



Sustainability *report* **2024**





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1. Sustainability *as a Core Value*

At **PFISTERER**, we are proud to play a role in combating climate change by delivering sustainable connectivity and insulation solutions for energy generation, transportation, and distribution. As enablers of the global energy transition, we work closely with our partners and customers to create innovative, sustainable products and solutions with minimal environmental impact.

In 2024, we further deepened our commitment to sustainability, driving initiatives from within. We measured Scope 3 emissions for the first time, established a dedicated Sustainability Committee, and implemented key performance indicators (KPIs) alongside robust processes to guide our efforts. Proactively aligning with the **Corporate Sustainability Reporting Directive (CSRD)**, we are well on track to meeting its requirements, ensuring we are prepared for future expectations.

This year also marked our first **Double Materiality Assessment (DMA)**, a significant milestone in identifying and prioritizing our environmental, social, and governance (**ESG**) impacts, risks and opportunities. The assessment confirmed our existing initiatives and goals, while also providing valuable insights to refine and enhance our approach in greater detail.

We are committed to continuous improvement, refining our sustainability strategy to adapt to evolving challenges and opportunities while driving meaningful progress. Together with our stakeholders, we aim to build a resilient, sustainable future, ensuring our actions align with our values and the needs of generations to come.



OUR GOALS

Reduce Greenhouse Gas Emissions

Our aim at PFISTERER is to become carbon neutral, thus contributing to reversing climate change. A key indicator for this is greenhouse gas emissions measured in CO₂ equivalents (CO₂e).

Engage with Stakeholders

To continuously develop our sustainability strategy, we involve all stakeholders, ranging from potential and existing employees to suppliers, banks, municipalities, and end customers.

Implement Circular Economy

We support the idea of the circular economy and strive to avoid waste. Through waste separation, we aim to reuse them in accordance with the circular economy.

Increase Energy Efficiency

Given rising emissions and energy prices, we aim to increase energy efficiency in our factories. Numerous individual projects have been initiated to reduce energy consumption through comprehensive measurements, analyses, and optimisations.

Increase Resource Efficiency

In line with efforts to improve energy efficiency, we aim to increase material efficiency. Our productivity should be increased through efficiency programs, recycling, and reuse.

ZERO-Accidents-Policy

With our zero-accidents-policy, we aim to prevent accidents before they occur. This includes the introduction of safety officers in each plant and similar measures.

Develop Sustainable Products

Our goal is to develop products with maximum lifespan and minimal impact on the environment and users. Therefore, we consider environmental and safety requirements early in the product development process.

100% Integrity

Our commitment to integrity forms the foundation of our business success. We adhere to legal regulations, codes of conduct, and take responsibility.

Promote Gender Equality

Our efforts include promoting gender equality, for example through part-time offerings.

Contribution to the Sustainable Development Goals of the United Nations

PFISTERER is committed to implementing the United Nations Sustainable Development Goals (SDGs). These 17 goals aim to address global challenges such as poverty, hunger, climate change, and inequality by 2030, creating a sustainable future for generations to come. PFISTERER is dedicated to responsible action and contributes particularly to the following Sustainable Development Goals (SDGs):

SDG3: Good Health and Well-being

As a forward-thinking company, we prioritise the health and well-being of our employees by offering flexible work models and health promotion initiatives.

SDG5: Gender Equality

We advocate for gender equality by providing equal opportunities for all employees and addressing individual needs. We foster an open corporate culture that values diversity and actively promote women in leadership positions.

SDG7: Affordable and Clean Energy

Our products are integral to the energy grid, directly contributing to reliability. With low maintenance requirements and high reliability, they help reduce overall lifecycle costs.

SDG8: Decent Work and Economic Growth

At PFISTERER, all employees have the opportunity to fulfil their potential, take on responsibility, and contribute their ideas. This is facilitated through targeted training and development initiatives. Our goal is to provide secure jobs with high social benefits and a balanced work-life balance.

SDG9: Industry, Innovation and Infrastructure

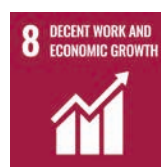
Through our research and development efforts, we strive to develop innovative products and applications for global markets, promoting future fields such as sustainable energy generation and transmission, increasing mobility, and urbanisation.

SDG12: Responsible Consumption and Production

A central aspect of our sustainable practices is reducing resource consumption such as raw materials, energy, and water. We implement continuous measures to reduce our energy and resource consumption.

SDG13: Climate Action

Our products play a crucial role in building the smart grids of tomorrow and enabling the efficient transmission of renewable energy. In our own manufacturing processes, we continuously work to improve energy efficiency to reduce energy consumption and associated CO₂ emissions.





