

OUR UNDERSTANDING OF SUSTAINABILITY



EDITION
03.2026

ESG AT STEGO: RETHINKING RESPONSIBILITY

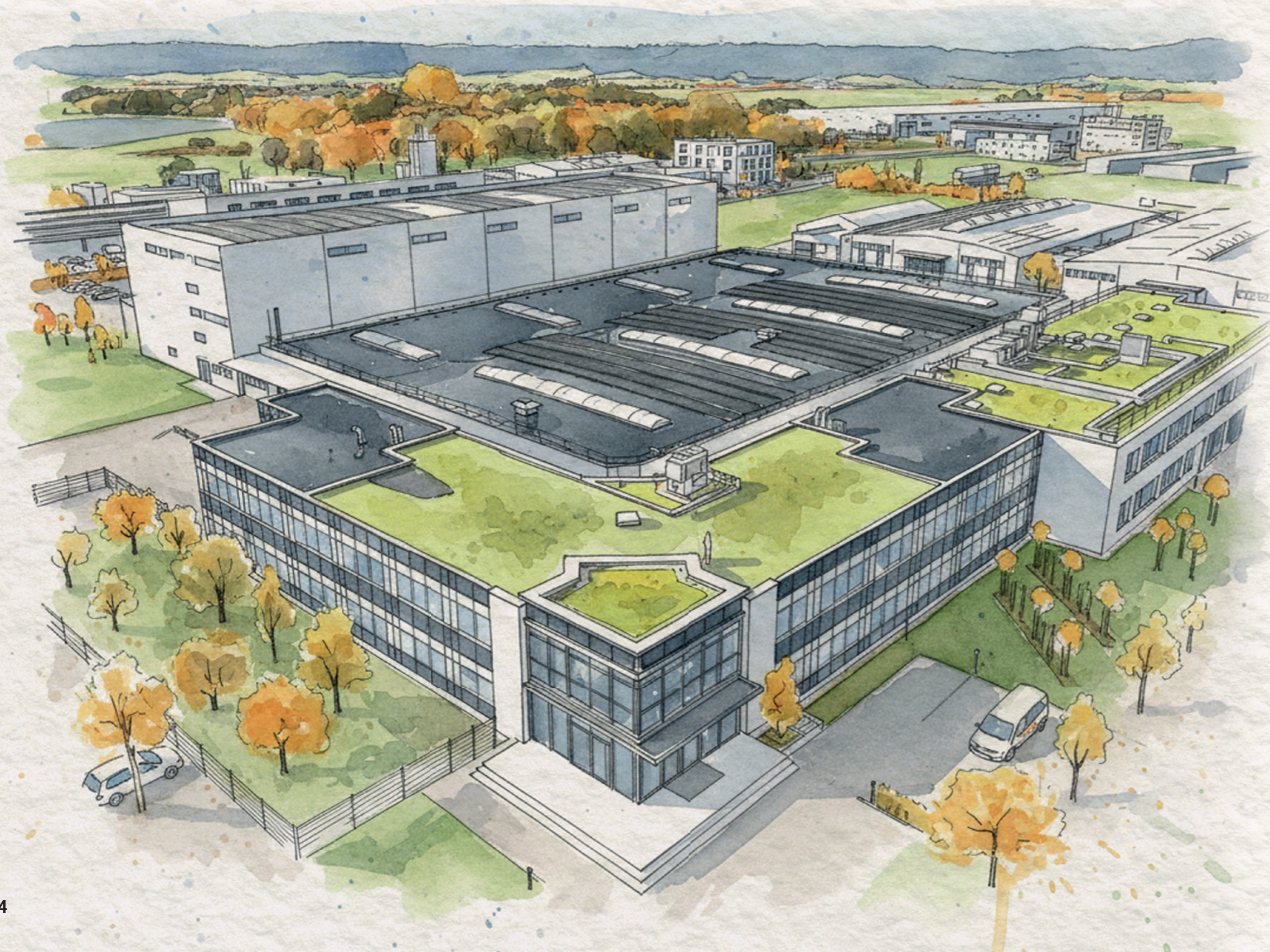
” WE SHAPE THE FUTURE BY TAKING RESPONSIBILITY FOR A SUSTAINABLE, RESILIENT COMPANY – STEGO – AND FOR THE PEOPLE WHO BRING THESE VALUES TO LIFE.

