hagergroup

Shaping the electric future through collaboration and innovative technologies

Hager Group
Annual Report 2023

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Message from the Chairman of the Supervisory Board

Thriving through change

Daniel Hager, new chairman of the Hager Group supervisory board
Having previously served as CEO and representing the third generation of the Hager family, Daniel Hager now assumes the role of Chairman, where he continues to shepherd family legacy, fostering innovation and resilience for the challenges and opportunities of tomorrow.

Dear reader,

In 2023, I decided to make way for a new face, a new force and a new inspiration after 15 years on the helm of this company which was founded by my grandfather, father and uncle in 1955. Operations are now in the hand of an external management.

Rest assured, the owning Hager family are very much committed to the legacy and the future of our business. Our family values remain at the core of our business, driving us forward in every endeavor. It was my privilege to lead Hager Group, kicking off a major transformation which saw us going from offering products to offering products and solutions. The expansion into selling digital services and energy efficient solutions operating worldwide is just at the beginning.

My endeavours have always centred around two key questions: what do our customers need? And how can we create a thriving, future-proof business in tune with our values?

I believe we have found some answers to these questions and have achieved remarkable developments in key areas. I am also conscious that we must continue relentlessly to pursue these at all times; it is never over.

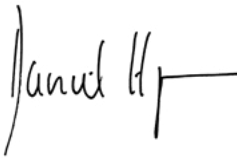
Current times with their frequent crises are a huge challenge to people and economies everywhere. We have shown resilience in the past years and our employees have shown their strong commitment to our company and our customers.

This gives me the confidence that despite the unstable geopolitical situation we will keep on our path. Digitization, sustainability and the trust in our capabilities are the basis for a prosperous and resilient future.

I look forward to supporting the business from another perspective as it continues to thrive under the leadership of our new CEO Sabine Busse. You can be assured that my commitment, passion and energy for our company, customers and partners remains unchanged.

The future is electric.
Let's shape this future together.

Yours,
Daniel Hager
Chairman of the Supervisory Board



Letter from the Chief Executive Officer

Leading into the future with purpose

Dear reader,

In December 2023, I officially took over from Daniel Hager to become the new CEO of Hager Group. It is an honour to lead Hager Group through a time of change and I am especially thankful for the exemplary handover period Daniel and the Hager team have organized for me. The deep commitment, customer enthusiasm and the close ties between colleagues in this family-owned company is remarkable and the basis for its current and future success.

The strong family values that define Hager Group will continue to guide us as we navigate the future: courage, authenticity and integrity will lead us forward as we follow the path outlined by our company strategy, "Project 2030." In an increasingly electrified world, our business is at the heart of the ongoing energy transformation.

Project 2030 identifies three levers for our product, solutions and service growth: customer centricity, digitalisation and sustainability. The needs and requirements of our customers and partners are evolving and therefore guiding the way: they expect digital and sustainable products and solutions from us. The greener and more digitally enabled – the better! While always staying true to our "safe and simple" Hager product and solution approach. Digitalisation is particularly essential because it enables us to become more sustainable. Our Blue Planet Commitment is a perfect example of how we at Hager Group are taking our business choices with keeping a healthy planet in mind.

More on this in our sustainability report in the second half of this annual report. We hope to give you good insight into facts and figures, commitments and action plans here at Hager Group. For us, sustainability covers Ethics, Employees and the Environment, the 3Es. So, expect more than information on greenhouse gas emissions and product lifecycle data. Business integrity and employee happiness also feature prominently.

We are living and working in uncertain times. Wars have bought political instability and economic uncertainty. Scarcity of raw materials make our

Sabine Busse, CEO Hager Group
Transitioning into the role of CEO from Daniel Hager, Sabine Busse embraces Hager Group's values, guiding our journey towards digitalisation, sustainability and growth.

Sabine Busse

“Remaining true to our values, we continue our projected path for growth.”

business more difficult to plan. Rising energy prices have put a strain on all energy-intensive businesses and the challenge of global warming demands of us to rethink the way we do business.
New, mainly Chinese competitors, have flooded the European solar and storage markets in an extremly fast manner. And finally, there is a global shortage in skilled labour.

We cannot solve these various challenges alone. The key to success lies in cooperation and collaboration with our employees, customers and partners, encouraging them to play a fundamental role in finding joint solutions: we continuously invest time and resources in the education of our people, while at the same time working with our partners and suppliers on digitizing our customer journey to ensure a seamless customer experience when dealing with Hager Group.

In 2023 we completed a successful switch to SAP S4/HANA, acquired Eficia and PmFlex and were awarded Ecovadis Gold in recognition of our sustainability standards. We are continuing on this sustainable growth path in a caring manner, taking into account the opportunities arising from innovations, future partnerships and careful geographical expansion.

In this annual report you will hear from colleagues inside Hager Group who are spearheading our digitalisation and sustainability transformation.
You will hear from our customers and partners, who are an essential part of us. And hopefully you will get an sense of what we at Hager Group stand for.

The future is electric and I am looking forward to shaping it together with all of you!

Sabine Busse
Hager Group Chief Executive Officer

Adapting, innovating and expanding

Highlights 2023

Agility and learning

Businesses everywhere have been facing a growing number of challenges lately. COVID-19 and international conflicts have added further uncertainty and instability. Rising energy prices, scarcity of raw materials, difficulties with supply chains, and a lack of skilled labor are all taking their toll on business. At Hager, we have put a strong focus on operational resilience to ensure we can fulfill customer expectations at all times and are ready for any future challenges. This includes fine-tuning our HR strategy, investing in renewable energy sources or increasing our stock capacities or perfecting home office practices.

Accelerating digital transformation

March 2022 saw the kick-off of a major IT operation: Over 300 participants were invited to start preparing the switchover from our existing SAP systems to S4/HANA, an enterprise resource planning system. HANA stands for High-performance Analytical Appliance, and in August last year, it was rolled out simultaneously—and successfully—in all 50 Hager Group subsidiaries. The new system supports our backend operations and greatly benefits customers through more reliable data management.

Investing in the future

- Bierun, one of our sites in Poland, was opened in time to celebrate 30 years of engagement in the country. This €50m investment is built to a high environmental sustainability standard, allowing us to increase our circuit breaker production and expand our product portfolio.
- Bischwiller invested €15m in acquiring 30 new injection molding machines in France.
- In our German headquarters in Blieskastel, we mainly produce casings, meter boards, and distribution boards. We added an extra 1,300 m² production floor to the injection molding area.

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Acquisitions

In 2023, we successfully pursued our growth strategy. Amongst others, we welcomed Pmflex and Eficia.

About PM Flex
Pmflex is a leading manufacturer of electrical installation conduits based in northern Italy. This company of 150 people last achieved a low triple-digit million Euro turnover and sells its products in over 50 countries. The acquisition elevates Hager Group to a leading European manufacturer of empty and pre-wired electrical conduits.

About Eficia
Eficia is an innovative French company specialising in energy management via remote control services for commercial buildings. A pioneer in the energy transition market, it is the first company to have developed global and fully integrated solutions and services capable of optimising building energy systems such as heating, ventilation, air conditioning and lighting equipment in real time thanks to intelligent algorithms. A team of energy specialists are available 24/7 to advise and optimise customers' energy consumption and comfort. This acquisition turbocharges our ambition for commercial buildings

Hager Group will remain an active strategic investor to be fully in line with our company strategy P2030.

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Company focus

Facts & figures

Hager Group key figures

3.2 billion euros turnover

> 100 countries where our solutions are available

5% share of sales invested in research and development

14% cut in CO_2 emissions since launching our Blue Planet Commitment Program in 2021 (Scope 1&2).

> 13,000 employees

22 production sites in 10 countries

Ecovadis Gold achievement

Growth 2023

+12,3%

Gender balance

40%
of our employees are women

60%
of our employees are men

Commited and competent employees worldwide

Distribution of Hager Group employees worldwide

31%
Germany

29%
France

25%
Other countries in Europe

15%
Outside Europe

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Ralph Fuerderer, Chief Technical Officer

“Optimising resources and processes through digitalisation supports operational excellence and efficient resource usage.”

Mike Elbers
Chief Marketing Officer

“Data-driven decisions and agile iterations speed up our offer development in line with fast evolving customer needs.”

Michael Flieger
Chief Financial Officer

“Digitalisation automates transactions, enhances reporting accuracy, and enables predictive analytics for strategic financial planning.”

Franck Houdebert,
Chief Human Ressources Officer

“Caring for our people fosters an inclusive culture, driving performance and sustainable business success.”

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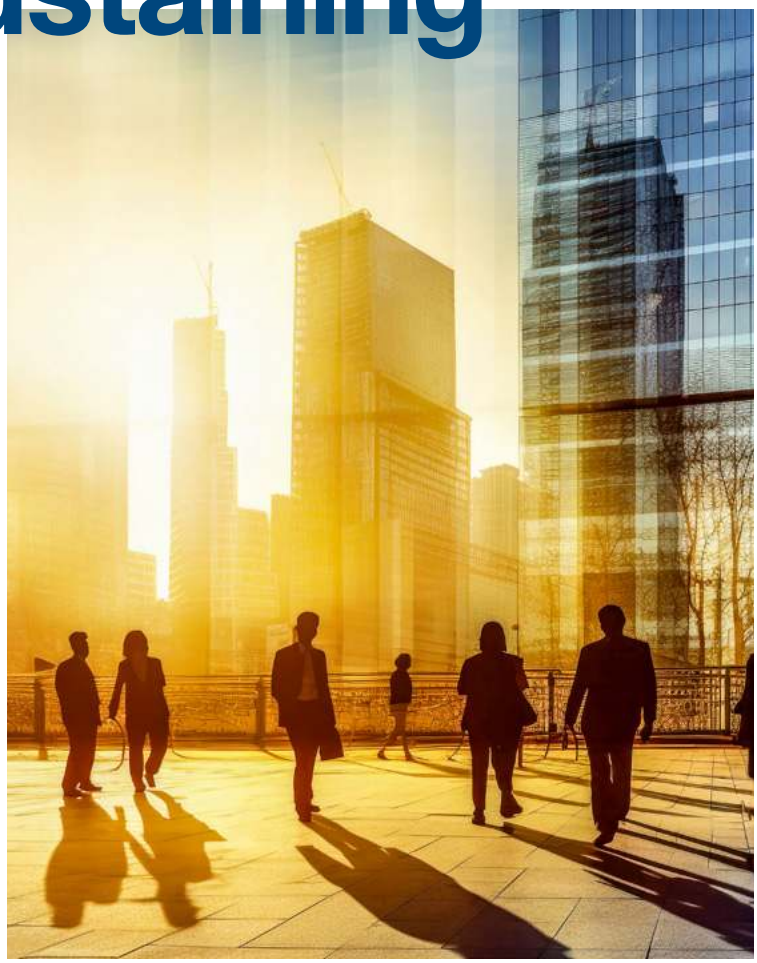
Anticipating tomorrow

Connecting urban spaces, sustaining the future

Advancing urban sustainability through intelligent energy management solutions.



The world by 2030: more hyper-connected people living in hotter cities

Global temperatures are projected to rise significantly compared to pre-industrial levels by 2030. The world's population is expected to reach 8.6 billion by 2030, with two-thirds residing in urban areas. Global energy consumption is projected to increase by 1.7% annually. The impact of rising temperatures will be particularly pronounced in urban centers, emphasising the increasing importance of urban planning. Larger cities will experience more substantial temperature increases.

Also, by 2030, the number of devices connected to the internet will have reached 125 billion. Considerations of energy affordability, security, and sustainability influence the strategies of companies and communities worldwide. The transition towards renewable energy sources and the necessity for efficient energy management underscores our strategic focus.

The global market for renewable energy is anticipated to expand significantly, driven by government policies and technological advancements. Our steadfast commitment to environmental sustainability and energy transition positions us favorably to navigate these emerging trends effectively.

P2030: The cornerstone of our strategic program

As a prominent supplier of electrical distribution products and solutions catering to residential, commercial, and industrial sectors, we are strategically positioned to deliver cutting-edge innovations while capitalising on a solid network of partners and sales channels. Our proficiency in energy management and pioneering solutions, such as intelligent energy storage systems and advanced power distribution technologies, positions us at the forefront of this industry.
P2030 outlines our group's enduring vision, purpose, and missions.
It underscores our dedication to maintaining our status as an independent, family-owned enterprise instrumental in shaping the future of the electrical industry and offering safe & simple solutions.

A customer-centric organisation everywhere and at every moment

With a focus on "safe + simple", our goal is to maintain our position as the top choice for our customers. Prioritising customer centricity is crucial for safeguarding our legacy and fostering future growth. Engaging with customers early in the process and throughout the development cycle will enable us to create practical solutions and provide exceptional human and digital experiences.
Our efforts will be guided by testing value propositions and mapping customer journeys. Listening to and interacting with existing and new customers is more critical than ever.
At Hager Group, in support of the execution of P2030, strategic enablers have been identified:

Organisational resilience

A healthy and robust organisation comprising diverse and talented individuals and teams is vital for achieving success and delivering P2030. We have collectively drawn lessons from recent crises and have expanded on existing initiatives related to people, culture, profitability, and operating models. With this in mind, we have introduced a new strategic stream that integrates these core elements.

Digitalisation

Digitalisation continues to underpin our approach to designing customer relationships, developing products and solutions, and driving internal transformation regarding productivity and cost improvements.
As we accelerate our digital efforts, we must create business value.

Environmental sustainability

Our solutions play a significant role in intelligent electrification and energy management, reducing global emissions and supporting the 1.5°C trajectory. We are committed to meeting regulatory requirements and exceeding customer expectations while strengthening our sustainability value proposition, thus preparing the company for a world characterised by climate and resource constraints. In 2024, Ecovadis awarded us the Gold Certification for our sustainability practices, placing Hager Group in the top 5% of all assessed companies.

Interview with Marie Ziegler, Vice President of Strategy and Matthieu Alexandropoulos, Senior Director Corporate Social Responsibility

Driving sustainability for long-term success

Cutting global greenhouse gas emissions means the world is going electric. This puts us right at the centre of a general transformation. In light of this, we defined digital and sustainability as two of our growth levers. To find out about how we approach the topic and how it ties into our strategy, we spoke to Marie Ziegler, Vice President of Strategy, and Matthieu Alexandropoulos, Senior Director Corporate Social Responsibility (CSR) at Hager Group.

Marie, you joined Hager Group in January this year. What attracted you to Hager, and what is your responsibility?

MZ: Apart from the challenge of taking on this important role, I was very much attracted to Hager Group as a family-owned company with its orientation towards long-term value creation. I am charged with making sure that we are ready to address the opportunities, and face the challenges, which the future brings.

Matthieu, you are responsible for CSR at Hager. What does this entail?
MA: At Hager, we call our CSR framework "E3": Employees, Ethics and Environment. "Environment" covers our efforts to fight climate change and foster a circular economy. "Ethics" includes the building of a culture of trust with all our stakeholders. "Employees" covers good working conditions, diversity and inclusion and people's aspirations.

Marie, Customer centricity is central to our strategy. How does sustainability come into this?
MZ: When talking about CSR we address our employees but also our customers and partners. Sustainability is part of our positioning and our value proposition. We accompany our customers and partners in their own transition by working closely together.

What is special about our approach to customer centricity?
MZ: People and customer relationship are part of our DNA, as well as our brand value. I do believe that very quickly, the unique caring and partnership aspect typical to Hager becomes as important to make the relationship blossom as our offers portfolio.

Marie Ziegler

Marie Ziegler, VP of Group Strategy, joined us in January 2024 after 20 years at Schneider Electric and 4 years in the executive committee of Somfy. She leads our strategy and has a special focus on innovation, a topic she is passionate about. She holds an Engineering degree and an Executive MBA from Paris Dauphine University. She lives in the Alps with her husband and two children.

Matthieu, what do you say to the critics who are skeptical of sustainability reporting because of the resources involved in getting it done?
MA: Despite the cost involved, I see clear competitive advantages in CSRD compliance. The demand for environmentally and ethically sound products is only going to grow. When Marie talks about customer centricity, this is what we are doing. We are listening to what our customers and partners are telling us.

Marie, if sustainability is so important to our customers, why are we focusing on digital so much?
MZ: Digitalisation ties in with sustainability and there are two reasons for this. One reason are our own operations, which can become more efficient using digital processes. The other reason are our customers' needs. Just think of energy management solutions which enable substantial environmental sustainability gains. At Hager, we provide a growing number of safe and easy to use software solutions and digital services which directly impact their sustainability performance.

If digital and sustainability are both important for our growth, what are the most important aspects here?
MZ: Digital is a key enabler of sustainability and operational efficiency for our own operations but also for our customers and partners. This concerns energy efficiency, CO_2 reduction, waste management etc. Hager Group is part of the solution to face energy transition. Incidentally,

Matthieu Alexandropoulos

Matthieu Alexandropoulos joined Hager Group from Airbus in 2018 and has been Senior Corporate Social Responsibility Director at Hager Group since June 2023. He holds a Master in Public Affairs from Sciences Po Paris and is adamant that we can do business and take good care of the planet and people. He lives in Toulouse with his wife and two daughters.

Marie Ziegler

"Sustainability is part of our positioning and our value proposition."

this also helps to attract and retain talent, as most people these days attach high importance on this aspect of doing business.

Matthieu, is it true that digital tech powers many sustainability efforts?
MA: Absolutely. Digital technologies are the basis for connected electrical infrastructure devices and software which enables smart energy management for our customers. As circular economy principles gain ground, components and product environmental ID and traceability will be of essence. At Hager, we invest in our sustainability-related digital infrastructure in order to master those challenges.

Finally, Matthieu, we want our customers to be successful and happy. How do we know what they want or expect from us when it comes to sustainability?
MA: Marie said, we are in close contact with our partners and customers. We have regular discussions about their needs and about existing and upcoming trends. Overall, big leaps in sustainability happen when connections are made through the entire value chain, involving suppliers, partners, customers and other types of organisations. It is a journey we are on, but we are not travelling alone.

Interviews

What the customer thinks

The focus on how we do business is customer centricity. We want to see our customers as partners as much as anything else. There is always a human being at the end of the line at Hager Group, ready to hack out solutions.

Customer-centric digital solutions

Electrical installer Franck Epifami from ETTS in Kirschnaumen, France, has been working with Hager for eleven years. He appreciates the human scale of Hager Group and the ease with which he can get hold of someone to talk to.

Digital solutions now play a major role in the work lives of electrical installers. They use Hager Ready, our digital assistant, to plan their installations, collaborate with others remotely and to consult documentation at any time. Previously, this tool was only available for tablets and mobile devices. Recently, we have developed Hager Ready further, and installers can now also use it on their PCs. Another digital tool we provide is Hager cad, which is used for the planning of low voltage main distribution systems.

Hager Ready, says Franck Epifani, is an excellent tool for creating and printing labels for distribution boards. For the future, he expects an even more integrated digital tool which can be used to produce easily the references he is looking for and to directly print out the placement of a site's actuators (switchboards, sockets, switches from any computer). What's more, he's counting on Hager to develop other digital tools of this type, for example tools providing access to product availability information.

We are committed to continually evolving our solutions to meet our installers' needs. Electrical installers were our very first customers, and making their work easier has been one of our core objectives from day one.

Franck Epifami,
Electrical installer

"Hager Ready is excellent for labeling distribution boards. I look forward to more integrated digital tools."

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Pioneering green building initiatives

Recently, Hager was an integral partner in the construction of a new hospital in the Netherlands, the first to run completely on renewable energy sources. What's more, Rijnstate Elst hospital, built by the Berghege Heerkens Unica construction consortium, will use hydrogen to store surplus energy, radically reducing Rijnstate's CO_2 emissions.

Hager was approached in August 2020 to consider the possibilities for an electrical installation which fitted the renewable energy setup. "In close cooperation with Unica, we determined the right technical interpretation for the main switchboards, distribution boards and power distribution," remembers Account Manager Ed Kooijmans. "By coming to the table at an early stage, we were able to contribute to the end result as much as possible." The use of a digital twin was an essential part of planning.

The tool has amazing advantages, explains Martwin de Man, Project Manager at Hager: "All architectural and installation technical facilities had been worked out and clashed in detail. As a result, disruptions on the construction site were hardly an issue. All rail trunking is fitted with millimetre precision!"

Project Manager Frank Vierdag is very happy with the outcome: "Rijnstate Elst is a great example of teamwork where Hager was not just a supplier, but a project partner. From design to realisation." Just a few hundred metres from Rijnstate Elst, Unica Building Projects Zuid is building a new laboratory. Following the success with Rijnstate, Hager will also engineer and supply various distribution systems and busbar ducts for this project.

Frank Vierdag,
Project Manager

"Rijnstate Elst is a great example of teamwork where Hager was not just a supplier, but a project partner."

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Sandrine Lefebvre,
Building manager

“Working with Eficia has allowed us to reduce our carbon footprint by 29% since 2016 and helped us reach 40% of energy savings since 2010.”

Transforming energy performance

Kingfisher, a British retail multinational retailing company which owns French DIY brands Castorama and Brico Dépôt, was looking for an energy monitoring and management tool which operates on a single platform. In 2017, they came across Eficia, a start-up founded by Alric Marc, which was bringing real innovation to the topic.

Sandrine Lefebvre, Kingfisher’s building manager in France, explains that using Eficia’s control systems and associated energy intelligence services allowed for quick and effective improvement of the energy performance of all HVAC systems. She particularly likes the intuitive design of the software and platform which makes them easy to handle.

Since 2020, all Castorama and Brico Dépôt shops in France have been using Eficia’s intelligent control solution, which also includes the implementation of a bespoke software platform developed by Efcia for the network's employees, and their awareness of and training in the tool.

Sandrine Lefebvre is happy to report that this has contributed directly to the renewal of Kingfisher France's ISO 50001 certification twice in the last six years. Since Eficia has become part of Hager Group in July 2023, Sandrine sometimes misses the early start-up vibe but our global presence will allow her to roll out Eficia’s energy management services across the entire group.

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Interview with Etienne Dock, Senior Vice President Digital and Information and Alric Marc, Founding Director Eficia

Sustainability through digital excellence

Digitalisation is a cornerstone of our strategy. Recently, we acquired Eficia, a French specialist in digital building operations, to add to our digital offerings. In the following interview, we explore how digital solutions drive sustainability with insights from Etienne Dock, our Senior Vice President Digital and Information, and Alric Marc, Eficia's founding director.

Etienne, how does digitalisation contribute to Hager Group's sustainability objectives?
ED: Digitalisation is crucial for streamlining our operations which allows us to achieve our sustainability goals. Transitioning towards more service-based offerings has an immediate positive impact on our own and on our customers' CO_2 footprint. Not least because digital solutions require less construction and transportation and are designed

to increase energy efficiency. We are also monitoring the CO_2 impact of digital solutions and testing a solution to show employees the emissions from using Office 365. While video meetings are better than travel, stored documents also contribute to emissions.

Alric, how does Eficia fit into Hager's sustainability strategy, and what is its value proposition?
AM: Eficia's products align with Hager's focus on energy management. Our digital solutions enable efficient building management and integration into the smart grid, allowing substantial energy savings and reducing carbon footprints. Our advanced IoT solutions manage and automate systems like heating, ventilation, and air conditioning (HVAC) and lighting, achieving up to 40% energy savings in commercial buildings. These solutions also provide insights into comfort levels and equipment maintenance, enhancing overall efficiency and sustainability.

Eficia joined Hager Group last year. How is the integration going?
AM: The integration is progressing smoothly, Hager Group has proven to be an excellent place to work. We are now focusing on developing joint offerings that leverage the strengths of both companies. Our goal is to introduce innovative solutions across various markets, enhancing our collective capabilities in digital transformation and energy management for both residential and commercial buildings.

Etienne Dock

Etienne Dock holds an Engineering degree in aeronautics from ISAE and also degrees in management and digital transformation from the HEC and IMD business school. He spent more than 25 years in IT and Digital. He joined Hager Group in May 2018 and now serves as SVP Digital and Information. Currently his focus is on using digital to fuel corporate performance and transformation.

How do we leverage data and analytics to monitor and improve our sustainability performance, and how does this data influence executive decision-making?
ED: Data availability and quality are crucial for our digital transformation, providing the foundation for our customers and partners to evaluate and use our products. As most purchasing journeys are now digital, products without accompanying data hold little value. Sustainability data is equally important, directly impacting the ranking and visibility of our products in online catalogues.

Alric, how have Eficia's existing customers benefited from you joining Hager Group?
AM: Joining Hager Group provides Eficia's existing customers with access to an expanded range of products and solutions including energy storage systems and electric vehicle chargers. Additionally, our customers can deploy Eficia's solutions across all the countries where Hager Group operates. This of course significantly broadens their reach and enhances their energy management capabilities globally.

Etienne Dock

"We have implemented new digital planning methods for accurate production forecasts and reduced stock levels."

Alric Marc

“We are now focusing on developing joint offerings that leverage the strengths of both companies.”

Alric Marc

Alric Marc founded Eficia in 2013. He holds a degree from the Ecole Nationale Supérieure des Arts et Métiers in Paris. Eficia, his second venture, currently has three European locations and Alric looks forward to expanding further now his company is part of Hager Group. He lives in Paris.

Etienne, can you share examples of how digital innovations within Hager Group have contributed to our sustainability efforts?
ED: We have implemented new digital planning methods for accurate production forecasts and reduced stock levels. Integrating Manufacturing 4.0 with IoT technology optimises production and stock allocation, minimising transportation. These changes promote sustainability by reducing plastic use and energy consumption during production and transportation.

What role do fast developing technologies (like AI, blockchain, etc.) play in driving the sustainability agenda, and how is Hager Group preparing to integrate these technologies for a greener future?
ED: AI, and more specifically, Generative AI, will contribute significantly to the transformation of sustainability, and Hager Group has, of course, embraced with several projects in production and sales that contribute to more efficiency. We are soon to launch our Hager GPT. For some other technologies like Blockchain, we should always remain vigilant in benchmarking the benefits and the impact—for example, mining blockchain consumes a lot of energy.

And finally, Alric, where would you like to see Hager Group and Eficia five years from now?
AM: I want to see our combined offerings available in all markets, providing a comprehensive solution that encompasses hardware, software, and services for all types of buildings. We are aiming to empower businesses and individuals with the tools and insights needed to optimise energy usage, enhance operational efficiency, and so contribute to a more sustainable future.

Two sides of the same coin

A sustainable business for a successful future

Over the past years, we have found our strategic plan to be more than apt to guide us through this time of challenge and change. Customer centricity is not new to us, we have always put the needs of our customers at the centre of what we do. We do not operate in a vacuum and see our customers and partners as an intrinsic part of our business. In close cooperation we develop our products and services to fit their needs, anticipating trends in the market and around the globe.

Investing in digitalisation and in sustainability, a new focus for us, have in many cases turned out to be two sides of the same coin. Whether it is about cutting travel by resorting to virtual meetings or about offering our customers highly advanced energy management systems so they can cut greenhouse gas emissions, digital solutions are a core part of our sustainability journey. Digitalisation and sustainability, highly interconnected, are only going to become more relevant with a growing climate emergency and the global focus on AI and its possibilities.

We do not believe in greenwashing and base all our decisions on hard numbers which we like to communicate to our customers and partners. Part of this is our sustainability report, a document which we published for the first time in 2023, anticipating the regulatory requirement for such a report which kicks in in 2025. It tells you where we are on our journey to sustainability, gives you facts and figures and is designed with maximal transparency in mind. We hope you enjoy reading it.

Our sustainability journey powered by collaboration and innovative technologies

Hager Group
Sustainability Report 2023

E3 Ethics Employees Environment

Our efforts have been awarded with an EcoVadis Gold rating, placing us within the top 5% of all rated companies in our industry.

Sabine Busse
Chief Executive Officer

After my first year at the helm of Hager Group, a family owned company, I am impressed by our commitment to drive towards a sustainable and electrified future for the benefit of our employees, customers, partners and the society at large. Our core values of courage, authenticity and integrity are guiding the way. For this report, applying a critical and transparent approach to our evaluation processes and data collection is a top priority.

Our E3 strategy (Ethics, Employees, Environment) remains at the core of our efforts to achieve our sustainability goals; we have an ethical approach to business, an inclusive and healthy working environment for our employees and safe and simple long-lasting solutions that benefit our customers and the environment.

Sustainability is no addendum to our business strategy, it is an integral part of who we are and at the heart of our business decisions.

Sabine Busse joined Hager Group in September 2023. Of German-Swiss nationality, she is an international executive with extensive experience in the energy, electrical and automation industries.

Our commitment is reflected in the innovative products we develop, the efficiency of our operations and our focused efforts to create a positive social and environmental legacy.

At Hager Group, we understand the critical role our industry plays in shaping a sustainable future. Dedicated to delivering innovative and increasingly digital solutions that contribute to smart electrification and energy management, we play a major role in the energy transition. I truly believe in the importance of collaboration with our stakeholders, including colleagues, customers and suppliers, encouraging them to play a fundamental role in shaping our sustainability initiatives. Hence, we invest time and resources in the education of our people. We are digitising our approach to anticipate our customers' expectations and needs. As for our suppliers, working hand in hand, transparently and with the same ambitions and values is benefitting us all.

Our adherence to recognised GRI standards underscores our dedication to transparency and accountability. We are using a Double Materiality Analysis in order to follow the latest European Sustainability Reporting Standards. We believe these standards to be the best method for providing the most comprehensive insights and allow identification of material risks and opportunities from both a financial and non-financial perspective.

The future is electric and I am looking forward to shaping it together with all of you!

Sincerely,

Sabine Busse
Hager Group Chief Executive Officer

01 Introduction

Chapter 01

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Our approach to corporate sustainability reporting

Our approach to Corporate Sustainability Reporting is deeply rooted in our unwavering dedication to transparency, accountability, and the pursuit of continuous improvement. Sustainability reporting is indispensable to convey our sustainability endeavours and progress to stakeholders and also to guide our internal decision-making processes. It serves as a means to diligently identify and address the risks and opportunities inherent in our business operations, spanning both financial and non-financial domains. By leveraging insights, we are better equipped to both mitigate risks that could jeopardise the business and capitalise on opportunities that enhance value and bolster resilience to external influences. Moreover, sustainability reporting plays a pivotal role in shaping our organisational vision, formulating strategic approaches and prioritising sustainability initiatives.

In our commitment to upholding the credibility and comprehensiveness of our reporting, we steadfastly adhere to globally recognised frameworks such as the Global Reporting Initiative (GRI). This esteemed framework provides a structured methodology for pinpointing and reporting on material sustainability issues, integrating financial and non-financial performance metrics and fostering engagement with stakeholders throughout the reporting journey.

We place paramount importance on ensuring the accuracy and reliability of our data through rigorous collection, verification and validation processes. As we look to the future, our dedication to refining our reporting practices remains steadfast. We are resolute in our determination to align with evolving regulatory mandates such as the Corporate Sustainability Reporting Directive (CSRD) and EU Taxonomy, whilst also harnessing stakeholder insights to propel continuous enhancements in our sustainability reporting.

“The Corporate Sustainability Reporting Directive (CSRD) is the perfect catalyst for us

to embrace transformative change, enhancing our efforts beyond reporting.

It is an opportunity to weave sustainability into the very fabric of our operations, implementing robust management systems that track progress, as well as driving it. We actively promote and integrate sustainability into every decision, with this approach we will achieve our sustainable value creation goals.”

Franck Houdebert,
Chief Human Resources Officer and the Board of Director’s Sustainability Ambassador

Matthieu Alexandropoulos
Corporate Social Responsibility
Senior Director

“In the realm of sustainability, true progress lies in the art of steering our strategy towards a world

where every action echoes
with environmental stewardship
and social responsibility.”

01.2

Sustainability performance

At Hager Group, we adopt recognised frameworks and standards, and endorse different initiatives that go in the same direction as our strategy. This way, we enable our stakeholders to benchmark our performance against industry peers, demonstrating our commitment to sustainability, while meeting regulatory and market expectations.

Global Reporting Initiative

We have transitioned to reporting in accordance with Global Reporting Initiative (GRI) Standards rather than with reference to them. This significant advancement underlines our deepened commitment to sustainable development and enhances comparability on a global scale, empowering our customers worldwide to make informed decisions. It also reinforces our dedication to transparency and accountability in our sustainability reporting.

Best of German Industry

E3/DC, a brand of Hager Energy specialised in photovoltaic (PV) systems and independent home power stations, received the prestigious “Best of German Industry” label end 2023. Chosen among 50 companies, E3/DC was recognised for its innovation and competitiveness. The story now graces the pages of “Best of German Industry”, a publication of the ZEIT publishing group.

PEP Ecopassport

Hager Group is a member of PEP Ecopassport. This association verifies the Product Environmental Profiles (PEP) of electrical, electronic and HVAC (heating, ventilation and air conditioning) products. The PEP Ecopassport enables us to profile our environmental impact and reinforce the eco-design of our products with regards to our Blue Planet Commitment.

UN Global Compact

Since 2010, Hager Group is a signatory of the United Nations' voluntary Global Compact initiative to promote Corporate Social Responsibility. In our annualy published Communication On Progress report, we detail our business strategies and day-to-day operations, thereby renewing our commitment to the Global Compact.

Science Based Targets Initiative

The Science Based Targets Initiative (SBTi) Target Validation Team has verified our company's scope 1 and 2 target ambitions are in line with a 1,5°C trajectory. The SBTi commends our 1,5°C-aligned target, currently the most ambitious designation available through the SBTi process.

Klimaschutz-unternehmen

In 2022, we joined the select Klimaschutztunternehmen (climate protection) network in Germany. Membership in this network opens up new partnership opportunities for the network, improving employee and stakeholder engagement, aligning with Germany's strong environmental standards and leadership in climate protection.

EcoVadis Ranking

We have notably progressed, increasing the rating by 11 points to reach a score of 75 during the period February 2023 to February 2024. This achievement has earned us the prestigious Gold status, positioning us among the top 5% of all rated companies.

Our exceptional performance in the environmental compliance category is particularly commendable, with a score of 90 points. While we have also received favourable scores in Labour and Human Rights, Ethics, and Sustainable Procurement, we recognise there are further opportunities for improvements in these areas.

This is proof of our continued commitment to enhance our sustainability practices and strive towards becoming a benchmark sustainable company.

CDP Climate Change Ranking

Our first-ever CDP rating!
We have achieved a rating of C. Committing to high level reporting on our climate commitments reflects our devotion to continuous improvement and excellence.

01.3

2023 sustainability achievements

Hager Group's pursuit of excellence in sustainable practices has always been a staple, 2023 has been no exception; from accelerating the implementation of alternative energy technologies in production operations to fostering a culture of ethical business conduct. These achievements reflect both the group's dedication to managing its environmental footprint and also underscore the leadership role it wants to take in this field.

Environment

Actions for climate change, educating our people and offering sustainable products to our customers

90 %
of high-runners' hazardous materials data available

14 %
reduction in GHG in manufacturing operations since 2021

Over 90 %
of employees completed Blue Planet Commitment Starter training

Eco-designed product (cubyko leaf)
launched on the market

Partners in Sweden and Denmark
have awarded us for our sustainability efforts.

Eficia
Aquisition of the first 360° greentech leveraging advanced technologies to achieve energy savings between 15 and 40 % on a portfolio of more than 3.000 buildings.

Ethics

Operating true to our values – transparency, accountability and respect

Comprehensive ethics programme
in place: alert system, ethics charter, training, ambassador network

70–80 %
maturity for our ethics alert system (auditing)

3-months
average to close ethics alerts

2.000+ colleagues
trained via a bespoke ethics training programme "Let's practice!"

Employees

Creating a safe and empowering environment for our workforce

Employee safety programme "Mission Zero"
launched

Human Rights Charter
put in place

Work in progress to **refine global strategy and guidance**

Sustainable procurement

Promoting sustainable practices and protecting human rights across the value chain

Capacity to assess **suppliers' ESG performance (EcoVadis)**

Deployment of a new system to **automate data collection**

01.4

Sustainability at Hager Group

Sustainability at Hager Group is fully integrated into our corporate strategy. As an independent family-owned company, Hager Group has the freedom to think and plan for the long haul, guided by our core values of courage, authenticity and integrity. We understand the importance of our position within the energy and electricity sector and its development towards a sustainable future. We want to act and be perceived as an advocate and facilitator for sustainability by looking at every part of our business and reshaping it. A truly sustainable approach spans across the board, from sourcing materials to production, from product use to end-of-life management. We are committed to involving our colleagues, partners, and customers in this journey.

With a keen emphasis on environmental stewardship, we are actively transitioning towards becoming a low-carbon operation. Our main areas of focus are: implementing a strategy to reduce CO_2 emissions, streamlining logistics and phasing out unsustainable plastic packaging in our existing operations and expanding efforts and investments into sustainable and smart products and services. Whilst we are aware that these focuses require significant changes to how we operate, our progress is already encouragingly visible in everyday operations and we are confident in the decisions and actions we are taking now.

Ralph Fürderer
Chief Technical Officer

“Our Blue Planet Commitment is about optimising our operations to achieve excellence in sustainability.