2. Double Materiality Assessment

In 2024, we conducted a **Double Materiality Assessment (DMA)** aligned with the Corporate Sustainability Reporting Directive (CSRD) and **European Sustainability Reporting Standards (ESRS)**. Using a structured, top-down approach, we prioritized key environmental, social, and governance (**ESG**) topics to ensure strategic alignment and compliance.

Methodology and Integration of Stakeholders

Our methodology combined qualitative stakeholder interviews, quantitative financial evaluations, and expert panel reviews to identify significant impacts, risks, and opportunities. Key stakeholders included customers, employees, investors, local communities, and suppliers, with proxies used for these categories. We applied the topics outlined in the **European Sustainability Reporting Standards (ESRS)**, incorporating the entire value chain into our analysis. Throughout the process, external accounting advisors provided guidance and validated that our approach and evaluation adhered to the **ESRS** requirements. Looking ahead, the **Double Materiality Assessment (DMA)** will be updated annually to ensure continued alignment with evolving standards and stakeholder expectations.

Outcomes and Strategic Alignment

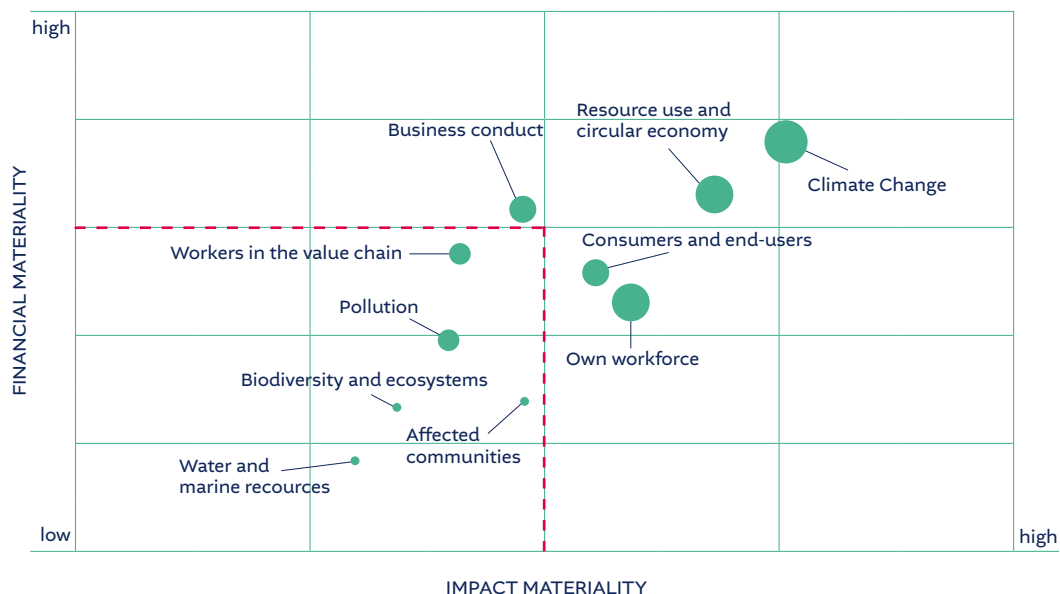
The DMA identified core priorities, including the energy transition, resource efficiency, employee satisfaction, customer focus, and governance. These align with our strategic goals and core values of innovation, accountability, and sustainability. The results guide our sustainability strategy, ensuring it supports compliance and long-term growth.

Our Material Topics

- **Energy Transition and Climate Change:**
Supporting renewable energy with sustainable technologies.
- **Efficient Resource Use and Circular Economy:**
Minimizing waste and optimizing material use.
- **Employee Satisfaction and Working Conditions:**
Promoting well-being, equality, and growth.
- **Consumers and End-Users:**
Ensuring product safety, reliability, and innovation.
- **Governance and Compliance:**
Strengthening trust through transparent practices.

CONCLUSION

The 2024 DMA has reinforced the importance of integrating sustainability into our operations and strategy. By continually refining our approach, we aim to drive long-term value for stakeholders and contribute to a sustainable future. In the double materiality matrix, the ESRS sub-topics are presented based on their impact and financial materiality. The size of the markers reflects the significance of each topic for stakeholders.





3. Environment

As a manufacturing company with our own products, we have a special responsibility for the environment. We aim to handle resources and energy responsibly and continually improve, reducing our environmental impact and contribution to climate change. We consider all processes in the manufacturing process from raw materials to installation and throughout the product lifecycle. Our strategy involves consistently measuring all necessary KPIs to then install targeted and sustainable measures. Our goal is to provide products with the lowest possible environmental footprint.

