



DEHN protects.

Sustainability Report 2023/24

About this report

In its Sustainability Report, HANS DEHN Holding SE + Co KG (hereinafter: DEHN) provides a transparent and comprehensive insight into its sustainability organization, strategy and performance. Where possible, the report covers the entire Group and relates to the financial year from July 1, 2023 to June 30, 2024. Some data, such as consumption figures, relate to the 2023 calendar year due to underlying measurement periods, being marked accordingly.

DEHN will not be subject to the requirements of the German implementation of the European Union's Corporate Sustainability Reporting Directive until the 2025/26 financial year. Nevertheless, we are publishing this report on a voluntary basis and are already aligning ourselves with the legal requirements in order to emphasize and document the importance that sustainability has for our actions.

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Sustainability in numbers

 **2,500**
people are working for us globally.

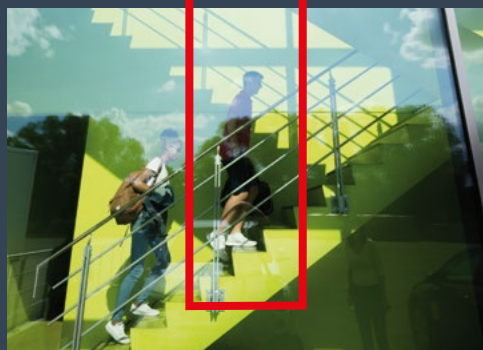
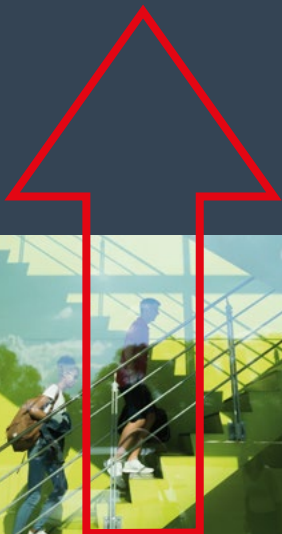
149 
young people are currently doing an apprenticeship or a dual study program at our company.


1,250
kWp are generated by the photovoltaic system at our site in Mühlhausen.

1,100 
patents are held by us in the areas of lightning protection, surge protection and occupational safety.

2000 
is the year in which we were first certified according to ISO 14001.

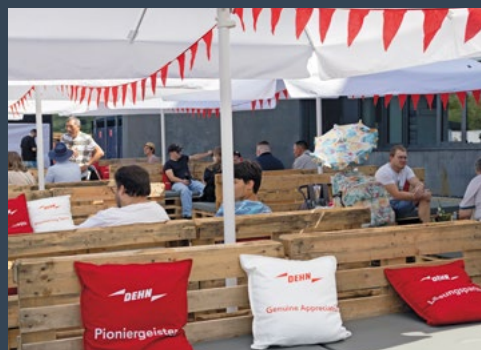
 **20**
percent is the share of sustainable materials we want to use in our products until 2030.



Good corporate governance

We are committed to values-oriented management and make principles of ethical behavior an integral part of our corporate culture.

32



Responsible and attractive employer

We strengthen our competitiveness and future viability by recruiting, developing and retaining qualified and innovative employees.

43



Responsibility for our products and services

We apply the highest quality and safety standards to our products and work on concepts to promote their recyclability.

56



Ecological responsibility

We regard protecting the climate and the environment as an essential part of our corporate responsibility and as a long-term basis for doing business successfully.

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Letter to the stakeholder

Dear reader,

Sustainability has received more and more attention in recent years – in business, politics and society. In many contexts, the term itself has found almost inflationary use, especially in the communication of many companies.

I would not want to claim that our company was founded for reasons of sustainability. But when I look back on our 114-year company history, I can say with conviction that we made the core idea of **sustainability an integral part of our corporate culture** very early on. Manufacturing innovative products to protect people and facilities, taking responsibility for employees and society and carefully using the resources provided by nature were and still are the cornerstones of our actions.

For us as a family business, sustainability also means thinking in terms of generations, and “family” has several meanings for me in this respect. On the one hand, we as the Dehn family follow in the tradition of my great-grandfather Hans Dehn, who always emphasized **corporate responsibility that goes beyond financial success**. On the other hand, we live the idea of a business family that firmly embraces our employees – and has often done so for many generations. It is not unusual for me to meet people in our company whose parents, grandparents or even great-grandparents have worked for DEHN.

This does fill me with pride and humility at the same time, because it reminds me that it is the task of all of us to leave behind not only a successful company for future generations, but also an environment that permits to lead a life worth living. For me, **economic, ecological and social responsibility** are always **inseparable!**

How we take on this task and the associated challenges is documented in our sustainability report. It is being published for the first time this year, which also makes me proud. Our report is another consistent step in making our company sustainable and gives us the opportunity to provide you with comprehensive information about our path.

We are aware that this path requires “**staying power**”. But as a company that was founded in 1910, we know what **perseverance** means. We have successfully reached many of the milestones along the way in recent years.

In the financial year 2023/24, we developed a sustainability strategy for the first time and derived specific fields of action from it. To implement our strategy effectively, we have created responsibilities and established clear structures and processes. This also supports us in our preparations for **mandatory sustainability reporting**, which will be binding for us **from the 2025/26 financial year onwards**.

The fact that we want to meet the associated requirements a year early shows our ambition at DEHN to always be one step ahead along the way.

The foundation for all of this is the motivation and dedication of our employees. I would like to express my sincere thanks to them. Together, we will continue to drive forward the sustainable transformation of our company with determination – always committed to protecting companies, people and the environment.


I wish you an interesting read and look forward to an inspiring dialogue with you.

Yours sincerely
Dr. Philipp Dehn
Managing Partner



About us

We are a leading family-owned electrical engineering company operating globally whose comprehensive portfolio is consistently aligned with the megatrends of the 21st century – from electro mobility and renewable energies to digitalization. Following our guiding principle “DEHN protects”, our mission is to protect people and the environment. As a company with over one hundred years of tradition, we are familiar with long-term thinking and are dedicated to make our contribution to sustainable development.



Logistics center and
production site in Mühlhausen

Our history

The roots of our company go back to 1910, when Hans Dehn registered a business for the “installation of electrical systems” in Nuremberg on January 21. Driven by a spirit of innovation, eight years later he received the first patent for a new lightning protection component, establishing the core of our business model.

In the following years, the company grew rapidly – also due to the successful installation of lightning protection systems for buildings. In 1933, the second generation, comprising the sons Walter and Willy, took over responsibility, before the youngest son Richard joined DEHN & SÖHNE in 1941. Due to a lack of expansion possibilities in Nuremberg, production was relocated to Neumarkt in der Oberpfalz in 1948.

In 1953, DEHN was the first manufacturer in the world to launch a surge protective device for low voltage onto the market, laying the foundation for surge protection as today's largest product group and at the same time for our three business pillars lightning protection, surge protection and occupational safety

on which the company still rests today. In the same year, the internationalization of our company began with the opening of a foreign subsidiary in Austria.

After further innovations in the 1960s and 1970s, such as the world's first surge arrester as a modular device for the so-called “Hut-schiene”, the third generation, Hans-Joachim and Thomas Dehn, took over the management in 1981. They continued innovative product development and internationalization of the company beyond the turn of the millennium.

In 2011, Dr. Philipp Dehn from the fourth generation of the family joined the company, which was renamed DEHN SE + Co KG in 2019. In 2022, the parent company DEHN SE + Co KG finally became a holding company, HANS DEHN Holding SE + Co KG, while the entire operating business was transferred to the newly founded DEHN SE at the same time.

Manufacturing of lightning protection components in Nuremberg in 1935





Our business model

The continuous importance of product and technology development throughout all periods of our company's history is reflected in more than 1,100 patents DEHN holds today. They make us the innovation leader in the fields of lightning protection, surge protection and occupational safety. Our products protect people and buildings, systems and telecommunications technology, the process industry as well as photovoltaic and wind power plants.

The development of successful technical innovation is in our DNA, but it is also rooted in our ability to change. For us, this implies leaving the beaten path, embracing new concepts, trying out the unknown and being open to unusual ideas and approaches.

We constantly re-evaluate our products and processes in order to identify market developments at an early stage and meet rapidly changing customer requirements. This analysis forms the basis for our research and development department, which is divided into basic and series development. In the basic research area, we work on the basis of lightning and surge protection and possible alternative solutions. We have extensive test laboratories for this purpose, especially at our site in Neumarkt. They allow us to continue driving forward innovations and new technologies at high pace.

This is how we create the foundation for our claim to be the innovative and visionary partner at our customers' side. Based on experience, knowledge and foresight, we develop the right products and services with them and for them. When doing so, we consider the interaction of products and services, because we see ourselves not only as a manufacturing company, but also as a holistic provider of future-oriented solutions.

DEHN in figures

2,500 employees worldwide generated sales of 436 million euros in the 2023/24 financial year. 220 of them were employed in research and development, which underlines the central role of innovation in our company's success. To also ensure future success, we attach great importance to the training and consistent development of our employees in all areas and at all levels. We see the development of young people in particular not only as a cornerstone for securing the future viability of our company, but also as a part of our social responsibility. There is a reason why 149 young people were in vocational or dual training with us in the 2023/24 financial year.

Another strategic building block for the future success of our company lies in its consistent internationalization. We already offer our portfolio of over 4,000 devices and components in 70 countries through 23 foreign subsidiaries and selected partners. Sales generated abroad amounted to 186 million euros in the past financial year, accounting for more than 42% of our turnover.

We also seek to continuously improve our sustainability performance. What we have achieved so far and which goals we have set ourselves is described in the chapters on the four fields of action comprised by our sustainability strategy.



4,000

devices and components

220

employees working in
research and development

114

years of successful
business history

436

million euro turnover
in the 2023/24 fiscal year

186

million euro turnover abroad,
making up more than 42% of our
total turnover



DEHN Executive Board (from left to right):
Christian Höhler, Chief Technology Officer (CTO)
Boris Wolff, Chief Sales Officer (CSO)
Dr. Philipp Dehn, Chief Executive Officer (CEO)
Florian Bohlmann, Chief Financial Officer (CFO)
Christian Köstler, Chief Operating Officer (COO)

Sustainability at DEHN

At DEHN, we pursue an integrative understanding of sustainability. Assuming economic, ecological and social responsibility is an integral part of our corporate culture. Building on this value-driven foundation, we have created the necessary structures and processes to anchor sustainability in our organization. Our sustainability strategy, in which we have defined the fields of action that are crucial to us and developed ambitious goals, ensures a systematic approach.

Our understanding of sustainability

For us, sustainability means uniting economic, ecological and social responsibility. Since our company was founded in 1910, we have been aware that we can only enjoy commercial success if we treat our employees fairly, meeting them on eye-level. Social responsibility to us also means creating a benefit for society at our locations by offering secure, state of the art jobs, and actively promoting the well-being of people.

As a family-run company, we see it as our responsibility to pass on a solid and sustainable company to our children and grandchildren. At the same time, we want to leave behind a functioning ecosystem for future generations so that they in turn can shape a future worth living. Since 2000, we have been one of the first companies in Germany to be certified in accordance with DIN EN ISO 14001 for our environmental management and are continuously expanding our activities in the area of climate and environmental protection.

Our integrative understanding of sustainability is based on values in how we deal with one another – both within our company and with our stakeholders. Being respectful, honest, open and fair is essential for us. Our corporate culture, which is characterized by short lines of communication and open doors, thrives on direct exchange and creative contest for the best approaches and solutions. We also show this openness to our stakeholders, as we regard their concerns and ideas as drivers of continuous improvement for us.

Protecting what is valuable is the core of our business model and firmly anchored in our DNA. We use innovative solutions to protect people and buildings, as well as critical infrastructure. We are proud that an increasing proportion of our products are being used in wind power and photovoltaic systems, strengthening our contribution to sustainable development.



Exhibition stand
Light+Building 2024

This understanding guides both our actions and our decisions. It has therefore also shaped the structure of this report, which is based on our four areas of responsibility:

Good corporate governance

Responsible and attractive employer

Responsibility for our products and services

Ecological responsibility

“Connecting the dots” between these four areas is important for us in two ways. First, it is crucial for us to understand the diverse and often dynamic connections between them and to resolve contradictions. We can already perceive that social and ecological responsibility is not a driver of cost, but a prerequisite for a strong competitive position.

Second, it also means tackling the entrepreneurial and social challenges of the future in a joint effort. This implies a collaboration between business, politics, civil society and science. In line with the United Nations Sustainable Development Goals (SDGs), we believe that “partnerships to achieve the goals” (goal no. 17) are the best way to create a future worth living also in the long term.

An approach based on partnership also characterizes our sustainability organization, which we describe in the next chapter. We are convinced that successful sustainability management is not based on isolated actions, but on teamwork.

17 PARTNERSHIPS
FOR THE GOALS



DEHN

Sustainability organization



“For us, sustainability is a team effort in which we want to involve our employees across the entire organization. After all, it is our declared goal to act sustainably in all areas of our company.”

Florian Bohlmann
Chief Financial Officer

At DEHN, we ensure an effective sustainability management in our entire organization through clearly defined roles and responsibilities. In line with our holistic understanding, we view sustainability as a cross-departmental function that permeates all areas of our company. We pursue the approach of creating different opportunities for employee participation at the individual organizational levels. We do so being convinced that our employees can make a valuable contribution – from new ideas and suggestions for improvement to driving their implementation.

We also maintain an open and constructive dialog with our external stakeholders. This open exchange is a source of inspiration that helps us to continuously improve our sustainability management, particularly with regard to our products and services.

In our view, an effective sustainability organization is not only created by people, but also by efficient and adaptable structures and processes. We implement them based on recognized management systems, which we use to systematically identify, analyze and address opportunities and risks.

Our sustainability governance – clear roles and responsibilities

The first level of responsibility lies with the Executive Board of HANS DEHN Holding SE + Co KG and DEHN SE, which also constitutes the leadership of the other subsidiaries within the Holding Company in different compositions. This way we ensure a uniform approach across all companies belonging to our Group.

Our reporting is clearly focused on DEHN SE, as it accounts for the largest share of the operating business by far and therefore has the greatest leverage to contribute to sustainable development.

Our Executive Board assumes the responsibility resulting from this potential through his commitment to ingrain sustainability into our entire organization. He acts as an ambassador of sustainability in our town hall meetings and other formats, giving sustainability an important platform. Moreover, he plays an active role in shaping our sustainability strategy and company-wide sustainability goals.



Our cross-departmental sustainability team (from left to right): Jonathan König, Nicole Hofmann, Jan Meyer, Susanne Horn, Steffen Beier, Marion Müller, Bernhard Götz, Petra Raab, Anke Schröter, Andrea Meyer, Markus Graf, Andrea Kagerer, Thorsten Demmeler (Missing in the picture are: Natalie Weixelbaum, Katharina Mehringer, Dietmar Müller, Patrick Sommer)

The Executive Board regularly consults with the Corporate Development department, in which our sustainability management is anchored. We deliberately created this responsibility as we see sustainability as an important driver of our corporate development – also with regard to the development of new business areas, product design and strategic partnerships. In addition to the strategic direction of our sustainability activities, the Head of Corporate Development also coordinates cooperation on sustainability across the entire Group.

This applies to both the subsidiaries of DEHN SE itself and to the other companies belonging to HANS DEHN Holding SE + Co KG. Regular exchanges take place with the executive teams

of HD Immo GmbH, HD Asset GmbH + Co KG and HD Invest GmbH to ensure a uniform approach across our Group.

In addition to internal coordination, the Head of Corporate Development is also responsible for the dialog with our stakeholders and ensures that DEHN meets the extensive requirements that already arise now and in the future from regulatory frameworks such as the Corporate Sustainability Reporting Directive (CSRD) and the EU taxonomy.

The Head of Corporate Development is supported by a sustainability officer, who is in charge of the analyses undertaken prior to our strategy development and a wide range

of operational tasks. The sustainability officer also is responsible for surveying employees and external stakeholders, as well as other exchange formats. The collection of ESG information, particularly in the context of reporting, is another task. In addition, the sustainability officer organizes the work of our sustainability team, through which we ensure an approach to sustainability that spans organizational boundaries. It comprises members from all relevant areas of the company, from procurement to production and on to sales. We have also integrated important cross-divisional functions such as HR and Finance to ensure a holistic approach and coordination.

Specialized functions such as environmental management play an important role in the team. This is where key issues of ecological sustainability lie, which are of particular relevance to us as a manufacturing company. The governance dimension in our team is represented by an employee from the Legal + Compliance department.