Sustainability drives efficiency and fosters innovation, setting a powerful example for industrial excellence.”

01.4.1

Powering tomorrow – digitalisation as a catalyst

Digital innovations play an increasingly vital role in addressing countless global challenges, ranging from access to education and alleviating poverty to climate change mitigation and clean energy supply. According to recent United Nations (UN) studies, these innovations are fundamental in advancing the Sustainable Development Goals (SDGs) and enhancing the quality of life for people across the globe.[1]

Digitalisation in the energy sector is critical to efficiently manage the electricity demand, especially with the global transition towards renewable energy, a sustainable yet fluctuating energy source. This development calls for innovative approaches to generation, distribution, storage, and energy management. Addressing these evolving needs is our ambition.

As part of our digitalisation initiatives, our Business Unit, Hager Energy, strives to lead in the provision and administration of renewable energies. Smart systems, equipped with advanced monitoring and predictive maintenance capabilities, ensure the efficient operation of energy infrastructure while minimising downtime and waste. Also, the Hager Ready tool provides installers with a summary of our product range to locate suitable products efficiently. Additionally, through Hagercad, we enable customers to plan the electrical setup for large construction projects.

Furthermore, Hager Flow aims to optimise home electricity usage by integrating PV generation, battery storage and electric vehicle charging.

In pursuit of digitalisation and organisational resilience, Hager Group has identified Digital as a key enabler for our ambitious ten-year company project named Project 2030. The objective is to position Digital at the forefront of customer relationship management, product and solution development and internal transformation initiatives aimed at enhancing productivity and reducing costs.

[1] SDG Digital Acceleration Agenda

eficia smart building 24

In 2023, we have acquired Eficia to accelerate growth in energy management and digital services. Created ten years earlier, Eficia is an innovative French company specialising in energy management via remote control services for commercial buildings. A pioneer in the energy transition market, it is the first company to have developed a global and fully integrated solutions and services capable of optimising building energy systems such as heating, ventilation, air conditioning and lighting equipment in real time thanks to intelligent algorithms. A team of energy specialists available are 24/7 to advise and optimise customers' energy consumption and comfort.

Etienne Dock
Digital and Information
Senior Vice President

"By leveraging data-driven approaches, digitalisation can revolutionise the energy sector,

enabling more precise resource management, smarter decision-making and the development of smart and sustainable products as a result of that."

Hager Group strategic priorities in digital transformation

Sales and Marketing

We enhance our value proposition with data and connectivity while transforming our customer journey, e.g. through eCommerce deployment.

Processes and automation

We make our internal processes more flexible and efficient by digitalising supply-chain, manufacturing, finance and HR processes.

Innovation

We leverage new digital capabilities to change our way of working, increase our productivity and foster innovation.

Foundation

We ensure group security and compliance and keep the pace on our digital foundations.

01.4.2

Environmental Value Proposition

As one of the leading manufacturers and suppliers in the electrical and energy sectors, Hager Group recognises its pivotal role in fostering a sustainable future for our planet. Committed to achieving long-term climate neutrality goals, we embrace responsibility and actively contribute to a robust social contract. Our focus extends to advancing strategies and products that promote zero-emission buildings, elevated energy standards and the phased transition away from fossil-fuel vehicles.

Central to our commitment is the identification and implementation of digital and smart solutions, which form the cornerstone of our value proposition. These innovations enhance predictability, facilitating swift adaptation to evolving circumstances, and also offer greater flexibility and autonomy – attributes increasingly valued by consumers. As consumer preferences evolve towards a cleaner, safer and more sustainable lifestyle, we must intensify our efforts to shape tomorrow's electrical world.

As a family-owned business, we are dedicated to supporting a seamless energy transition in our customers' homes and buildings. To this end, we have established a three-tiered environmental value proposition for our stakeholders.

Continuing

to provide durable products made at low-carbon sites. Fostering employee development to enhance environmental consciousness.

Intensifying

the development of energy management solutions that include efficient equipment to save energy and CO_2 emissions.

Striving

to use more sustainable materials and to incorporate circularity into business design (in particular, recycling and reparability).

01.4.3

Fostering a sustainability mindset

At Hager Group, fostering a sustainability mindset is central to our mission, permeating every aspect of our decision-making process. We place a particular emphasis on our colleagues, recognising that their engagement is pivotal to our sustainability endeavours. Changemaker colleagues are a driving force accelerating our corporate sustainability initiatives. These individuals possess a unique blend of passion, innovation, and drive, which enables them to spearhead transformative changes within our organisation. Therefore, efforts have been made at Hager Group to engage employees in sustainability topics and group strategy.

Our strategy is based on the following four pillars:

Hi! University

Over 90 % of connected employees have completed the Blue Planet starter training

Training and education is pivotal to foster a sustainable mindset among employees. Accordingly, we prioritise expanding training opportunities, with initiatives such as offering courses on eco-design, sustainable sales, and Blue Planet Starter through our Hi! University.

Sustainability Mindset Survey

More than 18 % response rate

Hager Group is continuously seeking views of its employees to find alignment, gaps and ensure inclusivity. The Sustainability Mindset Survey, the first of its kind tackling sustainability issues, reaffirms the importance of sustainability among our colleagues, with a majority expressing a preference for ethical, environmentally friendly and sustainably governed approach. The survey also reveals that while employees believe that Hager Group could do more in regards to sustainability, the working environment in Hager Group is conducive to encourage its employees contributing to its sustainable development. The survey also highlighted areas for improvement, particularly in enhancing understanding of our sustainability strategies among employees and facilitating greater employee participation.

Sustainability Week

21 different events in one week

Hager Group organises a week full of workshops, presentations and discussions, as part of the UN's European Sustainable Development Week[2] in September of every year. In 2023, the event was a success, with over 20 events and more than 700 participants. The aim is to engage and provoke thoughts on sustainability efforts – with a view to catalysing changemaker behaviour. A very good example is the use of a car for commuting to office. The internal survey reveals that although people may live nearby to their workplace, they commute by car. Therefore, events like this are pivotal to make positive change and foster sustainability mindsets.

Responsible Citizens

38 sustainable development projects in 2022

Beyond our internal initiatives, our commitment to sustainability extends to our role as corporate citizens. The Peter und Luise Hager Foundation funds many education-focused actions that contribute to the sustainable development of communities, providing added value and job opportunities. Colleagues are actively encouraged to propose projects for foundation funding and participate in community development efforts, reinforcing our commitment to sustainability at every level.

Sustainability Week 2023 recorded 700 registrations for 21 events full of inspiring workshops, captivating lectures and stimulating discussions around sustainability.

[2] The European Sustainable Development Week (ESDW) is an initiative to facilitate the organisation of activities that promote sustainable development and make these efforts visible on a common platform.

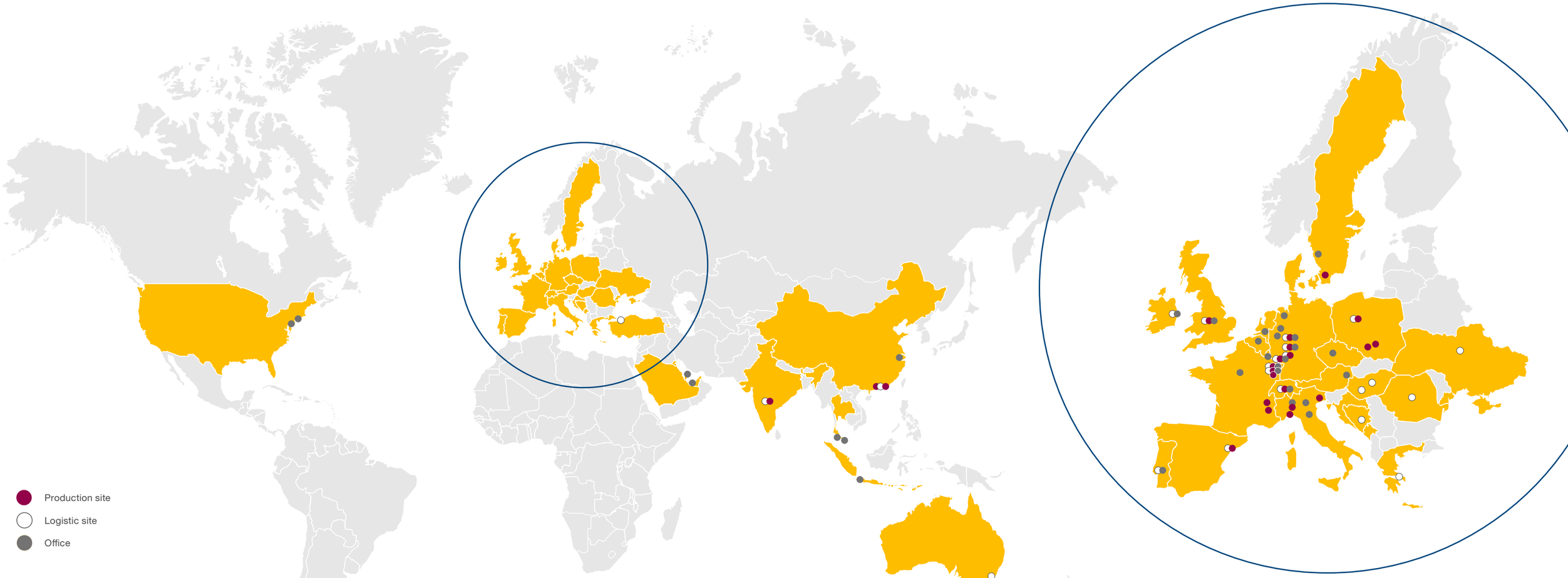
01.5

Where we operate

Hager Group employs nearly 13.000 people in 32 countries worldwide across 22 production, logistics and distribution sites. Hager Group is a prime example of a regional business expanding into an international powerhouse. Originating in the Saarland in West Germany, a region with a rich industrial history, and later expanding into Alsace in Eastern France, Hager Group has evolved to become a global entity.

Headquartered in Blieskastel, Germany, Hager Group is officially designated as Hager SE, a Societas Europaea (European Company). With 74 entities, including 22 production sites, as well as logistics and distribution centres, the company's global presence is substantial. Although the company has a significant footprint worldwide, its primary operational focus lies within Europe.

GRI 2-1 to 2-3 General Disclosure



Production site
Logistic site
Office

Asia Pacific and Australia
Australia ○
China ● ○ ●
India ● ○
Indonesia ●
Malaysia ●
Singapore ●

Middle East and Africa
Quatar ●
Turkey ○
UAE ●

America
USA ●

Europe
Austria ●
Belgium ●
Bosnia and Herzegovina ○
Czech Republic ●
France ● ○ ●
Germany ● ○ ●
Greece ●
Hungary ○
Italy ● ●
Ireland ○ ●
Luxembourg ●
Netherlands ●
Poland ● ○
Portugal ○ ●
Romania ○
Spain ● ○
Sweden ● ●
Switzerland ● ○ ●
Ukraine ○
United Kingdom ● ○ ●

01.6

Scope and external assurance

This report provides in-depth data on our sustainable development and performance in sustainability for the financial year 2022.
GRI 2-3 General Disclosure

An important change for this year's report is that we are now reporting in accordance with GRI standards as opposed to in accordance with the German Sustainability Code (DNK) and with reference to GRI standards. This transition brings more transparency, credibility and above all comparability of our performance at a global level. It is an important step towards a fully transparent sustainability journey at Hager Group and will be of great value for future business decisions and predictions.
GRI 2-5 General Disclosure

With this commitment, there come changes to the methodology in comparison to the previous report. For instance, the methodological changes in Scope 3 calculation, particularly in the use of sold products and services' emissions and corrections in freight emissions have triggered recalculations of base year emissions, resulting in a change to the Carbon Footprint baseline. Being part of the PEPecopassport association, Hager Group has implemented updated product-specific rules provided by the association. The updated rules use more precise hypotheses, leading to a reduction in the energy consumption calculations of our products sold. Due to this change in methodology, the updated estimate of scope 3 emissions in 2021 is 1.049.005 tCO_2e less than the reported quantity.
GRI 2-4 General Disclosure

As part of our commitment to enhanced reporting, we have implemented a new referencing method throughout this report, integrating in-text references to relevant GRI standards that link to a comprehensive glossary found in the last chapter. Incorporating this method aims for more clarity and understanding and is intended to meet the interests and reporting requirements of a range of different stakeholders.

Participation in the GRI community aligns with Hager Group's commitment to sustainability and responsible business practices.

GRI provides a globally recognised framework for sustainability reporting, allowing us to transparently communicate on our ESG performance to our stakeholders.

01.7

Hager Group value creation model

Our system grows by creating sustainable value for the environment from which we derive our right to exist.

As a family-owned business, we are dedicated to making people's lives on our planet safer, cleaner, and more enjoyable by shaping tomorrow's electrical world. We achieve this by creating exceptional customer value through the delivery of safe and simple electrical and energy management solutions for buildings driven by quality, trust, and expertise.

Project 2030 stays the true north of our growth and transformation journey. It provides direction and purpose, ensuring that all efforts are aligned with the company vision and concerted efforts are being made for sustainable growth, relevance to the changing landscape of electrical and electronic equipment, and preferred brand status in the eyes of our customers.

01.7.1

Growth pillars

The growth strategy of Hager focuses on three key pillars: diffuse business, project business, and energy management.

01.7.1.1

Diffuse business

In Diffuse Business, our goal is to expand and solidify our leading position in residential and small commercial buildings with electrical installers in our core markets. We have built our diffuse business strategy to strengthen our core market leadership. We offer comprehensive solutions for continuous growth in the Diffuse Business, driven by the electrification of residential and small commercial sectors through electric vehicles, energy storage, heat pumps, and solar panels.

Our strategic offerings include:
- Innovative Portfolio and Product Renewal: We are renewing our product range, focusing on final distribution systems, cable management, wiring accessories, and building automation. This includes the development of modular, connected distribution systems, next-generation wiring accessories, sustainable materials for cable management, and upgraded building automation with advanced communication protocols like KNX-secure and Matter.

- System Integration and Sustainability: meeting the rising expectations of electrical wholesalers is realised through providing integrated systems (e.g., e-commerce, product data) and leveraging our advancements in environmental sustainability.

- Digitalised Sales and Operations Planning: We ensure product availability and reliable lead-times through end-to-end digital sales and operations planning.

01.7.1.2

Project business

In Project Business we aim to establish a stronger presence as a leading player with comprehensive solutions in medium-sized commercial and multi-residential projects.

We consolidate our value creation for our business partners in project business by further enhancing different strategic offerings:
- We reinforce our go-to-market approach to win Main Distribution Systems (MDS), EVCS and integrated Energy Management (iEM) projects
- We keep developing our systems offer, data and digital tools, as well as our ecosystem of partners, to serve large projects
- We improve our capabilities across the whole value chain to enhance our delivery performance of complete systems ("engineer to order", "make to order") and ultimately increase our customer satisfaction

01.7.1.3

Energy management

The Energy Management growth pillar is designed to position our company as a leading player in the European market by offering innovative, integrated, and scalable solutions in Energy Services, Energy Storage Systems and Electric Vehicle Charging Solutions.

More specifically:
- We aim to continue pushing for differentiation to always better serve our customers' growing needs for energy monitoring and optimisation, through bundling solutions and services
- We will focus on excelling in delivering our existing solutions and current roadmaps to grow our main positions while expanding selectively

01.7.2

Enablers

To achieve our ambitious goals, it is imperative that we go full steam ahead on our strategic imperatives across all our business streams. In this journey, our transformation enablers have proven their relevance more than ever. These enablers are the driving force behind our growth strategy, ensuring we stay on course and achieve sustained success.

01.7.2.1

Customer centricity

Customer centricity is a cornerstone of our growth strategy, aligned with our commitment to being "safe & simple" and our ambition to be the premier choice for our customers. This guiding principle safeguards our legacy while driving our future expansion. Our goal is to achieve a Net Promoter Score (NPS) exceeding 46 by 2027. By actively listening to our customers and anticipating their evolving needs, we aim to enhance our understanding and improve their experience. We focus on meticulously mapping and guiding the customer journey, with particular attention to empowering our installers. This enhanced customer intelligence will inform our strategic decisions, ensuring we stay ahead of the curve.

01.7.2.2

Environmental sustainability

Environmental sustainability is a crucial enabler of our growth strategy, shaping our path forward in an increasingly resource-constrained world. Our commitment to sustainability fulfils regulatory requirements, aligns with our customers' evolving expectations, and enhances our overall value proposition. By preparing the company to thrive under climate and resource constraints, we ensure long-term resilience and success. Focused efforts in key areas, such as launching circular economy business models and reducing our carbon footprint across operations, position us as a forward-thinking, responsible industry leader.

01.7.2.3

Digital

Digital technology is a cornerstone of our growth strategy, pivotal in enhancing our customer relationships, driving internal transformation, and developing innovative solutions. By placing digital at the core of our operations, we are committed to elevating the customer experience, boosting productivity, and reducing costs. Through advanced e-commerce solutions, improved data availability and enhanced connectivity we want to revolutionise how customers interact with us. By digitising operations in supply chain management, manufacturing, finance, and HR processes, we aim to increase our productivity and strengthen our digital foundation. Embracing cutting-edge digital technologies like "Building Information Modelling" (BIM), we plan to transform our project business by ensuring cost reduction through efficient product manufacturing and use. As we progress, maintaining robust security and compliance measures will be paramount as we progress to safeguard our operations and meet all regulatory requirements.

01.7.3

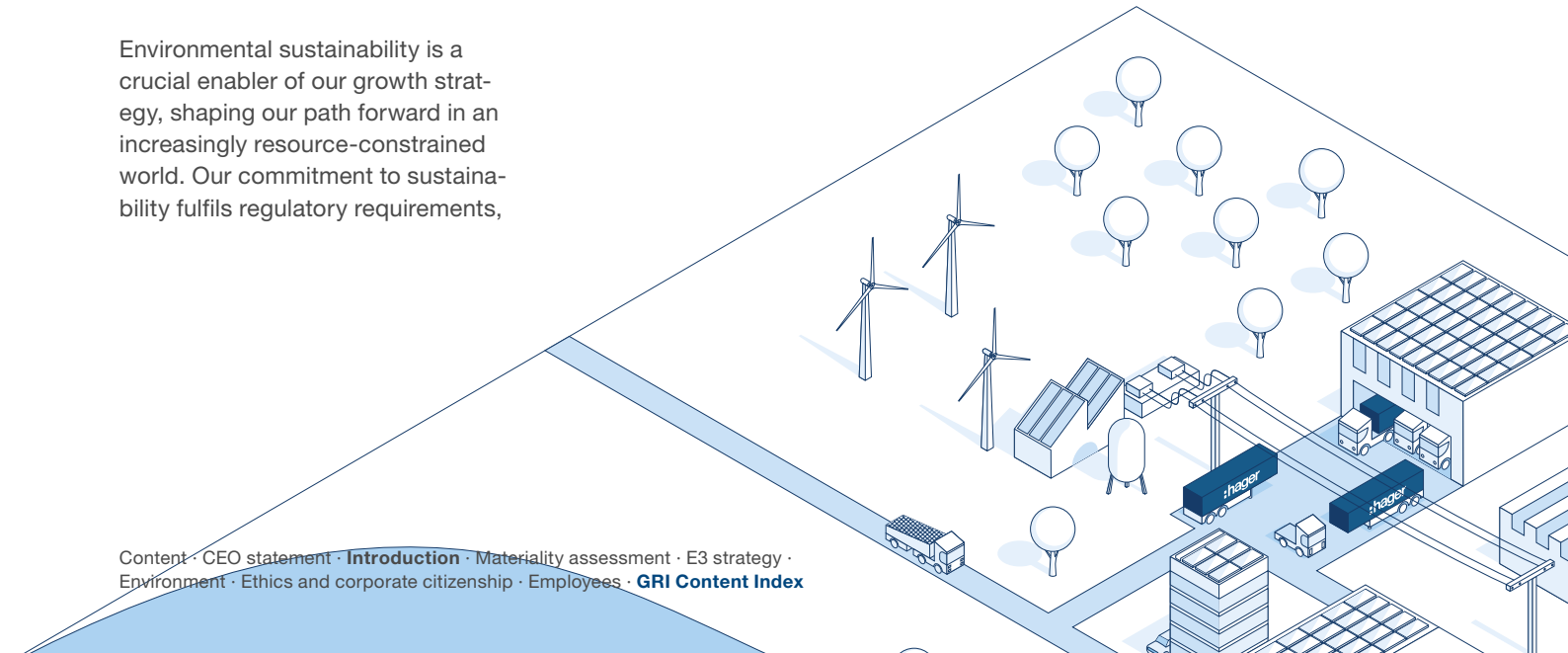
Fundamental

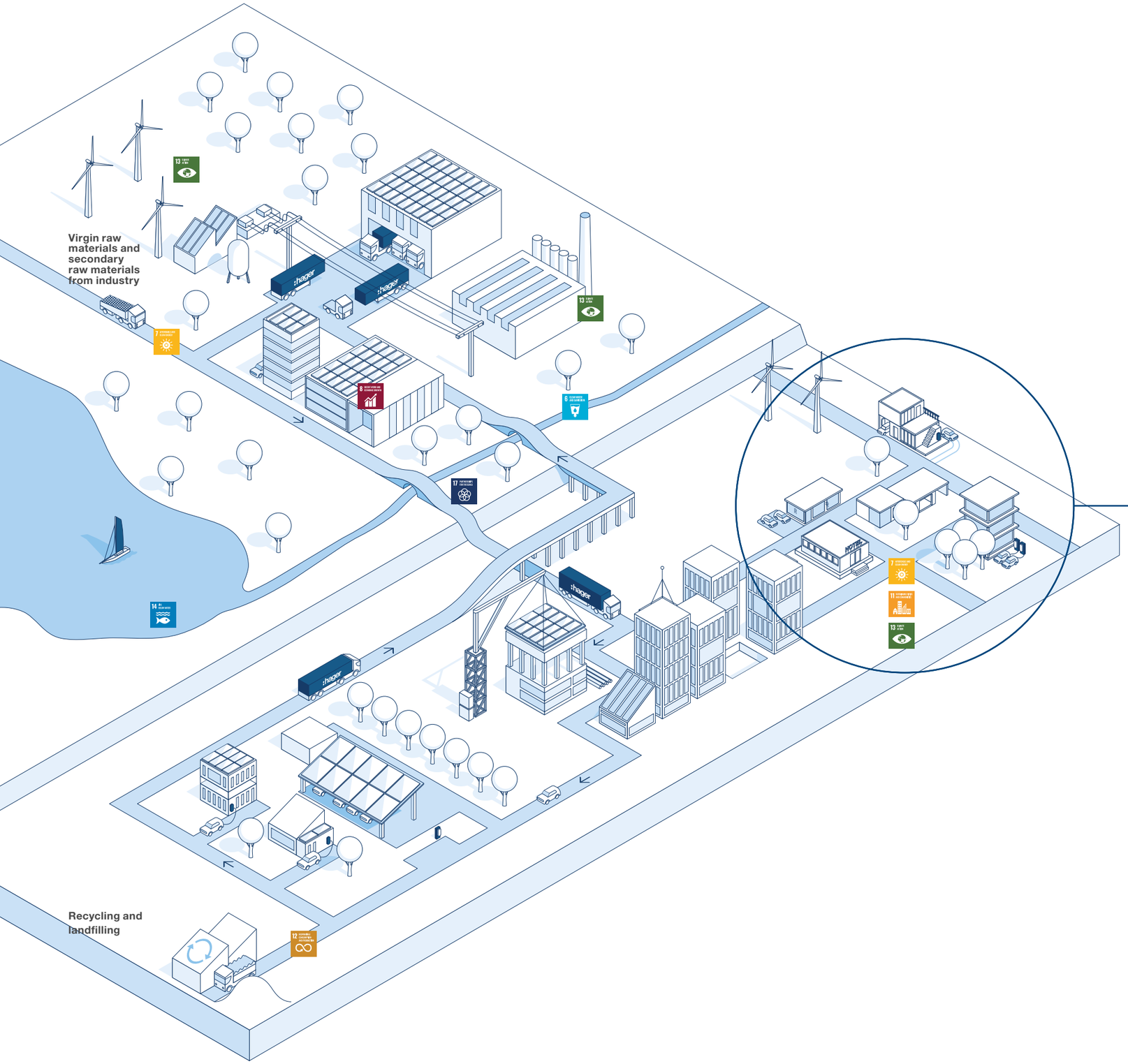
Fundamental to growth strategy and key enablers is organisational resilience.

01.7.3.1

Organisational resilience

Organisational resilience is the foundation of our sustainable growth strategy. This resilience involves fostering a culture that swiftly responds to disruptions, maintains core functions, and emerges stronger from adversities. By prioritising organisational resilience, we safeguard our current operations and lay a solid foundation for continuous growth and innovation. It emphasises integrating all actions related to people and the organisation into a cohesive framework, ensuring our long-term stability and success.





The United Nations SDGs drive the sustainability work in our value chain

Connecting the dots of our value chain to reduce environmental impacts and maximise social and economic benefits, it is essential to create added value along the entire value chain.

See next page...

Hager Group creates value for its business partners by offering innovative, high-quality, and sustainable electrical solutions. We provide comprehensive support through technical assistance, marketing resources, and training programmes, ensuring partners can effectively use and promote their products.

Distributors and Wholesalers

Technology and Innovation Partners

Installers and Electricians

Suppliers

Architects and Engineers

Industry Associations and Standards Bodies

Hager Group value creation model

Products and services

GRI 2-6 General disclosures

Hager Group offers a comprehensive range of electrical products and solutions designed to meet the needs of residential, and commercial applications. Out product portfolio includes:

Energy distribution:
Hager Group offers a variety of circuit breakers designed to protect electrical circuits from damage caused by overcurrent, short circuits, and other electrical faults. Our product line also includes distribution boards and panels, which are essential for distributing electricity within a building and come in modular enclosures and assemblies. Additionally, Hager provides fuse switches and switch disconnectors, which are crucial for safely disconnecting electrical circuits and protecting against electrical faults.

Energy management:
Hager Energy, a subsidiary of Hager Group, offers advanced energy management solutions to optimise the use and storage of renewable energy for residential and commercial applications. Key offerings include home energy storage systems, high-efficiency solar inverters, intelligent energy management software, and integrated energy solutions for maximum self-sufficiency. We also provide scalable commercial energy storage systems, EV charging integration, reliable backup power solutions, and smart home integration. Since 2023, we are leveraging digitalisation and artificial Intelligence through the acquisition of Eficia. We provide a centralised regulation system that is a responsive SaaS platform, compatible with all browsers on the market, to effectively monitor and control the energy performance of real estate assets.

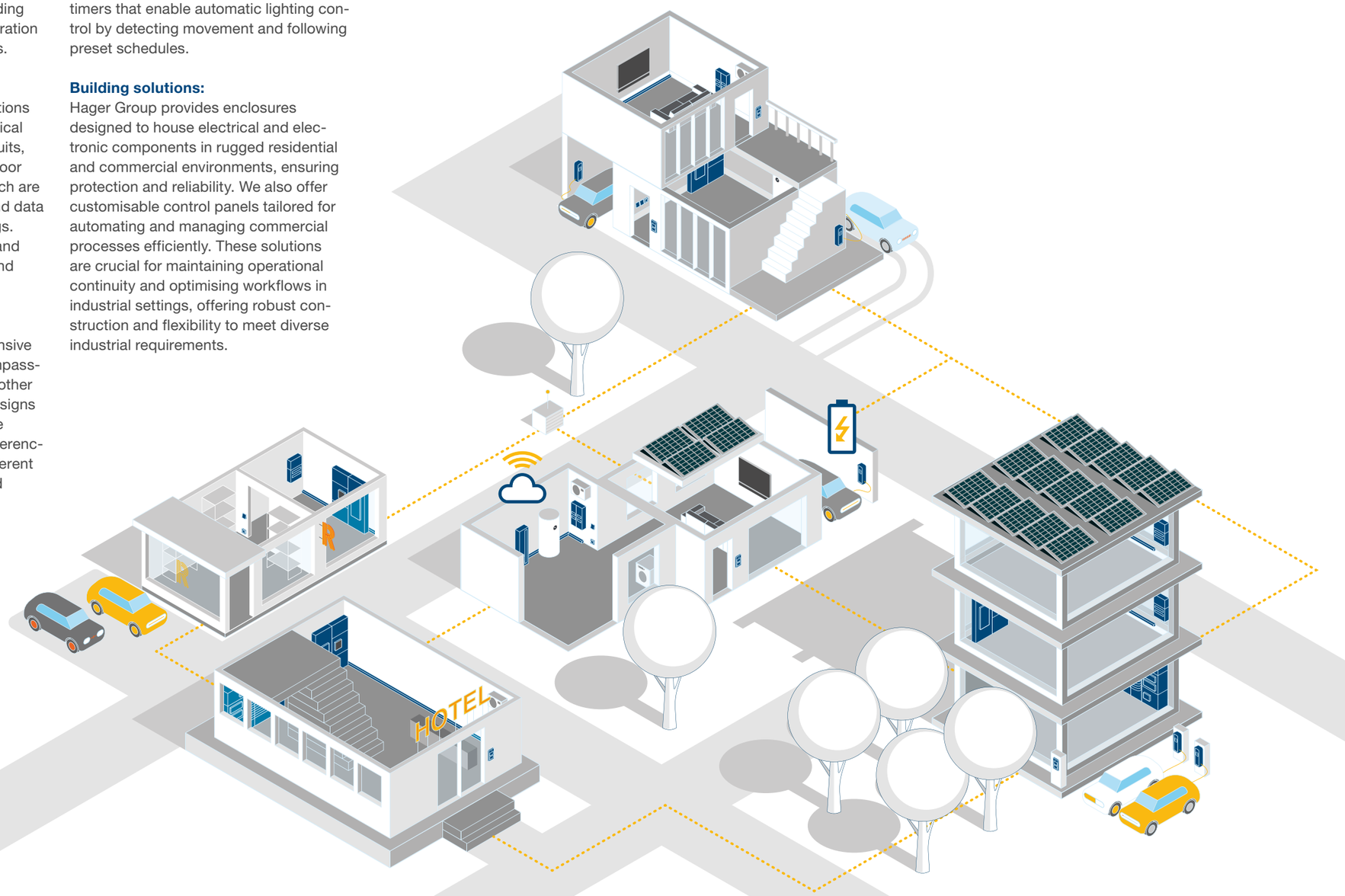
Building automation:
Smart home solutions that include products for home automation, such as smart lighting, heating controls, and integrated security systems. Additionally, we provide KNX systems, an open standard for commercial and residential building automation that allows for the integration of various building control functions.

Cable management:
Trunking systems that provide solutions for organising and protecting electrical cables, including cable trays, conduits, and cable ducts. We also provide floor boxes and underfloor systems, which are essential for managing electrical and data connections in commercial buildings. These include underfloor systems and floor boxes designed for efficient and safe installation.

Switches and sockets:
Hager Group provides a comprehensive range of wiring accessories, encompassing switches, sockets, and various other components available in diverse designs and finishes. These accessories are tailored to meet both aesthetic preferences and functional needs across different settings, ensuring compatibility and versatility in electrical installations.

Lighting control:
Hager Group offers dimmers and switches designed to control lighting intensity, allowing users to create desired ambiance in various environments. Additionally, they provide motion sensors and timers that enable automatic lighting control by detecting movement and following preset schedules.

Building solutions:
Hager Group provides enclosures designed to house electrical and electronic components in rugged residential and commercial environments, ensuring protection and reliability. We also offer customisable control panels tailored for automating and managing commercial processes efficiently. These solutions are crucial for maintaining operational continuity and optimising workflows in industrial settings, offering robust construction and flexibility to meet diverse industrial requirements.



02

Materiality assessment

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02.1

Materiality assessment process

GRI 3-1 Material topics

Central to Hager Group's commitment of reporting in accordance with the GRI standard is the thorough identification of material topics, ensuring that our efforts are directed towards addressing the most significant economic, environmental and social impacts of our operations, including human rights.

Guided by the GRI 3 guidelines, the methodology of Hager Group can be summarised in four main steps: understanding, identification, assessment, and finalisation and validation.

Double Materiality analysis process

Understanding
high-level sustainability context of its activities and business relationships

↓

Identification
of actual and potential Impacts, Risks, and Opportunities (IROs) of Hager Group's relevant sustainability topics

↓

Assessment
of the outward and inward impacts of Hager Group's relevant sustainability topics

↓

Finalisation and validation
of the most significant (material) topics relevant to Hager Group operations

02.1.1

Understanding the company context

The understanding phase is about recognising the most important aspects of the company to place them in the context of sustainability reporting necessities.

02.1.1.1

Company overview

Hager Group has reviewed its entire business landscape, encompassing its various sectors of activity, value chain dynamics and key drivers of value creation. This comprehensive assessment extends to its downstream and upstream activities, ensuring a holistic perspective. Encompassing all domains the company ensures alignment with its strategic priorities. This step is not conducted in depth for the reporting period, as the information available from the 2022 assessments could be reused.

02.1.1.2

Stakeholder engagement

Stakeholder mapping and engagement play a pivotal role in comprehending the operational landscape of the company, ensuring that the concerns of all affected stakeholders, whether positive or negative, are integrated into the materiality analysis process.

Hager Group engages in open and continuous dialogue with each of its stakeholders. In particular, the CSR department takes into account feedback, ratings, and evaluations from stakeholders of the group's E3 strategy and programmes. This feedback is integrated into the drawing up of the Sustainability Strategy and new improvement plans.

Hager Group stakeholder engagement approach

GRI 2-29 General disclosures

Customers

How we create value

Our approach to business is customer centric. We regularly engage in discussions with customers to explore Hager Group's products and services, focusing on how we can meet their requirements. This includes considerations for enhancing sustainability, improving efficiency, and lowering greenhouse gas emissions. Our team of experts provides guidance and fosters trustworthy relationships throughout these interactions.

Engagement

- Customer fairs
- Customer service
- Key account manager relationships
- Customer requests
- Sustainability partnerships

Light + Building 2024 has broken all previous records in terms of attendance for Hager Group. This year's 2023 edition saw many digital solutions introduced for the first time.

Suppliers

How we create value

We rely on strong, dependable partnerships with our suppliers to sustain our operations. Collaborating as partners, we strive to generate mutual benefits, promote ongoing innovation and enhance sustainability throughout the entirety of our supply chain.

Engagement

- Supplier Relationship Management
- Providing training and engaging in special projects on sustainability performance
- On-site audits

Employees and social partners

How we create value

The group is committed to all its employees, empowering people across generations and regions, and offers equal opportunities. The group motivates its employees and promotes involvement by leveraging diversity, supporting professional development, and ensuring a safe and healthy working environment.

Engagement

- Annual development interviews
- Annual employee engagement survey "Tell Us"
- Learning and development opportunities
- Collective bargaining associations
- Dialogue with Hager SE European Works Council Europe, the representative body for all Hager Group employees in Europe
- Hager Awards, open to all employees, it recognises and rewards innovations that drive sustainable progress across our value chain

Government and civil society

How we create value

We interact with governments and civil society groups globally concerning a diverse range of policies and regulations. We provide policymakers with insights into how our products and technologies support the transition to a low-carbon society, aiming to drive the international conversation on climate change and sustainability forward. For instance, we advocate for increased investment in electrical distribution grids as a crucial measure for decarbonising energy systems, transportation, industrial processes, and urban infrastructure.

Engagement

- Meetings with regulators to understand their priorities
- Engagement with government agencies and other stakeholders to demonstrate the value of our products and solutions
- Participation in international initiatives to address global issues such as climate change

Community

How we create value

We prioritise the well-being of the communities where we operate and aim to make a positive difference to our surroundings. Our community involvement comprises consulting and engaging in discussions with representatives from local community organisations. This engagement may become more extensive during specific business endeavours, such as planning the development of new sites. Additionally, we may contribute to community initiatives and charitable causes through donations and volunteer efforts.

Engagement

- Strategic corporate partnerships via the Peter und Luise Hager Foundation
- Donations and volunteering
- Direct dialogue with community representatives

ESG ratings as a proxy for stakeholder expectations

ESG ratings are a source of insights on stakeholder expectations and valued by customers and financial partners.

We have prioritised those that are most significant to our stakeholders and then aligned with our priorities. Our ambition is to achieve leadership scores in these ratings, and it is expected that our disclosure level will continue to increase as our ESG (Environment, Social and Governance) strategy matures. For the year 2023, Hager Group involved more stakeholders (mostly via proxies) in the Double Materiality Assessment as opposed to what was done in 2022.

We have also reassessed our engagement strategy. Table 2-2 explains the different assessment criteria used for our engagement strategy. In this reporting cycle, stakeholders are categorised as either users or affected stakeholders as outlined in ESRS (European Sustainability Reporting Standards), and as external or internal. A comprehensive stakeholder engagement strategy is then devised to facilitate open and ongoing dialogue with stakeholders either directly or using proxies. This engagement spans the entirety of the double materiality assessment process, fostering collaboration and mitigating misalignment.