Change does not begin by force, but with mindset. At STEGO, we see sustainability not as an obligation, but as an expression of our **entrepreneurial identity**. Our ambition is to unite progress and responsibility – not in response to regulatory requirements, but out of conviction. The pursuit of durability, quality, and a respectful approach to the environment and society shapes our history as a **family-owned company**. That is precisely why we pursue a holistic ESG approach that is embedded across all areas of the company.

The three pillars of our understanding – Environment, Social, Governance – are not merely a reporting framework. They reflect a **broader ambition**: to develop future-ready products, to be an employer that offers more than just security, and to make business decisions that are transparent, efficient, and responsible. ESG at STEGO means **thinking in cycles**, acting through dialogue, and planning for the long term.



ENVIRONMENTAL RESPONSIBILITY



ENERGY & CO₂-FOOTPRINT

We view **sustainability as a leadership responsibility** – strategically conceived and driven by conviction. STEGO has set the goal of achieving a balanced CO₂ footprint in direct (Scope 1) and indirect (Scope 2) emissions by 2030. This objective is the result of a structured process that began in 2022 with a comprehensive energy audit conducted by an external institute. The recorded consumption data and emissions formed the basis of our roadmap. It follows a clear path: annual reduction targets, targeted energy-saving measures, and the gradual expansion of in-house electricity generation.

A key component is our 300 kWp photovoltaic system, which has been in operation since 2024. Modern LED lighting, heat recovery systems, and an intelligent heating and cooling concept complement the installation. Together, these measures reduce energy consumption and create redundancies in our energy supply. The integration of **district heating and solar energy** enables sustainable base-load coverage. It is a strong example of how existing technology can be combined with innovation. Indirect greenhouse gas emissions along the upstream and downstream value chain (Scope 3) are currently being addressed with caution in light of political developments, while we continue to monitor the discussions closely. Our supply chains remains a long-term area of focus.

