

The background of the cover is a photograph of a brick building with several windows. The windows have dark frames and some have white blinds. The building is partially obscured by green foliage in the foreground, which is slightly out of focus. The overall tone is bright and natural, with sunlight filtering through the leaves.

DIEHL

SUSTAINABILITY REPORT 2024

MANY SOLUTIONS, ONE GROUP

HELPING SHAPE A SUSTAINABLE FUTURE

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Note:
For better readability, gender-specific differentiation is omitted.





Abbreviations

BP-1	General basis for preparation of sustainability statements
BP-2	Disclosures in relation to specific circumstances
CSRD	Corporate Sustainability Reporting Directive
E-1	Climate change ESRS topical standard
E-2	Pollution ESRS topical standard
E-3	Water and marine resources ESRS topical standard
E-5	Resource use and circular economy ESRS topical standard
E-PRTR	European Pollutant Release and Transfer Register
ESRS	European Sustainability Reporting Standard
G-1	Business conduct ESRS topical standard
GOV-1	The role of the administrative, management and supervisory bodies
GOV-2	Information to and sustainability matters of the administrative, management, and supervisory bodies
GOV-3	Integration of sustainability-related performance in incentive schemes
GOV-4	Statement on due diligence
GOV-5	Risk management and internal controls for sustainability reporting strategy
IPCC	Intergovernmental Panel on Climate Change
IRO	Impacts, risks and opportunities
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement
PPA	Power Purchase Agreement
REACH	Registration, Evaluation, Authorization and Restriction of Chemicals
RCP8.5	Representative Concentration Pathway 8.5
S-1	Own workforce ESRS topical standard
S-2	Workers in the value chain ESRS topical standard
SBM-1	Strategy, business model and value chain
SBM-2	Interests and views of stakeholders
SBM-3	Material IRO and their interaction with strategy and business model
TCFD	Task Force on Climate-Related Financial Disclosure

DEAR SIR OR MADAM, DEAR COLLEAGUES,

The year 2024 was marked by numerous discussions on sustainability. While some countries reduced their ambitions in this area, a certain type of standard has been established in many companies worldwide. This development shows that sustainability has now become an integral part of corporate management.

From the start, our Group has pursued a proportionate and well-measured approach, deliberately setting sustainable and realistic goals. This strategy has proven successful and will continue to guide our actions in the future.

This report provides more transparent information on the social and environmental impact of our business activities and is oriented on the Corporate Sustainability Reporting Guideline (CSRD), which has not yet been implemented in Germany. The establishment of reliable indicators and measurement methods helps us to identify and prioritize key issues. Consequently, the Group ensures that all steps are always target-oriented and effective.

The Diehl Group took numerous measures last year to achieve its ESG-related targets. These include, for example:

Climate change

Through the increased use of renewable energies, we were able to reduce our CO₂ footprint. We installed a 1.4 MWp photovoltaic system at our aviation site in Laupheim and a 4 MWp PV system at the Metall site of Diehl Brass Solutions in Röthenbach.

By the end of 2024, the Diehl Group has covered a further 20% of its electricity consumption at its German sites with green electricity from Power Purchase Agreements (PPAs). Several additional PPAs have been concluded for 2025.



Health and safety

To establish a safe working environment, all Diehl Metering sites were certified in accordance with DIN EN ISO 45001 in 2023, following the domestic Diehl Metall sites last year. In addition, a standard set of key performance indicators for occupational safety was introduced within the Group.

Equal treatment and opportunities

For the further promotion of a working environment characterized by respect and equal opportunities, we have worked on a group-wide guideline to further raise awareness among managers and employees and to avoid unconscious biases.

Business conduct

By merging the Compliance Department and the Data Protection Department, we have further strengthened our governance structures to ensure that our business practices are ethical

and transparent. Comprehensive training supports compliance.

We invest strategically in technologies and solutions that accelerate the sustainable transformation of the Group. These include innovative products such as smart meter networks, lightweight components for aviation, efficient power electronics, lead-free brass alloys, and system solutions in the field of air defense.

As part of our social responsibility, we have taken targeted measures to improve the working conditions of our employees and create a positive working environment that increases employee satisfaction. These include, for example, the rollout of workation and the EGYM Wellpass. We also support the professional development of our employees through comprehensive training programs, for example in the field of AI.

These measures, which are part of our comprehensive strategy, aim to integrate sustainability and the associated opportunities and risks into our strategic considerations. We are aware that integrating sustainability criteria into our business strategy is not just a matter of compliance, but the opportunity to create long-term value and strengthen our competitiveness. The challenges we are facing are complex and diverse; yet we are determined to do our part to contribute to a sustainable future.