Stakeholder Mapping Criteria

Stakeholders / Functions	Stakeholder type according to ESRS (user / affected stakeholder)	Stakeholder classification (external / internal)	Type of interaction
Employees	affected	internal	direct
Workers in the value chain	affected	external	proxy
Suppliers	both	external	direct
Business partners	affected	external	direct
Local communities	affected	external	proxy
NGOs, initiatives and associations	both	external	proxy
Public authorities and regulators	both	external	proxy
Nature (silent stakeholder)	affected	external	
Investors	user	external	none
Lenders	user	external	proxy
Financial institutions	user	external	proxy
Academics and analysts	user	external	proxy

02.1.2

Identification of relevant topics

In the identification phase, the list of sustainability matters to be assessed was defined. In this phase, we employed a structured three-step approach. Initially, we compiled a comprehensive list of topics pertinent to Hager Group. Subsequently, we conducted a value chain heat mapping exercise to gain a broad overview of where significant impacts within Hager Group's value chain were anticipated. Finally, we conducted a thorough analysis of all pertinent impacts, risks, and opportunities (IROs) related to sustainability topics. The assessment conducted in the second step served as the foundation for structuring our analysis. However, we relied on desk research and interviews to identify IROs and verify their alignment with the estimations made in the value chain heat map.

02.1.2.1

Creation of a list of sustainability matters

At first, Hager Group adopted a funnelling approach to ensure all pertinent sustainability matters applicable to the organisation's operations and value chain were taken into consideration. Initially, a comprehensive inventory of topics spanning three distinct categories; sector-agnostic, sector-specific and entity-specific was compiled (see Table 2-2 below).

References to Identify our relevant sustainability topics

Sector-agnostic	Sector specific	Entity specific
ESRS – European Sustainability Reporting Standards	GRI Global Reporting Initiatives	Hager 2022 Sustainability Report
GRI – Global Reporting Initiatives	MSCI Morgan Stanley Capital International	
DNK – Deutscher Nachaltigkeitskodex	SASB Sustainability Accounting Standards Board	
World Economic Forum Global Risks Report 2023	Sustainability for electronics initiative	
	Peers/ Benchmark Analysis - Rexel: Activity Report 2020-2021 - Schneider Electric: 2022 Sustainability Report and 2020 Materiality Matrix - Sonepar: CSR Report (2022) - Materiality matrix - Sonepar: CSR Report (2022) - Challenges and priorities of CSR policy	

The initial exhaustive list comprised over 400 entries; it was subsequently streamlined into 21 sustainability topics. These topics were then aligned with Hager Group's sustainability strategy, E3, ensuring seamless alignment with the company's overarching goals. The list of sustainability matters was lengthened for the 2023 DMA to add granularity to the assessment and better match the requirements of the ESRS.

Hager Group Relevant Sustainability topics

Environment

- Climate change mitigation and adaptation
- Energy
- Pollution of air
- Pollution of soil
- Pollution of water
- Substances of concern and very high concerns
- Water
- Marine resources
- Biodiversity and ecosystems
- Resources use and circularity
- Waste
- Product sustainability

Social

- Employees engagement and labour rights
- Talent attraction, training and development
- Occupational health and safety
- Diversity and inclusion
- Workers in the value chain
- Affected communities
- Product safety

Governance

- Business conduct
- Data security

02.1.2.2

Value chain heatmap

Hager Group conducted a value chain mapping to get a first high level assessment of where to expect the biggest impacts (see Table 2-3 below). This first assessment can help determine where to focus efforts and resources in case they are limited. This year, the exercise was kept lean and results from the previous year's assessment were used, and slightly modified to reflect the changes in the list of sustainability matters. Following the next value chain heat mapping is a more in depth assessment to verify and validate these initial indications in our Impact, Risks, and Opportunities analysis.

Hager Group Value chain heatmap

		Value chain step 1	Value chain step 2	Value chain step 3
		Upstream	Own operations	Downstream
	Sustainability matter	Direct and indirect suppliers	Development and product design / Production and manufacturing	Retail / Distribution and transport / Installation / Use phase / End of life
01	Climate change mitigation and adaptation	●	●	●
02	Energy	●	●	●
03	Pollution of air	●	●	
04	Pollution of soil	●	●	●
05	Pollution of water	●	●	●
06	Substances of concern and very high concern	●	●	●
07	Water	●	●	
08	Marine resources	●		
09	Biodiversity and ecosystems	●	●	●
10	Resource use and circularity	●	●	●

Estimated impact:
● Very high
● Moderate
● Low

Hager Group Value chain heatmap

	Sustainability matter	Value chain step 1 Upstream Direct and indirect suppliers	Value chain step 2 Own operations Development and product design / Production and manufacturing	Value chain step 3 Downstream Retail / Distribution and transport / Installation / Use phase / End of life
11	Waste	Moderate	Low	Moderate
12	Employees engagement and labour rights		Moderate	
13	Talent attraction, training and development	Very high	Moderate	Moderate
14	Occupational health and safety	Very high	Very high	Moderate
15	Diversity and inclusion	Moderate	Low	
16	Workers in the value chain	Very high	Low	Low
17	Affected communities	Very high	Moderate	Low
18	Product safety	Moderate	Moderate	Low
19	Product sustainability	Very high	Moderate	
20	Business conduct	Low		
21	Data Security	Very high	Low	Low

Estimated impact:
- Very high
- Moderate
- Low

02.1.2.3

Identification of impacts, risks and opportunities

In this step, we conducted a comprehensive assessment of both actual and potential impacts, risks, and opportunities (IROs). The primary objective was to verify whether the sections of the value chain exhibited similar impacts as projected in the value chain heat mapping exercise. Additionally, this step involved identifying the key IROs, which would serve as the scoring foundation during the assessment phase. The identification of impacts, risks and opportunities (IROs) took place in a two-step approach.

02.1.2.3.1

Desk research

To begin with, desk research was conducted to identify the potential impacts, risks, and opportunities that could be linked to the 21 sustainability matters in Hager Group's value chain and own operations. This desk research led to the identification of numerous potential IROs, which although relating to some extent to Hager Group's activities, remained relatively high level. They served as the basis for the interviews with our experts.

02.1.2.3.2

Expert interviews

In a second step, expert interviews were conducted to fine-tune the list of IROs and get inputs on their severity/magnitude and likelihood. The IROs identified through desk-research were used as a basis for conversations with the experts. This means that the IROs were shown to the experts, who were expected to challenge them and add them, if necessary, to the list. In addition, the experts were asked questions on the severity/magnitude and likelihood of those IROs. The questions on severity/magnitude were not necessarily directly asked and were in some cases simply implied.

A total of thirteen interviews were conducted, in which one or two experts shared their knowledge on selected topics. Experts were chosen based on their sustainability matter(s) competency. In some cases, experts were only asked to discuss one sustainability matter, and in other cases, they shared their knowledge on more than one.

Mogens Brusgaard
CEO at Wexøe Holding A/S

"Top-level discussions between Wexoe and Hager Group are centred around sustainability topics.

Partnering with suppliers like Hager Group is primordial to deliver on our increasing market requirements regarding sustainability."

02.1.3

Impact assessment

Having identified a comprehensive list of sustainability matters and their associated impacts, risks, and opportunities, the next step was to assess the materiality of the entire 21 sustainability topics in Hager Group's operations and its value chain. A scoring process was used to identify and prioritise the material topics from an inside-out and an outside-in perspective.

02.1.3.1

Impact materiality (inside-out)

To assess the materiality of the 21 sustainability matters in terms of their impact, a comprehensive evaluation was undertaken. Each matter was examined individually, considering both potential and actual positive and negative impacts across Hager Group's upstream and downstream value chain, as well as its internal operations.

The impacts identified in the assessment phase were synthesised and categorised into positive and negative, then further segmented across the three stages of the value chain (upstream, internal operations, downstream). Subsequently, determination was made regarding whether an identified impact could potentially infringe upon human rights. In such instances, the severity of the impact was prioritised over its likelihood, with an automatic likelihood score of 4 assigned, in line with GRI-3 guidelines[3].

Further evaluation involved distinguishing between actual, potential, or both. "Both" was selected when the impacts identified contain both proven/existing impacts and impacts that could occur. The time horizon of each impact was also considered, indicating whether it would affect individuals and the environment in the short, medium, or long term.

With the elements established, the assessment proceeded, focusing on severity and likelihood. Likelihood referred to the probability of occurrences related to the identified issues within the sustainability domain, while severity encompassed three sub-criteria: scale, scope, and irremediable character. Scale assessed the gravity or potential severity of the impact, scope measured its breadth or potential reach (such as the number of individuals affected), and irremediable character indicated the challenge or potential impossibility of mitigating or rectifying the resulting harm. Each criterion was scored on a scale from 1 to 4, with 4 indicating the highest severity or likelihood (see Table 2-4 below). To give more credibility to the assessment, additional desk research was conducted to guide the scoring of the different dimensions. This way, the scoring was based on the inputs from the interviews as well as on desk research. These scores were then aggregated to derive an overall score, calculated using the following equation:

$$\text{Negative score} = \text{Average}_{\text{scale, scope, irremid. character}} \times \frac{\text{likelihood}}{4}$$

$$\text{Positive score} = \frac{\text{scale} + \text{scope}}{3} \times \frac{\text{likelihood}}{4}$$

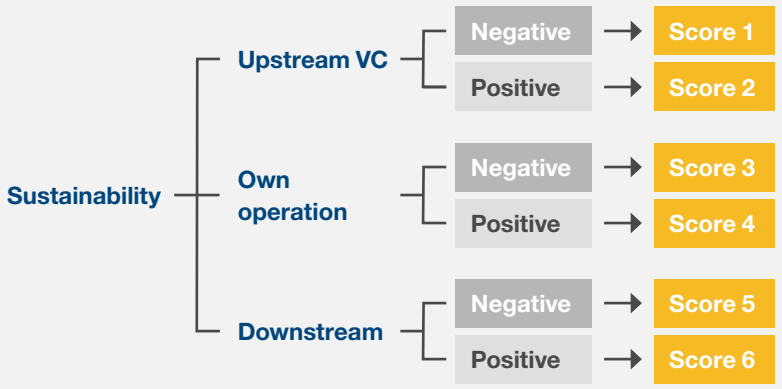
Impact Materiality Scoring Criteria

Severity			
Scale How grave is the impact?	**Scope** How widespread is the impact?	**Irremediable character** How hard is it to counteract or make good the resulting harm?	**Likelihood** How likely is the impact?
Scale from 1 to 4	**Scale from 1 to 4**	**Scale from 1 to 4**	**Scale from 1 to 4**
1 = Low	1 = Low	1 = Not difficult to remedy	1 - Very unlikely (< 5 %)
2 = Medium	2 = Medium	2 = Difficult to remedy	2 - Unlikely (5 % - 49,9 %)
3 = High	3 = Widespread	3 = Very difficult to remedy	3 - Likely (50 % - 75 %)
4 = Absolute	4 = Global	4 = Irremediable	4 - Very likely (> 75 %)

[3] As per GRI-3 assessment step "In the case of potential negative human rights impacts, the severity of the impact takes precedence over its likelihood."

The threshold for impact materiality was set at 2,6, which means that every sustainability matter that would receive a score from 2,6 or above for its connected impacts was considered as material from an impact materiality perspective. It is worth noting that the scoring approach provides up to six "scores" for one sustainability matter. It is the highest of those six scores that determine the impact materiality of the sustainability matter. Finally, a qualitative explanation of the assessment was provided to justify the overall score.

Impact Material Topic Identification Process



02.1.3.2

Financial materiality (outside-in)

To assess the financial materiality of the 21 sustainability matters, each was individually scrutinised based on their potential financial impact and the likelihood of those impacts materialising. Unlike impact materiality, financial materiality does not differentiate between various stages of the value chain, as the financial effects are anticipated to directly affect Hager Group.

Initially, risks and opportunities identified during the assessment phase (refer to section 1.2.3: Identification of impacts, risks, and opportunities) were summarised and categorised into three clusters: operational, regulatory, and reputational. "Operational" encompasses risks that could impede Hager Group's activities (e.g., supply chain disruption due to extreme weather events) as well as opportunities that could enhance operational efficiency. The "regulatory" category pertains to potential regulatory developments necessitating adjustments to practices or processes. Regulations predominantly pose financial risks rather than opportunities. Lastly, "reputational" encompasses actions that could bolster or harm Hager Group's reputation, potentially resulting in financial gains or losses.

After summarising and clustering risks and opportunities, their time horizon was assessed to ascertain when they might influence the company's development, financial position, cash flows, access to finances, and cost of capital (i.e., short, mid, or long-term).

To evaluate topics from an outside-in perspective, two primary criteria were used: the potential magnitude of financial effects and likelihood. Likelihood measured the probability of financial risk occurrences within the sustainability topic, while potential magnitude delineated the scale of the financial effect (e.g., production loss due to resource shortage). Each criterion was scored on a scale of 1 to 4, with 4 indicating the highest magnitude or likelihood (see Table 2-5 below). To give more credibility to the assessment, additional desk research was conducted to guide the scoring of the different dimensions. This way, the scoring was based on the inputs from the interviews as well as on desk research. These scores were then aggregated to determine the overall score, calculated using the following equation:

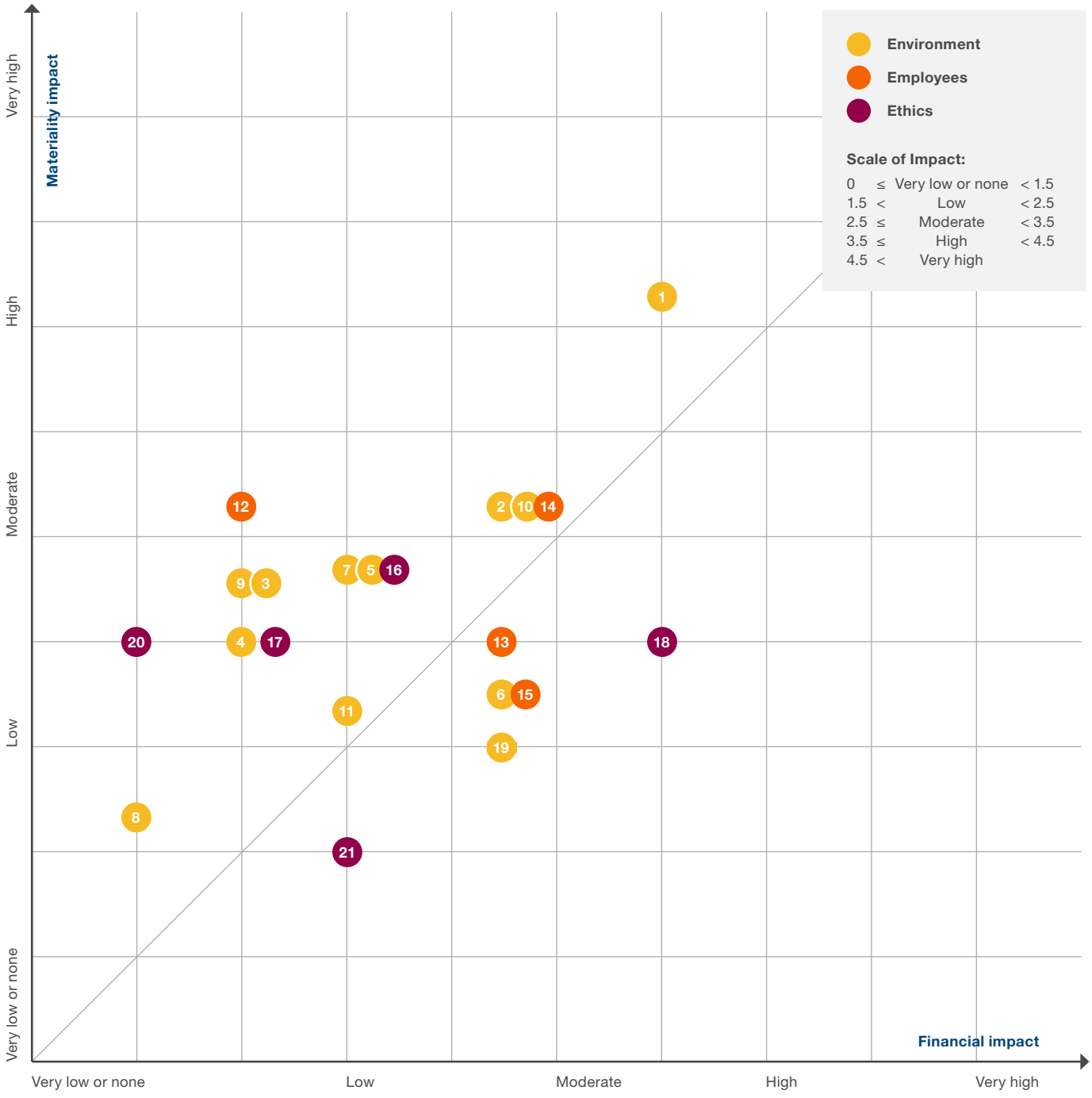
The threshold for financial materiality was set at 2,2, which means that every sustainability matter that would receive a score from 2,2 or above for its connected financial risks and/or opportunities was considered as material from a financial materiality perspective. Finally, a qualitative explanation of the assessment was provided to justify the overall score.

$$\text{Overall score} = \frac{\text{Potential magnitude x likelihood}}{4}$$

Financial Materiality Scoring Criteria

Potential magnitude of financial effects What is the potential magnitude of the financial effect?	**Likelihood** How likely is the financial effect?
Scale from 1 to 4	**Scale from 1 to 4**
1 = Low	1 - Very unlikely (< 5 %)
2 = Medium	2 - Unlikely (5 % - 49,9 %)
3 = High	3 - Likely (50 % - 75 %)
4 = Absolute	4 - Very likely (> 75 %)

Double Materiality Assessment Matrix



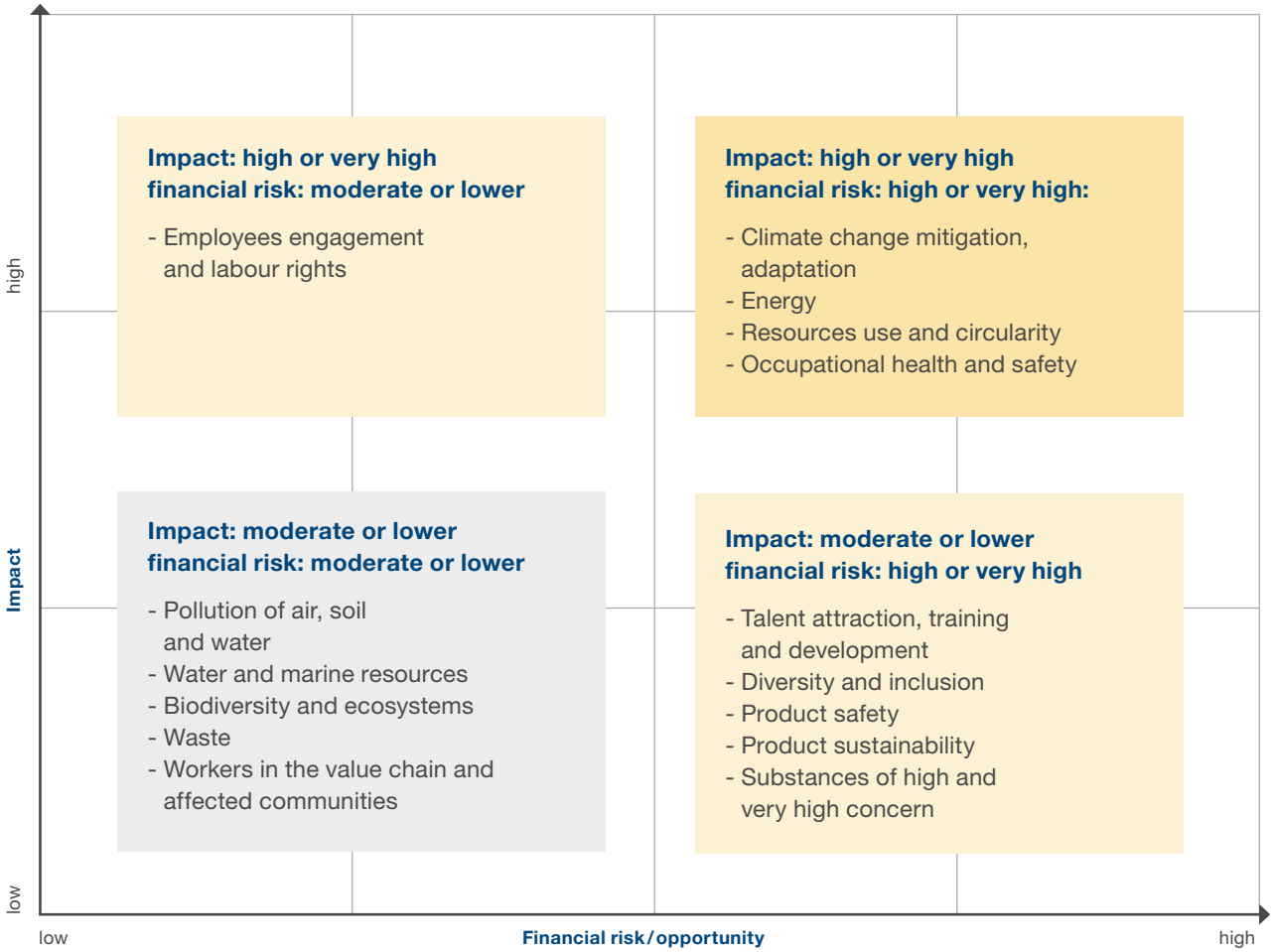
1 Climate change mitigation and adaptation
2 Energy
3 Pollution of air
4 Pollution of soil
5 Pollution of water
6 Substanances of concern and very high concern
7 Water
8 Marine resources
9 Biodiversity and ecosystems
10 Resource use and circularity
11 Waste
12 Employees engagement and labour rights
13 Talent attraction, training and development
14 Occupational health and safety
15 Diversity and inclusion
16 Workers in the value chain
17 Affected communities
18 Product safety
19 Product sustainability
20 Business conduct
21 Data security

02.1.4

Finalisation and validation

The figure below highlights the outcome of the double materiality assessment of the sustainability topics relevant to Hager Group. It highlights both the impact and financial risk/ opportunities identified for each of the 21 topics.

Impacts and financial risks/ opportunities of 21 sustainability topics



02.2

Material topics

GRI 3-2 Material topics

To prioritise the effort by the organisation a threshold is set by Hager Group. The topics where the overall score is equal to or above the threshold in any of the four criteria, is considered material. The four criteria are: positive or negative impact materiality, positive or negative financial materiality. For the impact materiality, the threshold is kept at 2,6 (overall score) and for financial materiality, the threshold is kept at 2,2 (overall score).

The overall assessment resulted in 10 of the 21 topics as material for Hager Group operations, its value chain and downstream activities with respect to its impact on the economy, environment and people, including their human rights.

Hager Group material topics

Ethics

- Product safety

Employee

- Employees engagement and labour rights
- Talent attraction, training and development
- Occupational health and safety
- Diversity and inclusion

Environment

- Climate change mitigation and adaptation
- Energy
- Substances of concern and very high concern
- Resource use and circularity
- Product sustainability

In our ongoing endeavour to enhance the granularity of our assessment and align with ESRS topic standards, particularly in anticipation of the forthcoming mandatory CSRD requirement, we have made a few adjustments to our listed sustainability and material topics. While most of the material topics remain consistent with those reported in previous years, there have been some modifications. This year, energy, resource use and circularity, and substances of concern and very high concern have replaced the previously identified general pollution, biodiversity and ecosystems, responsible sourcing and cyber security. Despite these changes we continue to act upon the most significant IROs of these topics, based on insights from a previous assessment. This can be exemplified through our initiatives such as conducting a detailed assessment of our operational impact on biodiversity and integrating our supplier into the SPHERA supply chain due diligence software.

GRI 3-3 Material topics

The materiality of these sustainability matters: water, biodiversity, and cybersecurity have shifted compared to last year's double materiality results due to different reasons. Our group's double materiality assessment has been significantly enhanced by integrating additional informative elements such as a biodiversity footprint analysis[4] and a water risk assessment.

By incorporating these measures, we have gained a more holistic understanding of both internal and external factors impacting our business. The inclusion of a biodiversity footprint allows us to quantify and evaluate our ecological impact, providing insights into how our operations intersect with and influence natural ecosystems. Additionally, the water risk assessment provides invaluable insights into the vulnerabilities and resilience of our water supply chains and operations. Understanding water-related risks enables us to proactively mitigate potential disruptions, ensure sustainable water usage, and safeguard against reputational and regulatory challenges. These two new elements have helped us better assess our impact on these issues and the respective financial risks and opportunities that come with them.

[4] Refer to chapter 4 for more information regarding how we manage biodiversity and water topics.

“First and foremost, the DMA guides our priorities. Yet, our commitment to transparency goes beyond merely addressing only material topics.

We diligently assess our footprint across realms such as pollution, biodiversity, and water conservation.”

Matthieu Alexandropoulos
Corporate Social Responsibility Senior Director

02.3

Key learnings

While the process of identifying material topics and developing strategies to manage associated Impact-Risk-Opportunities (IROs) is ongoing, Hager Group consistently strives to differentiate itself by pioneering innovative solutions and challenging its conventional practices. This dedication extends to bringing significant changes in its product development and health and safety practices. Moreover, Hager Group is dedicated to enhancing diversity and inclusion across all its operations, continuously identifying and implementing improvements in this crucial area.

Resource Use and Circularity and Product Sustainability are part of Hager Group’s Blue Planet Commitment (BPC). This entails a strategic focus on minimising resource consumption, optimising material usage, and promoting circular practices throughout the product lifecycle. By implementing product lifecycle assessment, eco-design principles, optimising its resource use, and the use of environmentally friendly material, Hager Group strives to develop products that meet the highest standards of sustainability, ensuring they deliver long-term value to customers while minimising environmental footprint.

Hager Group prioritises the health and safety of its employees, it is the cornerstone of its sustainability efforts. The company recognises the need for a centralised occupational health and safety pillar to ensure consistency, encourage collective learning and develop measures to enhance health and safety. It is now a top management priority within the group, and action plans have already been initiated. These plans will allow us, by 2025, to shift from the dependent stage of the Bradley Curve to the independent stage thanks to the following: a H&S organisation & governance structure at group level, comprehensive communication on safety policies and standards to all stakeholders, encouraging Behaviour Based Safety (BBS) and managing identified safety risks.

GRI 403 – OH&S

Top four expectations

The Double Materiality Matrix presents the findings of the analysis, which can be condensed into four overarching megatrends, these megatrends are aligned with the group's strategy as described below:

01

Take responsibility and leadership in addressing climate change.

Project 2030: environmental sustainability stream

02

Cultivate a corporate culture centred on the holistic well-being, empowerment, and fulfilment of every individual.

Employee and care strategy

03

Develop an environmental value proposition that aspires to lead in the energy transition and circular economy.

Project 2030: environmental sustainability stream

04

Ensure a safe and healthy work environment.

2024 corporate priority: safety Programme care management

03

E3: an integrated sustainability strategy

Chapter 03

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The dynamics of our economic system

and their impact on society and the environment are in constant flux, with new variables continually entering the equation.

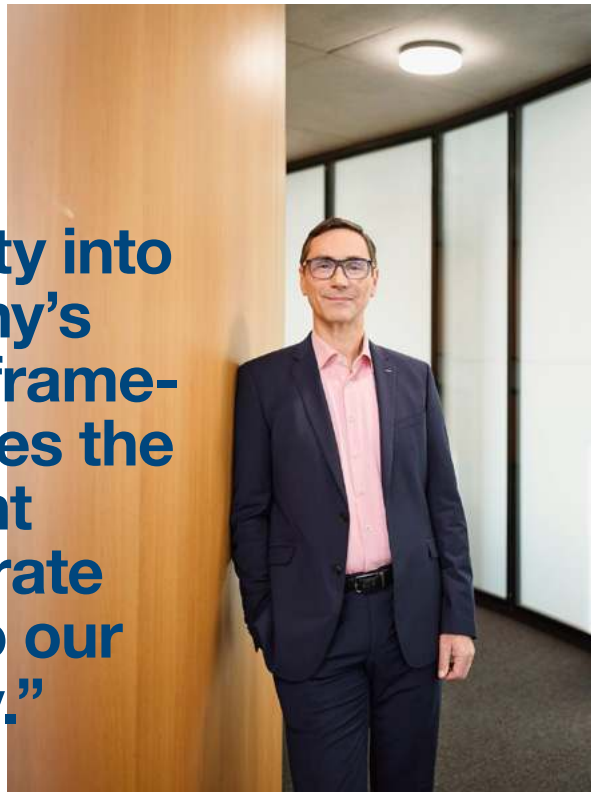
The pace of change is accelerating rapidly, compelling us to anticipate and adapt to emerging developments, regulations, and partner preferences.

In order to cope with this rapid rate of change, we have reassessed our approach to leadership and management of corporate sustainability in 2023. The traditional notion of "business as usual" is no longer viable; established practices that have served well for centuries are now outdated and offer little promise for future success.

Addressing these challenges have made us focus our E3 strategy on three key factors: a fitting governance model, regulatory compliance to steer and control, and our existing strengths as a solid basis. Effectively integrating sustainability into a company's leadership framework requires the commitment of all corporate functions.

Franck Houdebert, Chief Human Resources Officer and Group Sustainability Sponsor

"Effectively integrating sustainability into our company's leadership framework requires the commitment of all corporate functions to our E3 Strategy."



03.1

Sustainability governance

The G in ESG stands for governance – and sustainable corporate governance enables us to monitor, anchor and manage sustainability across all relevant functions in the group. Our governance model reflects a holistic and integrated system of corporate leadership, management, and supervision that keeps our group productive and impactful for the long term.

The figure below is a comprehensive overview of the management of sustainability-related decision-making and actions at a group level. It illustrates the delegation of sustainability management actions from the highest governance body to employees and, outlining the scope of their responsibilities in ensuring sustainable development.

GRI 2-13 General disclosure

Hager Group Sustainability Governance

Supervisory Board

Oversee management's sustainability actions and decisions, ensuring alignment with the group's Project 2030 strategy.

Management Oversight

Board of Directors

- Provide group-level strategic and operational leadership decisions on corporate sustainability

Group Strategic Committee

- Steer the group's sustainability strategy preparation
- Recommend group-level strategic sustainability options
- Participate, challenge and steer Hager Group's sustainability strategy

Sustainability Council

- Develop strategy and align with industry standards
- Challenge and monitor global sustainability performance and progress of initiatives

Coordination and Monitoring

CSR Department

- Coordinate and monitor sustainability strategy performance
- Manage cross-functional sustainability programmes
- Manage stakeholder engagement internally and externally
- Support functions and business units in implementing the sustainability strategy

Execution and Diffusion

Functions and Business Units

- Implement strategy and group programmes and policies
- Execute sustainability objectives (Blue Planet Commitment)
- Support awareness
- Innovate

Blue Planet Commitment Network

- Representatives from operational activities and central functions
- Establish dialogue with all the group's functions to deliver on plans, boost ambition, innovation and integrate all challenges

Ethics Ambassadors Network

- Promote ethical behaviour and values within the organisation
- Provide guidance and advice to employees on ethical issues and dilemmas
- Contribute to ethical alert investigations

All Employees

Empower all employees to make a difference:
participate and volunteer for initiatives and events for CSR and with Peter und Luise Foundation.

03.2

Our E3 strategy

Recognising our position as a leading innovator in the electrical installation sector, we acknowledge both the opportunity and responsibility to steer our business towards operating with lower carbon emissions. By leveraging our position, we can influence the sustainability landscape, both through the infrastructure we provide to customers and partners, as well as internally within Hager Group. Active involvement in sustainability issues is therefore vital for our sustained success. Our E3 Sustainability Strategy is an integral part of our Corporate Strategy, Project 2030, aligning with long-term objectives. E3 comprises three pillars:

Ethics underscores our commitment to ethical principles and values, guiding our business practices. Our commitment to ethical behaviour is reinforced through various channels such as awareness training available via Hi! University, a robust grievance mechanism, and the dedication of our Ethics Ambassadors. The ethics pillar encompasses promotion of ethical behaviour, responsible business conduct, human rights, and promoting ethical behaviour throughout our supply chain.

Employees prioritises the well-being, development, and engagement of our workforce. It addresses human capital management, including aspects such as employee health and safety, training and development, diversity, equity, and inclusion, as well as work-life balance. Having identified the need for a robust health and safety structure at group level, Hager Group is actively working to standardise health and safety practices throughout our operational sites.

Environment objectives are encapsulated in our Blue Planet Commitment. Aligned with our environment value proposition and SBTi commitment, this strategy outlines our approach to minimising the carbon footprint of our products and operations, serving as a blueprint for environmental protection efforts within the company. Our initiatives, such as the integration of eco-design principles into our product development, promoting reuse of ocean-bound plastic waste in our product manufacturing and focusing on our product environmental profile (PEP) development exemplify our commitment to transitioning towards a low-carbon economy. Our ambitious company project – Project 2030 – is aimed at ensuring Hager Group's readiness to operate sustainably. We have now entered in the second phase of this project with the clear ambition to make Hager Group future ready by reaching industry standards. This will be achieved through three objectives highlighted below:

CSR strategy priorities in 2024

Tactical

Partner with credible sustainability rating systems to ensure transparency and credibility
- Maintain EcoVadis gold rating by executing 75 % of dedicated cross-functional action plans

Strengthen the core

Strengthen the basics and nurture our assets
- Strengthen safety culture with our Mission Zero safety programme to reach zero accidents
- Refine the sustainability employee strategy (health and well-being at work, leadership, etc.)
- Improved integrity alert system
- Roll out our Blue Planet Commitment Programme

Ability to steer and control

Generate CSR data to allow self-diagnosis and benchmark
- 50 % of CSRD data points ready
- Deliver sustainability data architecture
- Deliver sustainability report aligned with GRI standards

03.3

SDGs and E3

The figure here lists the SDGs relevant to the operations of Hager Group. It also highlights its alignment with our E3 Strategy i.e., Environment, Employees and Ethics. The alignment is further accentuated and justified by using the "Linking the SDGs and the GRI[5] Standards", a guide developed by the GRI in 2020.

[5] We use the different tools at our disposal as a GRI community member to better understand, communicate, and manage our contribution to the SDGs: https://www.globalreporting.org/public-policy/sustainable-development/integrating-sdgs-into-sustainability-reporting/

Hager Group E3 strategy	SDG alignment	What we report
Environment	3 GOOD HEALTH AND WELL-BEING 7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION 15 LIFE ON LAND	GRI 204 - Procurement Practices GRI 301 - Materials GRI 302 - Energy GRI 305 - Emissions GRI 308 - Supplier Environmental Assessment
Employees	3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES	GRI 401 - Employment GRI 403 - Occupational Health and Safety GRI 404 - Training and Education GRI 405 - Diversity and Equal Opportunity
Ethics	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	GRI 205 - Anti-Corruption GRI 414 - Supplier Social Assessment GRI 416 - Customer Health and Safety

03.4

Rules, processes and controlling: embedding sustainability in daily operations

Our sustainability policy underscores its commitment to challenging itself and transitioning towards sustainable practices. Complementing our E3 strategy commitment, we aspire to adhere to world-class standards through ISO certifications. The policy ensures that sustainability considerations are deeply integrated into decision-making processes with a focus on:

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

Beyond the sustainability policy, Hager Group has established additional policies and processes to further articulate our ambitions and ensure adherence to our sustainability commitments. These are meticulously documented at both operational and functional levels, falling under the umbrella of:

- **Ethics Charter**
- **Environment and energy policy**
- **Internal Mobility Charter**
- **Human Rights Charter**
- **Supplier code of purchasing**

As highlighted in Table, Hager Group has set quantitative and qualitative targets to ensure the effectiveness of its sustainable development policies and process. These objectives are monitored and controlled by the highest governance body.