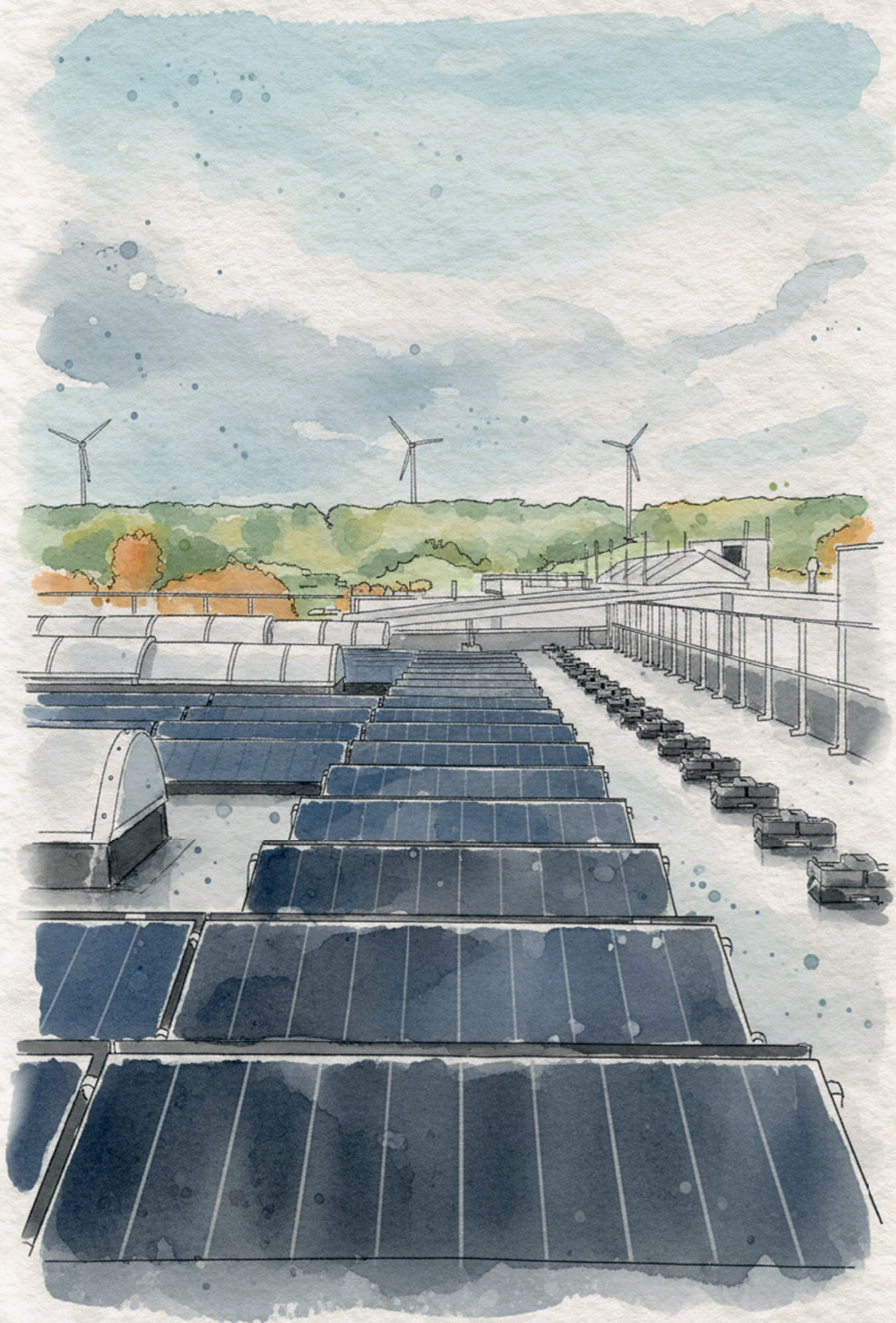
BUILDING CONCEPTS MICROCLIMATE

The new administration building, constructed to the German **KfW 40 high energy-efficiency building standard**, represents our philosophy. Energy efficiency and high quality should not be mutually exclusive. Modern heating and cooling ceiling systems, passive insulation, green roofs, and natural shading from green spaces and deciduous trees work together to create a pleasant microclimate. This benefits both people and the surrounding ecological system.

The **STEGO Garden** is another example of how we approach sustainability holistically. Designed as a species-rich biotope, it offers a long flowering season for pollinating insects. Targeted planting of wildflowers, herbs, trees, and hedges supports this goal. The design follows a coordinated flowering concept that promotes **biodiversity** and positively influences the microclimate around our building. Insect habitats, shade-providing deciduous trees, and extensive green roofing complement the

overall ecological system. Together, these elements make the STEGO Garden a living expression of our values. The **integrated "sponge city"** concept, implemented together with the City of Schwäbisch Hall, ensures that rainwater on the company premises infiltrates locally and replenishes groundwater. This approach relieves the sewer system while strengthening the local **urban micro-ecosystem**. For this implementation, we received the City of Schwäbisch Hall Environmental Award in 2024. The recognition confirms that thoughtful planning can deliver benefits for society.





PRODUKT DESIGN & SUSTAINABILITY

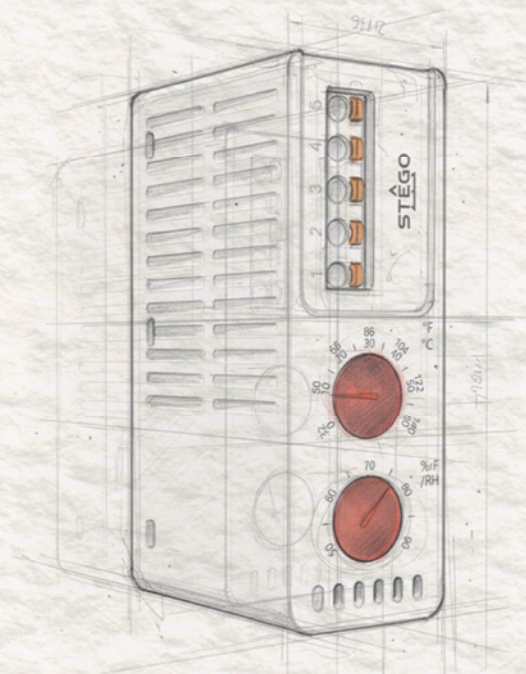
We view every product not only as a technical component, but as part of a system. This perspective means that material efficiency, repairability, and recyclability are considered from the earliest stages of development. The **R-strategies** promoted in sustainability-oriented engineering disciplines and **circular system design** serve as guiding principles. We integrate these principles into our development work.

AVOIDANCE & RECYCLING

For us, sustainability does not begin with recycling. It begins with the question of whether the use of a material is necessary at all. That is why we prioritize **avoidance over recovery** in production, logistics, and office operations. The shift to paperless processes, digital document workflows, and modern printing technology has significantly reduced paper consumption. Annual usage has fallen from 360,000 to fewer than 40,000 sheets per year.

We are also taking new approaches in shipping logistics. Our internally designed carton lock has significantly reduced use of adhesive tape. Our packaging solutions are designed for consistent use from suppliers to the customer. This creates a kind of **closed loop** in transportation. Measurement systems to capture packaging volumes, tests to reduce film usage, and systematic waste separation in production round out our resource management.