The team is closely engaged in the development and implementation of our sustainability strategy, particularly in the respective

areas of responsibility. As far as reporting is concerned, the members are responsible for generating the necessary department-specific information and key figures and passing them on for reporting. In addition, our team members act as ambassadors in their departments to address questions and to raise employees' awareness of the importance to act sustainably. In particular, where there is close collaboration with external stakeholders such as customers, suppliers and banks, it is their task to identify requirements and wishes and incorporate them into our team.

Stakeholder management – comprehensive exchange and dialog

At DEHN, we have maintained an open dialog on eye-level with our stakeholders since our company was founded. As a company operating on a global scale, we are aware that our business activities affect the interests of many people and the natural environment in different areas and countries. We therefore see it as part of our responsibility to consider the social and environmental impact of our actions and to shape them accordingly. After all, it is not only through our products protecting people from danger that we want to contribute to the well-being of our stakeholders.

From a management perspective, the systematic involvement of stakeholders creates considerable benefit for us. Their ideas, concerns and criticism help us to continuously expand and improve our sustainability activities. This is why we seek to engage with stakeholders beyond our value chain, such as universities and industry associations, in order to gain access to scientific findings and keep ourselves informed about current developments and trends.

We also involved selected stakeholders in our sustainability management as part of the materiality analysis. As a first step, we identified our company's stakeholder groups. In a second step, we conducted an assessment in order to take account of the fact that it is not possible to enter into a dialog with all stakeholder groups. The decisive factor for this assessment was an evaluation of the influence the respective stakeholder group can exert on us and the extent of information they expect from our company. The result of our identification and assessment is shown in the illustration on the right.

By involving various stakeholder groups, we obtain differentiated perspectives when determining the material sustainability issues for us. The exchange with them also helps us to identify potential opportunities and risks for our company arising from sustainability issues.

Stakeholder management

Stakeholders marked in red were included in our materiality analysis.



Opportunity and risk management – prudent and successful long-term action

Systematically identifying opportunities and risks is firmly anchored in our sustainability organization and is of central importance for the development of our sustainability strategy. The analysis of opportunities and risks is crucial in determining material issues for us. We deliberately consider non-financial as well as financial aspects, because social, environmental and governance risks can also have significant negative consequences for our company. They include not only reputational risks, but also regulatory, technology and event risks.

As an international company with extensive supply chains, we are exposed to many of these risks, which we explain in more detail in the presentation of our material topics. They range from physical and transitory climate risks to socio-economic risks such as the shortage of skilled workers, and legal risks resulting from tightening regulatory requirements, particularly with regard to environmental protection.

They are accompanied by direct monetary risks such as penalties and fines. However, there is also a growing expectation among customers and investors, who are increasingly making the fulfillment of certain ESG criteria part of their supplier selection or lending process. Inadequate performance or documentation entails the risk of losing orders and making access to capital more difficult. However, this business practice also presents significant opportunities for our company, as our competitive strengths gives us the ability to design new sustainable products and processes and differentiate ourselves from competitors.

We are implementing a holistic and integrated opportunity and risk management system to ensure the financial success of our company and its future viability by identifying, assessing and managing opportunities and risks at an early stage. Overall responsibility for the successful introduction of the system and its effectiveness lies with our Chief Financial Officer. The Supervisory Board, which is responsible for assessing the appropriateness and effectiveness of the system, receives a risk report twice a year.

Operational identification, assessment, management and reporting will be the responsibility of the operating units, as they are closest to the relevant opportunities and risks. In line with this approach, we have also assessed opportunities and risks in accordance with the European Sustainability Reporting Standards (ESRS) as part of our materiality process. The opportunities and risks identified were assessed in terms of their potential extent and probability of occurrence. In a first step, we calculated risks as gross risks before taking preventive measures into account.

When carrying out profound risk assessments, we benefit from acknowledged management systems that we use in various areas.





Management systems – integration for greater effectiveness

Another key component of our sustainability organization is a connected set of management systems that we use to continuously improve our financial, environmental and social performance. In doing so, we consistently follow our understanding of sustainability: on the one hand, financial success is increasingly dependent on our social and ecological performance and, on the other, social and ecological sustainability is not possible without a solid economic foundation.

We also apply this holistic approach to our management systems, which we consider to be interlinked rather than isolated, as the issues they address are highly interdependent. Our understanding of quality reflects this approach. For DEHN, quality does not only mean providing our customers with high-quality and faultless products and services. We also continuously improve our performance through smooth processes, which fall within the responsibility of all our employees.

We have been certified according to DIN EN ISO 9001 since 1994. Annual audits and a complete re-audit every three years ensure that a viable quality management system is in place at DEHN. Just four years later, we implemented an environmental management system in accordance with DIN EN ISO 14001, which we have continuously expanded since then. It is also part of our quality claim to keep our impact on the environment as low as possible. That is why we have also been certified to DIN EN ISO 50001 since 2020 in order to gradually improve our energy management.

In line with ISO, we link the individual management systems in order to make good use of synergies. One example for this is the collection of data and the design of measures. Their operational implementation takes place in the various divisions of our company based on our value chain. However, we also want to optimize process quality in cross-divisional functions such as human resource and financial management.

To achieve this goal, we will continue to expand the use of IT solutions in the coming years to obtain more information and transparency regarding inputs, processes and results. This is because IT-based systems not only enable us to make processes even more efficient and therefore more environmentally friendly, but also to further optimize the operational and strategic management of our company.



Since 2000, we have been operating an environmental management system in accordance with DIN EN ISO 14001.



Since 2020, our energy management system has also been certified in accordance with DIN EN ISO 50001.

Four pillars for ensuring quality

Satisfied customers
The satisfaction of our customers is at the heart of everything we do.

Responsible employees
Quality is the responsibility of all employees.

Controlled processes
Through robust design, flawless parts and controlled and standardized processes, we create exceptional quality.

Measurable performance
We make the quality of our services measurable in all areas in order to constantly improve.

A talk with Nicole Hofmann Sustainability officer

Nicole Hofmann, Sustainability Officer, supports the Director of Corporate Development, Susanne Horn, in shaping and implementing the topic of sustainability at DEHN. She coordinates projects, manages the dialogue with stakeholders and oversees the development of CSRD reporting, including our new Daato reporting platform. But this is just a selection of her responsibilities. We asked her about her motivation, her tasks and upcoming challenges.

Ms Hofmann, why did you decide to focus your work on sustainability at DEHN?

There are many reasons for doing so, both personal and professional. As mother of a young daughter, I want her to be able to grow up in a world worth living in. I see it as my responsibility to make this possible as best I can. That's why I'm thrilled when I can contribute to sustainable development not only in my private life, but also within the company.

However, I am convinced that companies must not only address the issue of sustainability out of a sense of social responsibility. It is also in their own economic interest. After all, sustainability is already very important for competitiveness today and will become even more important in the future. And last but not least, it is a topic that entails many exciting tasks.

You have mentioned exciting tasks. Can you explain some of them to us in more detail?

Absolutely! In the beginning, I was very busy coordinating the work of our project team and actively contributing to the development of our sustainability strategy. It's nice to get to know a lot of colleagues better when doing so. I was also responsible for surveying the individual stakeholders and analyzing their responses. It was exciting to see how our stakeholders rate the importance of sustainability and individual topics. Recently, of course, there has been a lot of focus on the Corporate Sustainability Reporting Directive, which will also affect us from the 2025/26 financial year. We don't want to put this off and want to be prepared.





What exactly does the CSRD demand?

The CSRD is a reporting requirement. We have to provide extensive information on environmental, social and governance issues, commonly referred to as “ESG”, in our annual report. This involves qualitative information, such as a description of our sustainability strategy, but quantitative key figures must also be disclosed, such as our CO₂ emissions. In total, we will have to report around 500 so-called “data points”. That’s quite a lot. The requirements must be met very precisely. This is also reflected in the fact that an auditing firm will have to audit this sustainability report, as it is also the case in financial reporting.

Does the CSRD only apply to DEHN SE or to all companies belonging to HANS DEHN Holding SE + Co KG?

It applies to all companies belonging to the holding company, as we publish our management report at this level. Therefore, all subsidiaries of the Group companies must also be taken into account, creating additional

complexity. For example, we have to obtain environmental and HR data from all our subsidiaries worldwide, which leads to quite a flood of data.

How do you manage such a wealth of data?

Not with Excel (laughs)! We wanted to prevent us and the auditor from having to go through countless Excel sheets, as they are not only confusing but also prone to errors. We therefore introduced a software solution that allows us to collect, view, check and merge data specifically at the level of the individual units.

That still sounds challenging enough.

It is. Our reporting solution, like all the others, is still relatively new. Here and there you come across a “bug” that needs to be fixed. But that’s part of it. The big challenge for us is getting all the relevant data from the individual companies in our Group. We will also have to work on raising awareness and creating responsibilities among our people.

Doesn’t this Sisyphean task and the other challenges you mentioned sometimes make you want to quit the whole exercise?

No, not at all. Otherwise, it would be boring. I see it as a learning process, for me, but also for our entire company. Sometimes you cannot only move forward and have to take a few steps back. But I am confident that we are already in a good position and will master the challenges ahead successfully!

Sustainability strategy

“We see sustainability as a key strategic issue. For us, it is not only part of our social responsibility, but also an opportunity to ensure the long term success of our company in an increasingly intense international competitive environment.”

Susanne Horn
Director Corporate Development



Our sustainability strategy is firmly anchored in our corporate strategy. After all, acting responsibly in our core business is a strategic cornerstone for us. Our strategy is decisive for the development and direction of all our sustainability activities and serves as a compass for our employees in their day-to-day work.

In this context, 16 overarching sustainability goals that we formulated in 2024 are our guideline. They are in line with our strategic corporate goals to ensure consistency in our actions. The goals are divided into four fields of action that are crucial to us and have been developed from a comprehensive materiality analysis.

It was also important for us to categorize and cluster the many existing sustainability activities as part of our strategy development. This enabled us to analyze which topics we are already well positioned in and which require improvement.

Our materiality analysis – setting a strategic focus

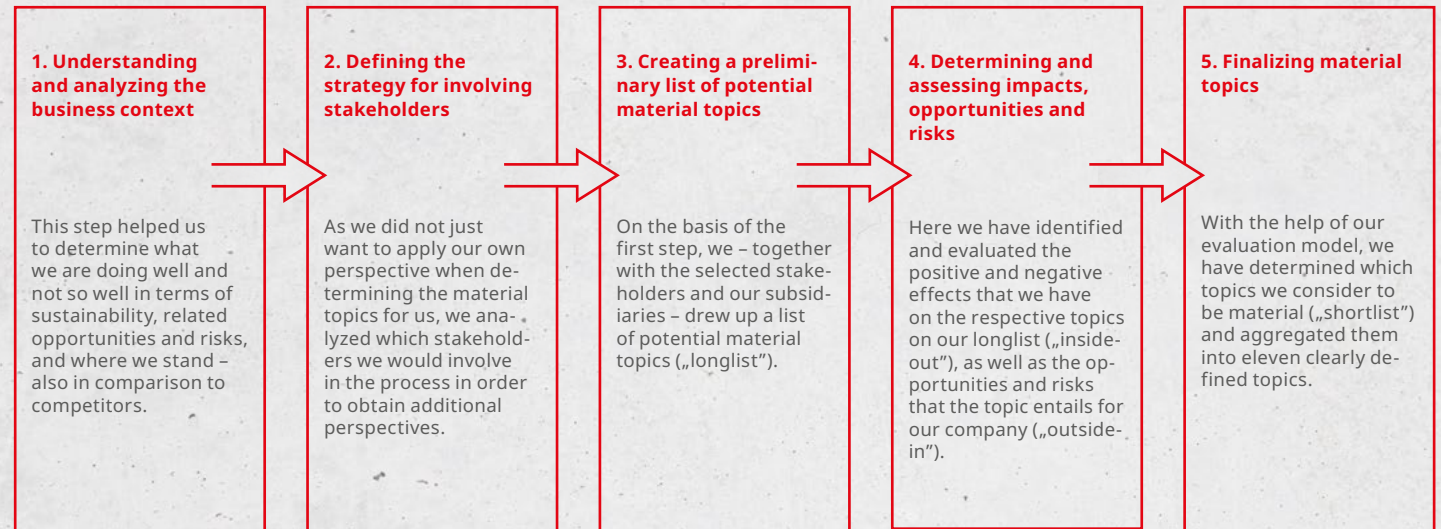
At DEHN, we see the identification of material topics not only as an important task in the course of sustainability reporting, but also as a core component of the strategic process. Determining the issues that are decisive for us allows us to deploy our resources in a targeted manner, also in order to generate strategic competitive advantage.

Although we will not be subject to the requirements of the Corporate Sustainability Reporting Directive (CSRD) and its German implementation until the 2025/26 financial year, we have already based our materiality analysis on the European Sustainability Reporting Standards (ESRS), which are specified by the CSRD as the binding reporting framework. By doing so, we not only ensure

compliance with regulatory requirements, but also rely on a well-founded process.

The leading role in the materiality analysis for the entire DEHN Group was played by DEHN SE as the largest company in the Group. It was responsible for steering and controlling the process. The first step consisted of a comprehensive strategic analysis, based on which we also mapped the context for our sustainability activities. This helped us to better understand internal prerequisites and external framework conditions and requirements. In line with this objective, our sustainability team of experts carried out an internal, external and competitor analysis, in which we looked at the sustainability activities of 16 competitors in order to benchmark us against peers and identify which sustainability issues are driving our industry.

Determining the material topics for DEHN step by step





In a second step, we identified and evaluated the stakeholders that are important to us as part of our active stakeholder management, which we described in the previous chapter. We asked four selected stakeholder groups of high importance to us – the Supervisory Board, employees, customers and banks – to assess the relevance of potential material topics for us in order to integrate additional perspectives into the process.

We carried out an identical step with the subsidiaries of DEHN SE, the majority of which are located abroad. Our aim was to check whether additional topics would be material for them due to other conditions in their business environment that we had not identified, but this was not the case. As many of our foreign subsidiaries are purely sales affiliates with no manufacturing activities, environmental issues are of lesser importance to them overall. We also validated the identified topics with the management of the other HANS DEHN Holding SE + Co KG companies to ensure that no topics were missing that could be material for the other companies in the Group.

For the topics classified as potentially material, we then identified and assessed both positive and negative impacts emanating from DEHN („inside-out perspective“) as well as the associated opportunities and risks for DEHN („outside-in perspective“). By doing so, we follow the „double materiality“ approach. The resulting list comprised 32 material topics for DEHN, which we aggregated into eleven overarching topics that were allocated in a materiality matrix.

Our materiality matrix – all important topics at a glance

The result of our comprehensive materiality analysis process, which ran from July 2023 to April 2024, is our materiality matrix. It provides an overview of the sustainability issues that are material to us. It is based on two dimensions:

The business relevance resulting from the “outside-in perspective” is shown on the horizontal axis. It reflects how importance the individual topics are for DEHN in terms

of business success and the future viability of our business model, which is why it is also referred to as „financial materiality“.

On the vertical axis, the “impact materiality” is displayed. From an “inside-out perspective”, it reflects the extent of the positive and negative impact of our business model and our actions on people and the environment.

In both perspectives, we include not only our own direct activities, but also our upstream and downstream value chain.

Our materiality matrix



- Good corporate governance
- Responsible and attractive employer
- Responsibility for our products and services
- Ecological responsibility

Our fields of activity – utilizing synergies

In order to group our eleven material topics into strategic clusters, we have assigned them to four fields of action, which represent the core areas of our sustainability strategy. By bundling related topics, we are able to organize the interfaces between them more effectively and exploit the resulting synergies. It also allows us to deploy our resources more efficiently and define overarching strategic goals.

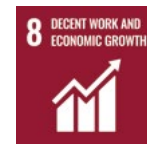
Sustainable development goals we contribute to through our commitment in the respective field of action.

Good corporate governance

Inspired by the Global Compact, the Sustainable Development Goals and the Guiding Principles on Business and Human Rights as important frameworks of the United Nations, we are committed to a values based corporate governance. We treat our stakeholders fairly and expect all employees to observe principles and standards of ethical and lawful conduct and to make them an integral part of our corporate culture. This understanding extends along our entire value chain, which is why we also consistently involve our business partners. Together with them, we want to ensure that we also act with integrity, legally compliant and sustainably outside our factory gates.