GRI 2-23 General disclosure

Hager Group sustainability impact

	Goals	Monitoring	Control	Progress
Environment	Reduce direct emissions by 50 % by 2030	The Science based targets initiative (SBTi) has validated our objectives. Starting 2023, we are disclosing yearly through the CDP13 – climate change questionnaire to verify and track our environmental performance.	Activity data used in calculating the carbon footprint is monitored, namely energy consumption on a monthly basis.	14 % / target 50 %
	Reduce indirect emissions by 25 % by 2030			-1 % / target 25 %
	Reduce non-recyclable plastic packaging by 100 tons per year		SAP operating systems track quantities of sustainable and non-sustainable packaging purchased against objectives	target 100 t / progress in 2023: 127.1 t
Employees	Zero Tolerance for Accidents ensuring a safe working environment for all employees: keep LTAR below 3,10	The number and rate of recordable work-related injuries are monitored by the Board of Directors Office since the launch of the Safety campaign in Q4 2023	Monthly reports on work related injuries are presented to the Board of Directors	Reduce LTAR 4,06 in 2023[6] / target 3,10 in 2024 / 2,57 today
	Talent Development People and Organisation Review (P&O R) yearly: define training needs	Hi! University. 105.605 hours spent by our employees. Performance Development Interviews – Development interviews. 96 % achieved in 2023.	Digital platform (hours spent training): MyLearning hub	Performance and Development Interviews in 2023 96 % / target 100 %
	Promote internal mobility: Fill at least 30 % of open positions with internal applicants.	Recruiters are constantly reporting on mobility type after a position is filled	SuccessFactors tracks candidates if the application is made internally.	progress in 2023 30 % / objective 30 %
Ethics	Train 90 % of connected employees on how to analyse and interpret difficult ethical situations through the “Serious Game” programme by 2028.	By the end of 2023, 26 % of total connected workforce of 7572 employees are trained, of which 691 are managers and 1265 are non-managers.	Attendance at training workshops is documented and tracked by the Hi! University programme and communicated upon in Hager Group Live	progress 26 % / target 100 %
	Expand the Ethics Ambassadors network to 40 by the end of 2027 with at least one ambassador at each of our production sites.	Number of ambassadors in the network (currently 23)	Recruitment campaigns for ambassadors are launched internally. The voluntary engagement is validated by HR and management as it represents an additional role to the ambassadors’ main functions. They allocate a part of their working time to strengthening our ethical culture throughout the group.	Ethics Ambassadors progress 23 / target 40
	Treat 100 % of ethical reports received and investigate 100 % of accepted alerts.	Rate of closed reports and alerts against the number of reports received.	Group Ethics Officer reports KPIs to Sustainability Council.	achieved in 2023 / target 100 %

[6] Lost Time Accident Rate: number of accidents * 1,000,000 / number of real working hours

03.5

Incentive systems

To ensure group level objectives are achieved, Hager Group introduced a new bonus scheme in 2019. Central to this scheme is the idea of ensuring economic growth while upholding our E3 strategy objectives. KPIs are set annually at group level, which are used as a basis for evaluating our performance as a team. The group performance bonuses are triggered upon achievement of a group net cash flow target to finance its future development. The distribution of bonuses within Hager Group is determined by a balance between individual performance and collective performance, which may vary based on employee's position and level of responsibility within the organisation. For the year 2023, four group targets and six key performance indicators (KPIs) were defined to cover all areas of the company, they are weighted evenly in order to recognise their equal importance for group performance.

Our top priorities are minimising work-related injuries through our mission zero strategy, adding value for our customers through improved data quality and encouraging employees to participate in our blue planet strategy, besides continuously robust economic performance.

Group KPIs

Group Objectives	6 KPIs to measure 2023 performance	Definition
Business	Turn over growth in %	External sales: income from ordinary operating activities less value added tax
	EBIT (Earnings Before Interest and Taxes)	EBIT = Gross margin – Commercial costs/other operating expenses + Extraordinary results
Customers	OTR (On-Time Received by the customer) on yearly average performance	Number of order lines received on time or before time by our customers/ number of order line requested to be delivered by the customer during the period.
	Data quality (products + customers)	Data quality of main accounts and contacts in CRM
Employees	Work accidents	Improvement of accidents in % vs baseline for 2022 = 3,35 LTA rate (accidents * 1.000.000/ # of real working hours)
Sustainability	"Blue Planet Starter" training participation rate	% of employees with Hager email account who completed the training

Our bonus scheme policy has recently been adjusted to better align individual and collective performance expectations and now brings under one umbrella group priorities and leadership principles. Senior managers and executives now have one leadership objective and a maximum of four objectives linked to group priorities. Sustainable development must be integrated with a minimum of 20 % into all individual objectives as it is a group priority. In 2024, Bonus also covers our yearly corporate priority objectives namely: safety, data, and sales & operation planning (S&OP).

Updated bonus scheme

Weight of objectives for all Senior Managers and Executives (max five Objectives)

The How

10 %

Leadership principles

- Lead with purpose
- Empower people and teams
- Be agile

The What

20 %

Sustainability

L0 Safety, L0 Data, L0 S&OP

Application and %
to be defined according
to functions and jobs

Torsten Schulz
Group Sourcing and Supply Chain
Senior Vice president

“At Hager Group, we work closely together in partnerships with our suppliers

to achieve measurable improvements in sustainability across our entire supply chain.”

03.6

Responsible sourcing

GRI 3-3 Material topics

03.6.1

Our sourcing vision

We are dedicated to upholding ethical, social, and ecological responsibilities both within our company and in our interactions with business partners. Therefore, responsible sourcing is a crucial aspect of the sustainability strategy at Hager Group and we are dedicated to collaborating with suppliers who share our values and prioritise environmental and social responsibility. To ensure mutually beneficial collaboration, we actively engage with our suppliers through rigorous standards and regular assessments. This includes:
- Reducing carbon emissions
- Using eco-friendly materials
- Promoting fair labor practices

By aligning our expectations and working together, we aim to create an inclusive, carbon-neutral world. Our dedication to these principles reflects our strong commitment to sustainability at every level of our supply chain.

Responsible sourcing process

Signature of our Code of Purchasing Conduct

Monitor risks in the supply chain

Sustainability assessment of selected high-risk suppliers

Audits (administrative) of selected suppliers

Supplier dialogue and corrective actions

03.6.2

Code of Purchasing Conduct

Our Code of Purchasing Conduct serves as the foundation of our business relationships with suppliers and is thus an integral part of our contracts for the supplies and services we procure. The code articulates the core principles that vendors, suppliers, sub-contractors, and other parties engaged with Hager Group must adhere to. We expect our business partners to uphold the principles outlined in this Code of Purchasing Conduct, disseminate them to their own vendors, subcontractors, and business associates, and implement reasonable measures to ensure compliance with these principles among these stakeholders.

GRI 205 Anti-corruption

03.6.3

Enhance compliance and sustainability risk management

Since 2022, we have taken various actions to strengthen our sustainable sourcing practices. This involved establishing clear policies, conducting risk assessments, CSR audits but also prioritising our selection of suppliers who are aligned and commit to our sustainability goals.

To enable a systematic and continuous risk assessment in our supply chain as well as foster social and environmental compliance we support this approach with the implementation of digital platforms and tools:

SPHERA was adopted as reference for our ethical compliance management in regards of the German Supply Chain Due Diligence Act. Hager Group has indeed chosen to comply with German law and report to the BAFA[7] which also allows the group to anticipate the Corporate Sustainability Due Diligence Directive (CSDDD) law at European level.

SPHERA evaluates public reported incidents which enables us to assess the risk in our supply chain and take mitigation actions. Compliance is ensured through a four step process: violation identification, its categorisation, following action plan, and reporting.

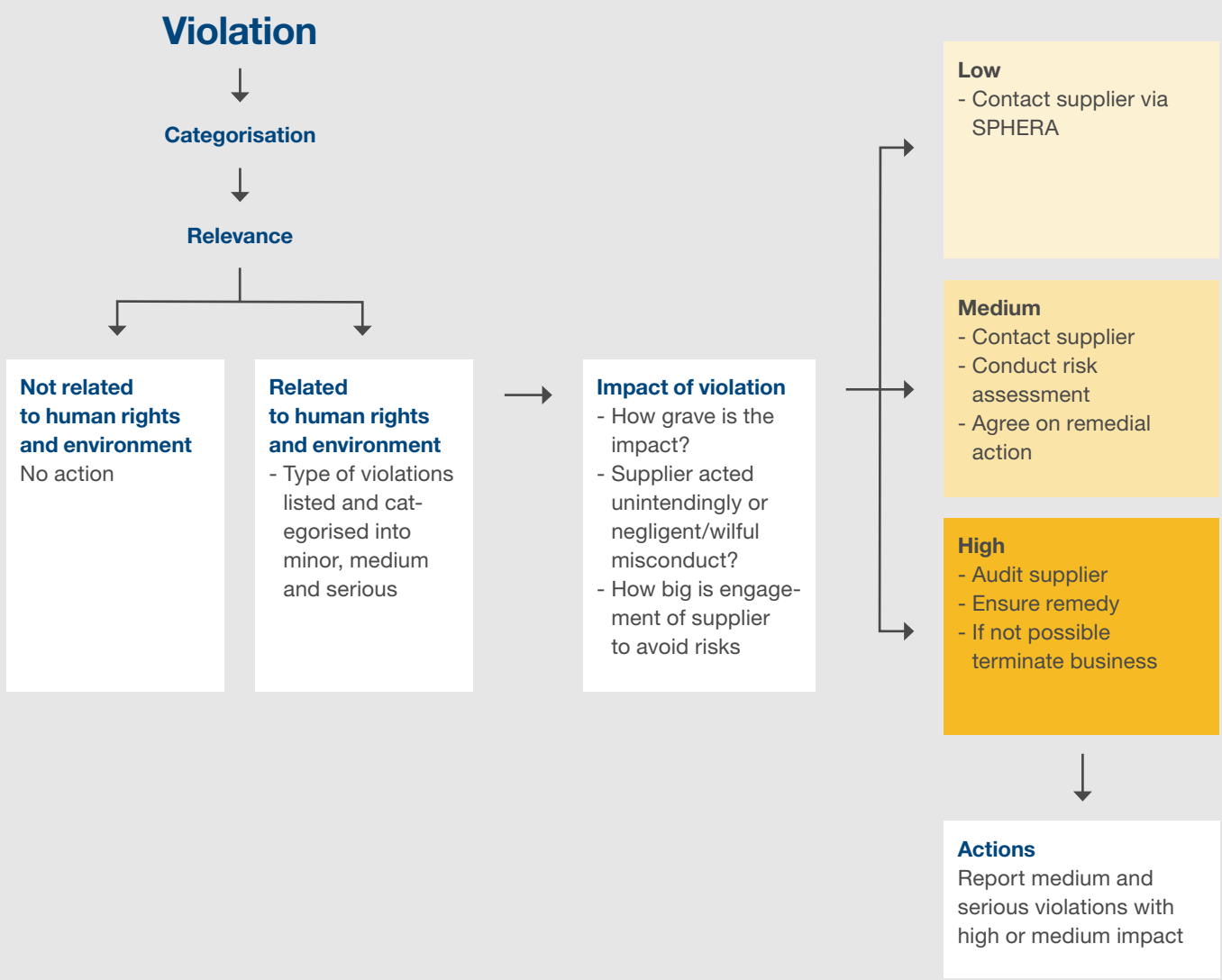
GRI 414 Supplier social assessment;
GRI 308 Supplier environmental assessment
GRI 3-3 Material topics

[7] The Federal Office for Economic Affairs and Export Control

Assent is a digital tool specialised in sustainability which enables us to collect data to ensure the compliance of our products. The platform allows our suppliers to share all the requested certificates: REACH, RoHS, PFAS, Halogen and conflict minerals templates at the same place. Assent also permits us to continuously monitor and anticipate new regulations.

Hager Group also sends a sustainability assessment to its most strategic suppliers. This comprehensive questionnaire covers topics such as environment, ethics, governance, and health and safety. Based on the results, suppliers have been prioritised on their score in order to improve their sustainability performance. In 2024, these suppliers will be invited to a sustainability review at which Hager Group's values and CSR objectives will be reiterated. An exchange will also take place in order to encourage the suppliers to enhance their maturity through actionable points.

In addition to the supplier sustainability assessment, we, in collaboration with EcoVadis, are currently implementing the process of supplier risk mapping and enabling our high-risk suppliers to improve their socio-environmental performance. EcoVadis provides country and industry-specific risk methodologies and in-depth analysis for 21 criteria on environmental, ethical, labour and human rights aspects as well as sustainable procurement.



03.6.4

Supporting local suppliers

In addition to a transparent sourcing process, an integral part of responsible procurement practices at Hager Group is to promote economic development and resilience in local communities by fostering strong business relationships with local suppliers, the suppliers in the locations of operations. Our operations in Germany, France, Great Britain, Italy, Switzerland, Poland, China, India, and Spain define these regions as significant locations of our operations. 76 % of our entire procurement budget was spent on "local suppliers" in 2023.

GRI 204 Procurement Practices

Sphera 2023 in numbers

Based on this assessment, the figures on the right highlight our supplier socio-environmental due diligence in 2023.

04

Protecting the climate and the environment

Chapter 04

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“With a steadfast commitment to minimising our environmental impact and fostering eco-friendly solutions,

we are dedicated to safeguarding our planet for future generations.

We aim to exceed environmental standards by employing collaborative efforts and innovative strategies, ensuring our actions align with our values of corporate citizenship and environmental stewardship.”

Anais Zink
Environmental Sustainability Senior Manager and Blue Planet Commitment Programme Manager

“Sustainability data is indispensable for steering our environmental strategy in a context where we face unprecedented business challenges.

It is the cornerstone upon which our policies, initiatives and actions are built, driving us towards exemplarity in our operations and more importantly as an enabler in our markets.”

Samir Rouini
Environment and Group Sustainability Reporting Manager

04.1

The Blue Planet Commitment (BPC)

As a conscientious organisation, we have diligently evaluated our activities and their associated risks and opportunities, encompassing upstream and downstream operations and our core activities. Accordingly, we have identified that a primary causes to increased environmental impact is energy consumption in the mining industry of our value chain and the products we sell. Further notable ecological implications are due to the use of non-regenerative and non-recycled materials, particularly when it comes to using hazardous chemicals in extraction processes.

GRI 3-3 Material topics

We understand that transitioning to sustainable practices may pose short-term financial risks, such as disruptions to our supply chain and increased production costs[8]. However, we are taking a proactive approach to manage these risks. In the long run, these actions will ensure sustainable development and mitigate financial risks related to customer satisfaction, navigate regulatory compliance and rising raw material costs.

GRI 3-3 Material topics

The Blue Planet Commitment (BPC) is our commitment to minimise the carbon footprint of our products, solutions and operations. General and function-specific training programmes have been created to foster a collaborative and inclusive approach, notably the Blue Planet Starter training module. These training programmes are accessible to all employees – white and blue collar – the module is mandatory and accessible via Hi!, the group's corporate University. This foundation module outlining our Blue Planet Commitment covers essential environmental sustainability principles, carbon footprint awareness and best workplace practices. More specialised modules tailored to specific functions, such as engineers and sales teams, focus on topics like eco-design and compliance to provide targeted knowledge and skills.

Developed under Hager brand in France, our newly introduced product line cubyko leaf highlights our concerted effort towards Blue Planet Commitement. cubyko leaf is a range of sockets and switches that ensures economic growth and at the same time reduces our environmental impact and preserves ecosystems.

cubyko leaf

1st product where sustainability aspects guided our design and sourcing process.

27 % - 32 % recycled ocean bound plastic.

At least 3 % savings in CO_2 emissions compared to the non-eco-conscious product equivalent.

At least 10 % savings in fossil fuel in the process compared to non-eco-conscious product equivalent.

Each product in this series prevents the equivalent of 1,5 half-litre plastic bottles from entering the ocean.

1st product developed with agile methodology enabling us to save one year in lead time.

[8] Prioritising socially responsible sourcing | McKinsey

Until 2023, our primary focus with our BPC was to gather extensive data to refine our carbon footprint calculation. We took specific actions to decarbonise our scope 1 & 2 emissions and explored alternatives for our non-recycled plastic packaging (NRPP). Initiatives such as production life cycle assessment and development of Product Environmental Profiles (PEP) were prioritised during this period, demonstrating our commitment to transparency and continuous improvement.

In phase 2 (Sprint 2) of our company Project 2030, we are taking initiatives to transition towards sustainable products and enhance the environmental appeal of our offer while simultaneously ensuring Hager Group's resilience to withstand climate and resource constraints.

Based on these objectives, priorities and contributions to BPC are set for all the relevant functions at group level, including logistics and supply chain, manufacturing, solution development and marketing (SDM), sourcing and engineering.

Our action plan to move forward includes

Decarbonisation of our scope 3 emissions

- Build CO_2 reduction roadmap for products and solutions
- Implement eco-design specifications
- Deliver eco-designer enrolment and training
- Pilot the eco-design progress
- Consolidate a comprehensive scope 3 roadmap

Circularity

- Deploy circularity proof of concepts
- Identify suitable partners for innovative business models
- Analyse end-of-life for Hager products and propose positioning

BPC governance and visibility

- Have clear roles and responsibilities for Blue Planet Champions
- Cover environmental needs with BPC organisation
- Make the BPC organisation and governance transparent for all managers
- Secure norms and standards

Laeticia Dietrich
Environmental Project Manager and Carbon Footprint Expert

"Measuring our carbon footprint over several years has enabled us to identify our main sources of emissions and levers.

While we are making progress on reducing our direct emissions (scope 1 & 2), tackling our scope 3 (indirect emissions) remains a huge challenge. A 1,5°C trajectory is a collective effort that requires strong collaboration and commitment from all stakeholders: employees, suppliers and customers. Measuring our impact was a first and crucial first step, now is about action."

04.2

Our carbon strategy

04.2.1

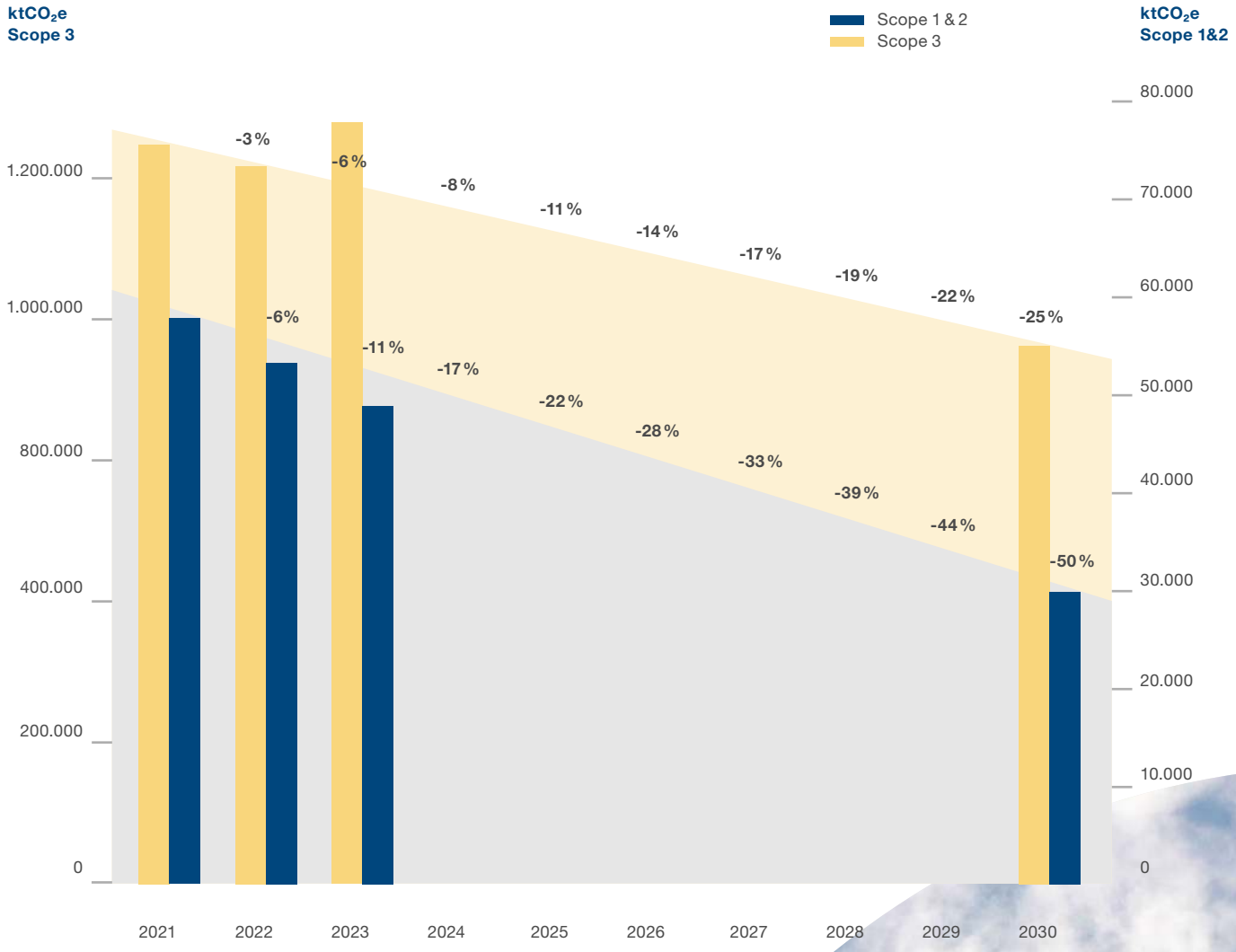
Advancing our decarbonisation commitment

Conscious of climate urgency and the need to contribute to limiting global warming to a maximum of 1,5°C, our decarbonisation commitment continues. We are acting on multiple decarbonisation fronts to achieve the short-term commitment we made with SBTi, i.e., by 2030, we aim to reduce 50 % of our scope 1 & 2 and 25 % of our scope 3 GHG emissions. While we are maintaining the trajectory for scope 1 & 2 emissions in line with our commitment, for scope 3, we are currently deploying projection tools for product development; they will allow product managers and design engineers to make informed decisions about future product development and offers. The deployment of our responsible sourcing strategy is centred on climate urgency and emission reduction. We deploy a two-fold focus on purchased goods and services and use of sold products.

Although we are focused on our 2030 science-based targets, we have not committed to the Net Zero targets as of now. Aware of this, we have publicly communicated only on our own 2030[9] targets and accept to be removed from the SBTi website as a company with Net Zero targets. We have chosen to focus our efforts on short-term targets. Nevertheless, we continue to debate internally as to the right time to commit to the ambition of contributing to carbon neutrality as a company in 2050.

[9] Our first sustainability report confirms the validation of our short-term objectives

Our GHG emission reduction trajectory w.r.t SBTi short-term commitment



04.2.2

The baseline

As depicted in the table below, it is crucial to highlight a significant update concerning scope 3 emissions. Hager Group is an active member of the PEP Ecopassport Association, a globally recognised programme for environmental product declarations in the electrical, electronic, heating, and cooling industries. By adopting the latest product-specific rules provided by the association, we have made notable improvements in our reporting accuracy. These updated rules, integrating more precise assumptions, have resulted in a substantial reduction of over 1 $ktCO_2e$ (from the previously reported approx. 2,7 $ktCO_2e$) in our base year scope 3 emissions, mainly attributed to the use of sold products.

GRI 2-4 General disclosures and
GRI 305-1 to 305-3 and 305-5 Emissions

GHG Emissions baseline correction

Source of emissions (GHG Protocol)	Source of emissions (GHG Protocol)	2021 SBTi tCO_2e	Corrected 2021 tCO_2e	Methodological changes
Scopes 1 & 2	Scope 1	26.646	27.773	
	Scope 2	32.564	33.632	
		59.210	**61.405**	
Scope 3 Upstream	Purchased goods and services	626.282	546.226	Improved data quality and new EIME emission factors
	Capital goods	21.239	6.578	Evolution of the GHG protocol standard
	Upstream energy	13.258	13.685	
	Upstream freight	30.453	30.453	
	Waste	3.125	3.125	
	Travel	9.691	4.502	Double counting was identified
	Commuting	24.642	38.468	Recalculated with the statistical approach made for 2023 using the sustainability survey
		728.690	**643.037**	
Scope 3 Downstream	Downstream freight	36.384	30.395	Improved data quality
	Use of sold products	1.648.876	564.239	New PSR from PEP ecopassport, and improved data quality
	End-of-life of sold products	239.818	239.818	
		1.925.078	**834.452**	
Total	**All emissions**	**2.712.978**	**1.538.894**	

The significant change in the scope 3 baseline has changed the overall GHG emission percentages in each category. In the categories "use of sold products" and "purchased goods and services", this adjustment led to a redistribution in their order and company priorities:

- With the significant correction in the use of sold products emission data, its contribution to the updated GHG emission result has dropped to 37 % against the previously reported 61 %. While we cannot directly control the carbon intensity of the electricity grids where our products are used, we can focus on eco-design principles to enhance their energy efficiency throughout their lifecycle. Additionally, a product's longevity could contribute to reduce carbon intensity as short to medium term replacements would not be necessary. Innovation and testing for alternative solutions are therefore essential in developing more sustainable products.

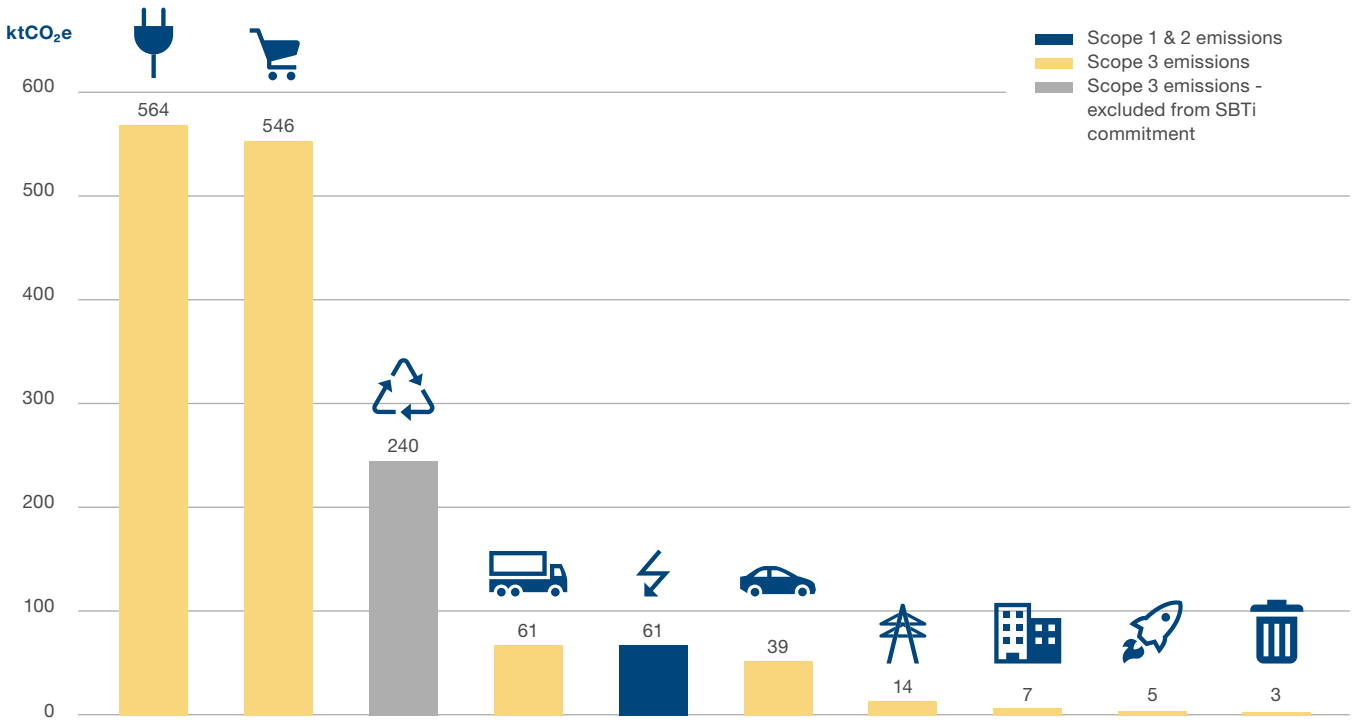
- Due to the adjustment emissions from purchased goods and services is now 35 %, 11 % higher than the previously estimated 24 %.

This change highlights the role of responsible sourcing in our Climate Strategy, underlining the need to promote local procurement, suppliers' environmental improvement, and suppliers' alignment with our own sustainability strategy in committing to science based targets.

GRI 2-4 General disclosures

Hager Group's updated baseline (2021): 1.539 $ktCO_2e$

GRI 305-1 to 305-3 Emissions



	Use of sold products	Purchased goods and services	End-of-life of sold products	Up-and downstream freight	Scope 1&2	Commuting	Upstream energy	Capital goods	Travels	Waste
Share of emissions	**37 %**	**35 %**	**16 %**	**4 %**	**4 %**	**3 %**	**1 %**	**<1 %**	**<1 %**	**<1 %**

04.2.3

Our emission reduction

To estimate our emissions, we considered all GHG gases outlined in the GHG protocol, including CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, and NF_3. Furthermore, we used emission factors from the International Energy Agency (IEA) for electricity and the French Environment and Energy Management Agency (ADEME) database for other emissions.

GRI 305-1 to 305-5 Emissions

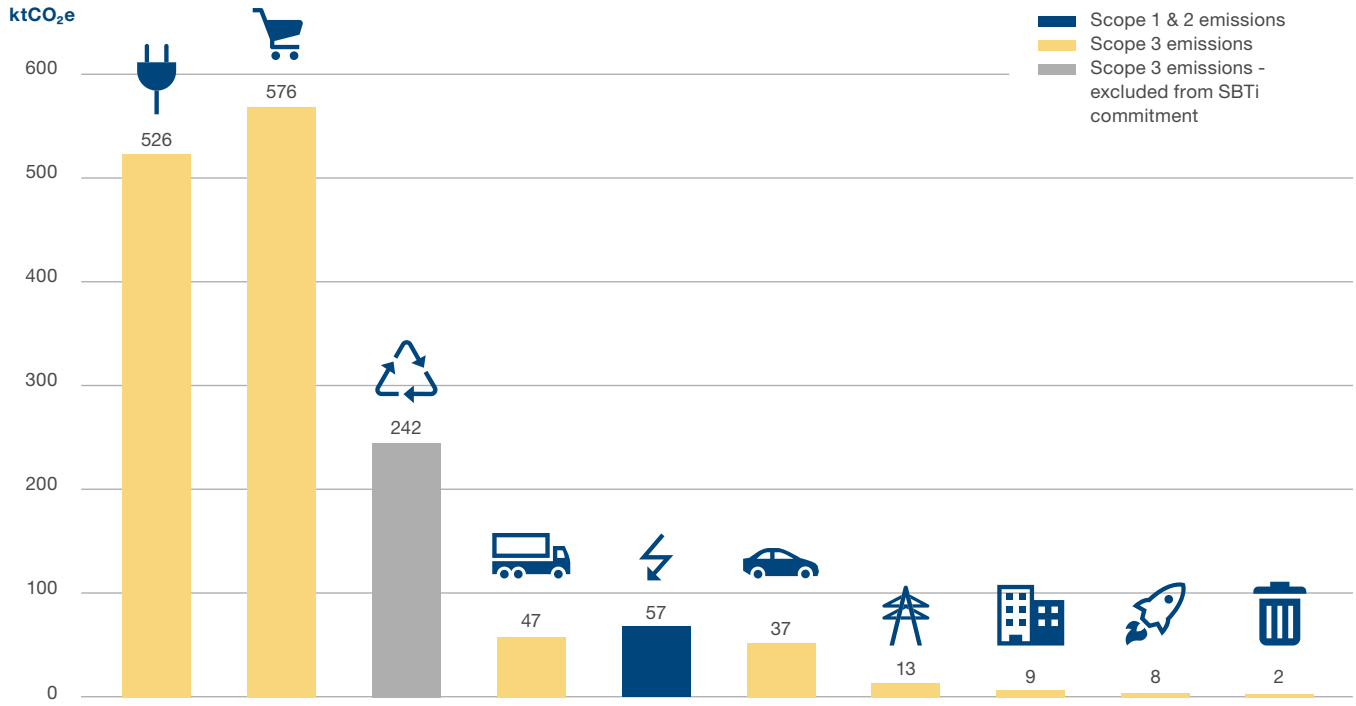
Our GHG emissions

GRI 305-1 to 305-3 Emissions

	2021	2022		2023	
	Baseline Emission $ktCO_2e$	Emission $ktCO_2e$	Change from baseline %	Emission $ktCO_2e$	Change from baseline %
Scope 1 & 2	61	57	-7 %	53	-14 %
Scope 3	1.477	1.460	-1 %	1.496	+1 %[10]

[10] Note that our SBTi commitment for Scope 3 emissions does not include end-of-life emissions which explains the slight difference between the figures in the SBTi trajectory and our GRI communicated GHG emissions reductions

Our carbon footprint 2022: 1.517 $ktCO_2e$



Share of emissions	**35 %**	**38 %**	**16 %**	**3 %**	**4 %**	**2 %**	**<1 %**	**<1 %**	**<1 %**	**<1 %**

Our decarbonisation plan

By 2023, we achieved a 14 % reduction in our Scope 1 and 2 GHG emissions compared to the 2021 baseline, surpassing our estimated target for maintaining the SBTi short-term commitment by 3 %. However, Scope 3 emissions increased by approximately 1 % during the same period. This increase is mainly due to the construction of our new factory in Bieruń, which raised emissions from our capital goods, and an increase in emissions from purchased goods and services, primarily driven by the higher volume of purchased batteries for our storage systems. The increase in purchased batteries has significantly impacted the carbon footprint of our purchased goods and services, making it the highest contributor to our scope 3 emissions since 2022.

GRI 305-5 Emissions

2021

Baseline year

Scope 1 & 2
–

Scope 3
–

2022

Validation of near-term Science Based targets

Scope 1 & 2
- 7 %

Scope 3
- 1 %

2023

First CDP rating

Scope 1 & 2
- 14 %

Scope 3
+ 1 %

How?

- **Investment in carbon efficient solutions**
- **Enhanced energy management system**
- **Sourcing of renewable energy**

2030

Reduce absolute GHG emissions

50 % Scope 1+2
Reduction target

25 % Scope 3
Reduction target

Our decarbonisation projects in different production sites

Telford, UK:
We have reduced our oven temperature in the powder coating process from 200°C to 160°C, which has reduced our gas consumption by 20 %.

Dongguan, China:
We have reduced the dryer temperature from 145°C to 140°C, which has saved us 10 % of gas consumption.

Bischwiller, France:
We established a direct connection of hot water from a nearby biomass power plant for heat supply. This initiative has drastically reduced our gas consumption, reducing our direct emissions by almost 300 tCO_2e.

As of 2023, our annual consumption of photovoltaic (PV) electricity has reached 2,5 GWh. Energy production has commenced in production units at **Blieskastel, Heltersberg, and Ottfingen in Germany, and Obernai in France.** Meanwhile, developments continue at Telford in the United Kingdom and Emmenbrücke in Switzerland.

Investment in carbon efficient solutions

We estimated a saving potential of 15 ktCO_2e through investments in carbon-efficient solutions, accounting for 24 % of our 2021 baseline. Accordingly, we focus on initiatives such as sector-coupling or electrification, transitioning to low-carbon utilities and optimising our equipment use. It also includes on-site production of renewable energy and integrating the lowest carbon solutions into new asset design.

Enhanced energy management system

Enhancing our energy management system will reduce CO_2e by 6 kt, accounting for 9 % of the 2021 baseline. This involves deploying a standardised energy management process across manufacturing. It also involves implementing a comprehensive monitoring and global energy management platform for continuous improvement of energy efficiency.

Sourcing of Renewable energy

Hager Group focuses on Sourcing Renewable Energies, which can save up to 12 ktCO_2e of our GHG emissions. A Power Purchase Agreement (PPA) will suffice for our committed scope 1 and 2 reduction gap.

Besides the site specific projects, in 2023, the following initiatives were introduced to our production sites:

- We have initiated improvements in our compressed air production, which we estimate will reduce our annual emissions by approximately 100 tCO_2e. These actions include eliminating air leakages, reducing pressure set points, using compressor heat recovery to heat buildings and replacing old compressors with more efficient equipment. These initiatives are pilot projects in six of our production sites.
- Efficient energy use in all our site buildings. This includes reducing the temperature set point in winter, renovating the façades and roofs to retain heat. It also includes replacing light fixtures with LED lighting and managing building lighting according to occupancy. By simply changing to LED lighting in eight sites, we estimate a potential GHG emission reduction of 207 tCO_2e per year (557 MWh/year).

Florence Moro,
Group Logistics Senior Director

“We’re dedicated to aligning the logistics and supply chain functions to the sciences-based targets of the Group

I'm proud to lead this effort and look forward to the positive changes we'll make together.”

We intend to realign scope 3 emission reductions with our 2030 target.

Therefore, in addition to engaging suppliers at multiple levels and focusing on eco-design, we have taken specific steps that underscore our environmental commitment and readiness to challenge our practices and take actions coherent in line with our E3 strategy.

- Besides the suppliers’ engagement at multiple levels to mitigate our value chain environment risks, we have also initiated procuring recycled raw materials. In 2022, we procured 667 tons of recycled metal from our 42-kiloton raw metal requirement (approximately 2 %). In the same year, 416 tons of recycled plastic was procured to facilitate our 60-kiloton plastic requirement (approximately 0,7 %). Sourcing alternative sustainable materials remains a challenge that comes with additional stress on the different departments involved in testing, design, and procurement of the different components required to the safe and easy operations of our products.
  GRI 301-2 Materials

- In 2023, we sold over 400 million Electrical and Electronic Equipment (EEE) products, corresponding to over 100 kilotons of materials used. These EEE products constitute 15 % of our scope3 emissions in their end-of-life. Their treatment is mandated to EEE recycling and waste treatment associations in different European countries where we are operating.