A good example is the design principle of rounding the corners of STEGO products' plastic housings. While seemingly small, this change saves a significant amount of material. We also plan to introduce a system for measuring **CO₂ per product**. This will help us make even more informed development decisions in the future. Our products are increasingly used in sustainable applications such as solar technology, wind power, hydrogen infrastructure, and e-mobility. This further encourages us on our path.



SOCIAL RESPONSIBILITY

PEOPLE & TOGETHERNESS

For STEGO, social responsibility means always viewing business success in connection with the people who make it possible. **Appreciation**, equal opportunities, and development prospects are not add-on measures for us but fundamental principles that guide our actions. We see ourselves as an employer that creates reliable conditions. Within this environment, performance, health, and personal development all have their place. Open communication, transparent decisions, and mutual respect form the foundation of our **working culture**. At the same time, we take responsibility beyond the boundaries of the company. This includes engagement in the region, within networks, and through social dialogue. These efforts strengthen cohesion, promote diversity, and ensure long-term stability and trust.



WORK CULTURE EMPLOYEE WELL-BEING

A company is only as strong as the people who contribute to it. That is why a working environment that supports **appreciation and quality of life** is important to us, not just efficiency. Our measures range from a new canteen offering regional meals to bicycle leasing and modern home-office arrangements that enable flexible work. Even small details reflect this mindset. , Examples include deliberately avoiding

capsule coffee machines or using water dispensers with glass bottles.

In addition, we offer **flexible working time models** with working-time accounts, flex-time, and break arrangements that take individual needs into account. We believe that only those who feel seen and taken seriously in everyday work will find the freedom that good work requires.

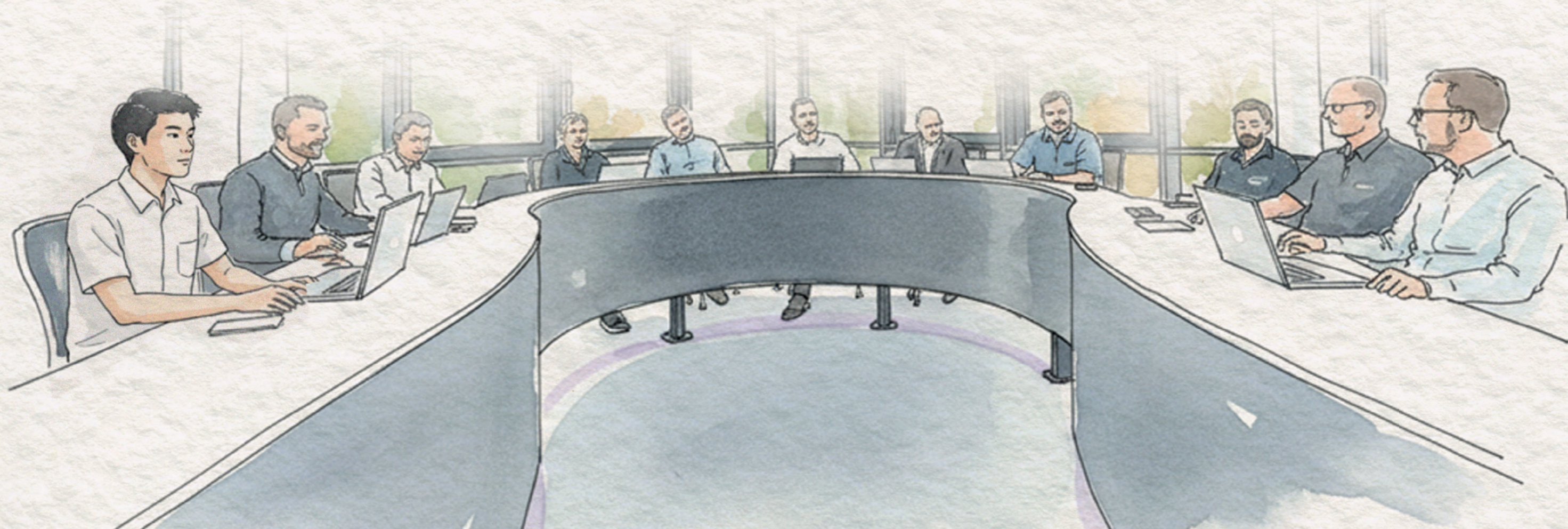
DIVERSITY EQUAL OPPORTUNITIES

STEGO stands for a **culture of openness**. Our workforce is diverse in terms of age, background, gender, and breadth of experience. Internationality is not a new phenomenon for us, but a lived reality. With nine locations worldwide today, we recognized the opportunities of global collaboration early on and anchored them within our organization.