Sustainable Product Design

Our products are designed for maximum durability and longevity, ensuring the safety and resilience of energy networks. By leveraging intelligent, simulation-based design, we minimize material usage and environmental impact. Throughout the design process, we prioritize the use of recycled raw materials, ease of maintenance and repair, and strict compliance with European regulations (WEEE, RoHS, REACH) to enhance sustainability and regulatory adherence.

ACTIONS

During the year, we have taken significant steps towards achieving our targets:

- **Qualification of CONNEX system for environmentally friendly 420kV clean air applications:** PFISTERER's CONNEX system has been qualified for use in Siemens Energy's 420kV clean air switchgear, making it the first certified connection technology for this eco-friendly application. Clean Air, composed of natural ambient air components like oxygen and nitrogen, offers a sustainable alternative to SF6.
- **Transition to electric vehicles:** As part of our electrification policy rollout, many newly leased vehicles are now electric. The acquisition or leasing of non-electric vehicles is being phased out, with exceptions for specific cases such as regions lacking charging infrastructure or for specialized installation vehicles.
- **Charging infrastructure:** Electric vehicle charging stations have been installed for employees in Winterbach and Gussenstadt.
- **Photovoltaic expansion:** A photovoltaic system with 487 kWp has been installed at our Gussenstadt facility. It is expected that this system will generate 476,000 kWh of renewable electricity annually.
- **Renewable energy usage:** Our Kadan facility sourced 50% of its electricity consumption from renewable sources.
- **Energy efficiency measures:** Various measures were implemented to increase energy efficiency, including the expansion of LED lighting and the installation of more efficient heating panels in production areas.

- **Climate change education:** We developed an interactive online learning course focused on climate change and practical steps our employees can take to reduce emissions. In the first two months since its launch, over 150 employees have already participated, demonstrating a strong interest.
- **Scrap reduction:** Savings were achieved through training, process improvements and technical upgrades.

FUTURE ACTIONS

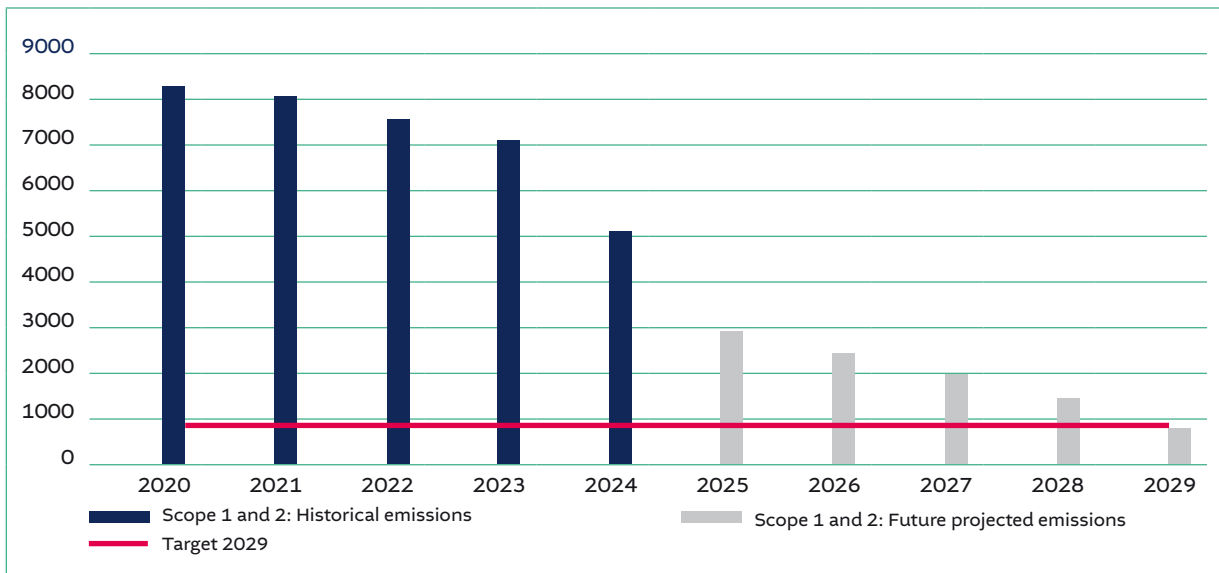
- **Global renewable energy sourcing:** Expand sourcing of renewable energy globally by purchasing 100% of renewable energy until 2030.
- **Photovoltaic expansion:** Increase the installation of photovoltaic systems at our facilities.
- **Vehicle fleet electrification:** Continue the global electrification of our company vehicle fleet, aiming to achieve an 80% electric vehicle composition by 2029.
- **Wood chip heating plant:** Replace natural gas heating in Gussenstadt by purchasing district heating from a wood chip plant by 2025/2026.