04.3

Our energy mix

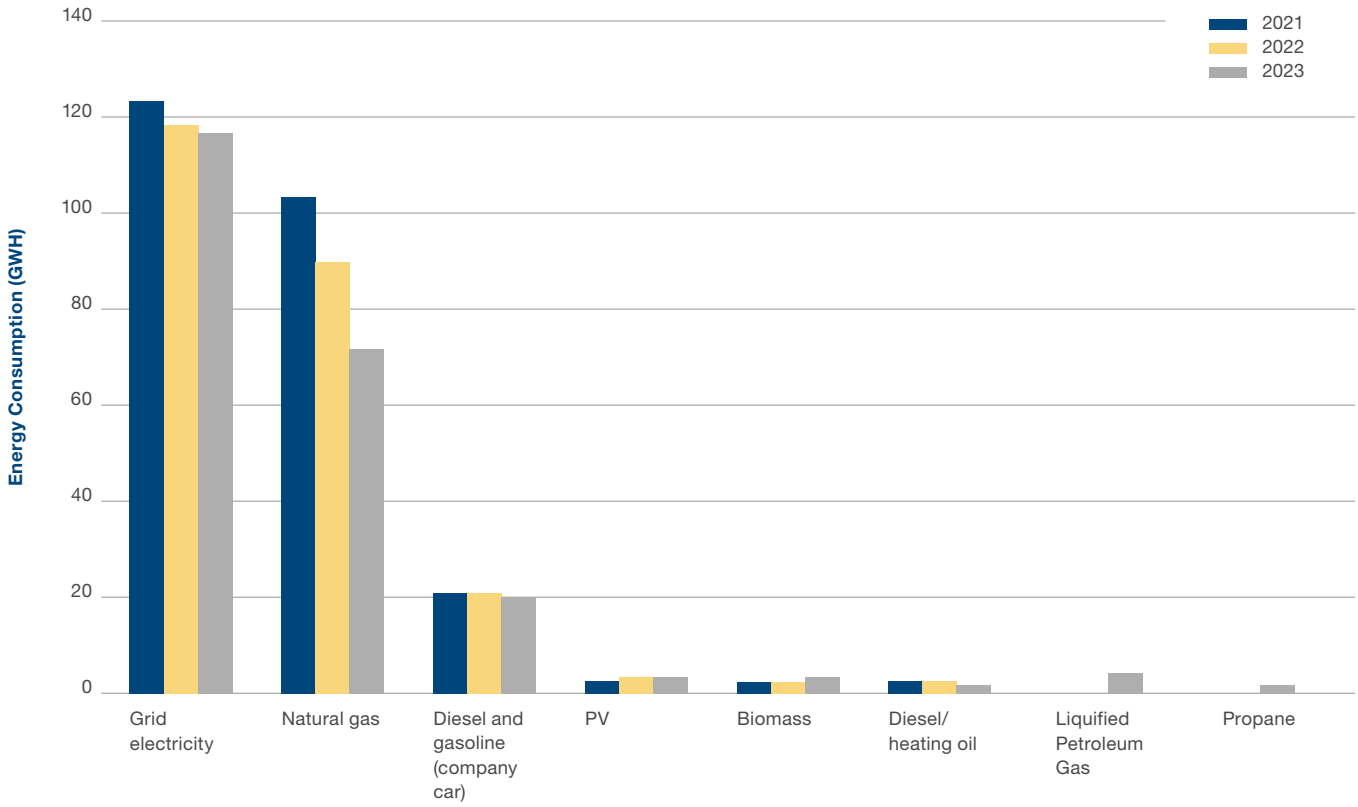
GRI 302 – Energy

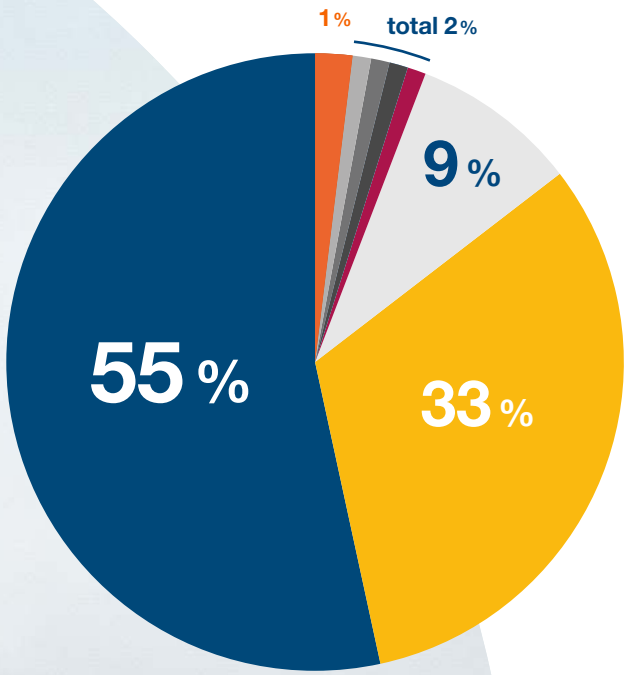
The bar graph shows the change in our energy consumption from 2021 (the base year) to 2023. 2021 is considered the base year as it is the year when Hager Group initiated the high-quality data collection and calculations.

We consume natural gas, diesel/ heating oil, liquified petroleum gas (LPG) and propane in our manufacturing processes.The graph below is noteworthy as we observe a marginal alteration to fuel consumption associated with the use of company vehicles, the shift in fuel consumption for manufacturing is significant, especially natural gas, which has dropped by around 31 % from the 103 GWh in 2021. It is also interesting to note that we have compensated our Diesel/Heating Oil requirement with the lesser carbon footprint alternative Liquified Petroleum Gas (LPG) and Propane wherever possible.

GRI 302-1 Energy
GRI 3-3 Material topics

Energy consumption at Hager Group





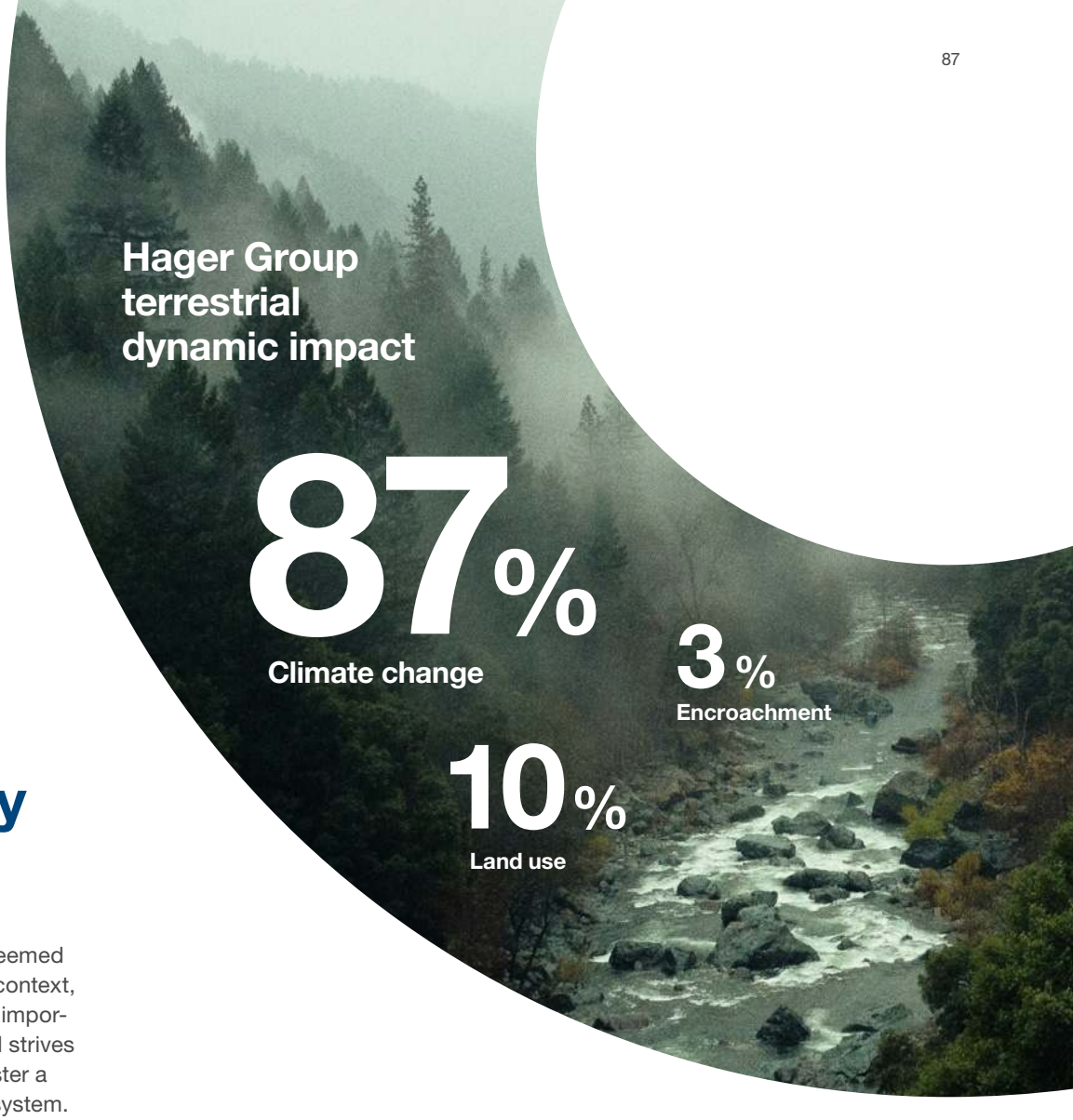
Hager Group energy mix 2023

- Photovoltaic
- Propane
- Liquified Petroleum Gas
- Diesel/Heating Oil
- Biomass
- Diesel and Gasoline (Company Car)
- Natural Gas
- Grid Electricity

It is crucial to recognise the significant role differences in the energy mix play in GHG emissions, particularly regarding electricity sources. For instance, our sites in France exhibit considerably lower GHG emissions compared to others. These lower emissions are primarily attributed to France's reliance on nuclear power, which emits fewer GHGs. Therefore, as we focus on reducing energy consumption, we're also committed to transitioning towards renewable energy sources.

Furthermore, start 2022, we took steps to account for energy consumption outside our organisation directly linked to our operations, specifically third-party logistics. Initially estimated at approximately 10,2 GWh in 2022, energy consumption in this category decreased to approximately 4,9 GWh. Although this significant reduction is primarily due to market slowdowns, introducing electric vehicles into logistics has also contributed to this reduction.

GRI 302-2 Energy



04.4

Biodiversity and water

While these topics may be deemed immaterial in the immediate context, Hager Group recognises the importance of identifying gaps and strives to improve these areas to foster a holistic and sustainable ecosystem. Proactively working to enhance our performance in these aspects demonstrates our commitment to environmental stewardship and responsible corporate citizenship, therefore contributing to our ecosystem's overall health and resilience.

04.4.1

Biodiversity footprint

Hager Group has recently achieved a milestone by concluding its first comprehensive Biodiversity Footprint Assessment (BFA) of its operations, with the Global Biodiversity Score (GBS) tool developed by Caisse des Dépôts et Consignations Biodiversité. GBS provides nuanced and customisable insights, allowing for segmentation by input type (e.g., metal, plastic, chemical), biodiversity pressures (e.g., land use, climate change, fragmentation, encroachment), or presentation by scopes in Mean Species Abundance in one square kilometre (MSA.km^2)[11].

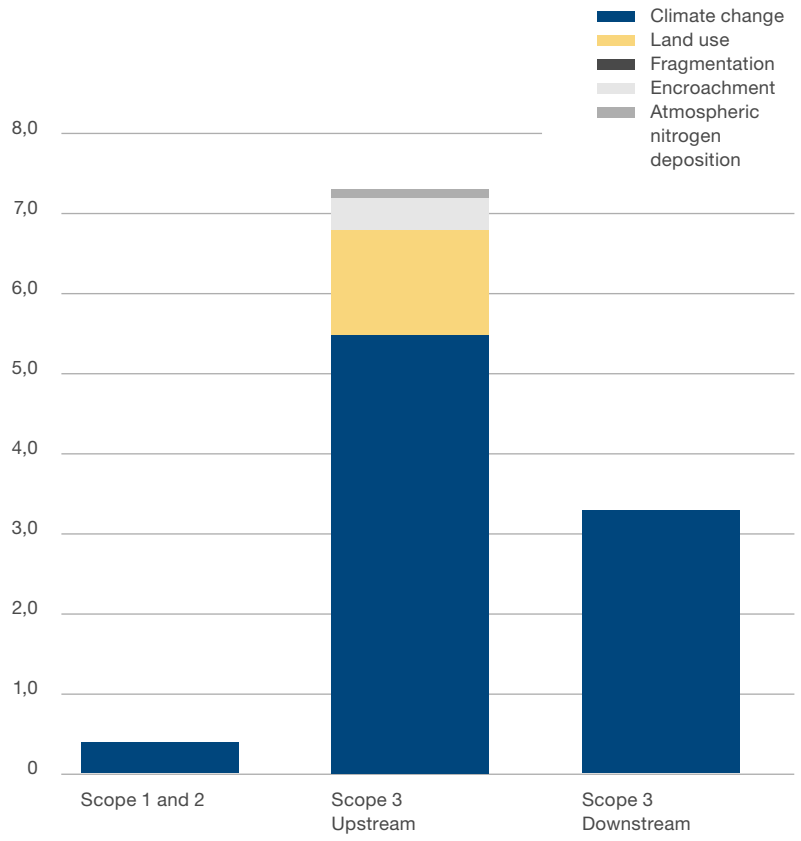
The latest findings shed light on our terrestrial biodiversity impacts throughout the value chain. The assessment revealed that our terrestrial dynamic impact is 11 MSA.km2, i.e., our operations have disrupted the 11 km2 natural ecosystem. Climate change concerning scope 3 emissions is the main impact driver for this disruption. This impact is particularly pronounced upstream in our value chain, stemming from our reliance on extracted raw materials whose pressures are driven by mining activities.

GRI 304-2 Biodiversity

[11] https://www.cdc-biodiversite.fr/le-global-biodiversity-score/

Terrestrial dynamic impacts by driver

GRI 304-2 Biodiversity



In 2023, we also used the Integrated Biodiversity Assessment tool (IBAT) to identify protected areas and Key Biodiversity Areas (KBAs) within the selected radius of operational sites and counts of critically endangered, endangered and vulnerable IUCN red list species that are potentially found within a 50 km radius. The report showed that of a total 21 production sites, seven of our sites are adjacent to protected areas within a 1 to 8 km range, and two sites are within 1 km of a KBA. Additionally, many of our sites are located within a 50 km radius of habitats of 230 critically endangered, 604 endangered and 1.395 vulnerable species. These are valuable insights that we aim to integrate in our decision-making processes regarding site developments. In this regard, the assessment also helps determine the relative opportunities for positive biodiversity measures at our sites, even contributing to biodiversity enhancement in some areas.

GRI 304-1 and GRI 304-4 Biodiversity

04.4.2

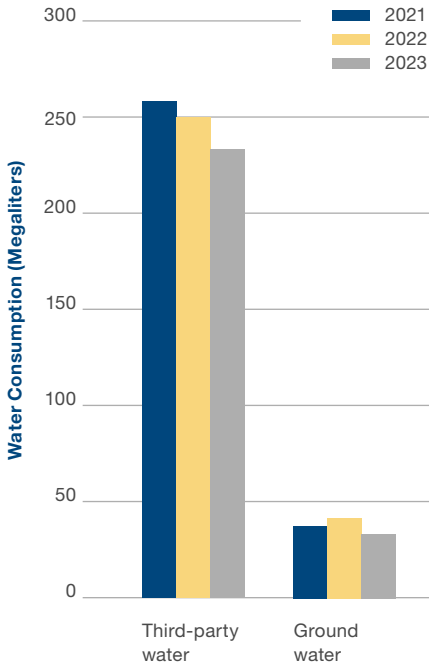
Water management

We have taken measures such as arresting leakages in water storage tank and implementing a rainwater harvesting system to reduce our water consumption. As a result, there is a significant reduction of 27 % in our water consumption intensity from 113 m^3/m€ gross turnover in 2021 to 82 m^3/m€ in 2023.

As in 2021, in 2023 we also proactively conducted a water scarcity assessment. It was aimed at identifying sites operating in regions facing high water stress risks. The assessment revealed that two of our Hager Group manufacturing sites are situated in areas categorised as high or extremely high water stress basins and consumes 5 % of our overall water footprint. In response, we are committed to reducing our water footprint in these areas. Additionally, we are actively implementing water efficiency initiatives across our five key factories, which collectively account for nearly 80 % of the total reported water withdrawn.

Water consumption at Hager Group

GRI 303-3 Water withdrawal



Proportion of water withdrawal types in 2023[12]

[12] The increase in the share of water withdrawal from water stress areas is due to the use of real data measurement in 2023 as opposed to an extrapolation in 2021. We continue to monitor water withdrawal with special care in the areas identified.

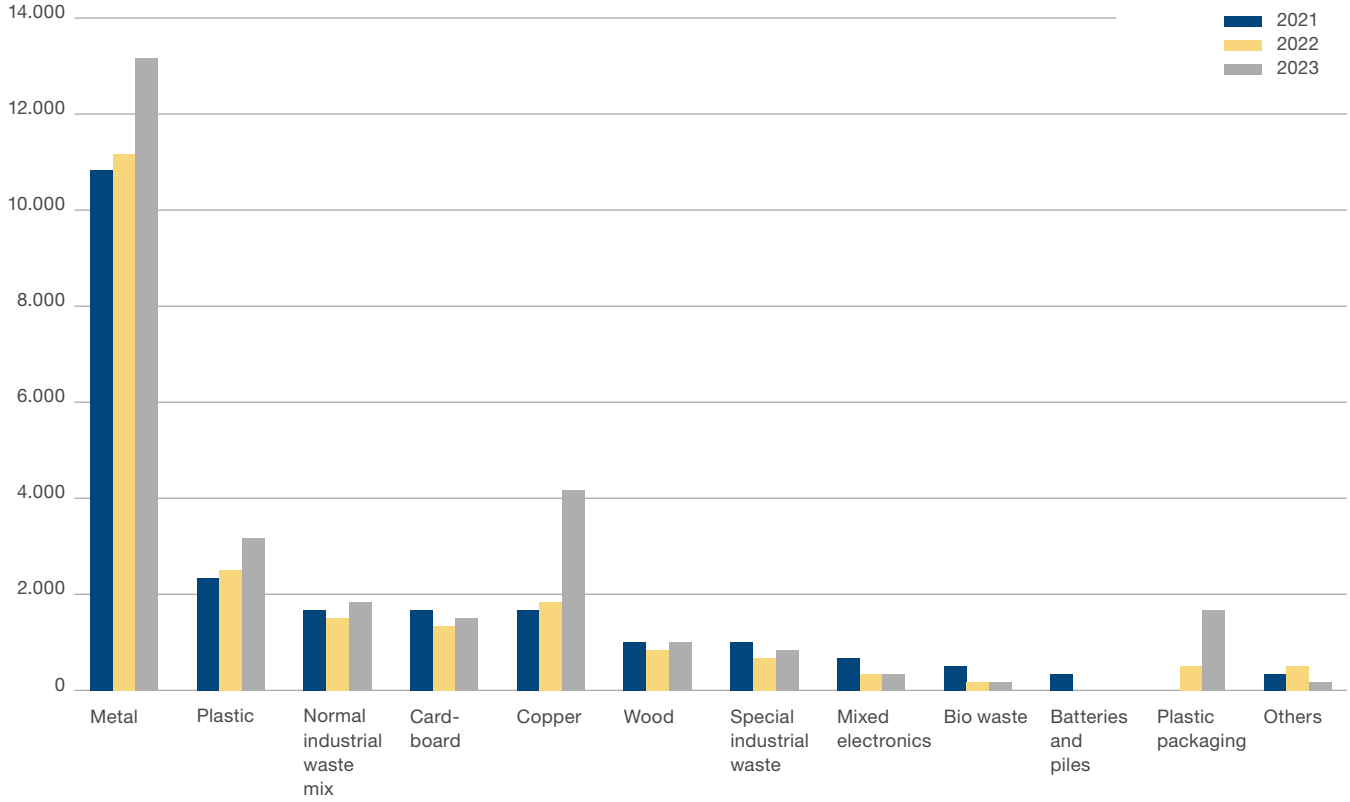
04.5

Waste

In the past two years, Hager Group has made a concerted effort to account for and manage the waste it generates. Due to this improved accountancy of waste, we estimated a 28 % rise in our generated weight to 25.805 tons in 2023 compared to 2021 data. We have also included and accounted for hazardous industrial waste such as solvents & soiled rags, absorbents, contaminated filters, as well as paint and spray cans in the waste categorisation. In 2023, the hazardous waste was 2 % of our overall waste. While almost 89 % of waste is sent to recycling, nearly 82 % of the hazardous waste goes to incineration. This waste accounting and management is crucial in optimising our resource use and circularity aspirations. Additionally, waste management methods have an environmental impact, which we consider for our scope3 emission reduction strategy.

GRI 306-3 to 306-4 Waste

Waste quantity distribution in tons



04.6

Management of substances of concern

04.6.1

Hazardous substances management

At Hager Group, we are dedicated to ensuring the safety and well-being of our customers, employees, and the environment. Therefore, we make sure we meet regulatory requirements such as REACH, RoHS, Halogen, PFAs and Conflict Minerals, to ensure the safety of our products.

The first step in meeting regulatory requirements is obtaining the composition details of all the components used in our finished products. This information allows us to make informed decisions about our input materials. To enhance our data collection effectiveness and ensure high-quality data, we have recently collaborated with Assent[13], a digital compliance platform that supports us in managing supply chain data related to regulatory compliance.

Using inputs from our suppliers' portal, we are mapping our suppliers based on the material type, spend level, and requirements to comply with REACH, RoHS, Halogen, Conflict Mineral and PFAs regulations. The suppliers' portal facilitates communication, expedites data collection, and compiles data reported by our suppliers.

The focus is on collecting hazardous substances and chemical data of Hager Group products representing 90 % of our turnover sold in the European Union (EU), in compliance with REACH and RoHS regulations. So far we have collected data on risky chemicals, including SVHCs, for 88,7 % of the product components, in compliance with REACH (all versions). We have also collected hazardous substances details for 49,6 % of our product components, in compliance with the latest version of RoHS (3).

On a global scale, our KPI is to compile the REACH and RoHS compliance data for every component purchased by Hager Group and used in at least in one finished good sold in the EU. In 2024, we have already compiled REACH related compliance data for 93,8 % of input components.

Our concerted effort underscores our commitment to being a leader in the responsible management of hazardous substances. By prioritising safety, sustainability, and innovation, we believe we can contribute to a healthier and safer world for everyone.

Chemical and hazardous substances calculation method

Production
Sum of Chemical and hazardous substances per manufactured product

↑

Bill of Material (BOM)
Chemical and hazardous substances data per part in the BOM

↑

Part
% of chemical and hazardous substances x weight

[13] Assent provides solutions for collecting, tracking, and reporting data on various regulations, including REACH, RoHS, PFAs and other similar standards . Its database also leverages declaration catalogues and databases to match certificates of conformity to the Hager's supply chain.

05

Integrity in ethical business conduct

Chapter 05

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Angela Durand
Senior Ethics Manager and
Group Human Rights Officer

“At Hager Group, our ethical standards are tightly woven into our dedication to sustainable practices.

With our sustainability report, we openly share our actions and become accountable for choices made to positively impact people and our planet.”

05.1

Our ethical commitment

GRI 2-24 and 2-25 General disclosures

Our prosperity and sustainable development depend on the trust we inspire in our customers, partners, suppliers and stakeholders. Central to this trust is our unwavering commitment to fostering an ethical work environment within our company and across our entire value chain. Our Ethics Charter and Human Rights Charter set out the guiding principles and rules to uphold our commitment to ethical behaviour, deal with complex ethical situations with integrity and safeguard us against any form of corruption and unethical behaviour. Both charters underscore our dedication to upholding human rights and ensuring human safety within our organisation and beyond.

With our Ethics Charter, we affirm our steadfast commitment to conducting business with integrity and ethical rigour. This entails strict adherence to both national and international standards and regulations, safeguarding Hager Group’s intellectual property (IP) and assets, promoting fair competition and upholding the highest standards of product quality, safety and environmental protection. Our commitment extends to transparent communication, robust data protection and unwavering respect for data privacy across all stakeholder interactions. Furthermore, our Ethics Charter emphasises our dedication to fair treatment and providing development opportunities for all employees and actively avoiding conflicts of interest. We uphold a strict zero-tolerance policy against any form of corrupt practices, including remaining politically and religiously neutral, avoiding funding any political party.

With our Human Rights Charter, we affirm our unwavering commitment to upholding internationally recognised human rights regulations and standards. We endeavour to ensure that respect for human rights remains at the core of all our actions. Within our company operations, we strictly prohibit the use of child labour and any form of forced or compulsory labour. Moreover, we extend this zero-tolerance policy to our value chain. At Hager Group, we prioritise equal opportunities for all employees and applicants, our workplace culture champions diversity and inclusivity.
GRI 3-3 Material topics

05.2

Driving ethical behaviour

GRI 2-24 and 2-25 General disclosures

In alignment with our commitment to ethical behaviour and the pursuit of being viewed as a trusted company, we have implemented measures to identify and address ethical risks within our company, across our supply chain and among our customers. These comprehensive measures, guided by the principles outlined in our Ethics Charter and compliance with relevant laws, reinforce our reputation as a trusted organisation. As evidence of our dedication, we are proud to report that during the reporting period 2022 and 2023, we incurred no monetary fines nor non-monetary sanctions, our commitment to ethical conduct and compliance is strong.

GRI 2-27 – General Disclosures

GRI 3-3 Material topics

05.2.1

Ethical risk assessment

An ethical risk assessment is crucial for identifying and evaluating potential unethical behaviour within an organisation or project. Its importance lies in the fact that by identifying these risks, organisations can ensure the integrity and sustainability of their businesses in today's complex landscape[14]. As such, we conducted a comprehensive ethical risk assessment across the group in 2021, its ambition was to promote ethical conduct and strengthen our stakeholder relationships.

GRI 205-1 – Anti Corruption

We followed a four-step assessment process to identify and effectively manage our potential ethical risks:

01 Benchmarking ethical risks

This process involved comparing our group's ethical risk management practices against industry standards or other companies' approaches. By benchmarking, we pinpoint best practices and areas for enhancement in our ethical risk management strategy.

02 Interviewing stakeholders

One of the key steps in our ethical risk assessment process was interviewing key stakeholders. These interviews provided us with invaluable insights into areas of risk that may not be easily discernible through other methods. They helped us uncover potential ethical risks, by assessing the effectiveness of our current controls and implementing targeted strategies to mitigate identified risks[15].

03 Identifying potential ethical risks

We methodically pinpointed potential ethical risks linked to various actions, decisions or circumstances. These risks could include corruption, conflicts of interest, breaches of privacy, instances of discrimination and environmental impacts, among other considerations.

04 Prioritising

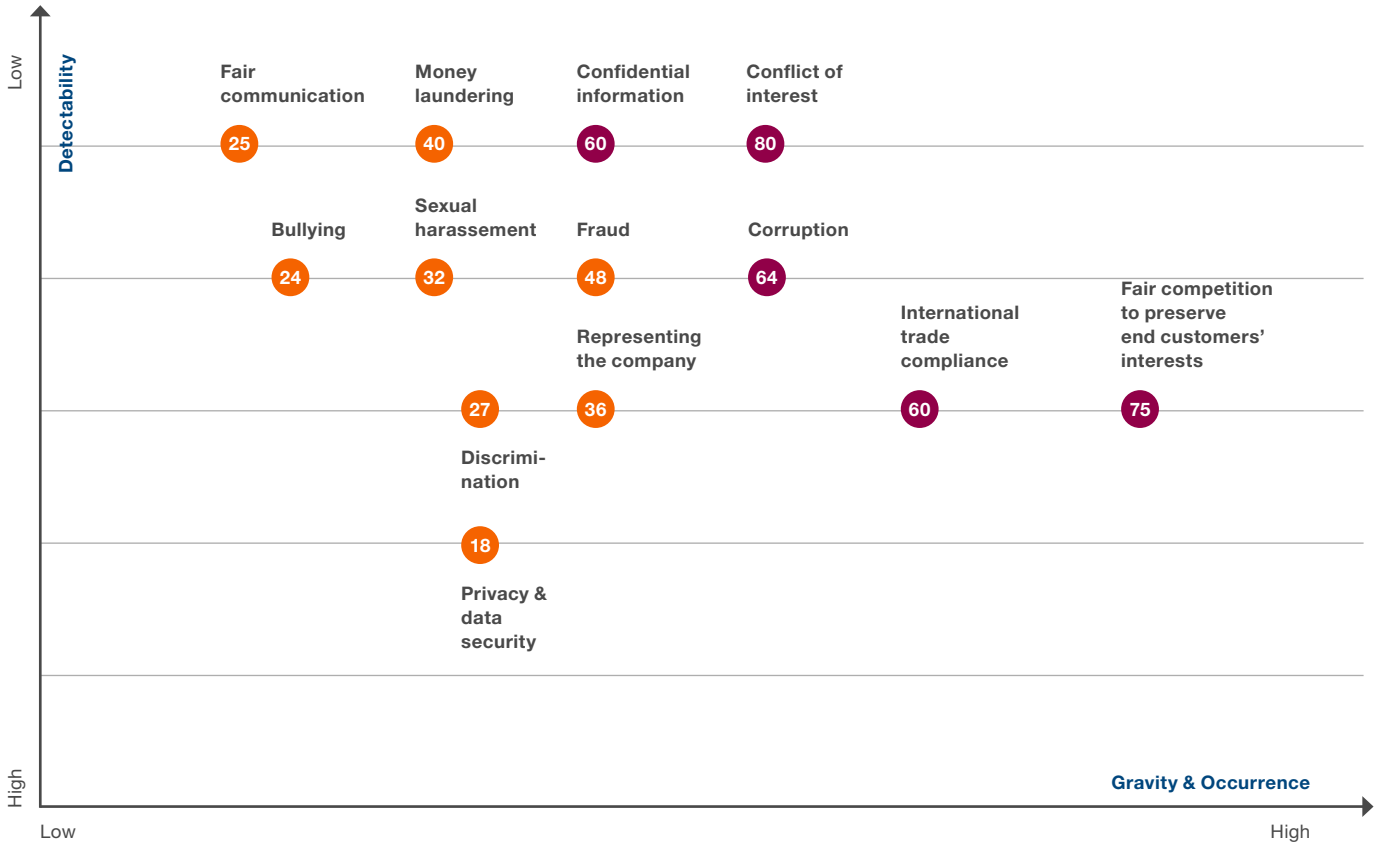
We thoroughly evaluate the severity and likelihood of each risk. This evaluation encompasses various factors, including the potential impact on stakeholders, the magnitude of the risk and the probability of occurrence. We can strategically allocate resources to address the most pressing ethical risks by prioritising these considerations, therefore enhancing the effectiveness of our overall risk management.

[14] https://fastercapital.com/content/Ethical-risk-How-to-Identify-and-Mitigate-Ethical-Risks-in-Your-Business.html
[15] https://www.techtarget.com/searchcio/definition/COSO-Framework

Ethical risk assessment method

Benchmark ethical risks → Interview framework → Interviews with 29 top managers and evaluation of items → Consolidation and evaluation of results → Prioritisation of key topics

Ethical risk assessment results



In addition to the ethical risk assessment, Hager Group conducts operational risk assessments at group level and complies with local regulations. Therefore, the impact of critical ethical risks such as corruption and bribery is stringently assessed through operational, economic, reputational and regulatory perspectives for 100 % of our operations.

In compliance with legal requirements of the French SAPIN II law, all Hager Group France-based operations are periodically assessed for risks related to corruption and bribery. In the last 2021 assessment, we identified fraud as a corruption-related risk and increased vigilance. Additionally, in 2019 and 2021, our Legal and Risk function performed group risk mapping in collaboration with all the relevant stakeholders. The mapping also included the group's exposure to corruption and bribery risks in all our operations. In 2024, we are conducting the risk mapping at group level again, data security will also be included as it is a top management priority.

GRI 205-1 – Anti corruption

05.2.2

Digital trust and security

Digitalisation is a top priority as part of our commitment to sustainable development. Integrating digital technologies into our operations is essential for advancing optimisation and efficiency initiatives. By focusing on developing and providing software solutions to our customers, we actively explore new economic opportunities.

While digital transformation offers significant benefits to businesses and operations, the trend necessitates a focus on cybersecurity as the threat landscape is constantly evolving. It is of critical importance that we prioritise cybersecurity, product security and data protection due to the complex and far reaching nature of our business; we are present in over 30 countries, with intricate regulatory frameworks and an extensive network of suppliers.

Social responsibility and cybersecurity are closely linked, as cybersecurity is vital in the digital age. With our lives increasingly connected to technology and the internet, safeguarding digital identities and personal information is essential. Cybersecurity breaches can lead to financial loss, reputational damage, and physical harm.

Companies and organisations must protect their data and prevent cyber-attacks by implementing robust measures like encryption, firewalls, and intrusion detection systems. They should also update systems regularly and educate employees on cybersecurity best practices.

Individuals also have a duty to protect their personal information, using strong passwords, being cautious with unsolicited emails, and keeping software up to date.

In summary, protecting digital identities and information is a key aspect of social responsibility in the digital age to build Digital Trust for all stakeholders. To address the growing need for connectivity and the rise in operational, financial, and reputational risks, Hager Group aims to establish and maintain Digital Trust across our digital landscape for

Pascal Mary
Cyber Security Senior Manager

"Cybersecurity and data protection are essential for enhancing business resilience and safety across all functions of our organisation."

employees, partners, and customers. This includes a diverse range of digital technologies such as:

- IT (all digital office tools for our employees and possibly some partners)
- OT (Industry 4.0 landscape in production and logistics centers serving our business)
- IoT (smart products and services for our customers)

With our global IT security policy, we are dedicated to safeguarding the data of our employees, customers and stakeholders and ensuring compliance with data protection laws and regulations. We strive to enhance resilience, foster trust and mitigate risks across our digital and operational realms. Through close collaboration across all ecosystems – suppliers, authorities and customers, particularly those in critical infrastructures – we are raising industry defence standards and bolstering digital trust.

Raising employee awareness about cybersecurity is crucial for safeguarding both our workforce and the company as a whole from potential cyber threats. Accordingly, we have implemented a cybersecurity training module in our corporate university Hi! This cybersecurity training is mandatory for all employees. By equipping our workforce with the knowledge and skills necessary to identify and respond to cybersecurity threats, we fortify our defences and promote a culture of cyber resilience within Hager Group.

Pascal Charre
Quality and Environment
Vice President

"We are committed to providing safety solutions and services to our business partners.

We apply rigorous policies and methodologies in the development and implementation of our products and solutions."

05.2.3

Ethics in our supply chain

Throughout 2022 and 2023, we embarked upon a comprehensive array of initiatives designed to effectively communicate our sustainable development expectations to our suppliers. Our Code of Purchasing Conduct, articulates our stringent standards regarding ethical conduct and the protection of human rights.

With the enactment of the German supply chain due diligence act, known as LkSG, we have elevated our efforts beyond contractual obligations. Leveraging our reporting and compliance management tool, SPHERA, we now actively monitor instances of non-compliance within our nearly 1600 tier-1 direct sourcing suppliers. This enables us to swiftly address any identified issues, reinforcing our proactive stance in recognising the potential impacts on our operations and stakeholders.

GRI 414-2 – Supplier social assessment

Currently, we are diligently progressing with an update of tier 2 and 3 suppliers, as well as suppliers from the Group Real Estate, Investments & Business Services (GRiBS) and logistics function, within the SPHERA tool. This ongoing enhancement is pivotal for our overarching monitoring and control efforts, ensuring comprehensive coverage and efficiency in our sustainability initiatives.

05.2.4

Product safety

As a trusted company, the health and safety of our customers remain paramount in our operations. We understand the profound impact that supplying faulty products can have, on both the well-being of customers and our company's reputation. Additionally, the prospect of recalling such products from the market poses significant financial and reputational risks for the company.

GRI 3-3 – Material topics

With these considerations in mind, we have implemented rigorous quality standards to ensure the integrity of our offer. Each new development and existing product undergo meticulous assessments for customer health and safety. This process includes various risk assessments, qualification plans, quality gates and certification programmes. As a result of these stringent measures, we are pleased to report that no incidents leading to penalties or violations of regulations have been reported during the reporting cycle.

GRI 416-1 and 416-2 – Customer H&S

To further strengthen our commitment to customer safety, we are currently in the process of developing a tool to enable the direct recording and timely resolution of customer issues. With these proactive steps, we uphold our reputation as a trusted supplier while safeguarding the well-being of our valued customers.

05.3

Reporting integrity alerts

GRI 2-24 and 2-25 General disclosures

At Hager Group, we have taken multiple measures to identify, report and address potential ethical and human rights issues in our company and across the value chain. These measures also include data security and privacy issues.