To **support and benefit** from this **diversity**, we have implemented a range of measures. Regular employee surveys provide an accurate picture of overall sentiment and

help us to make targeted decisions. Free German courses for international employees and a strong commitment to inclusion are key components. We also provide video translations of important company information, such as , work meetings, in the languages spoken at STEGO. In this way, we ensure that everyone understands and is understood across all locations and on equal footing.

At STEGO, no one should be left out, neither in communication nor in development opportunities.



KNOWLEDGE DEVELOPMENT

Knowledge transfer and retention are key topics for the future viability of our company. For this reason, we invest in **training programs**, digital knowledge databases, and cross-departmental teams. These teams bring together expertise from different areas and help develop it further.

In our **talent pool program**, we identify and support internal potential in a targeted way. At the same time, we open ourselves to new ideas with discussions where new employees are on the same level as the management team or through the established Energy Scout program. This creates an ongoing dialogue about improvements that includes everyone.

We deliberately expand our knowledge further through the targeted use of **AI-supported tools**. These tools help generate, structure, and analyze information. They also support us in identifying potential improvement and developing new solutions. We see AI not as a replacement, but as a complement to human judgment. It is used responsibly and in line with applicable EU regulations.

This future-oriented approach to technology reflects an **intellectual curiosity** that has always characterized STEGO. We aim to learn, experiment, and stand out from the market through unconventional ways of thinking. Innovation requires the courage to remain open.

ENGAGEMENT & COMMUNITY

STEGO sees itself not only as an employer, but as an **active part of the community**. Through planting initiatives, cooperation with schools, and support for local infrastructure projects, we contribute to quality of life in our region. A special focus is supporting the reforestation of climate-stressed forest areas. This work takes place in cooperation with the Forestry Office of the City of Schwäbisch Hall. It reflects our commitment to biodiversity and climate resilience.

We are also active beyond our region. In networks such as ZVEI (German Electrical and Digital Industry Association), we contribute our expertise both nationally and regionally. Our knowledge also feeds into the national, biennial **Green Electronics** event series. In 2025, we participated as an active partner, contributing presentations, discussions, and exchanges on sustainable innovations in the electronics industry.

In addition, we also support sports beyond the region. Examples include sponsorship of the Schwäbisch Hall Unicorns, multiple-time winners of the German Bowl in American football, and the **Crailsheim Merlins**, a basketball team in Germany's 2nd division.

Through our locations, we support social projects in Europe and around the world. Our goal is to have a sustainable impact not only ecologically and economically, but also socially.