Allocated material topics

- > [Values and compliance management](#)
- > [Responsibility in the supply chain](#)



Responsible and attractive employer

As a company driven by development, qualified and innovative employees are of fundamental importance to us. Recruiting, developing and retaining them fosters our innovative strength and future viability. Fair and safe working conditions, which also take account of social changes such as the desire for flexible working hours and locations, are a fundamental prerequisite for this. As a company operating globally, we strengthen the diversity of our workforce and purposefully integrate people from different ethnic and cultural backgrounds.

Allocated material topics

- > [Occupational safety and health](#)
- > [Employee recruitment](#)
- > [Employee retention and development](#)



Responsibility for our products and services

Our aim is to fully meet our customers' expectations of our products and services. Quality and safety are fundamental components of our value proposition. For us, quality also means implementing smooth, efficient processes that enable us to use valuable resources carefully. In line with this approach, we also pursue a holistic approach to innovation that encompasses not only products, but also services, processes, technologies and business models.

Allocated material topics

- > [Customer and service orientation](#)
- > [Production and quality management](#)
- > [Innovation](#)



Ecological responsibility

At DEHN, we see the protection of the climate and our environment as an essential part of our corporate responsibility. We are aware that a functioning ecology is the long-term basis of all economic activity. As a manufacturing company, carefully using energy, and raw and input materials as well as developing recycling concepts is key to us in making a significant contribution to sustainable development. We also pursue this aim by designing all our activities in such a way that their impact on air, soil and water is minimized.

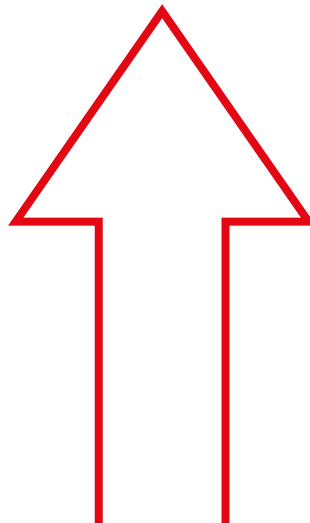
Allocated material topics

- > [Sustainable product design and circular economy](#)
- > [Climate protection and energy management](#)
- > [Environmental management](#)



Our goals – moving forward with ambition

Ambitious goals are part of DEHN's corporate culture. Without them, we would not have grown from a small enterprise into one of the world's leading electrical engineering companies. We also want to transfer this level of ambition to the four fields of action in our sustainability strategy. To follow up, we have defined four key strategic goals for each of them, which guide our approach and enable us to monitor our progress and ultimately our achievement of these goals. This makes them a key driver of our sustainability transformation.



Good corporate governance

- We are relentlessly strengthening **integrity and compliance** as cornerstones of our organizational culture.
- We continuously **adapt our security infrastructure and its processes** to a changing environment in order to comprehensively protect our systems and data.
- By 2027, we will evaluate 100% of our new and existing suppliers on the basis of **clearly defined social and environmental criteria**.
- By 2027, we will establish a **sustainable supplier management system** in which ESG criteria are systematically incorporated into procurement decisions.

Responsible and attractive employer

- We create a **resilient organization** that is characterized by a high degree of identification and development opportunities for employees.
- We foster a **dynamic learning and networking environment** enabling our employees to successfully master technological progress and sustainable transformation.
- We are a strong, **attractive employer brand** and recruit the best young talent and experienced employees to help us achieve our goals.
- We are establishing effective occupational **safety management systems** at all our production sites as part of our international expansion.





Responsibility for our products and services

- We will develop **circular product solutions** based on design for recycling, retain product ownership and product life extension by 2030.
- We will increase the overall **proportion of sustainable materials** in our products to 20% by 2030.
- We will only use **recycled or recyclable materials** for our packaging from 2030.
- We support our customers in improving their carbon footprint through **sustainably designed products and services**.



Ecological responsibility

- We will achieve **climate neutrality** in scopes 1 and 2 by 2030.
- We will supply all our production sites in Europe with 100% **electricity from renewable energy sources** by 2027, which we aim to generate ourselves as far as possible.
- We will develop **science-based climate protection targets** by 2026.
- We will **reduce our waste** in relation to our economic performance by 50% by 2030 compared to the base year 2023 by avoiding, reducing and recycling waste.

The management approaches and measures we use to achieve our goals are described in the following chapters.



Good corporate governance



Values and compliance management

“We are aware of our role in society and our responsibility towards employees, customers, partners and shareholders. Values-oriented and compliant action is fundamental for DEHN. When protecting people, buildings and infrastructure is a company’s primary goal, there is no room for gray areas.”

Peter Rehn
Head of Legal + Compliance



At DEHN, good corporate governance is characterized by values-driven action and a rule-based regulatory framework. We are convinced that standards alone are not enough to do justice to the diversity and complexity that characterize business activity today. As it is impossible to make rules regarding all potential decisions and actions, a solid foundation of values is needed to provide guidance in respective situations. We therefore strive for a combination of values and standards-based compliance in order to ensure that our company acts with integrity and according to all rules. We expect all our employees to always act in accordance with our values, internal guidelines and legal requirements.

Our values – our foundation

For us, our values are the cornerstone of sustainable corporate development and a healthy organizational culture. They serve as our compass and shape the guiding principle of our strategy “Grow(ing)Together”. We can only achieve the associated goals in the three areas of sustainability, digitalization and internationalization by working together.

We are convinced that values and strategy are closely interlinked. Our values form the basis of our strategy being coherently aligned with it. By integrating them into our daily actions, we strengthen the implementation of our strategy. In turn, however, we are aware that no strategy can be successful if it is not in line with a company’s core values. Our values thus also express what we stand for as a company and what has characterized DEHN for 114 years.

As a family business with a long tradition, it is important to us to show our attitude and to communicate it sustainably both internally and externally.

We are PIONEERING SPIRITS:

With over 1,100 patents, we are innovation leaders in surge, lightning and occupational safety. We also think beyond these areas to find solutions, test alternative approaches, make bold decisions and break new ground. We make use of agile and innovative methods in our collaboration – coupled with creativity, openness, courage, enthusiasm and inspiration, we create added value.

We are TEAM PLAYERS:

WE ARE DEHN stands for our style of cooperation characterized by joy, passion and respectful interaction across national borders and company divisions. We meet as equals, actively share our knowledge, learn with and from each other and thus achieve our goals together.

We are FORESIGHTED:

Building on our vision “We are the world’s leading specialist for protection solutions”, we have our sights set on the future. In addition to our focus on internationalization and digitalization, sustainability and its various dimensions play a fundamental role for us as a family business. Our fascination with future topics, our determined focus on the mega-trends of our time, as well as our courage and willingness to take decisions contribute to the continuous expansion of our market position and strengthen our (employer) brand.

We are PERFORMERS:

Our constant aim is to be up to date and to share and shape knowledge at the same time. We are engaged in lifelong learning – even beyond our own area of work. We use our potential, and reflect and focus on the essential. Energy, perseverance and resilience complement our loyalty and make us reach our goals together.



**We are PARTNERS FOR SOLUTIONS:**

Our proactive approach enables us to identify our customers' needs at an early stage and offer them services that exceed their expectations. We actively look for solutions and see challenges as opportunities for developing innovative approaches. In doing so, we rely on our in-depth expertise and many years of experience. Fairness, reliability and integrity form the foundation of our business practices.

We are APPRECIATIVE:

Honesty and openness are particularly important to us. We value the work of our colleagues, leaders and employees and provide constructive feedback. We are happy to say "thank you" for the contribution of others and express our appreciation.

We are RESPONSIBLES:

Social and responsible action has always been part of how we see ourselves. We live responsibility at all levels and in all facets and treat our environment, the people around us and our resources with care. Conscientiousness, trust, transparency and consistency enable us to make a positive contribution to achieving our corporate goals together.

Celebrating with our employees at our location in Mühlhausen

We know that values are not self-perpetuating – even if they are firmly anchored in an organizational culture. That is why we promote and strengthen their implementation in our daily actions through all our employees, especially our managers. We encourage them to lead by example and to live up to our values in all situations and make them tangible for their teams. In order to create a coherent, company-wide understanding of leadership, we have developed a “leadership profile” that shapes our leadership culture and is binding for all managers. In the future, we will also offer leadership programs (“Values Based Leadership”) that strengthen a values-oriented leadership style.

Across all levels, it is our explicit aim to integrate values into role profiles and appraisals. By doing so, we make them tangible, highlight their significance for different tasks, and emphasize their importance for DEHN and for individual career paths in our company.

Since 2019, our Executive Board has presented the DEHN Values Awards, for which all DEHN employees worldwide can be nominated. It recognizes employees who act as role models in their daily work through their commitment to the DEHN values. The award winners are characterized, for example, by an innovative spirit, solution orientation or a particularly appreciative cooperation.

Our compliance – clear rules without gray areas

Compliance with laws and internal guidelines is a matter of course for us and binding for all employees at all times. We are always aware that the success of our company is based not only on the quality of our products, but above all on our good reputation and the trust placed in us. Breaking the rules is never in our own interest, regardless of time and place.

We strictly adhere to the legal requirements at all our locations of operation globally. This also applies without restriction to countries with weak legal systems and an increased risk of corruption. In order to address specific



local requirements, we have integrated decentralized elements into our compliance management system. A person responsible for compliance has been appointed for each subsidiary abroad. This person is the contact point for compliance issues in the respective country, regularly exchanges information with the Compliance Officer and is responsible for training new employees locally, which is highly important for us.

In order to sensitize our employees to actual and potential risks and to familiarize them with internal and external guidelines, we conduct regular trainings at our locations in Germany and abroad. In the past financial year, we provided training to over 90% of our employees in the administrative area who, due to their work, have potential points of contact with corruption, bribery and other forms of improper business conduct. It is our declared aim to achieve this very ambitious quota every year.



Our **Code of Conduct**, which is binding for all our employees worldwide, is also an integral part of our training. It forms the core of our compliance and covers the topics of integrity, sustainability, fairness, respect and responsibility in business dealings to which we are firmly committed. It is important to us that our Code is not seen as a mere set of rules for our employees, but as a practical guide for daily work. It offers assistance with critical questions and provides orientation in situations of uncertainty, which are becoming increasingly common in a complex and dynamic working environment. In this way, it enables all employees to check their own actions for conformity with our values and standards.

We are aware that a code cannot cover all conceivable laws, regulations and, in particular, situations. This is why we see it as a living document that is adaptable and encourage

our employees to make comments and suggestions for improvement. They are in the best position to evaluate its applicability and accuracy from their day-to-day work. In addition, we call on them to report violations of the Code. After all, compliance with the Code is the responsibility of all employees. Reporting a reasonable suspicion of violations or potential violations does not constitute “blackening” for us, but rather protecting the reputation of our company. This also applies to situations in which employees are asked to violate the Code of Conduct. We sanction all identified violations and resort to legal measures if necessary.

To safeguard the integrity of our employees and protect them from possible reprisals, we also enable reports to be made anonymously in addition to open reports. Our employees can address our executive management, line

managers, the Compliance Officer as contact persons or make use of the anonymous whistleblowing that we have introduced. DEHNspeak-up is a web-based system that employees, but also third parties, can use to report breaches of rules or grievances. The system not only covers our own business area, but also our supply chain, which we will discuss in the next chapter.

Our whistleblower system also makes an important contribution to detecting risks. We systematically identify risks as part of our compliance management in coordination with all relevant departments and make adjustments where necessary to prevent against risk. Among them, are data protection and IT security risks, which becoming increasingly important for DEHN, also due to our strategic focus on digitalization.

Data protection and IT security – compliance in the digital space too

For us, digitalization as one of our strategic pillars includes the careful handling of sensitive data and protecting it from unauthorized access. In the digital world, the trust placed in us by our stakeholders is increasingly based on the confidentiality of personal or business information. We therefore see it as part of our responsibility to comprehensively protect the data of employees, customers, suppliers and other business partners.

For us, however, protection also implies protecting our own data and systems from unauthorized access and interference. As many of our business processes – particularly in production and sales – are based on digital processes, it is essential for us to protect them against cyber attacks. This enables us to guarantee that our company remains operational.

In addition, the protection of our intellectual property is a top priority for us as a company driven by innovation.

Innovation also characterizes the approach we take to data protection and IT security. In the reporting year, we established a new data center with a ransomware-proof backup infrastructure that meets the latest technical requirements. It protects us against malware that is designed to block our systems or encrypt our operating and user data with the aim of extorting ransom payments.

We also carry out ongoing internal audits of our information security management system (ISMS), using ISO/IEC 27001 as a benchmark to determine its current maturity level. This standard, to which we also intend to obtain certification in the near future, is the world's leading standard for the design, implementation, maintenance and continuous improvement of an ISMS.

In addition to the technical quality of our measures and their consistent implementation in structures and processes, the knowledge and awareness of our employees play an important role for us when it comes to data protection and IT security. This is why we conduct annual training courses that are embedded in our online training platform "One Learning Lab". We also carry out IT emergency drills to prepare for a possible attack in order to define emergency scenarios, train processes and derive measures. Thanks to our systems and the good preparation of our employees, there were no cases of data theft or data loss in connection with customer data or the data of other stakeholders in the reporting year. We also did not receive any complaints regarding breaches of customer data privacy. The collection, storage, processing and use of all personal customer data fully complied with data protection regulations.



Responsibility in the supply chain



“Our understanding of responsibility extends along the entire value chain. That is why we pursue a partnership approach also in this context and involve our suppliers in order to make a joint contribution to sustainable development.”

Natalie Weixelbaum
Customs and export
control specialist

At DEHN, we assume social and ecological responsibility beyond our factory gates. This cannot be successful without our suppliers. We involve them in our development of circular economy concepts and in promoting the sustainability of our products.

Furthermore, we expect our suppliers to always observe principles and standards of ethical and sustainable behavior and to make them an integral part of their business activities. We place the same high demands on them that we place on ourselves. As a company whose business model centers on the protection of people, it is essential for us to comply with human rights and labor law due diligence obligations. This also applies without restriction to principles of good corporate governance and environmental protection.

At the same time, we are aware that close relationships with our supplier based on clear principles and mutual appreciation are fundamental to fulfilling the responsibility we have

towards our customers. Our suppliers contribute significantly to the quality of our products and thus also to our company's success. That is why committed, qualified and responsible suppliers are important to us.

Supply chain management as an important contributor to economic responsibility

Providing our customers with high-quality products and always being a reliable partner has been a hallmark of DEHN since our company was founded. However, we can only fulfill this promise in close cooperation with our suppliers. A good relationship with them ensures that materials and preliminary products are delivered on time and in high quality. This allows us to minimize the risk of production downtime and to ensure consistent product quality, which is essential for customer satisfaction and our company's reputation.

Our aim is to be the innovation leader in our industry. Our suppliers are of great importance in achieving this goal. Collaborating with them is the basis for sharing innovative ideas and solutions. This enables product improvements, the introduction of new technologies and optimized production processes. A continuous exchange of know-how and best practices contributes to increasing the competitiveness of our company and being a pioneer in technology.

Good relationships with our suppliers are also a key factor in our flexibility and adaptability. Due to the mutual basis of trust, we can always count on our suppliers' willingness to fulfill orders on short notice and adjust delivery times. This allows us to react quickly to market changes and customer requirements, but also to organize our production and warehousing efficiently, resulting in lower prices for our customers.

Close cooperation with suppliers also promotes effective risk management. Through intensive cooperation, potential risks in the supply chain can be identified at an early stage and jointly minimized. This helps us to avoid disruptions and ensure the stability of supply.

DEHN Supplier of the Year
Award 2023



Sustainable procurement

We have gradually expanded our existing supplier evaluation and approval system to systematically include social and environmental aspects in our supply chain. Our system is based on an assessment using hard and soft facts. The former are obtained from our ERP system, while the latter are determined using rating scales, with both groups each having a 50% weighting in the overall assessment.

The assessment, which takes place twice a year, includes both series suppliers as well as potential suppliers and suppliers under development. To further strengthen our holistic approach, we involve employees from departments such as planning and scheduling, logistics, quality management, environmental management and strategic purchasing. By doing so, we integrate the respective expertise as well as different perspectives.

The assessment and possible implications follow a clear process. Suppliers of production materials undergo a prior approval process that prevents suppliers from being added to our supplier database if they do not meet our requirements, including ESG aspects. We are also committed to respecting human rights and environmental obligations within the framework of the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG). The core element is an assessment of our suppliers on ten human rights and three environmental aspects in the form of a risk analysis according to LkSG.