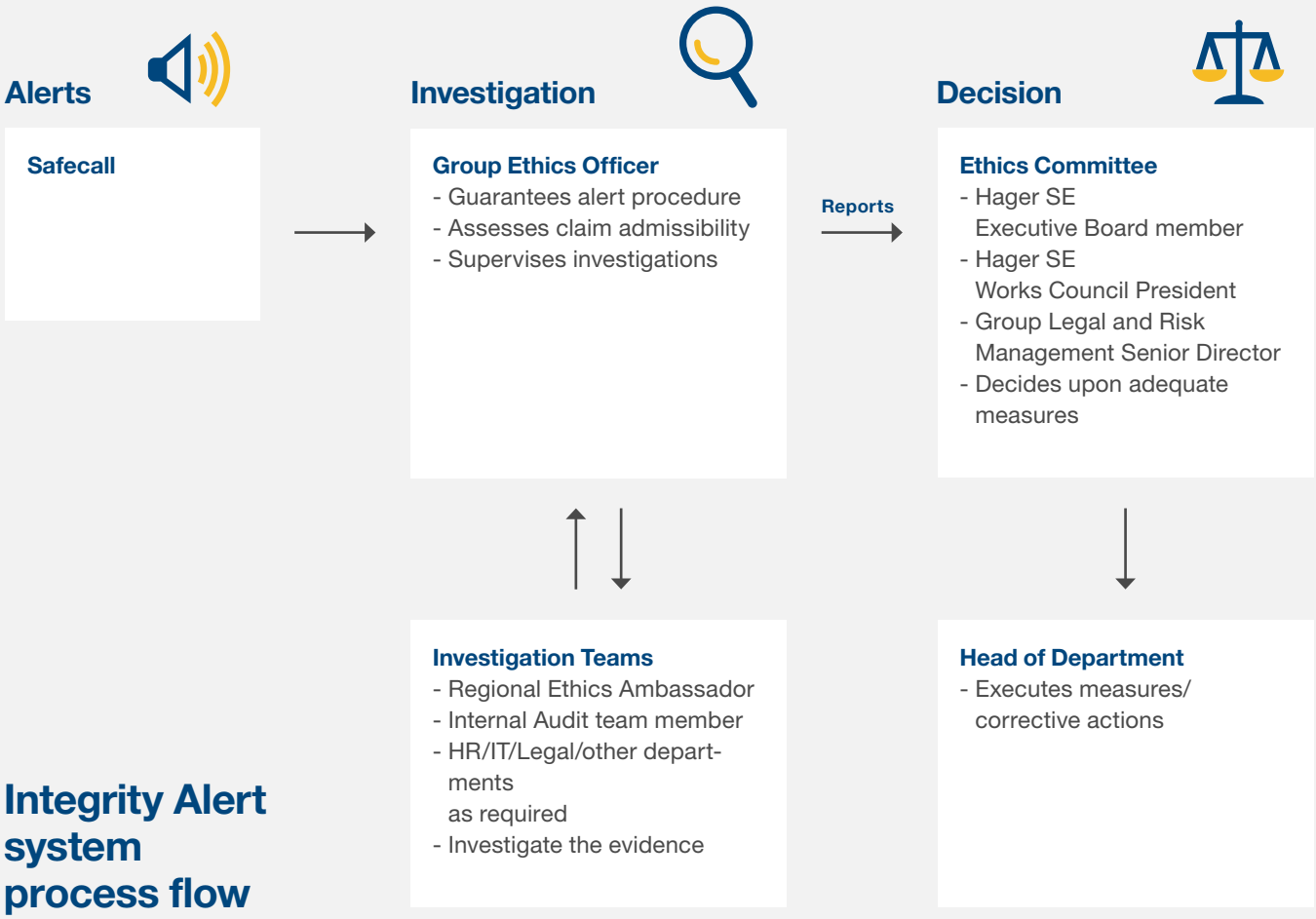
05.3.1

Let's talk!

In line with our Ethics Charter, we have a well-established integrity alert system called "Let's talk!". It is accessible to all our employees and relevant external stakeholders (temporary employees, NGOs, customers, suppliers and other business partners) at all times and in native languages. The integrity alert system ensures the anonymity of the person reporting as the process is confidential. The alerts are received and handled internally by our ethics teams or by an impartial third-party agency thus guaranteeing confidentiality if specifically requested by the person reporting any kind of alert.

GRI 2-26 – General disclosures

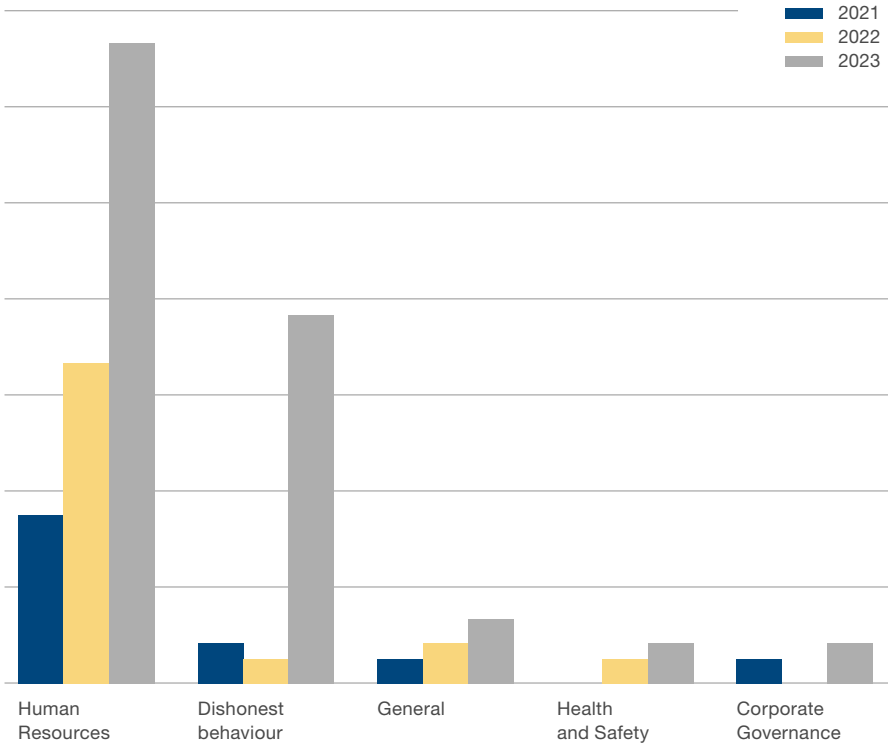
Integrity Alert system process flow



In 2023, our integrity alert system witnessed a significant surge in alerts compared to the previous year. While the number of reported incidents stood at 17 in 2022, this figure raised to 58 in 2023, marking a three-fold increase.

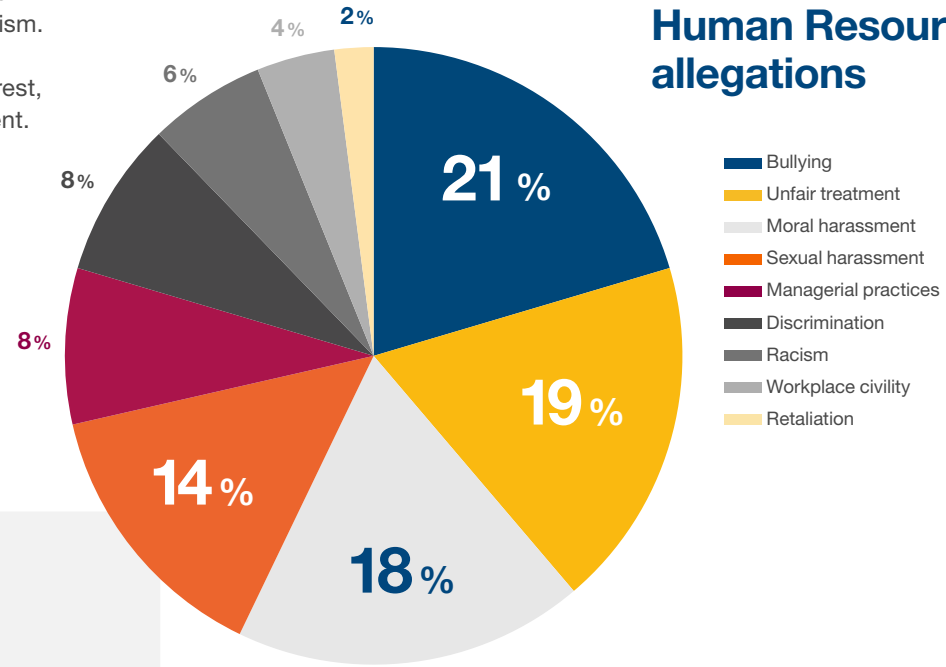
GRI 2-16 – General disclosures

Incident reporting



Notably, nearly 90 % of these cases pertained to Human Resources (HR) issues and instances of dishonest behaviour. The most frequently reported issues include harassment of a sexual or other nature, unfair treatment, poor management practices, discrimination and racism. In terms of dishonest behaviour, issues related to conflicts of interest, theft and fraud were more frequent.

Human Resource allegations

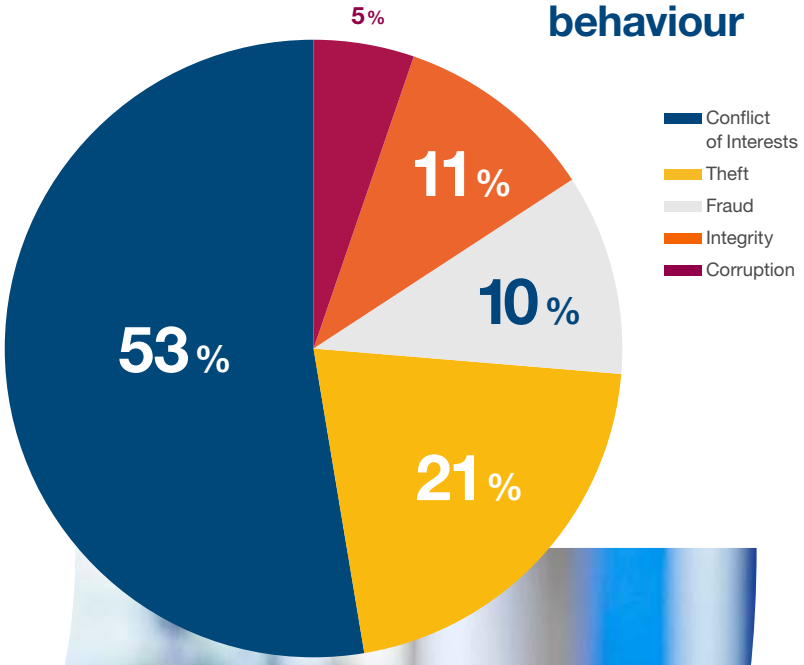


Although the spike in reported cases could raise concerns, it also reflects a heightened level of trust and awareness of our integrity alert system among both employees and stakeholders. Furthermore, it's essential to recognise that not all reported cases were of a serious nature. Of the reported cases, approximately 90 % warranted further investigation, 21 out of the 53 investigated reports were at least partially substantiated. However, it is noteworthy that six of the alerts investigated by the Ethics Committee resulted in employee dismissals.

Note that none of the confirmed cases were linked to corruption. Moving forward, we remain committed to fostering a culture of transparency, accountability and ethical conduct to uphold the trust placed in us by our stakeholders.

GRI 205-3 – Anti corruption

Dishonest behaviour



Consequences of Ethics Committee investigated cases

5 Disciplinary dismissals

1 Reprimand

1 First warning

2 Coaching programmes set up

2 Other actions

In recent years, our efforts have been directed towards enhancing awareness and fostering trust in our integrity alert system, "Let's talk!" Recognising the importance of effective stakeholder engagement and trust-building, we initiated a feedback mechanism in 2023. Our ethics team has developed a comprehensive questionnaire for feedback from users of the integrity alert system, facilitating the identification of areas for improvement.

This questionnaire is distributed to all individuals involved in internal investigations, including informants, respondents and witnesses. Additionally, feedback is gathered through our Ethics Ambassadors, who serve as the voice of Hager Group's stakeholders on ethical matters. Through these concerted efforts, we aim to continuously refine and enhance our integrity alert system, reinforcing our commitment to transparency and ethical conduct.

GRI 2-25 – General disclosure

To strengthen "Let's talk!" and build stakeholder trust, as part of phase 2 of our company project named Project 2030, we aim to focus on the following deliverables:

Report handling

- 100 % of reports acknowledged in writing within 48 hours
- Receivability and criticality analysis and investigation allocation of 100 % of reports within 15 working days
- Three months average time to close investigations, maximum time for any investigation six months

Reporting

- Monthly ethics reporting to the Board of Directors
- Qualitative survey of the investigation reports

Process improvements

- Investigation procedure validation by Compliance Committee
- Tracking of follow-up actions after investigation closure
- Conflict of interest declaration for alert handlers
- Process alignment with HR and documentation regarding victims of harassment and/or discrimination
- Implement recommendations from third-party audits, e.g., certification of internal investigators, executive reporting system for all locally handled alerts

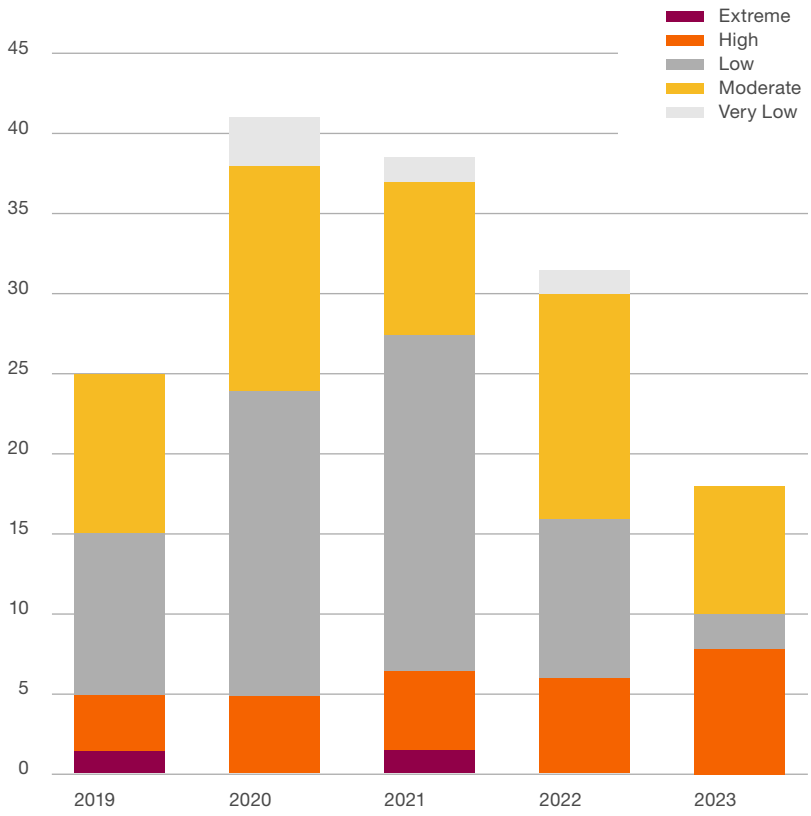
05.3.2

Data security

Our cybersecurity teams have implemented a robust cybersecurity monitoring and control system, resulting in a steady decrease in reported incidents each year. From 2020 to 2023 there has been an over 50 % decrease in reported incidents. However, the persistent occurrence of high-risk and extremely high-risk incidents remain a cause for concern and warrant attention. In 2023, we observed the highest number of high-risk incidents to date.

Additionally, while the number of data breach incidents has declined from twelve in 2020 to just one in 2023, we remain vigilant regarding this significant threat. By prioritising proactive measures and continuously refining our cybersecurity protocols, we strive to ensure the ongoing protection of our organisation and stakeholders from cyber threats.

Cybersecurity incident reporting



05.3.3

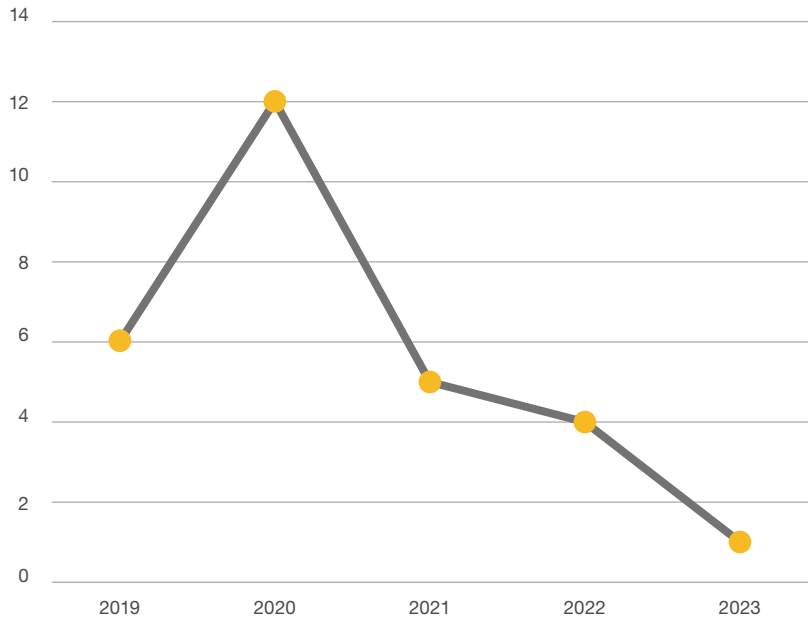
Supply chain

In 2023, our supply chain witnessed 170 incidents of socio-environmental violations, encompassing suppliers across our direct sourcing, logistics operations and Group Real Estate, Investments & Business Services (GRiBS). Of these reported incidents, only six, accounting for 3.5 % of the total, were determined to have medium to serious relevance and pose a medium to high impact.

Of the identified incidents, 4 were attributed to faulty labour practices, specifically lapses in ensuring occupational health and safety in the workplace, while two were related to instances of forced labour. Prompt intervention followed the discovery of these incidents; actions were taken with the respective business partners and remedial measures implemented to address the violations.

GRI 414-2 – Supplier social assessment

Count of data breach incidents per year



05.4

Ethics training programme

GRI 2-24 and 2-25 General disclosures

Our ethics team has diligently created a tailor-made and adaptable training programme to equip employees with the necessary knowledge and skills to understand and effectively navigate complex ethical situations. Specific training modules focusing on business ethics and ethical decision-making are currently available, others are still in development and scheduled for implementation in the coming years.

"Let's practice!" is a Hager Group tailor-made and interactive serious game about business ethics where participants are selected by Human Resources Business Partners. The objective of this training module is to:

- Discuss and learn how to analyse and interpret difficult ethical situations,
- Determine what actions to take and/or where to look for help,
- Defend choices and courses of action.

The content is developed based on real-life Hager Group situations, among other sources. Since its launch in 2021, almost 25 % of our target employees, mainly managers, have benefitted from this training. Whilst the initial plan was to train managers and specialists working in positions identified as incorporating high ethical risks, top management has now also decided to include all employees with an email address, as as everybody

Business integrity training programme

	Specific training	Standardised training
Indirect workforce	**2021** Serious Game "Let's practice!"	**2023** e-learning - "Anti-bribery & Corruption" - "Fraud & Conflict of Interests" - "Discrimination & Harassment"
Direct workforce	**2025** ½-day workshop "Ethics @ Hager Group"	
Specific audiences	**2026** e-learning for new employees "Business Integrity @ Hager Group"	**2025** Training for managers "Ethics, Risks & Management"
	2025 Workshop for Group Leadership Team Ethics Risks	**2025** Workshop for Ethics Ambassadors "Handling investigations"

is likely to face at least some ethical dilemmes related to their work, especially regarding discrimination, harassment, unfair treaments, racism, and conflicts of interest. Accordingly, we have adjusted to be able to train almost one-third of our target employees in 2024.
In 2023, the ethics team launched three e-learning training modules, each focusing on different ethical issues:
- Anti-bribery & Corruption
- Fraud & Conflict of Interests
- Discrimination & Harassment

By end 2023, 53 % of all permanent employees with an email address had completed these modules. The target is to achieve 75 % by end 2024.
GRI 205-2 – Anti corruption

Recognising the pivotal role of managers in upholding ethical standards, a comprehensive training programme "Ethics, Risk & Management" is planned for launch in 2025. Indeed, managers frequently encounter ethical dilemmas and their colleagues request guidance in such situations. This standardised training programme will equip managers with the necessary skills and knowledge to effectively navigate ethical challenges and provide guidance to their teams, fostering a culture of integrity and ethical conduct throughout the organisation.

Johannes Pacem has joined the ethics ambassadors in October 2022. Since then, he has greatly contributed to organising many training modules and supported in the reporting/ alerts and inviestigations process in Germany.

05.5

Ethics Ambassadors

GRI 2-24 and 2-25 General disclosures

At Hager Group, we established an Ethics Ambassador network in 2020. The network has since evolved and become an integral part of Hager Group's ethics function, with 23 members in over ten countries by end 2023. Ethics Ambassadors are employees from different functions and countries who have volunteered to promote ethical behaviour and values within the organisation. They act as advocates for ethical conduct and serve as a resource for employees who have questions or concerns about ethical issues.

Their responsibilities may include:
- Promoting the group's Ethics Charter and values to all employees
- Providing guidance and advice to employees on ethical issues and dilemmas
- Identifying potential ethical issues and bringing them to the attention of management
- Contributing to Let's talk! investigations
- Implementing training programmes, in particular the serious game "Let's practice!"
- Encouraging open communication and transparency within the organisation
- Serving as a liaison between employees and management on ethical matters
- Participating in the development and implementation of ethical policies and procedures

Although voluntary, being an Ethics Ambassador is a pivotal role that requires that require the utmost consideration. Therefore, ambassadors are selected based on their knowledge and understanding of the organisation's ethical policies, their ability to communicate effectively, and their commitment to promoting ethical behaviour. They also receive special training that helps them fulfil expectations of their role.
GRI 2-26 General disclosures

05.6

Corporate citizenship

Peter und Luise Hager Foundation

The Peter und Luise Hager Foundation was founded with the aim of centralising our charitable endeavours and exemplifying the corporate citizenship values of our company. It is dedicated to the conception, support and execution of its own projects, all of which are driven by a commitment to fostering skills and education across various domains.

The foundation operates with professionalism and ensures responsible stewardship of its funds to ensure that assistance reaches those in need precisely when required. In alignment with the group's philosophy, the foundation prioritises the following:

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

Throughout 2022 and 2023, the Peter und Luise Hager Foundation allocated over €1 million to advancing the previously listed priority areas, with a commitment to fostering a sustainable society.

Project	Partner	Country	Category
Studio scholarships	Saarländisches Künstlerhaus e.V.	Germany	AC
Peter und Luise Hager award exhibition	Saarländische Galerie Berlin	Germany	AC
Modern gallery exhibition	Stiftung Saarländischer Kulturbesitz	Germany	AC
Federal festival of young film	Junger Film e.V.	Germany	AC
Experimance festival	Prospektiv e.V.	Germany	AC
Obernai music festival	Association Musique à Obernai	France	AC
Festival perspectives	Stiftung für die deutsch-französische kulturelle Zusammenarbeit	Germany	AC
Jazz festival "fill in"	K8 Institut für strategische Ästhetik gGmbH	Germany	AC
Saar music festival	Internationale Musikfestspiele Saar gGmbH	Germany	AC
OPUS culture magazine	Verein zur Foerderung der Kultur im Saarland e.V.	Germany	AC
Peter und Luise Hager award	Hochschule der Bildenden Künste Saar (HBKsaar)	Germany	AC
Speech to high school graduates of the Saarland	Saarländischer Rundfunk/ Ministerium für Bildung und Kultur/ Sektor Heimat e.V.	Germany	EL
General association work	Deutscher Kinderschutzbund	Germany	EL

Project	Partner	Country	Category
Education for Indian girls	LIFT e.V.	India	EL
Strasbourg mathematical circle	Université de Strasbourg	France	EL
German for young children	Katholische Familienbildungsstätte Neunkirchen	Germany	EL
Early excellence (SB, NK, Dillingen)	Verband Evangelischer Kindertageseinrichtungen im Saarland	Germany	EL
Bicycle project	PÄDSAK e.V.	Germany	EL
Holiday camp – Spohn's house	Ökologisches Schullandheim Spohns Haus	Germany, Poland, Ukraine	EL
Creative holiday workshops	KuBa – Kulturzentrum am EuroBahnhof e.V.	Germany	EL
Inspiration hub – special afternoon care programme for children	Mon Coeur – Ein Band für Bildung e.V.	South Africa	EL
Interim project "Culture instead of a major construction site"	Sektor Heimat e.V.	Germany	EL
Music programme for children	Fundacion A la Rueda Rueda	Columbia	EL
Prof express – online student tutoring	Classip SAS	France	EL
Student research centre	Schülerforschungszentrum Saarlouis	Germany	EL
EnerTec school laboratory	Universität des Saarlandes	Germany	EL
Sustainable drinking water project	BlueFuture Project e.V.	Tanzania	EP
Plastic recycling programme	ICS e.V. (Africa Germany)	Uganda	EP
Soap project	BlueFuture Project e.V.	Zanzibar	EP
Saverne forest garden	Jardin Forêt de la Licorne Saverne	France	EP
Training and further education in grief counselling	Association JALMALV	France	S
Training and further education in grief counselling	Vivre le deuil ensemble	France	S
Every "cent counts" donations	Own project	France, Germany	S
Leisure activities for children and young people	Judo Club Folsterhöhe Alt-Saarbrücken 1999 e.V.	Germany	S

Project	Partner	Country	Category
"Here at home" – German lessons for refugees	Kulturverein Burbach e.V.	Germany	S
Sponsorship for an apartment	Ronald McDonald Haus Homburg	Germany	S
Therapeutic riding	Associação Hípica Terapêutica	Portugal	S
Germany scholarships	StudienStiftungSaar	Germany	SR
Ideas competition	KIT-Stiftung	Germany	SR
Peter und Luise Hager award (Science award)	KIT-Stiftung	Germany	SR

Support for the reforestation project in Lautzkirchen by the department for customer service complaints and returns (Blieskastel).

Tree planting campaign at Lebenshilfe Homburg organised by trainees working at our head offices in Blieskastel.

The foundation also actively encourages Hager Group employees to get involved by proposing and leading social or environmental projects in their region. Employees are invited to submit project proposals aligned with the foundation's objectives, such as supporting food banks, campaigns to organise waste collection or facilitate tree planting initiatives. These projects are tailored to address local needs and challenges, emphasising regional impact and relevance. Teams are empowered to plan and execute these initiatives independently, with each team or department eligible to undertake one funded project per year. Prior approval from the line manager ensures alignment with organisational resources, fostering a culture of corporate social responsibility and community involvement at Hager Group.

06

Our company culture breeds a thriving workplace

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Our employees

are central to our sustainability efforts, making the Employees pillar a fundamental part of our E3 strategy. Our goal is to enable everyone to develop and shape the electrical world of tomorrow.

We strive for a caring, welcoming working environment that encourages individual development and innovation. This includes a strong focus on ensuring health and maintaining a good balance, fostering diversity and inclusion, and being a learning organisation. This enables our people to shape tomorrow's electrical world all along their career.

At Hager Group, we believe that employee engagement results out of our above mentioned commitment. Under our employee engagement strategy, employees can engage with management and collectively express their concerns and requests. This open dialogue furthers our culture of transparency, enabling the timely identification of issues and enhancing employee satisfaction. Yearly engagement surveys such as "Tell Us", introduced in 2022, provide invaluable insights to pinpoint areas for improvement and develop action plans to address critical employee feedback.
GRI 2-25 – General Disclosures

We understand the impact of working conditions, recognition, transparency, and resources. We know that addressing these factors boosts productivity. Our annual performance reviews, development programmes and internal mobility opportunities are designed to foster our employees' engagement. Accordingly, we aim to achieve 30 % organisational mobility with internal job offers. In 2023, our overall group completion rate for performance reviews for our permanent employees reached 96 % (excluding operators and services).
GRI 3-3 – Material Topics
GRI 404-3 Training and Education

Our employees are at the heart of our sustainability journey, influencing our company vision, strategy and leadership decisions. We are streamlining our efforts with the development of a comprehensive strategy for people development and engagement. This strategy encompasses working conditions and social dialogue, occupational health and safety, people development, leadership as well as diversity and inclusion initiatives.
GRI 2-25 – General Disclosures

Bahar Rasouli
Human Resources Transformation Vice President

"People are integral part of our success.

Given our aspirations to build a more digitalised, skill-based, and diversified organisation, leadership, learning, and development are crucial for driving this transformation and enhancing people employability. By prioritising sustainability in our learning portfolio and KPIs, we reinforce our commitment to achieving these transformative goals."

06.1

Occupational health and safety

Our safety charter highlights our firm believe that every employee deserves a safe and healthy work environment; this is non-negotiable and extends to all stakeholders. The charter's ten safety principles are to achieve zero accidents with absolutely zero tolerance for any compromises. The mitigation of health and safety risk is one of our top management priorities.

GRI 403-1 – OH&S

For our production sites in particular, which are considered to be high-risk areas, we are actively establishing a safety management system in accordance with ISO 45001 standards to attain certification wherever possible. Presently, 12 out of our 19 production sites boast a valid ISO 45001 certification.

By prioritising our top management objectives and advocating health and safety management aligned with ISO 45001 standards, we both enhance employee and stakeholder safety healthy work environment while safeguarding the interests of all involved parties.

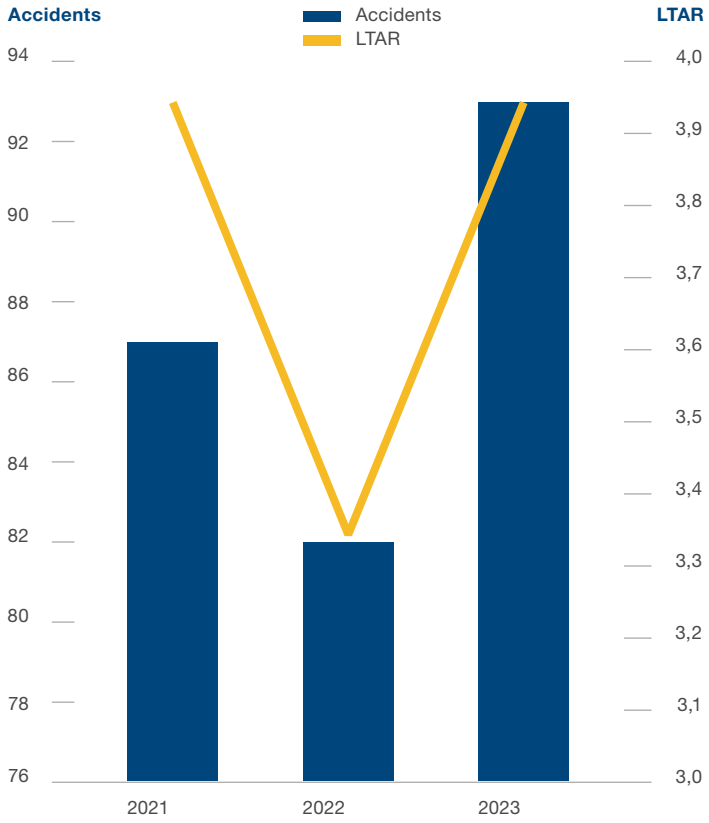
GRI 3-3 – Material topics

Carine Markgraf
Group Safety Programme Manager

"Our top priority is ensuring everyone gets home from work safe and sound.

Building a sustainable safety culture starts with each of us taking responsibility for health and safety through safe behaviour and respect for the rules. Let's lead this change by setting standards, communicating effectively, educating through the Behaviour-Based Safety Programme, and managing risks to prevent accidents. Together, we can make a real difference."

Work related injuries



06.1.1

Our safety management

We currently address safety concerns directly at each site, with compliance to local regulations. This management approach encompasses hazard identification, risk assessment and incident investigation. Each site has its own set of protocols and systems in place to manage these processes effectively.
GRI 403-2 – OH&S

In instances of safety-related concerns, employees have multiple communication avenues. They can contact their Occupational Safety Specialist (FASI) or manager, Kaizen alert cards are another established communication channel; these cards allow employees to report near-misses or safety risks, prompting immediate and/or longer-term actions to address them effectively. It is important to highlight that these systems are accessible to all relevant stakeholders, including employees.
GRI 2-25 – General disclosures,
GRI 403-2 and 403-4 – OH&S

At Hager Group, we diligently record work-related injuries that result in operational disruptions or slowdowns due to lost time. Due to our concerted effort, we have not recorded any fatalities or high-consequence injuries that have led to permanent disabilities. However, despite our continuous efforts, there have been minor fluctuations in the frequency of non-life-threatening accidents since our initial reporting cycle in 2021. In 2022, while we observed a 5 % reduction in accidents despite a notable increase in total working hours by approximately 2 million, the trend reversed in 2023. Despite a more modest increase in working hours by just 1 million, accidents have surged by nearly 7 % compared to 2021.
GRI 403-9 – OH&S

In line with our dedication to securing a safe work environment for our employees, our annual priority is our "Mission Zero – Zero Accidents. Zero Tolerance" project. It provides a centralised programme to address safety concerns across our entire organisation. The initial focus of function level objectives are areas at risk: production, logistics, engineering (laboratories and workshop) and industrialisation (prototype and machine department).

The project also ensures that safety standards are consistently applied throughout the group, promoting uniformity in our work practices and facilitating collective preventive learning to achieve zero accidents.
GRI 403-1 and GRI 403-2 – OH&S

Mission Zero project[16]

Health and safety management plan				
Work package	H&S organisation and governance	Communication	Behaviour Based Safety (BBS) programme	Manage safety risks
Progress	- Conducted safety standard benchmarking and collected stakeholder feedback - H&S organisation design principles, mission and accountabilities validated by steering committee - Behavioural Safety Evaluation Guidelines created	- Created and deployed a safety campaign with ten rules highlighted in Safety Charter - Communicating to managers about top management priorities and supporting them to share the messages with end users - Raising awareness and encouraging change in targeted areas	- BBS programme deployed at area of risk: manufacturing, logistics, engineering (lab and workshop) and industrialisation (prototype and machine dept) - 331 people trained, 100 observers certified, 668 observations managed worldwide till the end of May 2024	- Safety alert system deployed - Set up H&S board to review alerts - Set up H&S dashboard and communication to Group Leadership Team - Implementation of safety zone in operation areas
Upcoming short-term plans	- Deploy Behavioural Safety Evaluation Guidelines - Recruitment of Group H&S Director and Health & Wellbeing programme manager	- H&S Campaign continuity - Measure the change impact in quarterly Pulse Survey	- Certification and observations continuity	- Implementation of visitor's rules in all Manufacturing sites - Define Group H&S excellence roadmap

[16] Note that this is the status as of the end of May'2024

Jacky Metzger
Group People Solutions Director

"We believe that true sustainability starts with our people.

Understanding that a healthy workforce is essential for long-term sustainability, we prioritise the health and well-being of our colleagues. Our initiatives focus on physical, mental, and emotional wellness to ensure our team can perform at their best."

Central to the project is the development and implementation of a health and safety organisation and governance structure that meets market standards. This involves benchmarking with companies known for best health and safety practices, engaging stakeholders and managing communications across the group. The project also emphasises the importance of Behaviour Based Safety (BBS) training, certification and managing observations. To date, 331 employees have been trained, with 100 certified as observers, and 668 observations managed under this programme.

As part of this initiative, Hager Group has introduced a standardised safety reporting and investigation process. This process establishes clear timelines and responsibilities for raising safety alerts, conducting investigations and implementing corrective actions. The process requires, within five working days of return to work, face-to-face meetings between employees in question and site or function leaders and direct managers responsible for conducting these meetings.

GRI 403-2 – OH&S

06.1.2

Our health management

At Hager Group, the provision of occupational, non-occupational and family medical services is tailored to comply with local regulations and practices, aligning with governmental policies and regulations in each respective region and/or country. For instance, in Germany and France, where our main production and logistic sites are located, we adhere to mandatory employer contributions for employees' and their families' medical insurance.

GRI 403-6 – OH&S

Furthermore, our sites boast dedicated occupational health functions, offering specialised health services to support employees' physical and mental well-being, as well as ergonomics. Through regular communication and support initiatives, these services are communicated and available via the company's intranet and our HR communication platform PeopleDoc[17].

GRI 403-3 and GRI 403-6 – OH&S

To uphold our commitment to employee well-being, we are planning a global assessment to identify similar needs at many of our smaller sites. This assessment will inform the development of a roadmap to implement consistent occupational health initiatives worldwide. By being consistent in our efforts, we ensure all employees and stakeholders can maintain good health at work and provide support for their families.

[17] PeopleDoc is a cloud-based Human Resources service delivery and document management platform available in France and Germany, and we are planning to extend it to group level. It securely stores all administrative documents and facilitates the distribution of HR documents within the company.

06.2

Social dialogue

Social dialogue is described by the International Labour Organisation as "all types of negotiation, consultation, or simply exchange of information between, or among, representatives of governments, employers, and workers, on issues of common interest relating to economic and social policy". In Hager Group we believe that all our employees should have the right to engage with management and collectively put across their concerns and demands. Collective bargaining encourages workers to raise concerns in a timely manner, acts as a barometer and early warning system to assess worker satisfaction/engagement and reduces worker vulnerability.