The Executive Board of the Diehl Group

FORWARD-LOOKING
ACTION AND A
SUSTAINABLE CORPORATE
CULTURE.



- Governance provides structure and monitors sustainability management
- Materiality assessment identifies areas for action within the Group
- Common priorities of the sustainability strategy defined
- Long-term investments in innovative solutions and technologies for a safe and sustainable future

BASIS FOR PREPARATION

BP-1 AND BP-2

To provide stakeholders with a transparent picture of the Diehl Group's sustainability performance, a Sustainability Report for the fiscal year 2024 was prepared on a voluntary basis. The basic structure has been retained to ensure consistency in reporting. This approach enables the presentation of progress in the sustainable transformation in a clear and transparent manner.

The Sustainability Report for the fiscal year 2024 provides a more detailed overview of the activities, performance and results of the essential aspects of sustainability in the calendar year 2024. The reporting is oriented on the European Sustainability Reporting Standard (ESRS) and is issued separately from the Management Report of the Annual Report.

The scope of consolidation for sustainability reporting is derived from the scope of consolidation for financial reporting and includes all companies that are significant from a sustainability perspective.

When deriving the sustainability consolidation scope, the CSRD criteria such as total assets, net sales, and average number of employees, as well as the connection to the core business activities, are taken as the basis.

All companies included are listed in the Annex, in accordance with financial and sustainability reporting. The Sustainability Report also considers, where known, aspects in the company's upstream and downstream value chain. However, it does not cover all possible activities or actors within the value chain, but rather reports where material information is available.

Diehl did not exercise its right to withhold certain information relating to intellectual property, know-how, or the results of innovation. It also did not exercise its right to withhold information relating to future developments or ongoing negotiations.

The scope of sustainability reporting is determined by an upstream materiality assessment and reviewed at regular intervals. Its chapters are assigned to the general and topic-specific standards of the ESRS as follows:

Chapter assignment to ESRS standards

	ESRS Standard	Chapter with focus
General	ESRS 1 General principles	All chapters
	ESRS 2 General requirements	General information
Environment	E1 Climate change	Environmental information – Climate change
	E2 Pollution	Environmental information – Pollution
	E3 Water and marine resources	Environmental information – Water and marine resources
	E4 Biodiversity and ecosystems	Not material
	E5 Resource use and circular economy	Environmental information – Circular economy
Social	S1 Own workforce	Social information – Own workforce
	S2 Workers in the value chain	Social information – Workers in the value chain
	S3 Affected communities	Not material
	S4 Consumers & end-users	Not material
Governance	G1 Business conduct	Governance information – Compliance / Supplier relationships / Representation of Interests

The following ESRS disclosure requirements are disclosed by the Diehl Group in its Annual Report and only some of them are briefly outlined below:

- SBM-1_01: Description of significant groups of products and/or services
- SBM-1_02: Description of significant markets and/or customer groups
- SBM-1_06: Total revenue

- SBM-1_25: Description of the business model and the value chain
- SBM-3_08: Disclosure of the current financial impact of the company's significant risks and opportunities
- SBM-3_09: Disclosure of the expected short-, medium- and long-term financial impacts material risks and opportunities of the company

The general structure of the Sustainability Report follows the ESRS structure. For better orientation and more precise referencing within the report, references to ESRS disclosure requirements are included under the corresponding chapter headings.



Diehl attaches great importance to transparency to provide all stakeholders with essential information concerning the company's performance in 2024 as well as future priorities. The published data is based on the information available as of February 28, 2025. The published data may differ slightly from the actual data. Assumptions, approximations, assessments, estimates, and the use of indirect sources are indicated at the relevant section.

Sustainability reporting of the Diehl Group is still in its development phase. As a result, there have been changes with regard to the preparation and presentation of the sustainability information compared to the previous reporting period.

Such changes result from tasks implemented to comply with ESRS standards, as most data required by the relevant disclosure requirements must first be introduced and collected on a group-wide basis. Due to the dynamic nature of this process and the resulting difficulties in comparing the data, there is currently no historical data being published.

No material errors were identified in the previous Sustainability Report. If information in this report was provided based on legal requirements or standards other than the CSRD, this has been clearly indicated at the relevant sections.

The Sustainability Report is prepared in parallel with the process of financial reporting. Forward-looking statements are considered over an appropriate period, which is aligned with financial reporting where applicable. Mechanisms for allocating responsibility, implementing the dual control principle, and monitoring schedules have been established. Specific controls to ensure the accuracy and completeness of sustainability reporting are not yet implemented in the internal audit but are planned to be introduced when reporting becomes mandatory. The Sustainability Report for the fiscal year 2024 has been reviewed by the Supervisory Board of the Diehl Group. An external review has not been conducted.