The complexity and scope of our international supply chain require the use of a software solution that supports us in identifying, verifying, weighting and prioritizing risks. High-risk suppliers are sent a self-disclosure questionnaire enabling us to better assess the actual risk on site. If the risks identified in the risk analysis are confirmed regarding the respective supplier, we develop appropriate and effective measures.

Our “Supplier Oscar” that we award for an extraordinary performance

In addition to a clear process, we have defined ambitious targets to promote sustainable procurement. For example, we already assess 100% of our active suppliers using our LkSG risk analysis. Our goal for the coming years is to maintain this high level. This also applies to the prior approval process that is obligatory for all suppliers deemed to be relevant for our production.

However, when it comes to developing our suppliers ESG performance, we want to extend our efforts. We want to use our knowledge, experience and resources to support our suppliers in overcoming the related challenges as part of our partnership approach. This enables them to prevent occupational and environmental accidents and adhere to international compliance standards, which increases their attractiveness for customers and employees. In turn, we can reduce reputational and supply risks and create more transparency in the supply chain for our customers. Above all, we promote a long-term partnership on an equal footing, benefiting both sides in terms of trust, predictability and security.



We already express our appreciation for our suppliers through our “Supplier Oscar”, which we award to suppliers for outstanding performance. Here, too, not only economic, but also social, ecological and ethical aspects are taken into account. The award itself is presented by our Executive Board to emphasize the importance that it has for us, equally to the importance of our suppliers.

Our Code of Conduct for Business Partners – compass and rulebook at the same time

In 2024, we introduced a new Code of Conduct for our business partners. It is based on internationally recognized norms and standards, in particular the United Nations Global Compact, the Sustainable Development Goals (SDGs), the UN Guiding Principles on Business and Human Rights and the Core Labor standards of the International Labor Organization (ILO). For us, it establishes the foundation of a fair and responsible business relationship. On this basis, we want to pursue the effective implementation of social, ecological and ethical principles together with our suppliers.

In line with this objective, the Code of Conduct is intended to serve as a compass providing guidance for our suppliers on important social, environmental and governance issues. This is particularly important for suppliers who – often due to their respective economic and legal environment – are not sufficiently familiar with ESG issues to date. Nevertheless, our Code is not just a guideline, but also a

rulebook containing important requirements that we place on our suppliers. It is very important for us to communicate clear “rules of the game” where deviations are not acceptable for DEHN.

It is our declared aim to make the Code of Conduct for Business Partners an integral part of our contractual relationship. We also reserve the right to impose sanctions in the event of violations. However, termination of the cooperation is only the last possible option for us, which we will only consider in case the supplier fails to take remedial action against abuses even after being requested to do so or in case of repeated violations. Instead of terminating relationships immediately, we strive for continuous improvement in cooperation with the suppliers concerned to strengthen cooperation based on clear principles.

In any case, we expect our suppliers to report violations to us immediately, as stipulated in the Code. In order to identify these, we have also created the possibility for the employees

of our suppliers to inform us of potential violations of the Code. Our whistleblower system DEHNSpeakup enables them to report these to us in a secure, confidential and anonymous way. We investigate all issues reported promptly and carefully.

When doing so, we reserve the right to request documents and conduct interviews with owners, managers and employees. This also applies to on-site investigations and audits that are carried out by our own specialists or third parties, if appropriate and necessary. Our overriding aim is to create a high degree of transparency without jeopardizing the intellectual property or other business secrets of our suppliers.

Dynamic development as a steady factor

Due to the rapid internationalization of our company as one of our strategic pillars, the number of suppliers in different world regions is also growing continuously. On the one hand, this creates considerable economic advantages, which primarily lie in a larger supplier base as well as the associated skills and resources of our partners. On the other hand, we are regularly confronted with new legal frameworks, cultural differences and business practices.

We therefore see our sustainable supply chain management as a gradual learning process that requires continuous development and organizational learning. Overall, we seek to implement standardized principles on a global scale that are irrefutable to us, without ignoring local circumstances and customs. By actions based on cultural sensitivity, we also want to express our respectful treatment of our suppliers.

Responsible and attractive employer



Occupational safety and health



“At DEHN, safe working conditions are of essential importance. Protecting the physical and mental health of our employees and promoting their personal well-being are fundamental to us. Our aim is to avoid health risks and maintain the long-term health of our employees – in their interests and ours.”

Norbert Renner
Head of Facilities and Infrastructure

As a family business, we treat our employees fairly and with respect. Protecting and promoting their health is essential for us at all our locations. Due to our global operations, we are confronted with a large number of different occupational health and safety regulations, which we implement without restrictions. We have explicitly anchored this premise in our Code of Conduct, applying to all employees worldwide. Our medium-term goal is to implement uniform occupational health and safety standards that follow internationally recognized norms in all countries where we have production sites.

Any risk to or even impairment of physical and mental health has a negative impact on our employees. For us as a company, the consequences are absenteeism and loss of productivity. In the long term, there is also a risk of reduced motivation, employee loyalty and employer attractiveness due to reputational damages.

How we organize occupational health and safety as part of our international expansion

We currently have production facilities in Neumarkt and Mühlhausen in der Oberpfalz. Occupational health and safety officers have been appointed there. They are responsible for the safety of our employees and ensure the implementation of external and internal guidelines. Outside Germany, we currently operate sales offices, where we also fully comply with applicable law, although the requirements are significantly lower due to the scope of sales activities.

As part of our international expansion, we are planning further production sites in Europe and beyond, where we will establish a comprehensive occupational health and safety management system. The objective here is to implement a “smart mix” that unites country-specific legal requirements and uniform Group-wide internal standards. This will enable us to comply with local regulations and at the same time establish our own standards.

We also see potential in connecting the occupational health and safety officers at our future international locations. In line with our fundamental objective of making knowledge and experience existing in our organization available across locations and countries, we also want to reap the benefits in the area of occupational health and safety. Causes of accidents at work are often similar in international comparison and possible solutions are not limited to individual countries and allow a transfer.

Prevention as a basis for safety

As our business activities are largely anchored in the manufacturing sector, many of our employees work in production. The risks there are primarily of a physical nature, whereas in administration and management they are more of a psychological nature. For this reason, we at DEHN pursue a holistic but differentiated approach, which enables us to take measures geared towards different situations and to make offers tailored to the needs of individual employee groups.

Comprehensive prevention constitutes the basis of our approach. We want to identify risks and threats as early as possible and take preventive action. Ongoing sensitization and training of our employees are the most important building block in this regard. This is why we make workplace-specific safety briefings mandatory for all relevant employees. We also offer training for those who work with machines or hazardous substances. The comprehensive nature of our approach is reflected in the 1,446 employees who participated in safety training in the reporting year.





We also systematically carry out risk assessments and regularly check the safety and reliability of work equipment. Our risk assessment includes analyzing accidents and work-related health problems in order to identify their causes and develop precise preventive measures.

The key indicator in this context for determining the effectiveness of our measures is the number of reportable accidents at work, which we relate to the number of employees in order to account for the growth of our company. The corresponding number of reportable work-related accidents per thousand employees was 13.8 in the calendar year, which is below the industry average of 15.8 as calculated by the German Social Accident Insurance.

Tailored measures to reduce risks and stress

To reduce musculoskeletal stress and illnesses, we are continuously increasing the number of ergonomically optimized workplaces – both for computer and manufacturing workplaces. While their number was 318 in the 2022/23 financial year, we were able to ergonomically optimize another 122 workplaces in the reporting year. Our long-term goal is the ergonomic optimization of all workplaces in our company.

Employees in manufacturing who return to the company after long and serious illnesses often are limited by health restrictions of various types and durations. This poses a challenge for line managers, who have to take these restrictions into account when planning tasks and shifts, because they do not have the necessary medical expertise. As a result, the affected employees may be over- or underworked. For this reason, we offer them our “DEHNergoCHECK”, which is voluntary and free.

With the consent of the employees concerned, the company doctor is permitted to “translate” the restrictions attested in a hands-on manner so that they can be taken into account accordingly when planning work. That gives managers tangible assistance in their tasks, while the integration and participation of employees is facilitated despite health restrictions, complying with all data protection regulations.

Regarding our manufacturing facilities, our analyses have revealed not only ergonomic risks but also noise pollution from loud machinery. Where replacement is not or not yet possible, we are taking additional measures, which include optimizing noise levels in rooms and equipping employees with otoplastics and noise-cancelling headsets. Employees are also trained in how to use them.

Promoting health in and beyond the workplace

In addition to safety in the workplace, we provide our employees with numerous opportunities to promote their health. We cooperate with gyms in the region and offer our employees massages at the workplace. Employees also have the opportunity to lease a company bike from us.

This model creates a win-win situation for our employees and for us, as Andreas Hilbich, Director Corporate Strategy, explains: “As a company that pursues ambitious sustainability goals in all areas, the lease bike concept is a perfect fit for us. It is an ideal way for our employees to improve their health, while making a contribution to environmentally friendly mobility at the same time.”

We also offer healthy and balanced food in our cafeteria, which is of regional origin wherever possible. This once again demonstrates the opportunity to create a benefit for our employees and protect the environment at the same time.

Mental health also counts

At DEHN, we see health as more than just a physical asset, despite the great importance of occupational safety for us as a manufacturing company. Promoting the mental well-being of our employees is no less important to us.

One of the biggest challenges in this context is the fact that employees often perceive it as a major hurdle to speak up about respective stress or illness. This is why we give them the opportunity to approach their superiors and the company doctor in confidence or to make an anonymous report via our whistleblower system.

In order to make appropriate offers, we regularly provide in-house seminars on topics relating to resilience and time management. We have also created a consultation hour with our works council that particularly targets affected employees who can discuss their situation and seek advice.

This has also brought us one step closer to our goal of establishing a comprehensive health management system. We are aware that we still have some way to get there, but we are confident that we will reach this goal in collaboration with our employees.



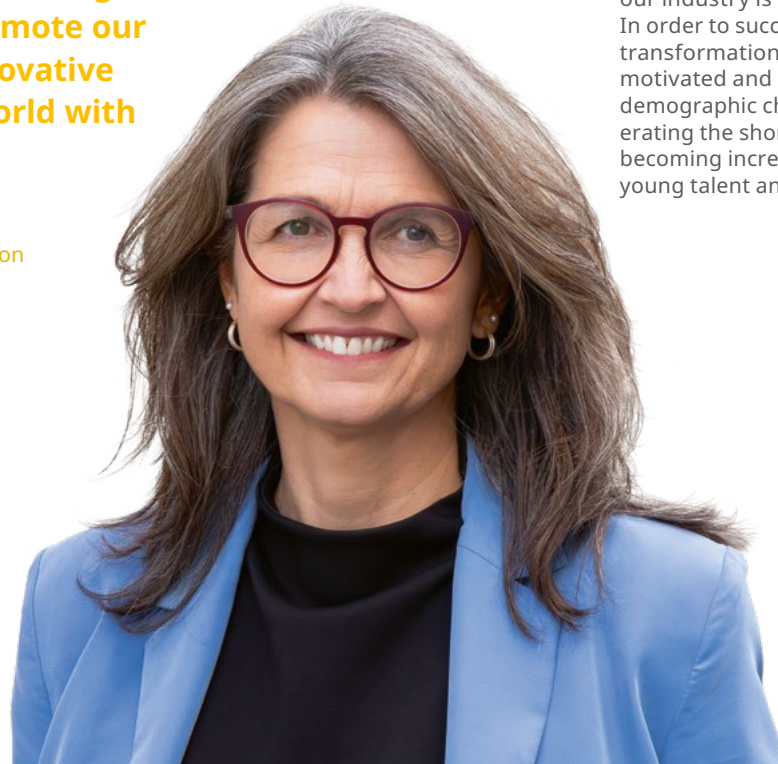
Company doctor Dr. Judith Auer

Employee recruitment

“Recruiting talented and qualified employees is crucial to securing our future viability. They promote our competitiveness and innovative strength in a dynamic world with ever new challenges.”

Anke Schröter

Head of Talent Acquisition and Retention



Technological change, increasingly intense competition, sustainability and digitalization – our industry is undergoing rapid change. In order to successfully shape the necessary transformation of our company, we need motivated and skilled employees. Due to demographic change, which is further accelerating the shortage of skilled workers, it is becoming increasingly crucial to attract both young talent and experienced specialists.

In this context, the rural location of our company is both a risk and an opportunity. On the one hand, it initially represents a disadvantage compared to large cities when competing for workers. On the other hand, our good reputation as the largest industrial employer in the city of Neumarkt in der Oberpfalz also has great appeal beyond our location. We benefit from the influx of many young families who settle in the region due to the high quality of living and extensive leisure activities. In addition, our proximity to the highway and train station ensures good connections, including to major cities such as Nuremberg and Regensburg. These cities are particularly attractive to young people as a place to live. We also offer numerous hybrid work opportunities to attract young professionals from precisely such urban areas.



Our recruiting approach

To account for the importance of recruiting and to meet the challenges associated with it, we revised our HR strategy in 2023, in which global recruiting is one of the central fields of action.

Our growth is continuously planned and aligned with people, talents and skills. We recognize and develop talent in order to ensure that our company has a skilled workforce. Our training and study programs as well as part-time trainee and leadership programs play an important role in that regard.

To attract the best (junior) employees, we offer attractive working conditions made up of various components. These include fair salaries, attractive social benefits and time models that make it possible to balance work and private life.

WE ARE DEHN.

We run diverse programs to create an appealing work environment and offer attractive career prospects. By doing so, we not only create incentives for employees, but also promote teamwork.

DEHNcare: a company pension scheme, company integration management and health management – we provide support for our people!

DEHNstart: starter day and mentoring model – we ensure onboarding in the DEHN team!

DEHNlerns: customized and diverse training programs!

DEHNcelebrates: anniversaries, birthdays, team parties – we congratulate and celebrate!

DEHNenjoys: delicious food in our cafeterias “neunzehn10” and “ess zwo”!

DEHNkids: subsidized daycare, summer camps and childcare!

DEHNruns: from company run to city run – we are there!

DEHNbalance: flexible working hours, part-time models, mobile work!



Comprehensive development opportunities, which are crucial for the professional success of our employees, also make us an attractive employer. DEHN itself trains the specialists and managers of tomorrow and prepares employees for new challenges with a wide range of development measures. It comes as no surprise that our commitment to offering guidance for your young people when planning their careers was awarded the 2023 STEM (science, technology, engineering and math) Prize sponsored by the network SCHULE-WIRTSCHAFT for projects targeting girls and young women.

Diverse entry opportunities

We address different target groups in a differentiated manner and offer entry opportunities based on their qualifications and experience. This is the best way to meet their needs and our own.

• Vocational trainees

Vocational training and the promotion of young talent through the best possible combination of contents offered by both vocational schools and companies are indispensable elements of our corporate

philosophy. That is why we offer eleven different vocational training programs in industrial/technical and commercial professions as well as in IT and logistics.

• University students

By participating in degree programs that have a strong focus on business practice, maintaining close relationships with universities and offering numerous opportunities for students and doctoral candidates to complete internships and academic theses, we open up a wide range of entry-level opportunities for young talent. Interns are involved in day-to-day business and gain valuable experience for starting their careers.

• Specialists and managers

DEHN offers all qualified and skilled specialists and managers interesting tasks and challenges, including university graduates, career changers, and professionals with many years of experience.

Clear goals as guide and benchmark

To give our recruiting strategy a clear direction and measure our progress, we have defined strategic and operational goals as well as matching key figures.

We will establish a globally oriented employer branding. In addition, we will define global recruiting and onboarding standards as well as internationally binding staffing models. The number of clicks on our careers pages, the number of applications received and national and international placements are key figures for which we want to set measurable targets in the future.

Based on our strategy, we are setting the course at an early stage to adapt our human resources and the related skill sets to our international expansion. At an operational level, this means identifying and developing talent as early as possible to secure the supply with skilled workers. We are also adapting our training programs to the needed qualifications in the long term. To ensure successful implementation, a global talent management system has been designed and is currently being set up and implemented. A pool of

around 20 top talents forms the first intake starting in the 2024/25 financial year. This way we make sure to know our own potential when filling key positions in the future and preparing our talents accordingly for future tasks.

Finally, we want to strengthen our international recruitment. It is our intention to systematically take advantage of the opportunities that arise from the international expansion of our business activities to better address and recruit potential employees abroad. Considering the challenging demographic situation in Germany, this opens up additional opportunities for us to attract qualified and motivated employees. The greater internationalization of our workforce also helps us to foster the cross-cultural competence in our organization and thus also our ability to compete successfully in an increasingly global market.