As the borders of the Group are constantly expanding and its environment rapidly changing, the Group maintains regular interaction with all its stakeholders making sure all our social responsibilities are covered.

06.2.1

Group policy

Hager Group recognises and respects the fundamental human rights to freedom of association and collective bargaining, as outlined in international labour standards and legal frameworks as stated in our Human Rights Charter. We support collective bargaining and value open social dialogue with freely chosen employee representatives, representative bodies, and organisations. The Group is dedicated to meeting all necessary requirements to foster productive and mutually beneficial relationships between labour organisations and management, adhering to local regulations in every country where it operates.

Cordula Barsnick
People Solutions Senior Manager, Country Social Dialogue Manager

"Effective governance is the cornerstone of meaningful social dialogue.

By fostering transparency, accountability, and inclusiveness, our governance framework ensures that all stakeholders have a voice in shaping our sustainability journey."

06.2.2

Governance

To maintain the highest confidence of all stakeholders, we emphasise on the role of a accountable and responsible governance model to support all employees in their journey with us.

At Hager Group, social dialogue is managed at country level by HR leaders (dedicated Social Dialogue Managers in France and Germany) with the employee representatives bodies and/or unions, and at transactional level through the European Works Council which covers geographical.

European level

In 2007, Hager Group reached an agreement with employee representatives from various European countries to include them in the Group's decisions and orientation going forward. This agreement underscored the Group's commitment to fostering regular, effective, multicultural, and innovative social dialogue at the European level, ensuring that the voices of Hager Group's employees are considered in the group's transnational projects.

Country level

In large countries with several Hager Group entities, there are national works councils or similar employee representation bodies. These councils are established according to national labour laws and serve as platforms for dialogue between employees and local management.

Local level

At a local level, Hager Group has works councils or similar employee representation structures in its facilities and offices. These councils facilitate direct dialogue between employees and local management on local agreements, local decisions and day-to-day operational issues.

06.3

Equal opportunities and diversity

With presence in over 30 countries, Hager Group has a highly diverse workforce. We fully understand how vital this is to the success of our business and the supportive environment it creates for our workforce. We actively promote representation from diverse groups, ensuring equal opportunities for all regardless of race, gender, age or disability. By prioritising diversity and inclusivity, we broaden our talent pool, encourage innovation and create an empowering culture. However, we acknowledge challenges such as the lack of a clear strategy for promoting diversity at the group level. Moving forward, we aim to address these challenges in our employee strategy development and action plan.

GRI 3-3 – Material topics

Gender balance in management position

Share of women % (Internal Workforce only)	2022	2023
Top Executives	15 %	19 %
Executives	14 %	18 %
Senior Managers	20 %	28 %
Managers and Professionals	19 %	20 %

We are actively working on developing a clear diversity strategy. Meanwhile, we have seen an increase in the participation of women in management roles, including top executives, executives, senior managers, and managers. This trend is encouraging and gives us the confidence that with right diversity strategy we can improve our gender balance representation, which is currently at 40 %, unchanged from our 2022 report. Furthermore, the increasing representation of executives in the 30-50 age group indicates our commitment to nurturing young talent and assigning responsibilities based on merit rather than age.

GRI 405-1 – Equality

These findings underscore the importance of developing a comprehensive diversity and inclusion strategy that encompasses all aspects of our organisation.

We understand that differences in lifestyle and personal choices can sometimes result in discrimination, victimisation and harassment, creating barriers to freedom of expression and potentially causing individuals to conceal their preferences and experience mental health challenges. Therefore, as we develop our strategy to promote diversity and inclusion, we're diligently assessing all associated risks to ensure that our approach is comprehensive, addresses unconscious biases and provides an environment where everyone can thrive. As part of our concerted effort, we have implemented mandatory ethics training and an integrity alert system. Our ethics training covers topics related to diversity biases, while our integrity alert system addresses issues such as discrimination.

06.4

People development

At Hager Group, we believe that adaptability and the ability to anticipate change are key factors for success and resilience in the changing business landscape. This means we want our employees to embrace a changing environment, remain resilient, and effectively manage uncertainty. In this dynamic landscape, it is more essential than ever for people to maintain a critical mindset. Therefore, our vision of shaping the future of the electrical industry relies on our employees being thoroughly prepared to lead our transformation.

Our approach to people development follows the 70/20/10 model, a proven framework for maximising learning and growth within the workplace. This model divides learning and development activities into three categories: 70 % on-the-job experiences, 20 % interactions with others, and 10 % formal education. This learning strategy is designed to empower people to excel today and transform tomorrow.

By embracing our principle “No gaps, no overlaps”, we ensure that every individual and team has access to modern, relevant, and cost-efficient learning opportunities. This approach fosters professional growth and delivers value to our business partners.

A vital part of this people development is our group wide promotion of internal mobility and our corporate university, Hi. Internal mobility provides opportunities to acquire new skills through hands on experience by working in different roles and positions within the company. Meanwhile, Hi! university offers a range of development opportunities, including in-person academies, online courses and digital communities.

06.4.1

Internal mobility

The majority of learning – 70 % – occurs through practical, hands-on experience. Therefore, internal mobility is a powerful lever for growing together sustainably. By encouraging internal mobility, we aim to harness the diverse talents within our team, drive innovation, and ensure a fulfilling career journey for all our employees. Every internal move enriches both the individual and the organisation by creating real-world learning opportunities within our company. Whether it is leveraging sales knowledge in product development, applying project management expertise to sourcing, or enhancing manufacturing processes with insights from the factories, these experiences are invaluable.

Our commitment to promote internal mobility is formalised by our new Internal Mobility Charter. It is designed to facilitate employees smooth transition and successful integration. The charter outlines the commitments of employees, managers and HR to foster and support career evolution through three ways.

Expanding competencies
Employees can assume new roles within the same business area, enhancing professional or managerial skills.

Cross-functional contributions
Employees can bring expertise to different business areas, driving innovation and cross-functional synergy.

Geographical flexibility
Employees have the opportunity to perform the same role in a different location or country, gaining new perspectives and experiences.

Learn and grow together

Work hand in hand: employees, managers and HR

Improve retention and engagement

Boost career development

Better understanding of the whole organisation

Expand cross-functional work

By providing support throughout the transition process to a new role, we ensure that employees do not face any challenge while taking up the responsibility in a new environment or country. Our mutual commitments ensures that every internal transfer is a positive and enriching experience, paving the way for great development journeys.

As part of our commitment to fostering internal mobility, we aim to fill at least 30 % of open positions with internal applicants. We are confident that our concerted effort and with active participation we will reach and surpass our goal Internal mobility enhances organisational resilience as a fundamental of growth strategy (Project 2030) by retaining institutional knowledge, fostering skill development, and promoting flexibility.

06.4.2

Hi! University

People and business growing together

Hager Group's university is a modern, digital and personalised learning journey for every employee. It's officially known as "Hi!". It provides a plethora of development opportunities with academies, online courses and communities. It is open to absolutely everyone in the group who is curious and wants access to knowledge, as well as learning and growth opportunities.

Hi! Provides a variety of trainings and programmes for our employees to promote self-development:

Develop myself:
this focuses on soft skills. These are skills professionals are expected to have beyond technical and measur able competencies. Although soft skills are more related to personality, this still nurture them and improve them.

Academies:
Our Academies are where we develop people and business together. By using the Academy model, we secure a best-in-class approach to fulfil our development needs, naturally based on our Group strategy.

Programmes:
HI! programmes vary in terms of content, duration, delivery method, and target audience. In general, these structured series of educational experiences designed to support our people in achieving our strategic objectives. Recently, we have developed sustainability awareness programmes like the Blue Planet commitment and the Ethics programmes, both mandatory for all employees.

Our Hi! Programmes

Develop myself

Place to find contents and tips to improve skills and develop new ways of working
- We are mobile
- Nurturing my professional balance
- Boost my presentations
- Manage my priorities
- Prepare the PDI
- Creativity and Innovation
- ModernD

Academies

Place to develop people and business together, based on our Group Strategy
- Agile academy
- Sales academy
- Leadership academy
- Project management academy
- Sourcing & Supply Chain academy
- Data academy
- Finance academy
- Language academy
- Industrialisation academy (draft version)
- HR Academy (draft version)

Programmes

Place to find personnalised programmes for people who have been registered according to the job.
Here, we can find mandatory courses.

Mandatory for example:
- Blue Planet Starter
- Ethics

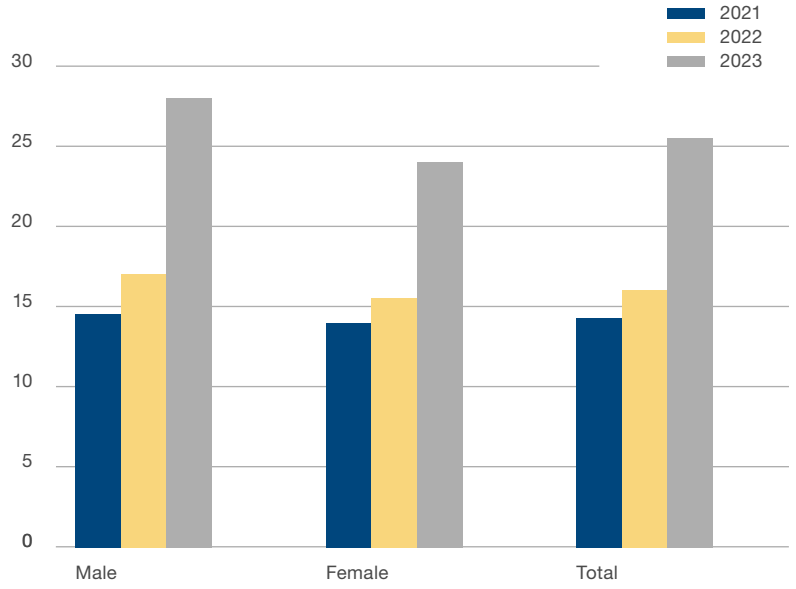
Certification:
- APICS for Supply Chain

Personnalised programmes:
- Sales
- Project management
- EP2M
- Ecodesign Starter

In 2023, we observed a significant engagement shift in our employee training and development. While there was an 11 % decrease in the number of individuals trained in 2022 compared to 2021, 2023 saw a notable turnaround. Participation surged by nearly 20 %, with 66 % of our employees actively engaging in development training. This increase in participation coincided with a substantial increase in total training hours, which rose by over 31.000 hours to reach 136.785 in 2023. This stands in stark contrast to the marginal increase of just 600 hours observed in 2021. As a result, there has been a remarkable increase in the average number of training hours per employee at Hager Group.

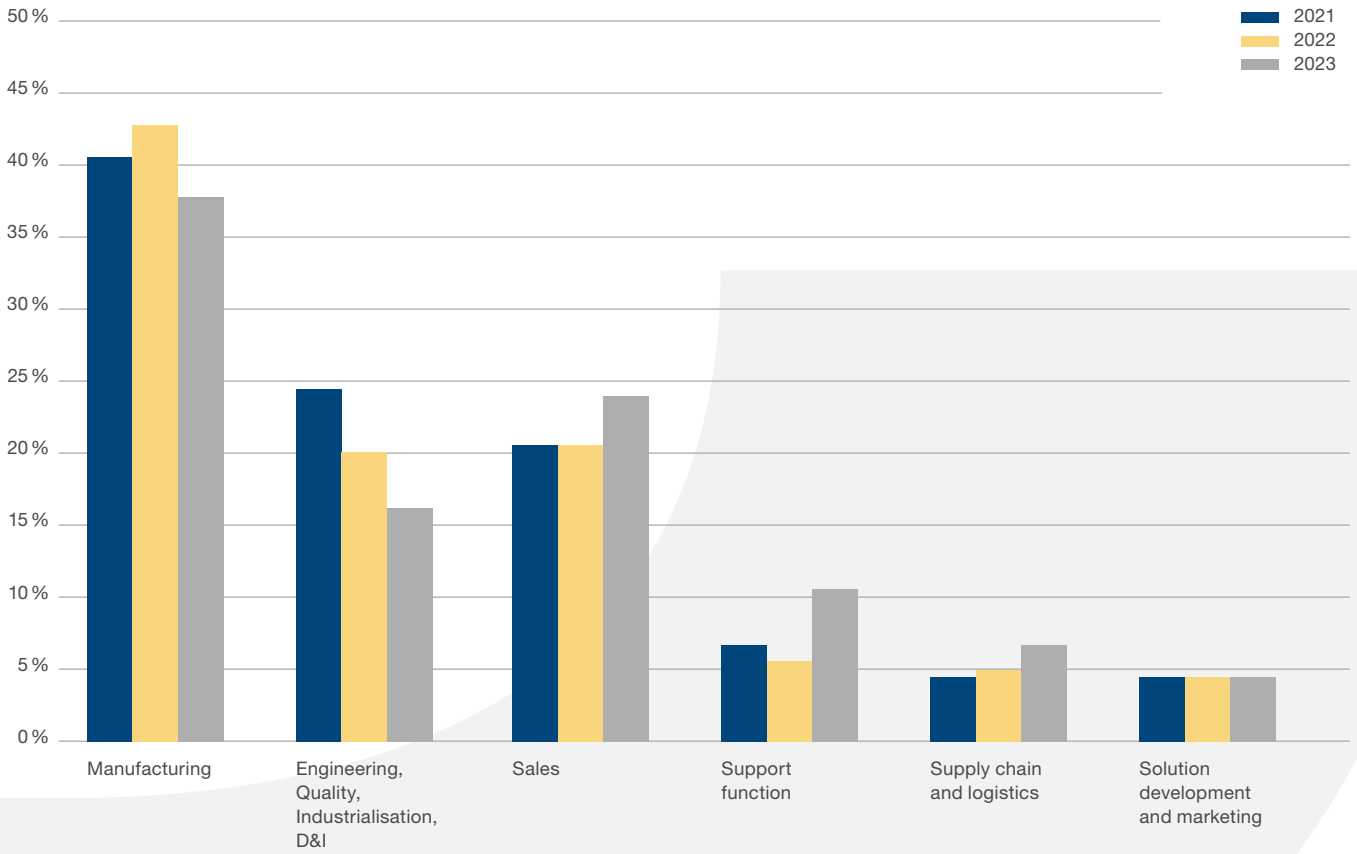
Average hours of employee training

GRI 404-1 Training and education



Employee training by function

GRI 404-1 Training and education



The Hi! curriculum covers critical areas for both individual and company success. Employees can access training in a range of disciplines, for example health and safety training, also hard and soft skill development such as leadership development, project management, language proficiency, onboarding processes and official certifications. Additionally, it encourages peer-to-peer learning. By consolidating all our training courses, Hi! streamlines access to knowledge crucial for success.

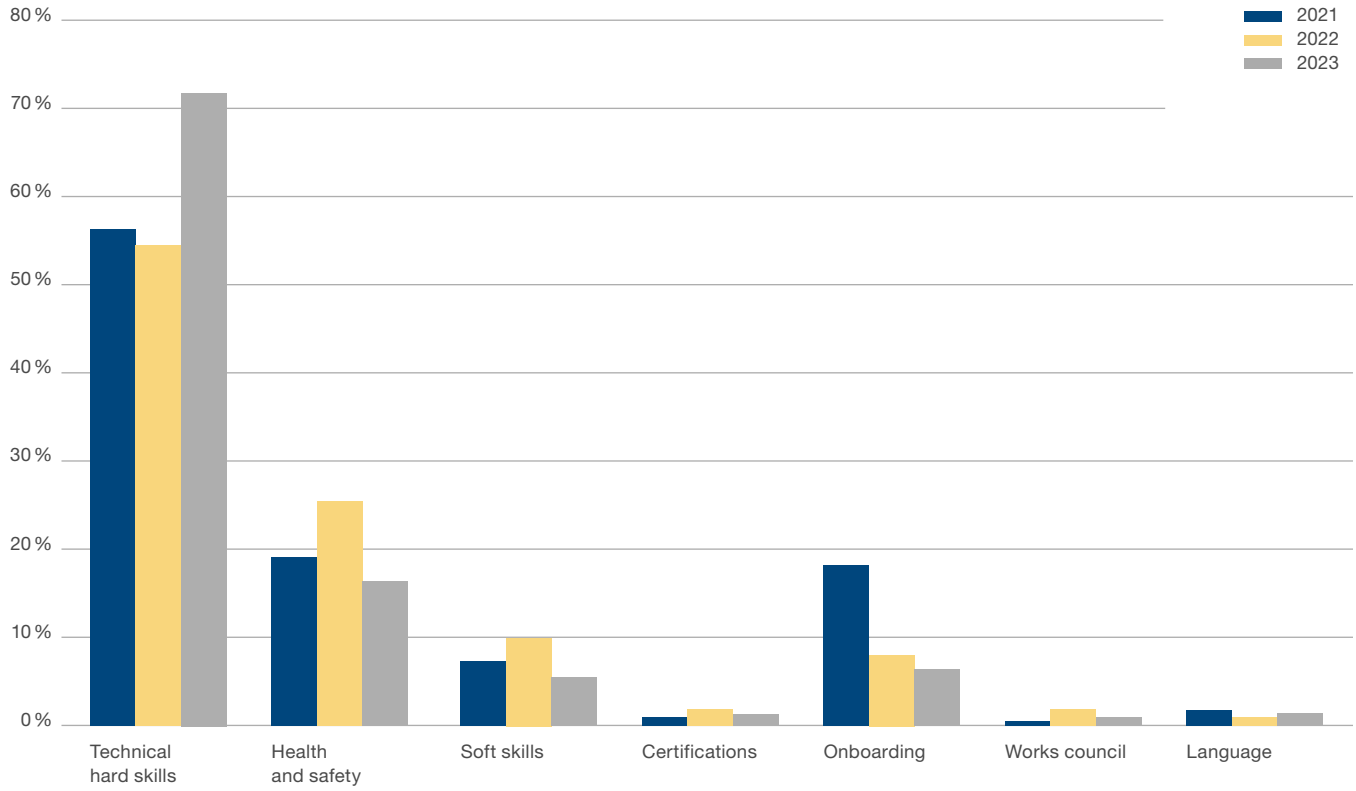
GRI 404-2 Training and Education

The rising employee engagement aligns with our organisational goals and showcases the value employees find in our training programmes. Notably, training hours for technical skills increased to 72 % in 2023, affirming the effectiveness of our training courses. To advance our Blue Planet Commitment and synchronise with top management priorities on sustainable development, we proactively enhance engagement in critical areas such as manufacturing, engineering, quality, industrialisation, and digital and information (D&I). We are introducing tailored training modules in addition to the standard module designed to deepen employees' understanding of our sustainability commitments and strategic priorities.

Health and safety training remains a paramount focus. As a top management priority, we empower employees to make informed decisions that foster a safe and conducive work environment. By realigning and expanding our training efforts, we are committed to cultivating a proficient, knowledgeable, and sustainability-oriented workforce.

We are currently introducing new modules aligned with our Hager Group sustainability strategy to transition to more sustainable operations. These modules cover the full spectrum of our E3 strategy, vital for employee development and company success.

Employee training for Hi! modules



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GRI Content Index

Statement of use
Hager SE (Hager Group) has reported in accordance with the GRI Standards for the period 01.01.2022 and 31.12.2022

GRI 1 used
GRI 1: Foundation 2021

General disclosures

GRI Standard / other source	Disclosure	Location / Explanation	Omission		
			requirement(s) omitted	Reason	Explanation
GRI 2: General disclosures 2021	2-1 Organisational details	Section 01.5 Where we operate			
	2-2 Entities included in the organisation's sustainability reporting	a & b. All entities in the Hager Group financial reporting are included in its sustainability report. The entities includes the following: 1. Hager Middle East FZE 2. Hager Electro Ges.m.b.H 3. Hager Electro Pty Ltd 4. Hager doo 5. Hager Modules S.A 6. Hager AG 7. Hager Industrie AG 8. Hager Systems AG 9. Hager Metal Works (DongGuan) Co. Ltd. 10. Dongguan EFEN Electrical Products Co. Ltd. 11. Hager Electric (Huizhou) Ltd. 12. Hager Electric Management (Shanghai) Ltd. 13. Hager Electro s.r.o 14. Hager Electro GmbH & Co. KG 15. Tehalit GmbH 16. Hager Safety Deutschland GmbH 17. Polo Industrie GmbH 18. Berker GmbH & Co. KG 19. Locate Solution GmbH 20. Hager Eastern Europe GmbH 21. Hager North & Central Europe GmbH 22. Hager Systems Beteiligung GmbH 23. Noris Verwaltungsgesellschaft mbH 24. Hager Vertreibs Geschäftsführungsges. mbH 25. Hager Electro Geschäftsführungsges. mbH 26. Elektro-Apparatebau Ottfingen GmbH 27. Berker International GmbH 28. Hager International GmbH 29. Hager Energy GmbH 30. Hager Vertriebsgesellschaft mbH & Co. KG 31. Hager Sistemas SAU 32. Hager Industrial de Envolventes SAU 33. Hager SAS 34. Hager Electro SAS 35. Hager Controls SAS 36. Hager Safety SAS 37. Hager Next SAS 38. Finatrys SAS 39. Hager Engineering Ltd. 40. Hager Ltd. 41. Hager UK Ltd. 42. Hager Hellas S.A 43. Hager Electro Ltd. 44. Hager Kft. 45. PT Hager Electro Indonesia 46. Hager Ltd. 47. Hager Services Ltd. 48. Hager Electro Private Ltd. 49. Hager Bocchiotti SpA 50. AB Plast S.r.l 51. Hager Lumetal S.p.A 52. Hager Italia Partecipazioni S.r.l 53. Silam-Plast S.r.l 54. Bocchiotti S.p.A 55. Herholdt Controls S.r.l 56. Hager Investment S.A 57. Hager Engineering (M) SDN. BHD 58. Hager Electro B.V. 59. Hager Production Poland Spzoo 60. Hager Polo Spzoo 61. Hager Business Services Spzoo 62. Hager Sistemas Electricos Modulares S.A. 63. Hager Qatar FZE LLC 64. Hager Romania SRL 65. Hager Elektro AB 66. Elektrofabriken i Malmö AB 67. Hager Electro Systems Pte. Ltd. 68. Berker Electronic Tic Ltd. 69. Polo Elektroobladnannia 70. Iboco Corporation 71. IoTecha Corp. c. Estimation methodologies like extrapolation are implemented when data availability and quality do not meet the required standards. To illustrate, extrapolation is used as an alternative when isolated office size is deemed not material in terms of impact. Newly acquired entities are included in sustainability reporting as part of an onboarding period implemented by our manufacturing department.	*A white cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.*		
	2-3 Reporting period, frequency and contact point	a. 1st January to 31st December, frequency of sustainability reporting is annual b. 1st January to 31st December c. 4th of July 2024 d. contact			

GRI Standard / other source	Disclosure	Location / Explanation	Omission requirement(s) omitted	Reason	Explanation
GRI 2: General disclosures 2021	2-4 Restatements of information	Section 01.6 Scope and external assurance Section 04.2.2 The baseline	*A white cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.*		
	2-5 External assurance	a. The company board of directors (Vorstand) commits to obtain external assurance in communicating around our sustainability performance in its sustainability policy. b. The sustainability report is not externally assured.			
	2-6 Activities, value chain and other business relationships	a. According to the Global Industry Classification System Standard (GICS), Hager Group is active in the Industrial Sector, under Capital Goods: Electrical Equipment. According to the Sustainable Industry Classification System, Hager Group is active in the Thematic Sector: Resource Transformation under: Electrical & Electronic Equipment (RT-EE).	d. describe significant changes in 2-6-a, 2-6-b and 2-6-c compared to the previous reporting period	Not applicable	Hager Group is doing GRI-2 disclosure for the first time
		b. i. Products and services. ii. At Hager Group, we procure a diverse range of supplies and goods that encompass essential raw materials for our manufacturing and project execution. Our key materials, by weight, include metals like copper, aluminium, and various plastics in our products. Additionally, we acquire a wide array of fabricated products, electronic components, and systems. Our global supply chain management network operates with dedicated personnel across our Business Areas, Divisions, and strategic locations. This network comprises multiple teams, each focused on specific product categories. These teams are entrusted with capitalising on opportunities to utilise Hager Group's global scale effectively to enhance the efficiency of our sustainable supply networks. The objectives of our supply chain management organisation encompass several activities, such as: - Consolidating and maximising the procurement of materials and services. - Establishing transparency in Hager Group's worldwide expenditure through a comprehensive performance and reporting system integrated with our enterprise resource planning (ERP) systems. - Strengthening Hager Group's supply chain by implementing an efficient product category management framework and comprehensive training based on competencies. - Monitoring and enhancing our supply base to ensure sustainability in terms of both materials and processes utilised. - We procure numerous product categories containing materials like steel, copper, aluminium, and other commodities. Recent global economic growth in emerging markets, along with fluctuations in foreign currency exchange rates, has resulted in significant variability in these raw material costs in recent years. While we anticipate continued volatility in global commodity prices, we aim to mitigate some market fluctuations by employing long-term contracts and global sourcing strategies. iii. The downstream entities and their activities are Retail, Distribution & transport, Installation and post-installation services			

GRI Standard / other source	Disclosure	Location / Explanation		Omission requirement(s) omitted	Reason	Explanation
GRI 2: General disclosures 2021	2-6 Activities, value chain and other business relationships	c. Other relevant business relationships are: - Technology and innovation partnerships with research institutions and universities for research and development - Third-party logistics providers	- Banks and financial institutions - Government Agencies and Regulatory Bodies Consumer support and after-sales service - Labor unions and workforce representatives - IT service providers	d. describe significant changes in 2-6-a, 2-6-b and 2-6-c compared to the previous reporting period	Not applicable	Hager Group is doing GRI-2 disclosure for the first time
	2-7 Employees	a. & b. Appendix-I HR data c. Hager Group is reporting in headcount for the reporting year from Jan to Dec. The employment headcount is consolidated at the end of December. d. While Hager Group has a global presence, it production is mainly concentrated in Europe. In most of the other countries they have distribution	and service offices. As a result there is a high concentration of its employees in Europe. e. Due to Hager Group's talent attraction and retention initiatives, the attrition rate of the company has dropped from 10,2 % in 2022 to 7,8 % in 2023. It also has a positive impact on the company's hiring rate, increasing from 6,5 % in 2022 to 11,15 % in 2023.	b iii. Non-guaranteed hours employees, and breakdown by gender and by region	Not applicable	Hager Group has not enrolled and employee as non-guaranteed hours employees
	2-8 Workers who are not employees	a. Appendix-I HR data	b. Hager Group is reporting in headcount for the reporting year from Jan to Dec. The employment headcount is consolidated at the end of December.	a. i. the most common types of worker and their contractual relationship with the organisation ii. the type of work they perform	Information unavailable/incomplete	The detail is managed at a local level and Hager Group has not yet started consolidating the data. Also, there is no plans yet to start the data compilation.
	2-9 Governance structure and composition	a. The highest governance body has two boards: Board of Directors and Supervisory Board. The Board of Directors has the sole responsibility for managing the company and Supervisory Board monitors and advices the Board of Directors	b. Sustainability Council: The council has Chief Technical Officer (CTO), Chief Marketing Officer (CMO) as members with Chief Human Resources Officer (CHRO) as the head of the council and the sustainability sponsor. c. Appendix-II Governance Structure			
	2-10 Nomination and selection of the highest governance body	a. The highest governance body has two boards: the Executive Board and the Supervisory Board. **Executive Board selection process:** The board consists of at least two people. The supervisory board determines the number of members and appoints them for a maximum of five years. A repeated appointment or extension of the term of office, each for a maximum of five years, is permitted. It requires a new supervisory board resolution to be passed at the earliest one year before the end of the previous term of office. However, in cases of an appointment for less than five years, can an extension of the term of office be provided without a new resolution from the Supervisory Board, provided that the total term of office amounts to at most five years.	**Supervisory Board selection process:** The members of the Supervisory Board are elected by the Annual General Meeting. The election takes place for a maximum period until the end of the general meeting that decides on the discharge of the Supervisory Board for the fourth financial year after the start of the term of office but for a maximum of six years. The financial year in which the term of office begins is not considered. Reappointments are permitted. If a board member is elected in place of a resigned member, the term of office of the new member is the remaining term of office of the resigned member.			
		b. **Executive Board:** It is crucial to note that, as per section 76 of the Stock Corporation Act, in Hager Group, only a natural person with unlimited legal capacity can be a member of the board. It is strictly prohibited for a person to be a member of the executive board if the person: 1. is subject to a reservation of consent (Section 1825 of the Civil Code) in whole or in part when managing their financial affairs 2. takes up a profession or a professional branch due to a court judgement or an enforceable	decision of an administrative authority, cannot be a member of the board, and may not carry out a trade or a branch of trade if the object of the business corresponds in whole or in part of the object of the ban, or 3. has been convicted of one or more intentionally committed criminal offences listed in Section 76(3) of the Stock Corporation Act.			

GRI Standard / other source	Disclosure	Location / Explanation	Omission		
			requirement(s) omitted	Reason	Explanation
GRI 2: General disclosures 2021	2-10 Nomination and selection of the highest governance body	**Supervisory Board:** The member of the Supervisory Board, a role of significant responsibility, must have reached the age of 30 and must be an individual who, based on training and experience, can fulfil the tasks assigned to the Supervisory Board. As per section 100 of the Stock Corporation Act, in Hager Group, no one may be a member of the supervisory board who: 1. is already a member of the supervisory board of ten commercial companies that are legally required to form a supervisory board, 2. is the legal representative of an enterprise controlled by the company 3. is the legal representative of a company whose supervisory board considers a member of the executive board as its member.			
	2-11 Chair of the highest governance body	a. Mr. Daniel Hager is the Chairman of the Supervisory Board and he is not a senior executive in the organisation	b. if the chair is also a senior executive, explain their function within the organisation's management, the reasons for this arrangement, and how conflicts of interest are prevented and mitigated.	Not applicable	The chairman is not a senior executive
	2-12 Role of the highest governance body in overseeing the management of impacts	a. The role of the highest governance body, in this case, the Board of Directors, is to manage the company under its responsibility, ensuring decisions are made in the organisation's best interest. As part of the Board of Directors, senior executives jointly decide on matters related to the organisation's purpose, values, mission statements, strategies, policies and goals related to sustainable development. This is facilitated through regular board meetings where decisions are made collectively or by individual members within their respective departments, as outlined in the company's rules of procedure. b. Role of the highest governance body in due diligence and impact management: i. The highest governance body, the Board of Directors, engages with stakeholders to support due diligence processes. This is evidenced by the coordination of the Executive and Supervisory Board, where strategic direction and significant decisions are discussed and approved. The Supervisory Board, in particular, plays a role in overseeing management decisions and may require consent from certain transactions to be received. ii. The outcomes of due diligence processes are considered by the Board of Directors, especially in matters requiring approval or significant decision-making. The Supervisory Board, in alignment with the Stock Corporation Act, monitors management decisions and can demand approval from the general meeting if its consent is refused, indicating a level of oversight in managing the organisation's impact. c. The Supervisory Board, as the highest governance body, regularly reviews the effectiveness of the organisation's processes related to due diligence and impact management. This review is mandated to occur at least once every calendar quarter, as per the rules of procedure for the supervisory board. Additionally, significant decisions and outcomes of these processes are reported to the Supervisory Board on a regular basis, ensuring transparency and accountability in governance practices.			
	2-13 Delegation of responsibility for managing impacts	Section 03.1 Sustainability governance			
	2-14 Role of the highest governance body in sustainability reporting	a. The highest governance body, the Board of Directors, is responsible for reviewing and approving the reported information, including the organisation's material topics. This responsibility encompasses decisions related to financial statements, calling general meetings, transactions requiring approval, and corporate strategy and planning matters. The process involves collective decision-making during board meetings where discussions, analysis, and approval of reported information occur.	b. if the highest governance body is not responsible for reviewing and approving the reported information, including the organisation's material topics, explain the reason for this.	Not applicable	Highest governance body is responsible for reviewing and approving the reported information

GRI Standard / other source	Disclosure	Location / Explanation	Omission requirement(s) omitted	Reason	Explanation
GRI 2: General disclosures 2021	2-15 Conflicts of interest	a. Compliance and integrity are high priorities for us. The Hager Group implemented a compliance management system some years ago, a core component of its business model. Its intra-company guidelines support secure compliance within the company and provide the employees with guidance during their work. Very concretely, many measures have been put in place to inform and train the people, make them aware of the importance of Compliance issues and collect information to ensure guidelines are complied with and report any problems: 1) Compliance documentation: Drafting of an "Ethics Charter" and "Conflicts of Interest Guideline", both available in French, English and German languages, easily accessible on the intranet of the Hager Group, called "Hager Group Live", in a specific and fully dedicated section called "Compliance". 2) Production of dedicated materials, information and training I. Implementation of specific online training sessions dedicated to Compliance: 46 % of about 2.000 employees (the first round of managers) have participated in the Anti-bribery and corruption training and the Fraud and conflict of Interests training organised in 2023. Additionally, an ethics module for the managers will be developed in 2024 and also for the blue-collar employees in 2025. II. Recording of five videos dedicated to Compliance: One contains case studies for conflicts of interest and includes a presentation of the Hager Group directive and the register of conflicts of interest. Those videos are available in French, English, and German. They are used as follows to inform and educate people - to put them available on the intranet Hager Live together with a robust communications/ teasing campaign so that they are watched and used and - to encourage the managers of the various departments to share these videos as an introduction to their departmental meetings via Teams or face-to-face. 3) Appointment and training of Ethics Ambassadors: 21 ethics ambassadors have been appointed worldwide. 4) Update and roll out of a Compliance Check Lists to be completed once per year by the boards of directors of the Hager Group companies and which includes many questions about "Ethics and Compliance organisation", "Anti-bribery & corruption", "Fraud & Conflict of Interests", "Discrimination & Harassment", etc. When completed, such lists shall be reviewed regularly, and an audit procedure shall be established to check whether the mentioned requirements have been implemented effectively and comply with the compliance checklists.	b. report whether conflicts of interest are disclosed to stakeholders, including, at a minimum, conflicts of interest relating to: i. cross-board membership; ii. cross-shareholding with suppliers and other stakeholders; iii. existence of controlling shareholders; iv. related parties, their relationships, transactions, and outstanding balances.	Confidentiality constraints	Hager Group sustainability report discloses the number of cases regarding conflict of interest. However, due to sensitivity reasons the details of such issues are kept confidential.
	2-16 Communication of critical concerns	a. GCC (Group Compliance Committee) information channels and tools - The register of conflicts of interest available in many languages (French - German – English – Chinese – Polish – Italian – Spanish – Portuguese). Employees and manager are given access to this register where they can fill the information about the received gift thanks to a drop-down menu. This data, fed into a summary Excel file, is accessible to members of the Group Compliance Committee ("GCC") in the "compliance-home" area. The GCC will go through the file every quarter. The HR representative on the GCC is the owner of this process who communicates about the ethical concerns to the Board of Directors. - Implementation of the Hager Integrity Reporting System "Let's talk" Available to all employees of Hager Group and to all external partner (temporary employees, customers, suppliers, other business partner). It's planned to organise a final report of the outcome of every case to the GCC which will decide (I) to inform the Board of Directors about cases with high risk for financial damages or reputation immediately and (ii) about appropriate suitable measures a. & b. Section 05.3 Reporting integrity alerts			

GRI Standard / other source	Disclosure	Location / Explanation	Omission		
			requirement(s) omitted	Reason	Explanation
GRI 2: General disclosures 2021	2-17 Collective knowledge of the highest governance body	a. Hager Group, through a collective effect has implemented several mechanisms to advance the collective knowledge, skills, and experience of its highest governance body. 1) Through the Management Summer School (MSS), the Hager Group systematically enhances the competencies of its highest governance body, ensuring that sustainability remains at the core of its leadership and strategic vision. Established in 2012, the MSS exemplifies the Hager Group's dedication to sustainable leadership and fostering a culture of innovation and digitalisation. Over the past decade, the MSS has become a platform where members of the Board of Directors, senior managers, young talents, and special guests come together to explore and learn. The MSS agenda covers topics critical to the company's vision of creating a safer, cleaner, and more enjoyable world through electrical innovations. This vision emphasises the importance of people, customers, and stakeholders in the journey towards sustainable development. A key component of the MSS is the inclusion of external inspiration. Since its inception, the MSS has featured over 50 renowned guest speakers who share their experiences in transformation and change. These "learning expeditions" are integrated into the programme to ensure participants, including the highest governance body members, are exposed to diverse perspectives and best practices from various industries. This external engagement is crucial for fostering a mindset open to new ideas and innovations. The MSS is structured as a learning journey, with participants engaging in company tours and workshops. For instance, the 2018 MSS highlighted the importance of external learning by organising visits to companies excelling in different fields, such as handheld power equipment, robotics, and automotive industries. These visits provided participants with specialised knowledge that could be adapted within the Hager Group. This commitment to learning and development underscores the Hager Group's dedication to sustainable leadership and its proactive efforts to equip its governance body with the skills and knowledge necessary to drive sustainable development. 2) The Board of Directors, as the ultimate authority responsible for managing the company, is deeply committed to making decisions in the best interest of Hager Group, including those related to sustainable development. Regular board meetings serve as forums for collective decision-making, where matters related to the organisation's purpose, values, mission statements, strategies, policies, and sustainable development goals are deliberated upon. 3) Hager Group has established a dedicated Sustainability Council, a key driver in our sustainability journey. Led by the Group's Chief Human Resources Officer (CHRO) and comprising essential executives such as the Group's Chief Technical Officer (CTO) and Chief Marketing Officer (CMO), this council plays a pivotal role in identifying risks and gaps in sustainability practices, setting ambitious goals and strategies, developing pertinent policies, and monitoring progress. Notable initiatives like the Sustainability Policy and Blue Planet Commitment strategy are the outcomes of this council's invaluable contributions. The sustainability-related issues identified by the Sustainability Council are seamlessly integrated into board meetings. This integration underscores our commitment to making sustainability a core consideration in board discussions, thereby enhancing the collective knowledge, skills, and experience of all board members. 4) Close collaboration between the Executive Board and the Supervisory Board ensures alignment on strategic direction, including sustainable development priorities. Regular discussions on strategy implementation status facilitate knowledge exchange among board members, enriching their understanding and expertise in sustainable development.			
	2-18 Evaluation of the performance of the highest governance body	a. The Supervisory Board of Hager Group assesses the performance of the executives on the Board of Directors based on the annual targets set by the Board of Directors. These targets are aligned with the company's strategic priorities and include a significant focus on sustainability. For instance, specific sustainability targets such as the reduction of energy-related greenhouse gas (GHG) emissions across six factories and the completion of the "Blue Planet Starter" training programme are integral to the annual performance metrics. Starting from 2024, the Board of Directors has committed to ensuring that at least 20 % of its annual targets are sustainability-focused. These sustainability targets are directly linked to the group's bonus scheme, reinforcing the importance of sustainability in the company's overall performance evaluation framework. This structured approach ensures that the highest governance body oversees and but actively drives the management of the organisation's impacts on the economy, environment, and people, fostering a culture of sustainability and accountability. b. The evaluation process aligns with the group and individual targets of the executives on the Board of Directors and is conducted twice a year. c. The Supervisory Board members decide the actions in response to the evaluations, including the performance based incentive.			