TARGETS*

	Target	2024	2023	2022	Base Year 2020
CO ₂ e Emissions Scope 1 (t CO ₂ e)	Reduce 90% by 2029 compared to 2020 without carbon offsets. Net Zero by 2030 through the use of carbon offsetting for remaining emissions.	3,205 (-35% compared to base year)	3,696	4,588	4,942
CO ₂ e Emissions Scope 2, market-based (t CO ₂ e)	Reduce 90% by 2029 compared to 2020 without carbon offsets. Net Zero by 2030 through the use of carbon offsetting for remaining emissions.	1,868 (-43% compared to base year)	3,418	2,908	3,294
CO ₂ e Emissions Scope 3 (t CO ₂ e)	Develop reduction target in 2025	258,834	292,239	-	-
Energy Intensity (MWh / revenue in million €)	Annual saving	47.29 (-16% compared to previous year)	56.51	75.66	72.13
Recycling Rate (%)	Annual increase	74.86 (-10% compared to previous year)	82.76	80.97	81.75

* Changes compared to the previous reporting year: All PFISTERER locations are now included.

Scope 1 and 2: Pathway to reduce Scope 1 and 2 emissions to meet 2029 target



CO₂e Emissions: Scope 1, 2, 3**

(t CO ₂ e)	2024	2023	2022	Base Year 2020
Scope 1	3,205	3,696	4,588	4,942
Scope 2 (market-based)	1,868	3,418	2,908	3,294
Scope 2 (location-based)	4,475	4,706	4,187	4,448
Scope 3 (including 3.11)	258,834	292,239	-	-
Scope 3 (exkluding 3.11)	127,973	126,016	-	-

** Changes compared to the previous reporting year: All PFISTERER locations are now included. Sold subsidiaries have been deducted according to the GHG Protocol guidelines. Emission factors have been updated for all reporting periods.





4. Social

Shaped by our values of teamwork, responsibility, and sustainability, it is natural for us to establish these in collaboration with our employees, our local communities, and throughout our entire supply chain. Close communication and cooperation with our stakeholders are the key to our success. In the future, we will expand our activities along the supply chain to achieve our **sustainability goals**. We count on our long-standing partners and their commitment to adhering to the Code of Conduct and pursuing equally ambitious **sustainability goals**.

In 2024, PFISTERER initiated the process to align with the **German Supply Chain Due Diligence Act (LkSG)** by conducting an abstract risk analysis, followed by concrete risk assessments, supplier self-disclosures, internal self-disclosures, and a final rating to mitigate risks. Although not legally bound by **LkSG**, we voluntarily adopt its principles and aim for full compliance by 2025. Our commitment to human rights and environmental protection is reinforced by international frameworks such as the **ILO Declaration on Fundamental Principles and Rights at Work**, the **UN Guiding Principles on Business and Human Rights**, the **10 Principles of the UN Global Compact**, and the **OECD Guidelines for Multinational Enterprises**.

We are committed to fostering equal opportunities for all, regardless of ethnic background, race, religion, age, gender, disability, sexual orientation, perspective, or social status. To support our employees and their families, we actively promote flexible work arrangements such as part-time positions, parental leave, and One-Off Payment (Tarifliches Zusatzgeld, T-ZUG) benefits at IG Metall locations.

In 2024, we launched PFISTERER One World, a dedicated platform for our community support initiatives. This initiative serves as a unified framework to consolidate our global efforts, focusing on meaningful contributions to the communities where we live and work. Through events, donations, and collaborative activities, we aim to make a lasting positive impact.

ACTIONS

Throughout the year, we have made substantial progress in creating a future-ready workplace and fostering strong partnerships:

- **Supply Chain Due Diligence Act:** Initiated compliance process with risk analysis and assessments, aiming for full adherence by 2025.
- **One World event in China:** Our dedicated team in Changshu joined forces for a river cleanup at the Changshu River. Over the course of a single day, they worked collaboratively to collect waste from the riverbanks, making a meaningful contribution to improving their local environment and community.
- **Health Day in Winterbach:** We organized a dedicated Health Day event at our Winterbach location, focusing on employee well-being and health awareness. Activities included blood pressure measurement, sleep analysis, distribution of healthy snacks, and engaging activities to promote healthy living. Employees also received valuable information on maintaining wellness in the workplace.