Team Dehn at the 2024 Company Run in Neumarkt

Employee retention and development



“In order to live up to our mission ‘DEHN protects’, our employees need a wide range of skills, competencies and knowledge. We therefore see it as our corporate responsibility to continuously train and develop them.”

Brigitte Frauenknecht
Director Human Resources

Due to the increasing digitalization, automation and globalization of our industry, working environments and processes are constantly changing. Without systematic employee training and development, it would not be possible for DEHN to remain successful in our highly competitive markets. However, our employee development not only strengthens our competitiveness and adaptability to dynamic conditions, it also increases our attractiveness as an employer – both for new employees and for our existing workforce.

The expansion of our production site in Mühlhausen has created state-of-the-art working conditions for our employees in manufacturing, among other things. Ergonomic workplaces and the use of virtual reality in their development are just two examples of our efforts to improve the working environment. With the abolition of piecework, a further step was taken to ensure fair and sustainable working conditions.

Our consecutive approach

To fulfill our mission “DEHN protects”, our employees need a wide range of skills, competencies and knowledge. We see it as our corporate responsibility to continuously train and develop our people. To this end, we offer them a wide range of opportunities and align our employee development with the other elements of our HR management.

Our goal of attracting, developing and retaining qualified and motivated employees is based on the understanding that these elements cannot be treated in isolation from each other. This is why we pursue a consecutive approach in which the various phases of HR management are consistently planned and linked.

At the same time, we are aware that we need employees with a wide range of qualifications due to our diverse business activities as a manufacturing company and service provider.

The ongoing internationalization of our company creates an additional need for differentiation, which leads to a growing importance of cross-cultural skills.

Our managers play a central role in our approach, which is why we have geared up our activities to strengthen leadership empowerment. The new Leadership Impulse Days introduced in 2024 promote networking across several management levels. Important content from DEHN's Leadership Mission Statement, Principles and Values are discussed in greater depth. By doing so, we emphasize the responsibility of our managers to strengthen not only the personal and professional development of their teams, but also their own. We have firmly anchored this approach in our management principles.

By realigning our HR strategy in 2023 as part of our "DEHN 2030" corporate strategy, we want to set the course at an early stage in order to fine-tune our HR structures. Building on

the recruitment of skilled employees, we want to deploy them according to their strengths, promote their individual potential and build up the necessary skills for their and our future. The basis for this is our consecutive approach, in which vocational education and training, personnel marketing and recruiting as well as employee development go hand in hand.

Ambitious goals as signposts

To implement our management approach effectively, we have defined four strategic goals, which, in combination with meaningful key performance indicators, serve as signposts for our HR management.

- **We are a resilient organization that promotes a high degree of employee identification and development opportunities.**

To emphasize the importance of continuous employee development, we have launched the "Collaboration@DEHN" initiative. The responsible project team ensures strong identification and awareness throughout our company through addressing the right topics and working with multipliers. Our holistic learning platform "OneLearningLab" is a linchpin that we want to firmly establish and expand within our organization. It includes a wide range of training and development opportunities for all management and experience levels at DEHN. We want to continuously expand the e-learning offerings that we introduced in April 2024 to provide our employees with quick and easy access to interesting topics. For the 2024/25 financial year, we have set ourselves the goal of having 800 users of our platform.



- **We are a high-performance organization with clearly defined responsibilities and the corresponding work environment**

Our current project on role architecture is essential in pursuing this goal. A systematically defined role architecture ensures clear definitions and expectations for every role in the company. It promotes transparency and the development of career paths. Building on this, we are using job grading to create a management system for remuneration and job evaluation that forms a clear and transparent basis for further growth.

- **For us, human relationships and empowered leadership are important factors for our company's success.**

We are convinced that we cannot achieve our HR goals without our managers. On the one hand, this implies that they themselves continuously expand their skills and knowledge. On the other hand, however, it is their responsibility to motivate their team members to develop themselves through appropriate measures and to create the necessary framework conditions for it.

- **We support a dynamic learning and networking environment as well as successfully managing technological progress and change.**

Against the backdrop of our dynamic competitive environment and the rapid pace of technological progress, we are developing an environment in which individual and organizational learning is promoted, as is networking between employees. In this way, we not only want to support the continuous development of our people, but also harness existing experience and knowledge through mutual exchange. We have not yet exhausted the potential of our organization in this area, particularly across national borders. To this end, we are developing a qualification and skills matrix as well as a talent management program to equip young people in particular with the leadership skills necessary for the future. Our goal for the 2024/25 financial year is to have an intake comprising 20 talents in our program.

Spotlight on our vocational trainees

Promoting young people is firmly anchored in our company tradition. To us, it means securing our future viability, but we also see it as part of our social responsibility. In our eyes, the dual training system in Germany constitutes an important advantage in global competition, which we actively support by training young people in our company.

The above-average examination results of our vocational trainees show how seriously we take the task of combining education at school and in the company in the best possible way. By providing perfectly equipped workplaces, continuous training of our instructing staff and extensive practical relevance we create an excellent basis for our trainees. A special bonus for good performance at vocational school also underlines the importance of training at our company.

DEHN receiving the “BEST PLACE TO LEARN[®]” seal is another proof of the outstanding vocational education we offer. It is awarded to companies that demonstrate that they qualify and prepare young people in the best possible way for professional life.



After a re-certification audit in July 2024, we are allowed to carry the “Best Place To Learn®” seal for another three years. An extensive survey of trainers, trainees and former trainees resulted in a “very good” rating. The official award will take place in May 2025. With this seal, we secure the quality of our training and make lasting improvements. In addition to the very good quality, training at DEHN is characterized by the possibility to go into diverse directions, be it in the industrial-technical or commercial area.

In terms of content, it is important to us to also convey current topics in a practical way that goes beyond curricula and training plans. The topic of our project day in 2024 was “sustainability”. 22 trainees reflected on what sustainability means for them in general, but also for our company in particular. To this end, we familiarized them with the Sustainable Development Goals (SDGs) and our understanding of sustainability.

The focus of the day was to work on one of our strategic fields of action in four groups. Using old materials such as wood and plastic waste, each group was to present the issues, opportunities and challenges for DEHN it associated with the respective field of action. The results, „embedded“ in four old oil drums, were impressive and showed that sustainability is not an abstract concept for our junior staff, but one that can be applied in daily business.

Promoting this understanding at an early stage and demonstrating the great relevance of the topic for our corporate activities will remain a key component of training at DEHN.

Group photo of the four teams and their work as part of the project day for trainees



Responsibility for our products and services



Customer and service orientation



“For us, customer orientation means meeting and, if possible, exceeding our customers’ expectations of our products. We want to offer them tailor-made services. In collaboration with them, we develop innovative and sustainable solutions that meet their needs. This is how we create trust and loyalty.”

Boris Wolff
Chief Sales Officer

We have often been asked why we have determined customer and service orientation to be a key topic in our sustainability strategy, as it does not fully fit under one of the three ESG dimensions. Our answer is clear, but multi-layered.

First, our customer and service orientation is the foundation of our economic success. It enables us to assume our economic responsibility towards our owners, employees and their families as well as the regions in which we operate. As a family business, we see ourselves as having a long-term obligation to them, which is why we place sustainable profitability above short-term profit maximization.

We also have a direct responsibility to our customers and are committed to providing them with innovative and high-quality products and services. This is the only way we can live up to our motto “DEHN protects”. It is part of our understanding of sustainability and our business philosophy to be a reliable partner at all times.

Working in partnership with our customers is also an important component of our eco-

logical responsibility. The development of sustainable recycling systems as an important future topic for our company can only be successful in cooperation with them. In addition, the design of resource-saving products is not possible without their involvement.

Inspiring with high-quality products and service solutions

A customer-oriented way of thinking and acting is firmly anchored in our corporate values. As a reliable partner for our customers, we earn the highest reputation and trust through our competence and expertise. Moreover, treating our customers fairly is a key principle anchored in our code of conduct, which is binding for all employees and suppliers in order to ensure partnerships on eye-level.

This underlines the importance we attach to the needs of our customers. Our aim is to inspire them time and time again with high-quality products and services and meaningful combinations. We see ourselves not only as a manufacturing company, but also as a service provider that impresses with customized solutions and comprehensive customer care.

Our aim to create perfect fits and specialized solutions is reflected in the more than 4,000 devices and components pertaining to one of our business areas of “surge protection”, “lightning protection”, “grounding” and “occupational safety” from which our customers can choose. In terms of services, we offer them support in planning new projects as well as technical support for products, applications and standards. We also carry out risk analyses and hazard assessments and test voltage detectors as well as grounding and short-circuit devices.

Our ISO/IEC 17025 accredited DEHN Test Center is of particular importance to many customers and a clear differentiator from the competition. It is one of the most powerful test facilities for lightning surge currents worldwide and is able to test products, installations and systems with test impulses of up to 400 kA (10/350 μ s). The tests are carried out based on renowned standards and are supplemented by simulations if required. Tests can be carried out on lightning protection components, surge protection devices and complete systems. All tests and results are documented in internationally recognized test

reports. Confidentiality and independence are always guaranteed by us.

Through our DEHNacademy, whose offers comprise a wide range of topics relating to our business areas, we provide additional services. Among many others, the portfolio includes seminars on surge protection of electrical systems, planning and installation of lightning protection systems or the protection of persons and systems. The formats we offer are almost as varied, allowing us to cater to different needs. Face-to-face seminars, e-learning and online seminars allow for both on site participation throughout Germany and digital attendance from anywhere in the world.





To successfully add new products and services to our portfolio, it is crucial that we know our customers' needs and analyze their requirements on an ongoing basis. This is why we involve customers in the development of new products and services. This early inclusion ensures that we keep pace with their evolving requirements and wishes, as digitalization and sustainability are dynamically changing customer behavior.

In our view, involving customers effectively can only be achieved by being close to them. We already operate 23 subsidiaries worldwide and are currently planning further locations on different continents. This will enable us to be even closer to our customers in the future and respond better to regional conditions and the associated requirements. Our expanded local presence ensures direct and timely customer support. We are making it easier for customers to reach us, shorten delivery times and transportation routes and reinforce the security and sustainability of our logistics.

We regularly conduct customer surveys to analyze and track the extent to which our products and services satisfy our customers

over time. We also address other topics. In the first quarter of 2024, we asked customers in our home market about sustainability, receiving 100 responses. 52% of them consider sustainability to be of great or very great importance in their company. 61% stated that sustainability plays a role for them when selecting suppliers, but only 20% feel well or very well informed about our sustainability activities. This is incentive enough for us to significantly improve our sustainability communication.

In addition to surveys, we use other exchange formats to enter into a direct exchange with our customers. These include, in particular, meetings between our key account managers and individual customers, as well as trade fair appearances and customer visits to our sites. Our technical support is available to our customers by phone or email and answers all questions individually.

Regardless of whether we receive it in conversations or via surveys, all feedback from our customers is a benchmark for us to evaluate

our performance and provides valuable input for new ideas. Considering these ideas and following up on them is the key for long-term collaboration.

Sustainable customer partnerships

An important aspect of cooperation with our customers is a long-term approach. At DEHN, we maintain long lasting partnerships with many of our customers. This promotes mutual trust, secure planning and in-depth collaboration in the development of products.

Our long-standing customers are important partners for us, not only in the development of innovative and sustainable products, but also for other topics concerning our business activities. Our survey revealed that our customers want us to develop innovative solutions for product and transport packaging, mentioning alternatives to composite materials and plastics, as well as the introduction of reusable solutions. We will address their suggestions in order to develop effective solutions along the value chain in collaboration with our customers – as well as our suppliers.



For us, sustainable partnerships also mean being there for our customers and supporting them to the best of our ability. One of our main customer groups are companies installing lightning protection. They are confronted with the challenge that only few training courses are offered on topics relating to lightning protection and that attending them involves a considerable amount of time and travel. That is why we come to them with our "Blitzmobil" and offer half-day workshops that lightning protection installers can easily integrate into their daily work routine.

Expanding the customer base

In addition to the great importance we attach to maintaining existing customer relationships, the acquisition of new customers plays an important role for us, particularly due to our dynamic international expansion. We aim at getting new customers excited about us and our products and services as well to build long-term partnerships. The number of 1,710 new customers acquired in the 2023/24 financial year shows that our efforts are successful.

We use various channels to reach new customers. Trade fairs are of particular importance to us, as they give us the opportunity to con-

DEHN „Blitzmobil“

vince customers directly with our products. Our products also take center stage on our website, which gives visitors the best possible impression of our products through comprehensive catalogs, descriptions and presentations.

Sustainability enjoys growing interest

As the survey of our customers has shown, sustainability is an increasingly important issue for many of them, influencing their procurement decisions. On the one hand, this applies to our products themselves. Energy efficiency, materials used and recyclability are just some of the topics on which customers are increasingly requesting information or making corresponding specifications.

On the other hand, the need for information is growing and with it the requirements for corporate sustainability. Transparent supply chains, the implementation of occupational health and safety and environmental management systems, and the promotion of non-discrimination can be cited as examples in this context.

Regardless of the reference point or topic, we do not see this development leading to unnecessary expenses, but rather as an opportunity to further strengthen our market position through our sustainability efforts. To convey these efforts and to report transparently and comprehensively on our sustainability strategy and its implementation, we will enhance our corporate communication.

Production and quality management



“It has always been the core of DEHN’s corporate philosophy to offer customers safe products with a long service life. Our quality strategy is therefore based on a robust design, fault-free parts and stable production processes. Through preventive analyses and measures, we avoid deficiencies and reduce costs and material consumption. This is in line with our approach that quality and environmental management are closely interlinked in terms of sustainability.”

Gerhard Wittmann
Head of Quality Management

The reliability of products is essential in areas where the protection of people and property is at stake. The safety and performance of our products and the services associated with them is therefore the top priority of our production and quality management. We measure our business decisions and actions against this premise.

However, we also see our production and quality management as an opportunity to make workflows faster and safer and to improve our ecological performance through resource-conserving production processes. This is also in the interests of our customers and contributes significantly to our economic success. For us, the concept of quality has many dimensions that go beyond the product level.

Established management systems as a solid basis

Our company has been ISO 9001 certified since 1994. In 2022, we were once again successfully recertified in accordance with this leading global standard for quality management. The Plan-Do-Check-Act cycle as the foundation of this standard helps us to develop plans and goals with regard to our quality management in a first step. We then implement the measures that we have defined in line with the objectives and continuously monitor their effectiveness and efficiency. If we identify deviations from defined paths or objectives, we take the necessary corrective measures, which may involve modifications or the complete redesign of projects, programs and activities.

The willingness to try out new things, make mistakes, learn from them and improve is an integral part of our corporate culture.

Quality along the entire value chain

Our holistic understanding of quality is not only reflected in the fact that we relate quality beyond products to structures and processes, but also in our understanding that quality must be lived at all stages of the value chain.

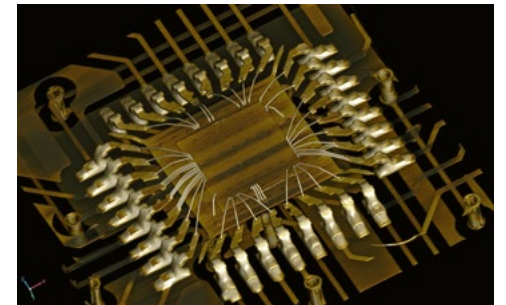
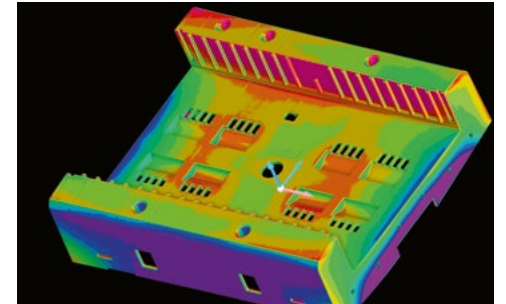
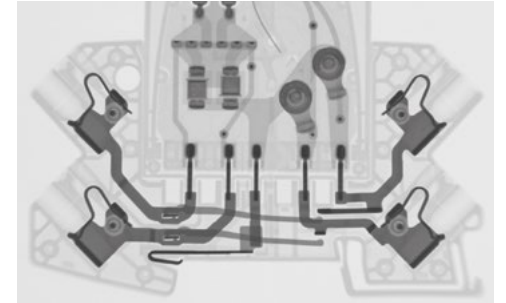
This is why quality already plays an important role at DEHN during the development of new products. We have set ourselves the task of identifying, evaluating and eliminating errors and risks at an early stage. This enables us to identify potential sources of error and develop measures to minimize risks as early as the development phase, but also in the event of product changes during the product life cycle. The corresponding preventive measures ultimately increase product quality and performance and reduce costs in the long run – for our customers and for us.