GRI Standard / other source	Disclosure	Location / Explanation	Omission requirement(s) omitted	Reason	Explanation
GRI 2: General disclosures 2021	2-19 Remuneration policies	b. When determining the total remuneration of an executive board member, the supervisory board ensures that it is appropriate for the board members' tasks and services, including sustainability and long-term development-related tasks.	a. describe the remuneration policies for members of the highest governance body and senior executives, including: i. fixed pay and variable pay; ii. sign-on bonuses or recruitment incentive payments; iii. termination payments; iv. clawbacks; v. retirement benefits;	Confidentiality constraints	The remuneration of the Executive Board members is determined by the Supervisory Board. For Supervisory Board members, the remuneration is set out in the articles of association or approved by the general meeting. However, due to confidentiality issues, the classification of the remuneration is not disclosed.
	2-20 Process to determine remuneration	a. Hager Group salary management principles are based on market best and standard practices. The salary and increment for each job band take local market specificities (inflation, unemployment, labour regulations, etc.) into consideration. It also counts in employee contribution while evaluating an individual's evolution. The salary management principles in Hager Group consider two groups: Senior Managers and executives and below Senior Managers. **Senior Managers & Executives:** 1) In Germany and France, there is an industry-specific predefined salary range for each job band. The annual base salary is decided from this range. 2) In the rest of its operating countries, Hager Group considered Mercer's median to decide the annual base salary per job band. Mercer is the world's largest and most comprehensive remuneration database. 3) Group Compensation and Benefits prepares and coordinates Salary Reviews at the group level. **Below Senior Managers:** 1) Mercer median on Target Total Cash (Annual Base Salary + any Target short-term or Target sales bonus) is used to assess the salary per job band. 2) Salary review (files) prepared and coordinated by Local HRBPs/People Solutions according to Group C&B guidelines. An additional element called the Merit matrix for Senior Managers and Executives links their performance to the Group's Key Performance Indicators (KPIs). The design tool enables managers to access the individual's increment based on their yearly performance, Compa Ratio (current annual base salary/ salary range ID point or Mercer median) and the merit increase budget. This merit matrix is updated per country every year depending on the salary budget of the legal entity, inflation rate and any specific local context. The yearly performance is assessed through an annual appraisal rating, evaluating employee contributions through continuous delivery against the job's permanent mission and responsibilities, which aligns with leadership behaviours and Hager Group values. The rating ranges from 1 (unsatisfactory) to 5 (outstanding). Although there is a merit matrix in place, the salary management principle ensures that, wherever applicable, it considers general increases and increments decided by the Government, Employers' associations, Union representative bodies, etc. This increment happens regardless of an employee's proven contributions. Hager Group has a Merit Matrix for its senior executives. The design tool enables managers to access the individual's increment based on their yearly performance, Compa Ratio (current annual base salary/ salary range ID point or Mercer median) and the merit increase budget. This merit matrix is updated per country every year depending on the salary budget of the legal entity, inflation rate and any specific local context. The yearly performance is assessed through an annual appraisal rating, evaluating employee contributions through continuous delivery against the job's permanent mission and responsibilities, which aligns with leadership behaviours and Hager Group values. The rating ranges from 1 (unsatisfactory) to 5 (outstanding).	b. report the results of votes of stakeholders (including shareholders) on remuneration policies and proposals, if applicable.	Not applicable	Remuneration policy is finalised in board meeting after consent of all the executives. No voting system is involved in the process.
	2-21 Annual total compensation ratio		Completely Omitted	Not applicable	The comparison is not meaningful because compensation varies by country and is based on local market conditions. Therefore, such a calculation does not provide a valid conclusion.

GRI Standard / other source	Disclosure	Location / Explanation	Omission requirement(s) omitted	Reason	Explanation
GRI 2: General disclosures 2021	2-22 Statement on sustainable development strategy	CEO Statement			
	2-23 Policy commitments	a. & b. Section 03.4 Rules, processes and controlling: embedding sustainability in daily operations c. The policies are not publicly available, but they are accessible to all Hager Group employees who are required to adhere to them. d. The sustainability policies of Hager Group is approved and signed by the senior executives of the Board of Directors e. The policies apply to all entities covered under sustainability reporting. Hager Group also encourages its suppliers and other business partners to adopt the policy principles. f. Hager Group uses its intranet system, Hager Live, to communicate these policies to its employees. Additionally, other communication channels such as PeopleDoc, meetings, and the Hager training platform Hi! University are also used to disseminate these policy principles. The Code of Purchasing Conduct outlines Hager Group's expectations on sustainable development based on these policies. As part of the contracting process, the code ensures that our policy principles are communicated to our business partners.			
	2-24 Embedding policy commitments	Section 05.1 Our Ethical commitment - 05.5 Ethics Ambassadors			
	2-25 Processes to remediate negative impacts	Section 05.1 Our Ethical commitment - 05.5 Ethics Ambassadors			
	2-26 Mechanisms for seeking advice and raising concerns	Section 05.3 Reporting integrity alerts Section 05.5 Ethics Ambassadors			
	2-27 Compliance with laws and regulations	Section 05.2 Driving ethical behaviour	c. describe the significant instances of non-compliance; d. describe how it has determined significant instances of non-compliance.	Not applicable	Hager Group has not paid any fine or non-monetary sanctions for reasons of non-compliance with laws and regulations.

GRI Standard / other source	Disclosure	Location / Explanation	Omission requirement(s) omitted	Reason	Explanation
GRI 2: General disclosures 2021	2-28 Membership associations	a. As a member of the ZVEI | Germany's Electro and Digital Industry, Hager Group provides expert input in the opinion-forming process that shapes and promotes sustainable development in Germany and Europe. In addition to the ZVEI, Hager Group is an active member in the following associations: - The German Sustainable Building Council (DGNB) – Europe's biggest network for sustainable building. - European Committee of Electrical Installation Equipment Manufacturers (CECAPI). - Coordinating Committee for the Associations of Manufacturers of Switchgear and Control gear equipment for industrial, commercial and similar use in the European Union. (CAPIEL). - Europe's technology industries at EU level: innovative companies across the mechanical engineering, electrical and electronics, ICT and metal technology sectors that develop and manufacture the products, systems and services that enable a prosperous and sustainable future: ORGALIM. - The Spanish Association of Manufacturers of Electrical Material. - UK trade association for manufacturers and providers of energy infrastructure technologies and systems (BEAMA). - The trade association for electro digital technologies in France (GIMELEC). - The French Industrial Alliance that offers electrical and digital solutions to give life and animate the building for the benefit of its occupants (IGNES). - The French Federation of Electrical, Electronic and Communication Industries. (FIEEC) - The Austrian Association of the electrical and electronics industry (FEEI). - ANIE federation of electrotechnical and electronics sector in Italy.			
	2-29 Approach to stakeholder engagement	Hager Group stakeholder engagement approach			
	2-30 Collective bargaining agreements		Completely Omitted	Information unavailable/incomplete	We adapting to the process to get this information at global level and will be able to provide correct information from 2025.

GRI Content Index

Material topics

GRI Standard / other source	Disclosure	Location / Explanation	Omission		
			requirement(s) omitted	Reason	Explanation
GRI 3: Material topics 2021	3-1 Process to determine material topics	Section 02.1 Materiality assessment process	*A white cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available*		
	3-2 List of material topics	Section 02.2 Material topics			
Procurement practices					
GRI 3: Material topics 2021	3-3 Management of material topics	Section 03.6 Responsible sourcing			
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers	Section 03.6.4 Supporting local suppliers			
Anti-corruption					
GRI 3: Material topics 2021	3-3 Management of material topics	Section 05.1 Our ethical commitment Section 05.2 Driving ethical behaviour			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Section 05.2.1 Ethical risk assessment			
	205-2 Communication and training about anti-corruption policies and procedures	a. The anti-corruption policies and procedures are drafted in Hager Group's ethics charter, which is communicated to all governance body members. b. Appendix-III. The anti-corruption policies and procedures are publicly communicated in Hager Group's intranet platform (Hager Live) to all connected employees of the group. In 2022, 9.650 of the 12.903 employees (75 %) were registered to Hager Live. c. The anti-corruption policies and procedures are publicly communicated in Hager Group's intranet platform (Hager Live) to all connected employees of the group. In 2022, 9.650 of the 12.903 employees (75 %) were registered to Hager Live. Hager Group's Code of Purchasing sets our expectations regarding our relationships with our suppliers and their compliance with anti-corruption and anti-bribery standards. The code is a part of the contracting process, ensuring our anti-corruption policies are communicated to all our business partners. d. & e. Section 05.4 Ethics training programme			
	205-3 Confirmed incidents of corruption and actions taken	Section 05.3.1 Let's talk			

GRI Standard / other source	Disclosure	Location / Explanation		Omission		
				requirement(s) omitted	Reason	Explanation
Materials						
GRI 3: Material topics 2021	3-3 Management of material topics	Section 04.1 The blue planet commitment				
GRI 301: Materials 2016	301-1 Materials used by weight or volume	a. No distinction is made between renewable and non-renewable materials. Data differentiation management processes are necessary at sourcing level for future reporting purposes. 1) Metals - 48.414 t 2) Plastic Chemicals & PVC - 75.077 t 3) Packaging & Consumables - 12.898 t				
	301-2 Recycled input materials used	Section 04.2.3 Our emission reduction				
	301-3 Reclaimed products and their packaging materials			Completely Omitted	Information unavailable/incomplete	Hager Group currently do not compile this data.
Energy						
GRI 3: Material topics 2021	3-3 Management of material topics	Section 04.1 The blue planet commitment Section 04.3 Our energy mix				
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	a, b, & c. Section 04.3 Our energy mix d. Electricity sold: 15,8 MWh of solar electricity in 2022 and 31,6MWh in 2023 e. Total energy consumption (including fuels): 228,9GWh in 2022 and 212GWh in 2023	f. Energy is collected according to ISO50001 management systems and audited accordingly for all sites with consumption > 5GWh g. International Energy Agency Conversion factors and unit abbreviations.	c. In joules, watt-hours or multiples, the total: iii. cooling consumption iv. steam consumption d. In joules, watt-hours or multiples, the total: ii. heating sold ii. cooling sold iii. Steam consumption	Not applicable	Hager Group do not consume or sell cooling energy and steam. We also do not sell heating energy.
	302-2 Energy consumption outside of the organisation	a. Section 04.3 Our energy mix b. We are collecting the yearly amount of energy used in our third party logistics centres. For those where we do not have information, we base our extrapolation on average kWh/sqm	c. International Energy Agency Conversion factors and unit abbreviations.			
	302-3 Energy intensity	a. 82 MWh/k€ sales b. 2,8 billion (gross sales) c. All types of energy considered in 302-1 are included in the calculation	d. The ratio uses energy consumption within the organisation			

GRI Standard / other source	Disclosure	Location / Explanation		Omission		
				requirement(s) omitted	Reason	Explanation
GRI 302: Energy 2016	302-4 Reduction of energy consumption	a. Energy consumption in 2022 was 22 GWh less than the base year 2021. Energy consumption in 2023 was 39 GWh less than the base year 2021. b. All types of energy considered in 302-1 are included in the calculation	c. The reduction is calculated from the base year 2021 because of our data collection efforts from this year. d. Comparison of year-on-year energy consumption (in terms GWh)			
	302-5 Reductions in energy requirements of products and services	a. There is no significant reduction in energy requirement of our sold products and services.		b. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it. c. Standards, methodologies, assumptions, and/or calculation tools used.	Not applicable	No calculation is being made because the energy requirement of sold products and services remains the same.
Emissions						
GRI 3: Material topics 2021	3-3 Management of material topics	Section 04.1 The blue planet commitment Section 04.2.3 Our emission reduction				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	a, b & e. Section 04.2.3 Our emission reduction c. 12 tCO2e d. Section 04.2.2 The baseline	f. Operational control. We rely on physical flows activity data (mainly the amount of kWh used) for 95 % of our emissions. For the remaining 5 % we perform an extrapolation. g. The Greenhouse Gas Protocol was followed for the calculation			
	305-2 Energy indirect (Scope 2) GHG emissions	a, c & e. Section 04.2.3 Our emission reduction b. We are only reporting our emissions in location based. Until 2022, for France and Germany, we did purchase guarantees of origins, and therefore “green electricity” certificates. However, we consider that certificates are not backed by geographical and temporal reality and therefore decided to rely on the location based methodology that is more precise and consistent.	d. Section 04.2.2 The baseline f. Operational control. We rely on physical flows activity data (mainly the amount of kWh used) for 95 % of our emissions. For the remaining 5 % we perform an extrapolation. g. The Greenhouse Gas Protocol was followed for the calculation			
	305-3 Other indirect (Scope 3) GHG emissions	a, b, d & f. Section 04.2.3 Our emission reduction e. Section 04.2.2 The baseline	g. The Greenhouse Gas Protocol was followed for the calculation	c. Biogenic CO2 emissions in metric tons of CO2 equivalent.	Not applicable	In our GHG emission calculation, wherever applicable, biogenic emission is a part of the emissions per category. It is not calculated separately.
	305-4 GHG emissions intensity	a. 542 tCO2e/Mio. € sales b. 2,8 billion € (gross sales)	c. All types of GHG emission included in the intensity ratio: Scope1, 2 and 3 d. All the gases are included in the calculation			

GRI Standard / other source	Disclosure	Location / Explanation	Omission		
			requirement(s) omitted	Reason	Explanation
GRI 305: Emissions 2016	305-5 Reduction of GHG emissions	a & b. Section 04.2.3 Our emission reduction c. Section 04.2.2 The baseline d. Reduction took place in Scope 1 and 2 e. We have set science based reduction targets by 2030 compared to our baseline year 2021: - -50 % on scopes 1 & 2 emissions - -25 % on scope 3 emissions			
	305-6 Emissions of ozone-depleting substances (ODS)		Completely Omitted	Not applicable	Hager Group production system does not have the emission of such gases
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions		Completely Omitted	Not applicable	Hager Group production system does not have the emission of such gases
Supplier environmental assessment					
GRI 3: Material topics 2021	3-3 Management of material topics	Section 02.2 Material topics Section 03.6.3 Enhance compliance and sustainability risk management Section 04.1 The blue planet commitment			
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	100 % of active tier 1 supplier in direct sourcing are screened with Hager's third party tool SPHERA.			
	308-2 Negative environmental impacts in the supply chain and actions taken	a & b. Section 03.6.3 Enhance compliance and sustainability risk management c. & d. No significant actual or potential negative environmental impacts identified in the supply chain. e. No supplier relationships were terminated during the reporting period due to significant actual or potential negative environmental impacts.			
Employment					
GRI 3: Material topics 2021	3-3 Management of material topics	Section Our employees			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Appendix-I HR data			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		Completely Omitted	Confidentiality constraints	Due to sensitivity, such information is not disclosed. Hager Group meets all legal regulatory requirements in terms of providing access to benefits to temporary or part-time workers.

GRI Standard / other source	Disclosure	Location / Explanation	Omission		
			requirement(s) omitted	Reason	Explanation
GRI 401: Employment 2016	401-3 Parental leave		Completely Omitted	Information unavailable/incomplete	We are compiling the information and will present the data in our next report.
Occupational health and safety					
GRI 3: Material topics 2021	3-3 Management of material topics	Section 06.2 Occupational health & safety			
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	Section 06.2 Occupational health & safety			
	403-2 Hazard identification, risk assessment, and incident investigation	a & b. Section 06.2.1 Our safety management d. Hager Group has a well-established safety reporting and investigation process. The process has clearly laid out the timeline for raising safety alert, investigation and deployment of corrective action. It also has identified responsible person in each of the process. As per the process a safety alert must be raised within 24 hours of an incident. Site/function leader is responsible to raise the alert. Investigation of the incident and its report along with the recommended improvements has to be submitted within 5 working days of the incident by the site/function leader. Once the investigation report along with the recommendations is submitted the H&S board of the subsidiary will review the accident report and decide potential action to deploy within 10 working days of the investigation report submission. It is also obligatory to organise a face-to-face meeting between management and employee within 5 working days after return to work. Site/function leader and the direct manager is responsible to conduct this meeting.	c. A description of the policies and processes for workers to remove themselves from work situations that they believe could cause injury or ill health, and an explanation of how workers are protected against reprisals.	Not applicable	There is no policy like this at group level. The new OH&S function of Hager Group will make policies and processes, including how workers can remove themselves from work situations and that they believe could cause injury or ill health, and how they can be protected from reprisals.
	403-3 Occupational health services	Section 06.2.2 Our health management			
	403-4 Worker participation, consultation, and communication on occupational health and safety	a. Section 06.2.1 Our safety management b. There are dedicated Occupational Safety Committees per subsidiary that meet regularly (typically quarterly but that could vary depending on the country). The committees typically consist of the specialist for occupational safety (HS Manager) of the specific subsidiary, safety officers, company doctors, members of the work council, fire protection officer the operations manager, an HR manager, and a representation from top management.			
	403-5 Worker training on occupational health and safety	16%			
	403-6 Promotion of worker health	Section 06.2.2 Our health management			

GRI Standard / other source	Disclosure	Location / Explanation	Omission		
			requirement(s) omitted	Reason	Explanation
GRI 403: Occupational health and safety 2018	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		Completely Omitted	Not applicable	We do not have a group level system at present to prevent or mitigate the OH&S risks caused by our business relationships in our operations, products, or services. However, we recognise the need for such a system and will work towards establishing it.
	403-8 Workers covered by an occupational health and safety management system		Completely Omitted	Information unavailable/incomplete	The H&S management in our production and logistic sites applies to all people working on the premises, including workers whom the organisation does not employ. However, the number and percentage of such employees still need to be calculated. We will publish this data in our following report.
	403-9 Work-related injuries	a. Section 02.2.1 Our safety management b. i. 0 ii. 0 iv. work-related injuries that result in operational disruptions or slowdowns due to lost time e. It is calculated by using 1.000.000 hours worked. f. All the employees of Hager group are included in this disclosure. g. Following formula was used to compile and calculate the LTA and LTAR data at group level: LTA (Jan-Dec) = ∑((Number of all occupational work accident per site)) LTAR (Jan-Dec) = (No. of LTAs × 1.000.000) / (No. of real working hours)	b. For all workers who are not employees but whose work and/or workplace is controlled by the organisation: iii. The number and rate of recordable work-related injuries; c. The work-related hazards that pose a risk of high-consequence injury, including: i. how these hazards have been determined; ii. which of these hazards have caused or contributed to high-consequence injuries during the reporting period; iii. actions taken or underway to eliminate these hazards and minimize risks using the hierarchy of controls. d. Any actions taken or underway to eliminate other work-related hazards and minimize risks using the hierarchy of controls.	Information unavailable/incomplete	b. We do not have a separate record of the work related injuries of the workers who are no employees of Hager group. We will work on this and try to submit the data in the following report. c. This is currently managed at subsidiary level. After the formation of group level OH&S function by 2025, we will compile and share the information. d. This is currently managed at subsidiary level. After the formation of group level OH&S function by 2025, we will compile and share the information.
			b. For all workers who are not employees but whose work and/or workplace is controlled by the organisation: v. The number of hours worked.	Confidentiality constraints	In France it is illegal to record worked hours by external force.
	403-10 Work-related ill health		Completely Omitted	Information unavailable/incomplete	Hager Group manages these records at site level according to the compliance requirements in that region. After the formation of group level OH&S function by 2025, we can compile and share the information.

GRI Standard / other source	Disclosure	Location / Explanation	Omission		
			requirement(s) omitted	Reason	Explanation
Training and education					
GRI 3: Material topics 2021	3-3 Management of material topics	Section Our employees Section 06.3 Talend development			
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	Section 06.3 Talent development			
	404-2 Programs for upgrading employee skills and transition assistance programs	a. Section 06.3 Talent development	b. Transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.	Not applicable	Hager Group does not offer a specific transition assistance programme. However, employees can use our training platform, Hi! University, to upgrade their skills, which may aid them in their transition and facilitate continued employability.
	404-3 Percentage of employees receiving regular performance and career development reviews	96 % of the total employees received a performance and career development review during the reporting period. The rest, 4 %, are either in progress or have not yet started. However, the distribution of this detail by gender is not available.			
Diversity and equal opportunity					
GRI 3: Material topics 2021	3-3 Management of material topics	Section Our employees Section 06.4 Equal opportunities and diversity			
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	Section 6.4 Equal opportunities & diversity Appendix-I HR data			
	405-2 Ratio of basic salary and remuneration of women to men		Completely Omitted	Information unavailable/incomplete	Hager Group is adapting its process to get this information at global level and will try to provide correct information in the following report.
Supplier social assessment					
GRI 3: Material topics 2021	3-3 Management of material topics	Section 02.2 Material topics Section 03.6.3 Enhance compliance and sustainability risk management Section 04.1 The blue planet commitment			
GRI 414: Supplier social assessment 2016	414-1 New suppliers that were screened using social criteria	100 % of active tier 1 supplier in direct sourcing are screened with Hager's third party tool SPHERA.			
	414-2 Negative social impacts in the supply chain and actions taken	a, b & c. Section 03.6.3 Enhance compliance and sustainability risk management d. 0,3 % suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment.	e. Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why.	Not applicable	No business relationship has been terminated due to this reason.

GRI Standard / other source	Disclosure	Location / Explanation	Omission		
			requirement(s) omitted	Reason	Explanation
Customer health and safety					
GRI 3: Material topics 2021	3-3 Management of material topics	Section 05.2.4 Product safety			
GRI 416: Customer health and safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Section 05.2.4 Product safety			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Section 05.2.4 Product safety			

GRI Content Index

Voluntary disclosure of non-material topics with reference to GRI

GRI Standard / other source	Disclosure	Location / Explanation	Omission		
			requirement(s) omitted	Reason	Explanation
Water and effluents					
GRI 303: Water and effluents 2018	303-3 Water withdrawal	Section 04.4.2 Water management d. Each site has shared the water consumption data manually.			
Biodiversity					
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Section 04.4.1 Biodiversity footprint	a. For each operational site owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas, the following information: ii. Subsurface and underground land that may be owned, leased, or managed by the organisation; v. Size of operational site in km2 (or another unit, if appropriate);	Not applicable	There is no subsurface and underground land owned, leased or managed by Hager Group. Size of operation site was not used as a parameter for assessment.
	304-2 Significant impacts of activities, products and services on biodiversity	Section 04.4.1 Biodiversity footprint	b. Significant direct and indirect positive and negative impacts with reference to the following: iii. Duration of impacts; iv. Reversibility or irreversibility of the impacts.	Information unavailable/incomplete	We have not estimated the duration and reversibility or irreversibility of the impacts.
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Section 04.4.1 Biodiversity footprint	a. Total number of IUCN Red List species and national conservation list species with habitats in areas affected by the operations of the organisations, by level of extinction risk: iv. Near threatened v. Least concern	Information unavailable/incomplete	We have not estimated for the level of risk near threatened and least concern.
Biodiversity					
GRI 306: Waste 2020	306-3 Waste generated	Section 04.5 Waste			
	306-4 Waste diverted from disposal	Section 04.5 Waste			

Appendix-I
HR Data

GRI - 2-7 Employees

Total headcount

Internal workforce as of end of December

Headcount	2022	2023
Internal workforce	12.903	12.946

Headcount by gender

Internal workforce as of end of December

Gender	2022	2023
Male	7.693	7.726
Female	5.210	5.220

Headcount by region

Internal workforce as of end of December

Region	2022	2023
Americas	17	15
APAC	1.836	1.801
Europe	11.008	11.090
Meneat	42	40

Permanent / temporary by gender

Internal workforce as of end of December

Permanent/Temporary	2022		2023	
	Male	Female	Male	Female
Permanent	6.758	4.568	6.934	4.717
Temporary	935	642	792	503

Permanent / temporary by region

Internal workforce as of end of December

Region	2022		2023	
	Permanent	Temporary	Permanent	Temporary
Americas	17	0	15	0
APAC	1.783	53	1.795	6
Europe	9.487	1.521	9.801	1.289
Meneat	39	3	40	0
Total	**11.326**	**1.577**	**11.651**	**1.295**

Full Time / Part Time by gender

Internal workforce as of end of December

Full Time / part time	2022		2023	
	Male	Female	Male	Female
Full Time	7.552	4.735	7.570	4.739
Part time	141	475	156	481

Full Time / Part Time by region

Internal workforce as of end of December

Region	2022		2023	
	Full time	Part time	Full time	Part time
Americas	17	0	15	0
APAC	1.832	4	1.799	2
Europe	10.397	611	10.455	635
Meneat	41	1	40	0
Total	**12.287**	**616**	**12.309**	**637**

GRI - 2-8 Workers who are not employees

Total Headcount – external workforce

External workforce as of end of December

Headcount	2022	2023
External workforce	1.796	1.525

GRI - 405 Diversity and equal opportunity

405-1 Diversity – gender at top management

Internal workforce as of end of December

Top management	2022		2023	
	Female	Male	Female	Male
Top executives, executives, senior managers	43	216	56	195
in %	17 %	83 %	22 %	78 %

405-1 Diversity – age group at top management

Internal workforce as of end of December
Employee category: top executives, executives, senior managers

Top management	2022	2023
60 years and +	50	47
50 - 59 years	134	125
40 - 49 years	62	70
30 - 39 years	13	9
21 - 29 years	0	0
<=20 years	0	0

405-1 Diversity – gender by employee category

Internal workforce as of end of December

Employee category	2022		2023	
	Female	Male	Female	Male
Top executives	4	22	5	21
Executives	19	113	21	96
Senior managers	20	81	30	78
Managers and professionals	423	1.822	516	2.109
Specialists	1.476	2.663	1.495	2.696
Operators and services	3.077	2.432	3.024	2.406
Not applicable	191	560	129	319
Total	**5.210**	**7.693**	**5.220**	**7.725**

405-1 Diversity – age group by employee category

Internal workforce as of end of December

Age group / Employee category	2022						2023					
	60 years and +	50 - 59 years	40 - 49 years	30 - 39 years	21 - 29 years	<=20 years	60 years and +	50 - 59 years	40 - 49 years	30 - 39 years	21 - 29 years	<=20 years
Top executives	6	18	2				7	15	4			
Executives	29	66	30	7			25	61	27	4		
Senior managers	15	50	30	6			15	49	39	5		
Managers and professionals	245	696	729	504	71		212	727	866	714	106	
Specialists	435	1.056	1.054	1.159	434	1	343	1.008	1.063	1.226	549	2
Operators and services	528	1.398	1.410	1.424	743	6	435	1.342	1.421	1.440	765	27
Not applicable	36	72	130	152	318	42	29	13	15	42	269	80
Total	**1.294**	**3.357**	**3.385**	**3.252**	**1.566**	**49**	**1.066**	**3.215**	**3.435**	**3.431**	**1.689**	**109**

GRI - 401 Employment

401-1 New employee hires and employee turnover

Internal workforce – permanent employees only
as of end of December
Hires: all except rehire and rehire with new employemen

On permanent employees	2022			2023		
	Female	Male	Total	Female	Male	Total
Hires (No.)	279	561	**840**	590	853	**1.443**
Hiring rate (%)	2,16 %	4,35 %	**6,51 %**	4,56 %	6,59 %	**11,15 %**

Hires by age group	2022		2023	
	Hires	Hiring rate	Hires	Hiring rate
60 years and +	11	0,09 %	13	0,10 %
50 - 59 years	117	0,91 %	105	0,81 %
40 - 49 years	201	1,56 %	261	2,02 %
30 - 39 years	327	2,53 %	599	4,63 %
21 - 29 years	182	1,41 %	424	3,28 %
<=20 years	2	0,02 %	41	0,32 %
Total	**840**	**6,51 %**	**1.443**	**11,15 %**

Hires by region	2022		2023	
	Hires	Hiring rate	Hires	Hiring rate
Americas	4	0,03 %	4	0,03 %
APAC	70	0,54 %	628	4,85 %
Europe	759	5,88 %	809	6,25 %
Meneat	7	0,05 %	2	0,02 %
Total	**840**	**6,51 %**	**1.443**	**11,15 %**

Termination and attrition rate

Internal workforce – permanent only
as of end of December

On permanent employees	2022	2023
Voluntary terminations	1.049	855
Voluntary attrition rate	10,20 %	7,80 %

On permanent employees	2022		2023	
	Female	Male	Female	Male
Voluntary terminations	415	634	334	521
Voluntary attrition rate	10,00 %	10,40 %	7,50 %	8 %

On permanent employees	2022		2023	
	Voluntary terminations	Voluntary attrition rate	Voluntary terminations	Voluntary attrition rate
60 years and +	7	0,70 %	9	1 %
50 - 59 years	47	1,70 %	44	1,50 %
40 - 49 years	183	6,40 %	144	4,70 %
30 - 39 years	478	19,80 %	364	12,80 %
21 - 29 years	324	52 %	279	26,30 %
<=20 years	10	20,40 %	15	13,76 %

On permanent employees	2022		2023	
	Voluntary terminations	Voluntary attrition rate	Voluntary terminations	Voluntary attrition rate
Americas	1	6,50 %	2	13,10 %
APAC	739	56,90 %	548	31 %
Europe	303	3,60 %	304	3,50 %
Meneat	6	15,40 %	1	2,50 %

Appendix-II
Governance Structure

Governance Body	Name	Role	Gender	Independence
Executive Board	Sabine Busse	Chief Executive Officer	F	Executive
	Franck Houdebert	Chief Human Resources Officer	M	Executive
	Mike Elbers	Chief Marketing Officer	M	Executive
	Dr. Ralph Fürderer	Chief Technical Officer	M	Executive
	Michael Flieger	Chief Financial Officer	M	Executive
Supervisory Board	Daniel Hager	Chairman	M	Non-Executive
	Dr. Filip Thon	Member of te Supervisory Board	M	Independent
	Peter Hager	Member of te Supervisory Board	M	Non-Executive
	Prof. Dr. Gisela Lanza	Member of te Supervisory Board	F	Independent
	Prof. Dr. Rainer Lorz	Deputy Chairman	M	Independent
	Antoine Raymond	Member of te Supervisory Board	M	Independent

Appendix-III
Anti-corruption data

GRI 205 Anti-corruption

205-2 Communication and training about anti-corruption policies and procedures

Anti-corruption policies and procedures communicated

Employee functions	2022	2023
Data Protection	100 %	100 %
Group Legal and Risk Management	100 %	100 %
Group Social Responsibility	100 %	100 %
Sales and Marketing Europe	98 %	99 %
Solution Development	99 %	98 %
Group Quality and Environment	99 %	98 %
Finance	99 %	98 %
Product Engineering	99 %	98 %
Human Resources	97 %	97 %
Digital and Information	97 %	97 %
Industrial Engineering	99 %	97 %
Group Real Estate, Investments and Business Services	98 %	96 %
Group Support Functions and Top Management	92 %	96 %
SDM Business Unit Safety	100 %	96 %
Social	94 %	95 %
Group Strategy	100 %	94 %
Group Communication	100 %	94 %
Sales and Marketing Engine Room	89 %	90 %
International Sales	82 %	89 %
India and China Sales	82 %	82 %
Hager Next	89 %	82 %
Sourcing and Supply Chain	78 %	79 %
Manufacturing	55 %	60 %
BU Energy Management	42 %	38 %

Country	2022			2023		
	No. of Employees	Policy Communi-cated	% of Employees Communi-cated	No. of Employees	Policy Communi-cated	% of Employees Communi-cated
Australia	93	65	70 %	105	75	71 %
Austria	25	25	100 %	30	30	100 %
Belgium	23	23	100 %	24	24	100 %
Bosnia and Herzegovina	20	17	85 %	20	17	85 %
China	1.561	624	40 %	1.482	548	37 %
Czech Republic	24	24	100 %	24	23	96 %
France	3.672	3.048	83 %	3.550	2.982	84 %
Germany	4.094	3.030	74 %	4.184	3.180	76 %
Greece	37	26	69 %	37	23	62 %
Hong Kong Special Administrative Region of China	11	11	100 %	12	11	92 %
Hungary	16	13	83 %	16	14	88 %
India	131	103	79 %	158	130	82 %
Indonesia	8	8	100 %	9	8	89 %
Ireland	23	19	83 %	22	18	83 %
Italy	488	293	60 %	496	308	62 %
Luxembourg	2	2	100 %	1	1	100 %
Malaysia	19	19	100 %	20	19	95 %
Netherlands	124	122	98 %	124	123	99 %
Poland	1.503	947	63 %	1.530	1.163	76 %
Portugal	57	48	85 %	59	54	92 %
Qatar	4	4	100 %	4	4	100 %
Romania	14	9	67 %	13	11	85 %
Singapore	13	13	100 %	15	14	94 %
Spain	190	127	67 %	213	173	81 %
Sweden	46	45	97 %	44	43	98 %
Switzerland	364	237	65 %	390	304	78 %
Turkey	13	10	80 %	12	12	100 %
Ukraine	31	20	64 %	31	19	60 %
United Arab Emirates	25	25	100 %	24	24	100 %
United Kingdom	255	224	88 %	283	238	84 %
United States	17	9	50 %	15	7	44 %

Anti-corruption policies and procedures training until 2023

Employee functions	Employee (Number)	Completion (Number)	Completion (Percentage)
Hager Next	15	13	87 %
Group Communications	26	21	81 %
Group Social Responsibility	9	7	78 %
Group Real Estate, Investments and Business Services	45	34	76 %
BU Energy Management	56	38	68 %
International Sales	236	160	68 %
Sourcing and Supply Chain	531	335	63 %
Industrial Engineering	179	110	61 %
Product Engineering	470	287	61 %
Solution Development and Marketing	238	143	60 %
Group Quality and Environment	166	96	58 %
Group Legal and Risk Management	11	6	55 %
Group Strategy	30	16	53 %
Sales and Marketing Europe	1.594	805	51 %
India and China Sales	180	89	49 %
Finance	256	121	47 %
Manufacturing	1.189	549	46 %
Sales and Marketing Engine Room	78	36	46 %
Digital and Information	330	149	45 %
Human Resources	190	82	43 %
SDM Business Unit Safety Detectors	36	14	39 %
Social	22	8	36 %
Group Support Functions and Top Management	24	1	4 %
Total	**5.911**	**3.120**	**53 %**

hagergroup

Contact

Samir Rouini
Corporate Social Responsibility Manager
samir.rouini@hagergroup.com
P +49 151 7054 9912

Markus Goegele
Media Relations, PR & Content Manager
markus.goegele@hagergroup.com
P +49 151 5166 41 28

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Project management:
Nadja Hoffmann / Group Communications
Content writing and editing: Corinna Schons
Design concept and Art Direction:
Stefan Kranz, J-Baptiste Raynal / Group Communications
Layout, graphics and typesetting: Astrid Schwörer
Illustration: Stefan Hübsch / Studio Final Final
Responsible for illustration content: Mert Siler
Digital report:
Stephan Pirsch, Philip Richter / reichweitenstrategien.de
Jill Abura / Group Communications

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E3 Ethics Employees Environment