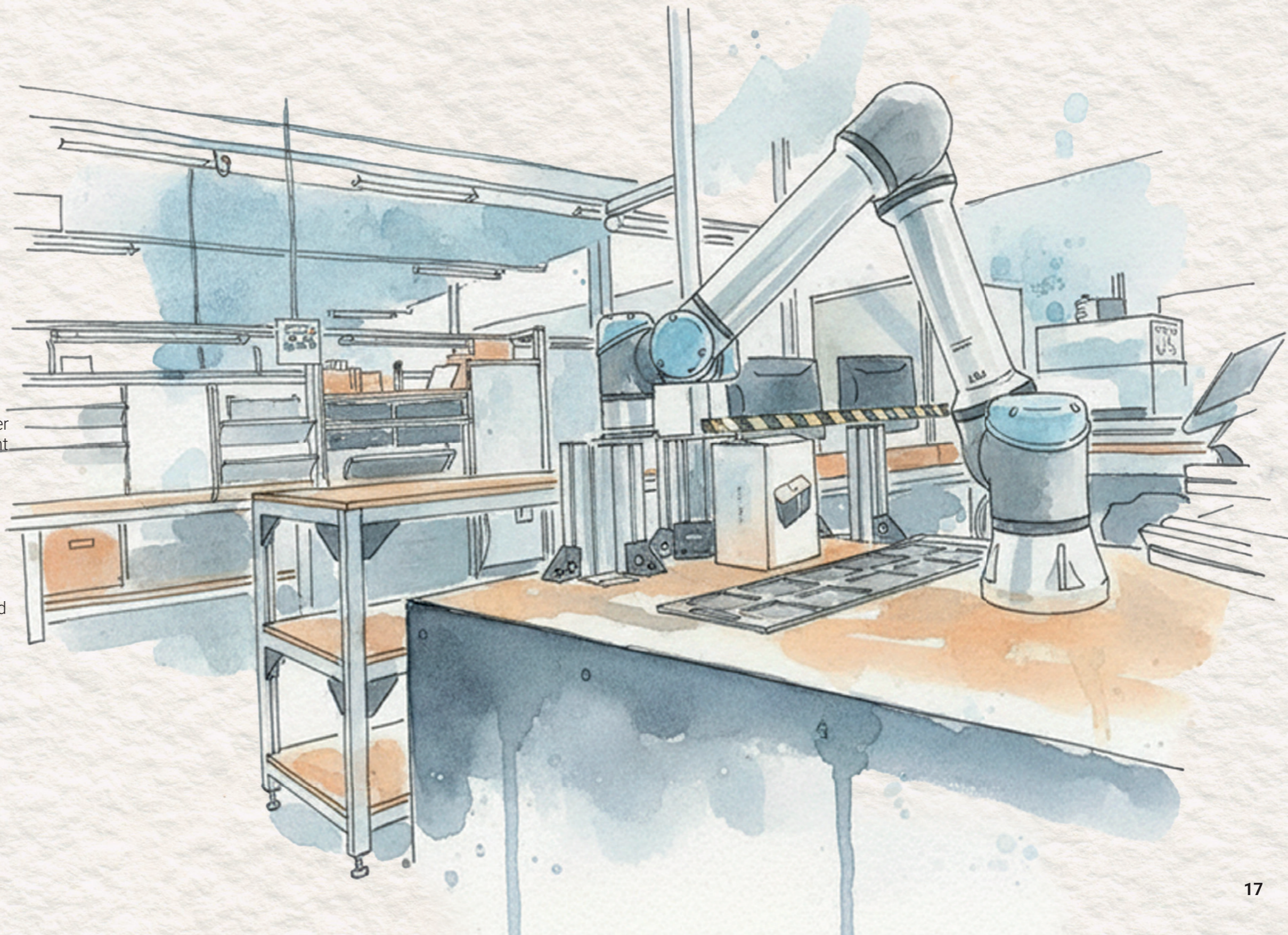
CORPORATE RESPONSIBILITY

& TRANSPARENCY RELIABILITY

For STEGO, **good corporate governance** is not an empty phrase but a central pillar of our stability and resilience. An integrated risk management system provides the necessary oversight. It also ensures that we remain able to act even in a changing market environment.

With **certifications** to ISO 9001, ISO 14001, and ISO 45001, we rely on verifiable standards. In addition, we have an internal compliance system, whistleblower protection, and regular audits. Transparent management reporting is supported by digital dashboards.

Our actions follow clear principles: **transparency, reliability, and responsibility** beyond the moment. We make decisions openly and with a view to sustainable impact, in the interest of the company and the people who support it. Discrimination has no place at STEGO. Instead, we promote a corporate culture that practices respect and strengthens trust.



& EFFICIENCY COST AVOIDANCE

We also understand sustainability as **economic common sense**. Conserving resources benefits the environment and increases our **resilience** to potential crises and market challenges. For this reason, we focus on smart warehousing, optimized packaging materials, digital process automation, and scalable production.

A strong example of combining efficiency with environmental responsibility is our company-wide **compressed-air monitoring**. Together with our development partner achtBytes, a company within the STEGO Group, we have built a system that detects leaks, identifies pressure losses at an early stage, and automatically evaluates anomalies using AI – down to the individual branch lines.

These measures not only noticeably reduce energy consumption but also make a tangible contribution to reducing our CO₂ footprint in an energy-intensive production process.

At STEGO, sustainability is not an add-on, but part of a **well-thought-out overall strategy**. Only by integrating it in this way can we endure as a company in the long term – economically successful, socially relevant, and environmentally responsible.

& THINKING AHEAD LOOKING FORWARD

Sustainability is not a destination you reach; it is a path we choose deliberately. This document presents our **understanding of sustainability** and our commitment to continuous improvement. It highlights our achievements and makes visible the goals we still intend to pursue.

At STEGO, we are convinced that business success and **social responsibility** go hand in hand. That is why we want to continue providing new impulses, driving innovation, and working with our employees, partners, and customers toward a future worth living.

We thank everyone who is walking this path with us – critically, committedly, and actively shaping it. Because only together can we create lasting change.



Imprint
STEGO Elektrotechnik GmbH
Kolpingstraße 21
74523 Schwäbisch Hall
Germany
www.stego-group.com