We also attach great importance to quality in the subsequent procurement process. Despite the trusting and, in many cases, long-standing partnership with our suppliers, we can never completely rule out the necessity for us to file

complaints. In this context, preventative measures, specifications, approvals and coordination of tests and audits help us to continuously improve the quality of deliveries.

Our own production processes is also monitored by us with regard to various parameters, using different key figures. The cooperation of our employees is of crucial importance here. We encourage them to identify possible deficits or actual shortcomings and, if necessary, to take appropriate measures. Raising awareness of compliance with production and quality standards is therefore mandatory for all our new employees.

Our QM handbook is available to employees in electronic form at every workplace for quick reference when needed. The electronic format has many advantages. On the one hand, it can be update on an ongoing basis.





**LEAN
Development**
Short product
development process



**LEAN
Production**
Short
delivery times



**LEAN
Sales**
Perfect
customer care



**LEAN
Administration**
Customer-friendly
business processes

On the other hand, the relevant units in our company can store the documents they need and make them available without any great effort.

To our customers, we offer simple and fast channels for complaints. We see their reports as an opportunity to quickly identify shortcomings in our processes and address them. The complaint rate, which expresses the number of justified complaints, is a key performance indicator for us with regard to our quality performance. In the reporting year, we received 944 customer complaints, which represents a decrease of 18% compared to the previous five-year average, which we use as a basis to compensate for statistical distortions in individual years, such as those caused by the pandemic.

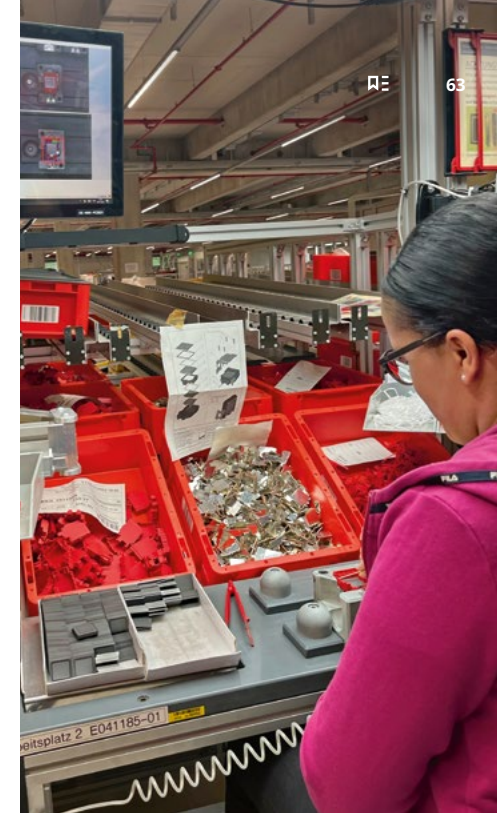
Lean management
approaches

Lean Management als umfassende Philosophie

Our lean philosophy is closely linked to our quality management, as it is also geared towards continuous improvement in various areas. Our overarching goal is to create waste-free, efficient processes and standards by involving all our employees. This enables us to leverage economic and ecological potential.

With this goal in mind, we have already successfully completed several projects since 2016 and have been able to implement improvements in very different areas of our company as a result.

Similar to our understanding of quality, our lean management approaches are aimed at all areas of the company and place people at the center of our actions. We provide support to them in selecting the right methods, offer comprehensive training programs, and initiate and manage improvement projects.



Despite our overriding goal of becoming even more efficient through lean management, we at DEHN are aware that increasing efficiency is not possible indefinitely and thus cannot contribute unlimitedly to achieving economic and ecological goals. For this reason, we use our innovative strength and explore alternative materials, production processes and recycling concepts as part of our product development.

Innovation

“It is very important for us to secure our growth and our position as one of the leading companies in lightning and surge protection. The best way to achieve this goal is to stay one step ahead of the competition. With innovative products and, above all, innovative solutions, we always remain the first choice for our customers.”

Christian Höhler
Chief Technology Officer



A holistic approach to innovation

At DEHN, we follow a comprehensive understanding of innovation. The optimization and further development of existing products, but also the development of completely new products based on technical innovations, are elementary for us. Innovation also means establishing new business models and tapping into new markets. However, we also consider innovation beyond products and markets and apply it to our structures and processes. Targeted change enables us to become better and faster, which is in our interests and that of our customers.

That is why we always try to see innovation as an overarching solution that creates real benefits for our customers. At DEHN, successful innovation is characterized by the fact that it brings technology and the market into harmony. In our eyes, new technologies are only innovative if they are geared towards actual needs and create added value for our customers. For this reason, we see our services in direct connection with our physical products. Only when the two go hand in hand does a holistic solution emerge.

DEHN as innovation leader

Based on our understanding of innovation, our central strategic goal is to establish a strong, market-oriented and comprehensive portfolio for all our regions worldwide. We want to inspire with holistic solutions and services and be the innovation leader in the field of lightning and surge protection.

Holistic in this context means to us that we are the full-service provider for our customers with innovative and integrated solutions. We want to offer them a broad, modular portfolio of products and services that can be expanded with individual services to create tailor-made solutions. By flexibly designing our portfolio based on intelligent modular models, we can increase both speed and productivity.

In that regard, the share of market innovations and products that are no more than three years old in the overall portfolio will be a key performance indicator for us.

In addition to our own technical strength, we believe that striving for innovation leadership requires two other things: openness and collaboration. We specifically identify innovative technologies within and outside our company to use them in new fields of application. We are planning to establish the share of costs for industrial property rights in total sales and their utilization rate as further key performance indicators.

At DEHN, however, we are not only open to new technologies, but also to new collaborations. We drive innovation forward with partners from industry, trade associations and science. Since 2011, we have sponsored an endowed professorship at the Ilmenau University of Technology in the field of lightning and surge protection. Its focus is on investigating the protective effect of existing concepts and devices to develop the basis for new protection solutions.

The resulting win-win relationship enables the scientists at TU Ilmenau to have their concepts tested by us in practice. We in turn can draw on newly developed concepts and ideas for protection solutions. We are keen to expand and develop such partnerships in the future in order to further promote co-creation in our business areas.

An environment that promotes innovation

Promoting innovation in your own company requires courage and foresight as well as the ability to break new ground, but also the willingness to fail. At DEHN, we create the necessary freedom for our employees to generate ideas, refine them and drive them forward to implementation.

We also strive to involve as many employees as possible in our innovation process. We are convinced that new approaches and ideas can arise in very different situations and in all areas of our company. They often develop from the search for solutions to other problems. We want to ensure that ideas are not being lost and that our employees have the courage not to discard them.

We are currently looking into the possibility of expanding our ideas management. We consider integrating ideas at product level in addition to suggestions for process improvements, which will be appropriately remunerated if accepted. This would be an opportunity to create additional incentives for our employees and strengthen our institutionalized innovation process.

We cultivate this process because we are convinced that innovation is not only based on ideas, but also on supporting processes. They ensure that ideas are gradually transformed into market-ready solutions. At DEHN, we follow such a structured process, which begins with the definition of strategic search fields. Here we determine the areas and topics in which we strive for innovation. We then generate ideas internally, but also in response to suggestions from customers, from observing the competition and through cooperation with our partners from the scientific community. Once we have decided that an idea has potential, it is specified and designed so that we can start developing prototypes in a precise manner. We test these, often in several cycles, to decide whether we actually want to

bring the product to market maturity. If this is the case, the necessary scaling and potential adjustments are made. But even after the market launch, the process is not over for us, as we are constantly striving to improve our existing products.

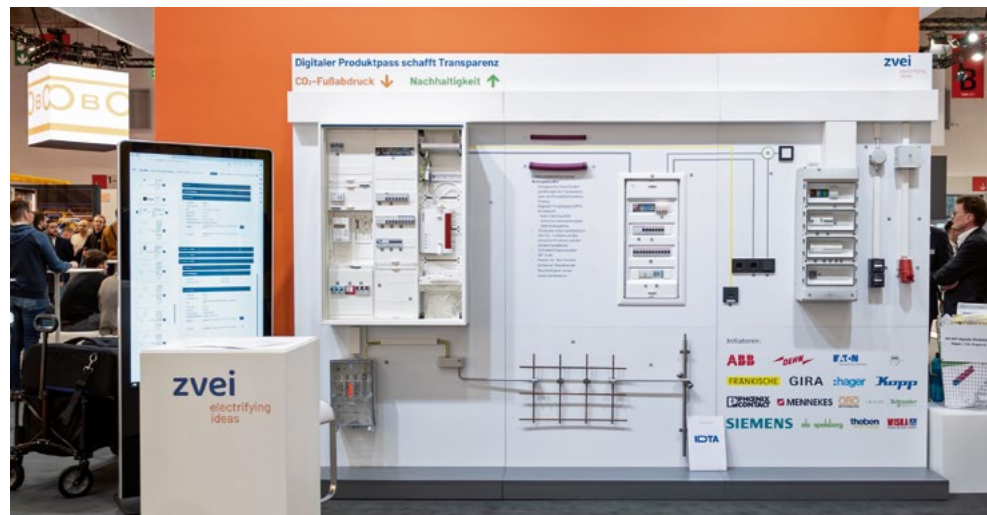
Innovation as a driver of sustainability

At DEHN, we are convinced that innovation can make a fundamental contribution to sustainable development. The major challenges of the 21st century, such as climate change or the increasing scarcity of natural resources, cannot be solved without technical innovations. As an innovative company, we therefore see it as part of our responsibility to use our creative power accordingly.

One possibility lies in manufacturing products with less resource input. Reducing the use of materials and using recyclable materials are major levers here. Our products can also contribute to climate protection during customer use by being designed to be energy-efficient or by using intelligent technologies to prevent unnecessary consumption.

Based on our broad understanding of innovation, we also see great leverage in the way our products are manufactured. We strongly promote process innovation and invest in advanced systems and buildings. Our new building at the Mühlhausen site, which we describe in more detail in the chapter on “climate protection and energy management”, is a good example in this regard.

Our overarching innovation goal is therefore based on our broad understanding of sustainability. We want to offer our customers safe solutions that not only meet economic, technical and regulatory requirements, but also ecological ones.



Sustainable innovation you can “touch”

As part of the Green Deal, the European Union will introduce a Digital Product Passport (DPP) from 2027, which will be mandatory for defined product groups, including batteries, electronics, plastics and the construction sector. This industry selection makes the passport also directly relevant for DEHN. Building on the Eco-Design Directive, it is a key element of the European circular economy strategy. With the help of digital labeling, the passport is intended to make product-related information on materials, ingredients, components and, if applicable, chemical substances, as well as information on reparability, spare parts or proper disposal, easily accessible to all interested parties, especially consumers. The data

provided must relate to all phases of the product life cycle.

In order to tackle the associated challenges for us, we have initiated a showcase together with other companies from the German Electro and Digital Industry Association (ZVEI). It is intended to show the CO₂ footprint of each individual product used in the electric system of a residential building as an example, as well as the corresponding CO₂ footprint for the entire system.

It is our aim to not only raise awareness of the Digital Product Passport among other companies within the electrical industry and encourage them to participate, but also take a first step towards industry-wide standards



in the provision of ESG data. Further objectives of the initiative are to encourage political decision-makers and associations to bring the ESG requirements for manufacturers that are currently emerging on the market to a convergence based on internationally recognized ISO/IEC standards. This would facilitate the joint introduction of the Digital Product Passport.

At DEHN, we are proud to be a leading member of this initiative as it reflects both the partnership approach we take and our conviction that technological innovation can be an important driver of sustainable development.

A talk with Christian Höhler DEHN Chief Technology Officer

Christian Höhler joined DEHN as Chief Technology Officer in November 2020. The 55-year-old engineer has many years of experience in an international environment as a development and sales manager. We spoke to him about the importance of innovation, how DEHN approaches the topic from a corporate perspective, and where he sees the interface with sustainability.

Mr. Höhler, you are largely responsible for innovation at DEHN. Now that is quite a broad term. Can you explain to us what it actually means for DEHN? In which areas does innovation take place?

DEHN has set itself the goal of continuous strong growth in the coming years. With our existing portfolio and our existing market segments, we will be able to achieve a good part of this growth. However, we also need to move into new areas. This is about innovation. Innovation in terms of new products on the one hand, but also in terms of new markets as business areas on the other. For me, innovation always consists of technology and the market. They must be considered together.

There is a lot of talk today about the importance of innovation in maintaining competitiveness. To what extent does this apply to DEHN? Is innovation also a competitive factor for us?

In addition to the aforementioned growth, we also need to secure our position as one of the leading companies in lightning and surge protection. The best way to do this is to stay one step ahead of the competition. With innovative products and, above all, innovative

solutions, we always remain the first choice for our customers. Let's take the example of external lightning protection. We have long been a leader in these rather traditional components. With our innovative DEHNplan planning software, we now provide our customers with a tool that makes the underlying lightning protection planning much easier than before. The component has thus become a holistic solution.

Can you explain how innovation can be promoted in a company? Doesn't that tend to happen by chance? What does DEHN do specifically to promote innovation?

Innovation is only possible if the right conditions exist. The implication is that we give our employees the time to think about new approaches in the area of products and markets. The processes also have to be right. Let's take an example from product development. We have introduced a multi-stage process there: the early phase is characterized by creative research and trying out new approaches. Once these have been found, we move on to basic development, in which we develop new ideas as a technology block. Only then we start making successful series products that work reliably based on these

technologies. Innovation is only complete with success.

You have been with DEHN for almost exactly four years now. Looking back, can you give us a few examples of innovations that have taken place in our company?

During this time, it was important to me to ensure that we made progress with our classic components, but also to bring smart products and solutions to the market.

In terms of products, our new DEHNventil ACI surge protective device certainly plays an important role, as it combines various innovations. Or our new HVI light plus, which will give us further impetus in the field of external lightning protection. In the area of smart solutions, we are currently in the process of launching a large number of new products. From smart lightning meters and our new DEHNdetect for analyzing lightning events to completely new measuring devices in the field of network quality. These innovations are underpinned by a software platform that is shared by all smart devices, allowing us to address the desire for connectivity at an early stage.

Now let's look ahead: where do you see the greatest potential for innovation? Where can innovation in our industry be a game changer in our industry?

On the market side, we can add even more value to our existing portfolio. This is also innovation: transferring existing technology to new fields of application.

But the big game changer is thinking in terms of solutions: from consulting services to component and software offerings to complete solutions. With our new DEHNdetect generation, for example, we will offer customers in the wind power sector a service that informs them when wind turbine maintenance is required. We are therefore directly addressing the actual pain point of the customer.

Innovation is also often cited as an important factor for sustainable development. Where do you see the overlaps between innovation and sustainability? And what does this mean for our company?

Sustainability is one of the most important issues of our time. At DEHN, we see the emerging requirements not as a burden, but as an opportunity. Through innovations, we can contribute to sustainability in two ways: on

the one hand, we will offer more and more products that are designed to protect the environment – through reduced material usage, environmentally friendly raw materials or recyclability. On the other hand, we can also indirectly help to reduce our customers' carbon footprint by using our solutions to reduce inefficiencies, for example by preventing downtime or when one of our smart devices triggers preventive maintenance of a machine.

Finally, a private question for Christian Höhler: which innovation would you no longer want to do without in your private life and why?

I don't think I could do without my smartphone and I'm always excited about new functions that make my everyday life easier. I'm particularly excited about the AI functions that we'll be seeing here in the near future. And finally, once again with regard to DEHN: I am certain that AI will have a significant positive impact on our internal processes, sustainability and also on our portfolio for customers – with many exciting innovations in store.



Ecological responsibility



Sustainable product design and circular economy

“As a family-owned manufacturing company, we are aware of the environmental impact of our products. Although we are still in the early stages of sustainable product design, it is our declared aim to decouple our growth as far as possible from the use of natural resources. It is therefore crucial for companies like us to work with their partners in the value chains to offer sustainable and fitting solutions for customers worldwide.”

