SRS 102-38 Annual total compensation ratio

The reporting organization shall report the following information:

- a. Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.

Hager Group does not report on the annual compensation ratio of the highest-paid employee to the median level of total annual compensation for all employees.

GRI SRS 205-1

Operations assessed for risks related to corruption

The reporting organisation shall report the following information:

- a. Total number and percentage of operations assessed for risks related to corruption.

All our operations are assessed for risks related to corruption by our Global Risks Management team.

- b. Significant risks related to corruption identified through the risk assessment

In 2021, our assessment identified two corruption related risks that require vigilance: fraud.

GRI SRS 205-3

Confirmed incidents of corruption and actions taken

The reporting organisation shall report the following information:

- a. Total number and nature of confirmed incidents of corruption.

- b. Total number of confirmed incidents in which employees were dismissed or disciplined for corruption.

- c. Total number of confirmed incidents where contracts with business partners were terminated or not renewed due to violations related to corruption.

- d. Public legal cases regarding corruption brought against the organisation or its employees during the reporting period and the outcomes of such cases.

No cases for corruption have been identified in 2021 in Hager Group operations. Alerts received were found to be unfounded and did not lead to confirmed corruption cases.

GRI SRS 419-1

Non-compliance with laws and regulations in the social and economic area

The reporting organisation shall report the following information:

- a. Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area in terms of:
 - I. total monetary value of significant fines;
 - II. total number of non-monetary sanctions;
 - III. cases brought through dispute resolution mechanisms.

- b. If the organisation has not identified any non-compliance with laws and/or regulations, a brief statement of this fact is sufficient.

- c. The context against which significant fines and non-monetary sanctions were incurred.

In 2021 there were no fines or/and non-monetary sanctions imposed on Hager Group.

GRI SRS 412-1

Operations that have been subject to human rights reviews or impact assessments

The reporting organisation shall report the following information:

- a. Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country.

In all Hager Group operations (production sites and offices) worldwide, minimum requirements for human and employee rights are observed according to our ethics charter and respective national laws. No separate reviews are conducted.

GRI SRS 412-3

Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening

The reporting organisation shall report the following information:

- a. Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.

- b. The definition used for 'significant investment agreements'.

All Merger & Acquisition operations are considered significant investment agreements.

In 2021, no significant investments took place. Our human rights clauses are included in our Legal Due Diligence process.

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