- **Safety and ergonomics training vehicle:** To address safety and ergonomic challenges across various roles, we deployed a mobile training vehicle. This initiative provided hands-on sessions tailored to logistics, manufacturing, maintenance, and office work. Key topics included safe handling of goods, accident prevention, and workplace ergonomics, promoting both immediate and long-term health benefits for employees.
- **Bicycle training program:** With the growing adoption of our bike-leasing program, we introduced a bicycle training initiative to enhance traffic safety and accident prevention. The program included theoretical sessions on traffic rules, reaction times, and safety strategies, along with practical exercises such as braking drills, stability training, and navigating obstacle courses. This initiative encourages employees to adopt cycling as an eco-friendly and healthy commuting option.
- **E-learning expansion:** We significantly expanded our portfolio of e-learning courses, offering employees a diverse range of professional development opportunities. This effort saw high levels of participation and engagement, underscoring our commitment to continuous learning and skill enhancement across the organization.

TARGETS

Lost Time Injury Rate (LTIR) per million hours worked:

ZERO-accidents-policy with the goal of an annual reduction of 10%

→ 28% Reduction from 2023 to 2024 from 14.35 to 10.25.*

Training hours:

Increase by 5% annually

→ increase by 56% from 2023 to 2024 from 6,002 to 9,416 hours.

* Changes compared to the previous year: All PFISTERER locations are now included. The values for previous years have been recalculated accordingly.





5. Governance

We at PFISTERER are committed to strong governance and integrity. For over 100 years, our global customers have trusted us - that sets us apart, and this is what we aim to continue. Our cross-company Code of Conduct, the compliance and risk management system ensure that the rules and ethical principles are consistently adhered to.

We have a zero-tolerance policy against bribery. We commit to complying with all laws and regulations regarding antitrust and fair competition. To ensure compliance throughout our upstream value chain, we require our business partners to adhere to our Supplier Code of Conduct. We are convinced that such compliance is essential to gain the trust of our stakeholders and maintain our reputation as a responsible and respected company. Regarding the defined compliance risks, PFISTERER has a **Compliance Management System (CMS)** that is essentially oriented towards the IDW Standard 980.

Tax Governance Principles

PFISTERER complies with all applicable tax and customs regulations, including corporate tax, payroll tax, VAT, duties, and excise taxes in the countries where it operates. This includes timely filing of declarations and payments. In intercompany transactions, we adhere to internationally recognized transfer pricing principles.

Information Security Management

PFISTERER has implemented a tailored Information Security Management System (ISMS) to meet industry and stakeholder requirements, including those of critical infrastructure (KRITIS) partners. Aligned with the NIS2 Directive, the ISMS ensures a robust and cyber-resilient supply chain. To maintain a high level of security, PFISTERER evaluates cyber threats and risks monthly, defines appropriate countermeasures, and conducts annual independent assessments to verify the effectiveness of its security controls.

ACTIONS

- **Governance Committee:** In 2024, we decided to establish a Governance Committee to enhance integrity and strengthen our processes. This committee will be implemented in 2025, convening at regular intervals to review and advance key initiatives, ensuring continuous alignment with governance standards and best practices.
- **Compliance training:** This year, PFISTERER has reinforced compliance through regular e-learning for all employees with PFISTERER Outlook access and tailored training for high-risk groups, while also offering training to certain key business partners (such as sales intermediaries or certain service providers) on a case-by-case basis if required. A global approval policy and zero-tolerance stance on bribery support our Code of Conduct, complemented by internal audits and a whistleblower system for violations.
- **IT Security:** We are protecting access to our systems and applications through a universal multifactor-authentication solution. Our computer- and server systems are monitored 24/7 by a managed Security Operations Center (SOC). We are managing IT systems for all devices worldwide and establishing a holistic level of security through technical and regulatory policies in all covered PFISTERER companies.

TARGETS

Reports from the Whistleblower System: Zero substantiated compliance violations
→ From three whistleblower cases, zero were concluded as substantiated in 2024.

6. Certificates and ESG-Ratings

PFISTERER holds the following certifications:

Company-Wide Certifications:



ISO 9001:2015 – Quality Management Systems



ISO 14001:2015 – Environmental Management Systems



ISO 45001:2018 – Occupational Health and Safety Management Systems

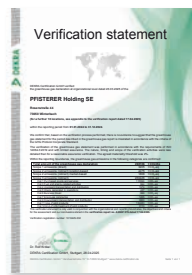
Main Manufacturing Site:



ISO 50001:2018 – Energy Management Systems



ESG Ratings:
PFISTERER is regularly assessed by EcoVadis.



ISO 14064-3:2019 – Greenhouse gases