Christian Köstler
Chief Operating Officer



As a family business, we see it as part of our responsibility to the generation of our children and grandchildren to leave them not only a healthy company, but also a world in which they will find sufficient resources to make their lives worth living. For us, the two are inextricably linked. After all, the careful and, if possible, circular use of natural resources not only secures their availability for future generations, but also our supply with materials we need for our production.

An important basis for the sustainability of our products is their consistently high quality. Their flawlessness and long service life ensure that they do not have to be replaced in short cycles and most likely go to waste. However, our understanding of quality goes far beyond our products. It includes energy- and resource-efficient production processes, which are an integral part of our quality management already today. It also comprises high quality input materials that have been sourced and produced sustainably. To pursue this aim, we will intensify cooperation with our suppliers. In addition, the safe handling of harmful substances and waste and their avoidance, wherever possible, complete our understanding of quality at DEHN.

In line with this understanding, our aim is to develop a holistic approach that extends from product development and manufacturing to use and reuse. We are aware that closed-loop recycling management systems can only be established in collaboration with customers, suppliers and service providers. We will systematically involve them in the development of the respective concepts and their implementation.

In terms of product development as a starting point, we aim for a “design for recycling”. We want to design our products in such a way that the largest amount of materials possible can be recycled. This requires a modular design that allows the materials used to be easily separated.

At the same time, such a design implies reducing the proportion of non-renewable raw materials and non-recyclable materials. The EU Ecodesign Directive is a benchmark that we apply here. Although our products are not essentially classified as “relevant for energy consumption”, it is nevertheless a helpful guideline for us.

In our view, meaningful recyclability also requires the consistent avoidance of hazardous substances. Here we can seamlessly tie in substance bans and restrictions such as those resulting from the EU regulation on the “Registration, Evaluation, Authorization and Restriction of Chemicals” (REACH) or the “Directive on the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment” (RoHS). We comply with the associated requirements for numerous

products, even though they are not subject to any legal obligation. We want to gradually extend this voluntary implementation to more and more products to assume responsibility.

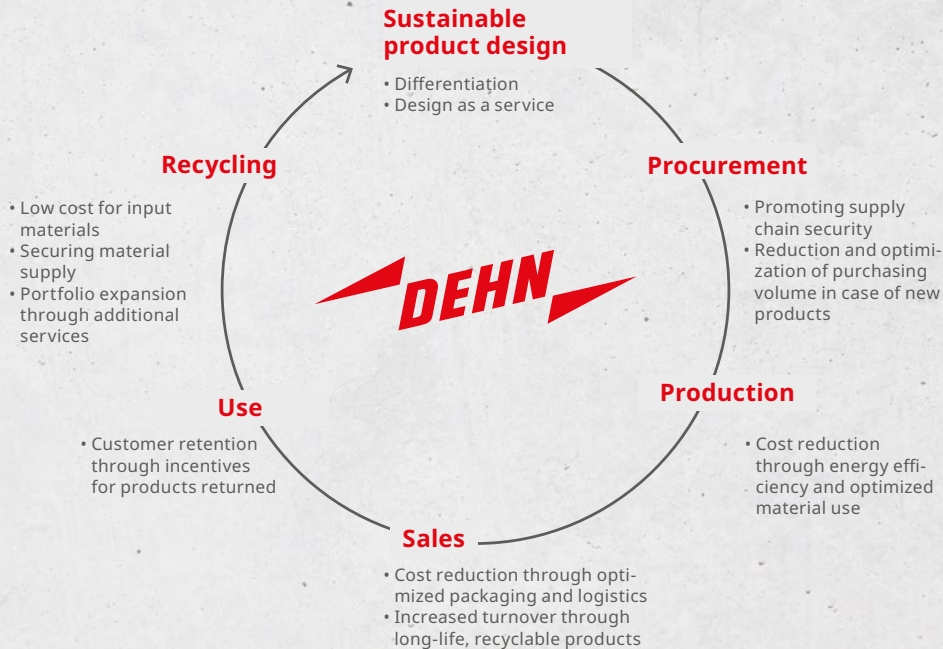
As a manufacturing company, we are dependent on our suppliers being able to deliver recyclable materials and components as part of our procurement process. Their ability to do so is a criterion that we want to integrate systematically in our supplier selection and evaluation process. To achieve this, we have set ourselves the goal of developing meaningful guidelines and evaluation criteria.

Production site in Mühlhausen



Circular economy concept

from DEHN's perspective and its associated advantages



Regarding production, processes that are energy and material efficient are crucial for us, which is why we seek to enhance them via our quality and energy management. On the one hand, this is where our lean philosophy comes into play because of its core principle to avoid any form of waste. On the other hand, we build on our quality standards to further reduce reject rates. After all, every faulty product is detrimental to the careful use of precious resources. We also want to constantly increase the longevity of our products and extend their life cycles.

In the long term, we do not only strive to be energy-efficient, but also to cover our entire energy demand through renewable energies. We have made great strides in this direction by expanding our photovoltaic systems, particularly at our new production site in Mühlhausen.

The efficient use of renewable energies is also a premise for us in all logistics processes along the value chain. This applies to both inbound and outbound logistics processes.

We also see considerable potential in optimizing transport packaging, which we want to exploit, particularly with regard to our distribution. As it is the case for products themselves, we also need to develop closed-loop concepts for packaging. We have already taken the first notable steps in this direction. To ensure that used packaging material is taken back and recycled, we work with our recycling partners Interzero Recycling Alliance and Interzero Circular Solutions Germany. We have properly licensed product packaging with the Dual System of the Interzero Recycling Alliance, so that packaging can be recycled via the regular collection of recyclable materials.

We predict entrepreneurial advantages in the sales phase, particularly in the marketing of recyclable products, as we expect demand to grow. This is not only driven by regulatory requirements, but also by the decreasing availability of natural raw materials and the associated price increases.

However, we do not see any significant potential in the sharing economy, which is often discussed as part of new sales concepts in the context of the circular economy. Our products

Production logistics based on supermarket logistics

are not suitable for shared use as they are permanently installed in buildings or structures. Sharing is also not an option in our occupational safety business area as could potentially lead to human health risks.

The use of our products also offers few possibilities for promoting sustainability. Their energy consumption does not depend on user behavior, different from many other consumer goods or investment goods. Furthermore, in most cases we do not even know the end users and would not be able to raise their awareness on saving energy.

This anonymity poses a challenge for collecting materials and recycling them in the after-use phase. As we generally do not know where our products are used – with the exception of larger projects – we need to collaborate with wholesalers and downstream construction and trade companies to provide information on recycling opportunities. One exception to this is our subsidiary DEHN INSTATEC, since it installs a small proportion of our products ourselves on the end user's premises.

An additional difficulty arises from the fact that operating our own closed-loop system would not be environmentally or economically sensible, as our products are used worldwide. Setting up our own collection points or transportation options would therefore not be justifiable from neither a financial nor an ecological point of view.

Moreover, due to the low price of some of our products, there is only a limited incentive to return or hand them in if this is associated with a greater financial effort or considerable time. A deposit, which could create an incentive, would then be disproportionately high in relation to the price. The aforementioned anonymity of both the companies that install our products and the owners of the respective buildings and facilities makes it difficult to contact them and handle the return of a used product.

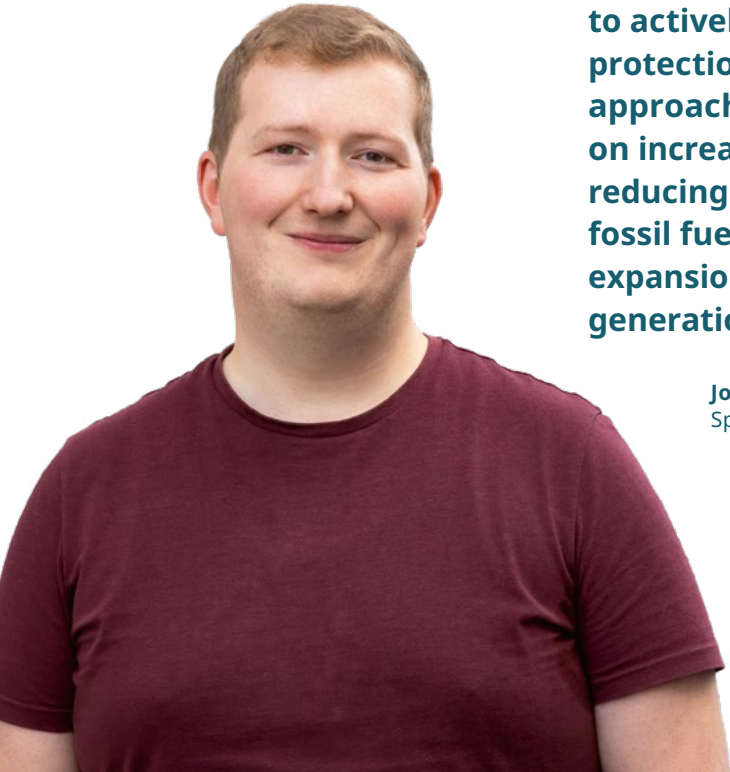
For these reasons, the most sensible approach from an economic and ecological point of view for many of our product categories is to set up return systems in conjunction with our industry peers. Our primary goal is to enter into a dialogue with the relevant players in



order to identify individual and shared expectations, needs and challenges. By doing so, we want to lay the foundation for a successful cross-company initiative.

Many of our products can already be returned and recycled under the WEEE2 Directive (Waste from Electrical and Electronic Equipment) in order to recover high-quality raw materials. For us, however, this is just another small step on the way to establishing sustainable recycling systems that help to protect our environment and our future viability.

Climate protection and energy management



“At DEHN, we have been striving to actively contribute to climate protection for many years. Our approach is based primarily on increasing energy efficiency, reducing the consumption of fossil fuels, and the continuous expansion of renewable energy generation.”

Jonathan König
Specialist Environment and Energy

Climate change is one of the greatest ecological and environmental challenges of the 21st century. It will not only change the framework conditions for business activity in terms of regulatory requirements and customer demands, but also entire business models due to its far-reaching effects. For us as a manufacturing company in particular, it brings with it numerous risks, but also opportunities, which we have systematically analyzed along our value chain as part of our sustainability and risk management.

Climate change as both an opportunity and a risk

When identifying and assessing climate-related risks, we see two relevant categories for DEHN: physical risks resulting from the increasing probability of extreme weather events, and transition risks resulting from the transition to a low-carbon society and economy.

For us, physical risks lie primarily in the upstream and downstream value chain, as the increasing number of extreme weather events can lead to disruptions in logistics. This results in potential supply bottlenecks for our customers and us. The consequences for us would be production losses or even contractual penalties. Due to their geographical location, our production sites are not exposed to any significant risks from storms, heavy rain or flooding.

The main transition risks for us are the potential financial impact of a rising carbon price and increasing regulation aimed at reducing greenhouse gas emissions. As our company is primarily operating in the electrical industry, risks for us also result from the downstream value chain. An increasing demand for energy efficient and low-emission products and corresponding legal requirements must be mentioned here. Similar risks exist in the upstream value chain, as our suppliers are facing very similar challenges, which could result in rising prices or even supply bottlenecks for us.

Our thermal power plant
at our site in Neumarkt

However, the transition risks also present considerable opportunities for our company. By increasing efficiency in production and using alternative energies, we can secure our energy supply and reduce costs. Above all, we have the opportunity to strengthen our competitive position through innovative solutions. Accordingly, one focus of our long-term innovation strategy is to support our customers in achieving their energy and emissions targets.

But there are also market opportunities for us with regard to physical risks. The increasing number of extreme weather events, as indicated by all climate scenarios developed by the Intergovernmental Panel on Climate Change, will lead to rising demand for smart protection solutions for buildings and infrastructure.

A systematic basis

The basis of our climate protection approach is our energy management system, which has been certified in accordance with DIN EN ISO 50001 since 2020. We use it to ensure a systematic approach to developing our energy targets as well as planning, implementing and monitoring the measures derived from them.

In addition to clear responsibilities, a solid database is of central importance for a well-founded and planned approach. Without reliable consumption data, it is not possible to define targets, measure progress or identify the right levers for improvement. That is why we have established a concept for our measuring points and defined corresponding approaches in order to standardize, structure and document the collection of our energy data.

DEHN uses a comprehensive software solution to generate and evaluate data on energy,



providing us with a complete overview of our energy consumption, but also detailed analyses. The monitoring of measurement data is simplified via various reports and dashboards. We have also implemented a standardized naming structure and recording configuration for all measuring points connected to the software. This allows better allocation of the recorded data and leads to greater transparency regarding individual consumption levels.

Our path to climate-neutral energy procurement

One of the pillars of our climate protection strategy is to switch our energy procurement

to renewable energies. Since we are a manufacturing company, electricity is our largest source of energy. At DEHN, the electricity we purchase is primarily used to operate our production facilities such as stamping presses, injection molding machines and lathes, to generate compressed air, for lighting and to operate devices such as computers, monitors and printers. As a customer from industry, we purchase electricity directly from a local provider. To further reduce our CO₂ emissions, we switched to a green electricity tariff in July 2021. The electricity we use comes from certified power plants and is 100% free from carbon emissions. This was confirmed to us by Klima-Invest Green Concepts.

Aside from electricity, natural gas is DEHN's second largest source of energy. It is used at our site in Neumarkt to heat the buildings and to operate the thermal power plant. In line with our shift to green electricity, we have also switched to climate-neutral natural gas, underlining the holistic nature of our approach.

Emissions caused by the combustion of natural gas are calculated accordingly and offset by various climate protection projects. Despite the climate neutrality certified by KlimaInvest Green Concepts, offsetting is only a means for us as long as a further reduction is not or not

yet possible. When it comes to climate protection, reduction is always our priority.

The third type of energy consumption relevant for DEHN results from district heating. We use it for heating buildings at our site in Mühlhausen, where we have installed a concrete core heating system in the hall floor. Most of the heat required is generated by a wood chip co-generation plant. 99% of the fuel used comes from renewable raw materials, such as wood chips and wood pellets. Thus, significantly less CO₂ is produced compared to conventional heat generation.

Due to our business model, which involves virtually no operational activities at the customer's premises, the energy consumption of our pool and service vehicles is of very limited relevance and amounts to a share of around 1%. Nevertheless, we are constantly increasing the number of electric vehicles to exploit even small reduction potentials. Currently twelve of our pool and service cars are battery powered. Likewise, the consumption of diesel and oil for operational purposes at our facilities, in particular for regularly testing emergency power generators, plays a minor role.

Sustainable energy generation

Another important element of our energy management is in-house generation, particularly of renewable energy. On the one hand, this enables us to make a valuable contribution to climate protection that is entirely in our own hands. On the other hand, it enables us to increase our energy self-sufficiency and thus also our energy security.

The "heart" of our in-house energy generation is a photovoltaic system on the roof of our site in Mühlhausen, which we have operated since 2018 and significantly expanded when we commissioned our new building there. Today, more than 4,000 modules cover both buildings and deliver a total output of approx. 1,250 kWp. Around 40% to 50% of the electricity generated is consumed by us, while the overproduction is fed into the electricity grid, enabling also other users to consume green energy.

Energy consumption and shares in total consumption in 2022 and 2023

Type of consumption within organizational boundaries	2022		2023	
	Consumption [in kWh]	Share in total consumption [in %]	Consumption [in kWh]	Share in total consumption [in %]
Electricity	6,551,548	53.68	7,324,887	53.68
Natural gas	5,050,517	41.38	5,063,651	37.11
District heat	454,500	3.72	1,117,600	8.19
Fleet	123,991	1.02	138,451	1.01
Diesel and oil	25,164	0.21	1,555	0.01
Total	12,205,720	100.00	13,646,44	100.00

The electricity that we generate with our much smaller photovoltaic system (22 kWp) at our site in Neumarkt is also fed directly into the grid. At DEHN, however, we use the power of the sun not only to generate electricity, but also to heat water using solar thermal energy. For over 20 years, the system at our site in Neumarkt with a total output of approx. 30 kWp has provided us with excellent service and has contributed to significant CO₂ savings over time.

Since 2015, we have been operating our own thermal power plant at our site in Neumarkt, which differs from a conventional power plant in that the waste heat from the generator required to generate electricity is not simply dissipated, but used directly. In our case, the waste heat generated during the production of electricity using a natural gas engine is fed directly into our building heating circuit. The power plant has an electrical output of 210 kW and a thermal output of 248 kW with a natural gas consumption of approx. 50 m³/h. In order to make optimum use of its advantages, it is only operated during periods when the waste heat can be put to good use. In winter, the

heat is used to heat the buildings, while in summer it is also used for cooling via an absorber.

Our new manufacturing building as a “lighthouse” project

In order to respond to the ever-increasing demand for production capacity, we completed an innovative manufacturing facility at our site in Mühlhausen in 2023. It is not only one of the most modern manufacturing facilities in our region, but also a building that can serve as a lighthouse project for us and beyond our company. The building with a size of more than 25,000 m² was designed in accordance with the KfW40 norm, meeting a standard that sets a high threshold regarding energy efficiency. The building uses only 40% of the energy in comparison to a comparable conventional building.

The roof was fitted with an extensive photovoltaic system, which contributes 500 kWp to the existing system. However, we did not leave the remaining free roof area unused and extensively greened 3,100 m² of it. This



improves thermal insulation in winter and heat protection in summer, while at the same time binding CO₂ and dust from the air.

The charging options we have created are also geared towards the future. Today, there are already 39 charging points for electric vehicles, which can be expanded to over 100 charging points. However, we have also thought about

e-bike riders and have provided nine charging sockets – having corresponding expansion options in store.

Emissions by category

Purchased goods and services

39,057.05 tCO₂e (55,95 %)

Upstream transportation and distribution

21,881.40 tCO₂e (31,35 %)

Employee commuting

3,245,98 tCO₂e (4,65 %)

Downstream transportation and distribution

1,498.50 tCO₂e (2,15 %)

Mobile combustion

1,390.32 tCO₂e (1,99 %)

Business travel

1,273.56 tCO₂e (1,82 %)

Stationary combustion

1,018.27 tCO₂e (1,46 %)

Electricity

281.37 tCO₂e (< 1,00 %)

Waste

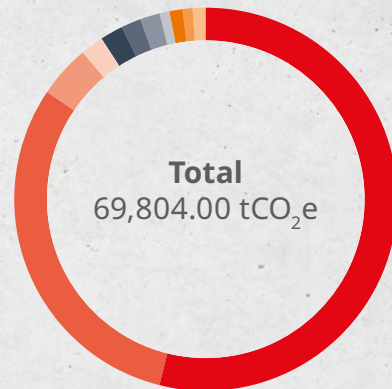
61.37 tCO₂e (< 1,00 %)

Steam & heat

40.55 tCO₂e (< 1,00 %)

Other

55.80 tCO₂e (< 1,00 %)



Regarding emissions from mobile combustion, DEHN's entire vehicle fleet was taken into account. This also includes the kilometers driven for business purposes by vehicles that are partly used privately.

Our corporate carbon footprint

In 2023, we calculated our corporate carbon footprint for the first time. By doing so, we get more transparency about our emissions and, in particular, the sources of emissions, allowing us to better align our approaches and measures in future. In addition, the calculation enables us to meet increasing regulatory requirements as well as the wishes of our customers. Bearing this in mind, we are also working on the calculation of product carbon footprints, which we intend to introduce gradually from 2025.

As it is typical for manufacturing companies, the majority of our emissions are generated in the upstream and downstream value chain (Scope 3). More than half of our total emissions are attributable to the production of purchased goods and services. In turn, almost a third results from upstream transportation and distribution processes, while outbound logistics accounts for significantly less emissions that only amount to 2.15% of the total.

Our employees' commuting accounts for around twice as much, which is due to the extensive use of private transport due to our rural location. Although this is not within our direct sphere of influence, it is important for us to identify potential for reduction here and offer appropriate alternatives.

Our direct emissions from company-owned and controlled resources (Scope 1) are significantly lower compared to Scope 3 emissions. Mobile combustion, which includes all of our vehicles that burn fuel, accounts for less than 2% of total emissions. The share of stationary combustion is even lower at 1.46%.

The share of our Scope 2 emissions resulting from the purchase of electricity, steam, heat and cooling is also rather small. Overall, they amount to less than 1% – in particular due to our purchase of green electricity.

Although we can already report low CO₂ emissions in Scopes 1 and 2 thanks to our far-reaching efforts, we want to go one step further. We have set ourselves the strategic goal of achieving climate neutrality in both scopes by 2030. In order to achieve this ambitious goal, we want to supply all of our production sites in Europe with 100% electricity from renewable energy sources by 2027, which we intend to generate ourselves as far as possible. We will develop science-based climate protection targets by 2026 to have a solid basis for designing our reduction measures.

However, setting targets for Scopes 1 and 2 does not mean that we do not attach any importance to Scope 3 emissions – on the contrary. After all, the greatest potential for reducing emissions clearly lies in our value chain. There are two key challenges associated with this. First, the existing potential is difficult to leverage as it is not under our direct

influence, but that of our suppliers and customers.

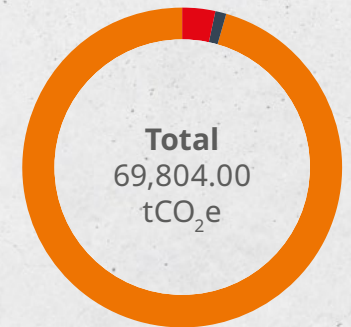
Second, the data required to determine Scope 3 emissions as accurately as possible is difficult to collect. The biggest challenge for us is to determine the energy consumption of our appliances when they are in use. As our products are usually sold via retailers and installed by third parties, our customers are not the “consumers” themselves in most cases. As a result, they are usually anonymous to us, which makes access to consumption data considerably more difficult.

Our objective is to first improve the data quality in Scope 3, which is currently not yet at the level we are aiming for, in the upstream as well as downstream value chain. We see this as a gradual learning process, which involves developing increasingly accurate estimation methods for individual products and product groups, in particular with regard to the aforementioned consumption during the use phase of our products. Based on calculations as precise as possible, we can identify the greatest levers for reducing emissions under the consideration of economic and ecological aspects.

This in turn forms the basis for determining realistic targets and deriving appropriate measures.

Both when collecting data and when implementing measures, we will work together with our suppliers and customers. Pursuing our partnership approach, we will jointly develop solutions that allow us to make a valuable contribution to climate protection.

Total emissions by Scopes



Scope 1

2,438.26 tCO₂e (3.49%)

Scope 2

348.04 tCO₂e (< 1.00%)

Scope 3

67,017.85 tCO₂e (96.01%)

Environmental management

“We see it as an important part of our responsibility to protect not only people and assets, but also the environment. That’s why we are constantly working to minimize our ecological footprint and make a valuable contribution to preserving ecosystems.”

Bernhard Götz
Environmental Manager



To us, environmental protection is part of an overarching ecological responsibility that interacts closely with other issues that are important to us. There is a strong interdependency with climate change, for example, as it has a negative impact on the environment and biodiversity in particular. This is why the responsibility for environmental management and energy management lies in the hands of the same department at DEHN. The protection of natural resources, such as water, from pollution in turn goes hand in hand with circular economy concepts, as both are aimed at preserving natural resources. This is why we see great synergies with regard to other material topics for us, in particular “sustainable product design and circular economy” as well as “innovation”, because new technologies can make a significant contribution to the careful use of resources on several levels.

We believe that fresh water will be the critical resource of the 21st century. According to forecasts by the World Resources Institute, more than 40% of the world’s population will be affected by severe water stress by 2050 and will not always have enough water to meet their needs. We also observe a challenging

development for the use of water in business activities.

In addition to water use and water protection, in our materiality analysis, we have identified air pollution and the handling of hazardous substances as critical issues for us due to our manufacturing activities. Biodiversity and topics related to waste were not determined to be material, but are of latent importance to us, which is why we also report on them briefly.

Our management approach

Due to the close link to other topics, our EHS unit is in charge of environmental protection. To ensure a systematic and planned approach when it comes to defining targets and implementing them, we once again rely on an established management system. This system supports us in structuring, controlling and optimizing procedures and processes as part of our environmental management.

Our site in Neumarkt has been certified in accordance with DIN EN ISO 14001 since 2000. Our site in Mühlhausen, which we founded

in 2014, also received this certification in the same year. For our foreign subsidiaries, environmental management is of secondary importance due to their size and sales focus without manufacturing activities. Regarding new production facilities that we plan to establish abroad as part of our international expansion, we will also strive to set up environmental management systems there and establish uniform standards.

Concerning all individual environmental protection topics, we take a preventive approach to avoid environmental hazards before they arise. We do this on the basis of careful analyses of individual potential hazards. If incidents occur, we systematically determine the causes and document them in order to develop solutions and improvements.

Water management – we protect and reduce consumption

Our water management is geared towards two overarching objectives: the careful use of water resources by reducing water consumption and the protection of water from pollution.

We are dependent on water as a raw material along our value chain. In our plants in Neu-markt and Mühlhausen, which draw water from the public network, cooling water is required for the production of appliances and systems. As cooling water flows in closed circuits, the savings potential is rather low. Potential rather lies in the sanitary areas and cafeterias. Cisterns in turn are already available for watering green spaces.

The risk of water pollution due to leaks of water-polluting substances used in production, building services and logistics is low because of precisely defined processes and appropriate safety equipment. We also take great care when dealing with waste water. Thanks to our own wastewater treatment plant and several separator systems, our wastewater is of a quality that allows it to be discharged into the public sewer system. To ensure this, regular samples are taken at our locations. In the 2023/24 financial year, there were no reportable incidents, where municipal limits were exceeded.

Although our consumption and the risk of water pollution are relatively low, we regularly train our employees in the handling of water, especially in areas where hazards can occur. We are also continuously expanding our metering system in order to measure our consumption even more accurately.

Our new building in Mühlhausen makes a direct contribution to the careful use of water and to supporting the natural water cycle. The extensive greening of the roof substantially reduces the amount of drainage due to the high level of evaporation it enables. While the evaporation rate on conventional roofs is only 5% to 20% of the rainfall, our green roof increases it to a range from 50% to 99%. This reduces the necessary amount of drainage, but also the risk of water damage.

Pure air through modern filter technology

Our extensive manufacturing activities and processes generate various emissions. We counter these by constantly improving the extraction and filter technology we use for machinery and in building technology. We implement these technologies when it comes



to optimizing existing machines, but also when we procure new ones. Like in other fields, we also carry out the necessary training measures with our employees.

Careful handling of waste and hazardous substances

For DEHN as a manufacturing company, waste from production is the most important topic regarding waste management. Avoiding waste is a top priority for us, as we want to keep material consumption and disposal volumes as low as possible. Separate and safe as well as legally compliant disposal of all waste fractions is an essential part of waste management at DEHN. We record the types of waste that are sent for recycling, energy recovery and disposal carefully and, where possible, by type, distinguishing between hazardous and non-hazardous waste. Reuse or recycling always takes priority over incineration for energy purposes, while disposal is only used as a last resort. This has enabled us to achieve recycling rates of over 90% for many years.

In our manufacturing activities, we work with substances that are classified as “substances of very high concern” under the REACH regulation (“Registration, Evaluation, and Authorization of Chemicals”). These substances can have serious effects on human health or the environment. At DEHN, we have implemented suitable documentation processes and workflows in order to fully comply with the regulatory requirements.

However, we want to further improve waste management not only in production, but also in the administrative area to work towards our overarching strategic goal: By 2030, we will reduce our waste production in relation to our economic performance by 50% compared to the base year 2023 through prevention, reduction and recycling. We are sensitizing our employees in administration to avoid the use of paper and the printing of records and documents as far as possible. Accordingly, we have introduced more and more paperless processes. Improved printer management also makes a contribution.

We hand over discarded IT hardware from administration and production to AfB social & green. Europe’s largest non-profit IT company is specialized in extending the life of used IT and mobile devices. As a company recognized for its inclusion efforts, it employs 660 people, 48% of whom are people with disabilities. The hardware we hand in is completely refurbished and resold by AfB. In 2023 alone, 555 of our used IT devices were refurbished or recycled by our partner, saving 452,138 liters of water and 45,405 kg of CO₂ equivalents.



We hand over discarded IT hardware from administration and production to AfB social & green.

Biodiversity – the journey is the destination

As far as the protection and promotion of biodiversity is concerned, we are at the beginning of our journey. We are therefore deliberately refraining from defining targets at this stage. We first need to build up the necessary know-how and determine the status quo before we can define goals and set out on our path.

Our first direct touch point with the topic of biodiversity is the so-called “EU Deforestation Regulation”, which is expected to apply from December 30, 2025. It stipulates that companies bringing certain raw materials or products on the EU market must be able to guarantee two things: no areas have been deforested for related production purposes since December 31, 2020, and all regulations of the country of origin are complied with. As we use rubber, which is one of the raw materials listed in the regulation, for manufacturing purposes, we also fall within the scope of the Deforestation Regulation. In order to meet its demanding requirements, we began preparations in cooperation with our suppliers in the reporting year.





Looking ahead

The publication of our first sustainability report marks a milestone on our path to sustainability. We have embarked on this journey being convinced that sustainability is more than just a trend. It is a social and business necessity. In the future more than ever. Because the challenges we face – as a societies and companies – will increase, not decrease.

Climate change and the extreme weather events associated with it will intensify. The latter have already increased by 83% in the past 20 years compared to the period from 1980 to 1999, and are expected to accelerate further. Storms, heavy rainfall and flooding will increasingly become an integral part of business reality.

Younger generations in particular will experience that raw materials, the use of which we take for granted today, will become depleted or their extraction will no longer be economically viable despite continuing demand. Examples in this context include indium and rare

earths, which are also of central importance to DEHN as an electrical engineering company.

The demographic change that can be observed in almost all industrialized societies is hitting us particularly hard in Germany, as we are among the industrialized nations with the highest average age. Even rather optimistic scenarios assume that the number of people of working age will fall from currently 43.3 million to 38.2 million by 2050 and by a further 2.9 million by 2070. This will result in major social changes, cuts to social security systems and a growing shortage of labor.

Despite these challenges, we at DEHN are optimistic about the future because we know that we have made significant progress in recent years with regard to sustainability. However, we are also aware that our journey does not end here.

We will continue to enhance our sustainability management in the coming years. This applies in particular to the identification, generation and analysis of ESG data and the definition of associated targets. As an engineering company, we have a weakness for figures, which we want to turn into a strength also in the area of sustainability. Gradually filling existing data gaps allows us to better define new measures and adapt existing ones.

For us, enhancing our sustainability management goes hand in hand with creating awareness. Modern KPI-based management systems can only be effective in a corporate culture that consciously accepts new topics and the associated change. At DEHN, we have proven our ability to change many times in our company history spanning 114 years – also because we have never seen change as something automatic. Instead, we have always proactively encouraged it. We will therefore

intensify our internal sustainability communication to better inform our employees and involve them through new dialogue formats. After all, sustainability thrives on participation and enthusiasm. We want to strengthen both.

We will also intensify and expand communication with our external stakeholders. The fact that our customers have shown little satisfaction with the way we inform them about sustainability is enough of an incentive for us to improve. However, we do not only want to provide more information to our customers, but also gear up the exchange with them.

Especially when it comes to important topics such as circular economy concepts, the dialogue and collaboration with various partners along the value chain will be crucial to success. Closed material cycles will be one of the

key sustainability topics for DEHN in the future. It will be decisive for us to systematically use our innovative strength to pursue a “design for recycling” approach.

While we have a clear idea of the objectives and challenges associated with the circularity of our products, we rather enter terra incognita for us when it comes to biodiversity. As a first step, we need to determine whether our business model has a significant impact on flora and fauna, and, if so, the related causes and consequences.

Climate protection in its interplay with energy management will remain a topic of undiminished importance. We will also drive forward the procurement and generation of renewable energy at our new locations, as well as further efficiency improvements in our production. Strengthening our contribution to

combating climate change by developing sustainable products that support our customers in achieving their climate goals is going to be another one of our commitments.

None of the goals or projects mentioned will succeed without motivated and qualified employees. The dynamics of change, whether in technical, economic or ecological terms, will require a continuous expansion of knowledge, skills and competencies. We will continue to enhance our employee development in line with the guiding principle of life-long learning – and increasingly integrate contents on sustainability issues. Providing employees with the opportunity to develop and offering them interesting career paths also increases our attractiveness as an employer against the background of the demographic changes outlined above.

A partnership-based approach will be our constant companion across all fields of action and material topics. The widely used quote that those who want to travel fast are better off going alone, but those who want to go far are better off doing so together, applies in this context more than ever. A joint effort will be needed at all levels in order to meet the challenges of the 21st century.

Trust and transparency form the basis for doing so. That is why we will continue to keep you informed about our progress, but also about the obstacles on our way.



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