GOVERNANCE

GOV-1, GOV-2, GOV-3, GOV-4 UND GOV-5

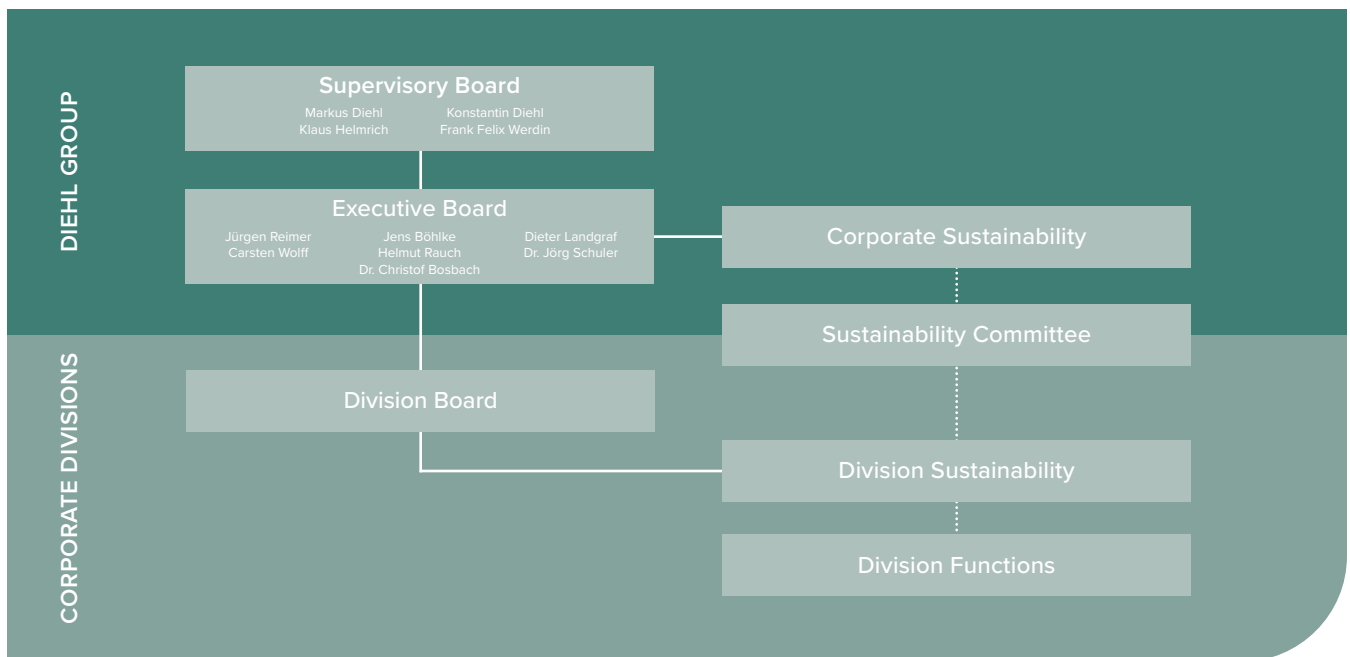
Diehl is a financially independent and legally autonomous family-run company with a long tradition dating back to 1902. Since its founding in 1902, the family-run company has steadily evolved. The combination of tradition and future orientation is deeply rooted in the company's DNA. More than 18,500 people work for Diehl worldwide, generating annual sales of 4.7 billion euros. Sustainable and long-term success together with responsible corporate governance have always been central elements of the company's business activities.

Role of the corporate bodies

The Diehl Group consists of a strategic management holding company and five independent corporate divisions. These divisions conduct their business operations and strategy in their specific product and technology areas, aligned with market and customer requirements. The Supervisory Board is appointed by the shareholders and has a monitoring and advisory function. The members of the Executive Board are appointed and dismissed by the Supervisory Board.

The Executive and Supervisory Bodies ensure the necessary sustainability expertise and know-how through direct specialist knowledge or external experts and training aligned with the essential requirements, risks, and opportunities of the company. The structure shall ensure that the Executive and Supervisory Bodies have sufficient experience relevant to the corporate divisions, products, and geographical sites of the Diehl Group.

Sustainability organization



The long-term strategic orientation and management principles of the family-run company are determined and approved by the Supervisory Board. Strategic planning is a key management tool for the Group. Within this framework, the Executive Board and Supervisory Board approve the sustainability strategy, which forms an integral part of the corporate strategy and represents an important management task. The sustainability strategy also incorporates the material sustainability-related impacts, risks, and opportunities (IROs) that play a central role in the company's long-term strategy.

The responsibility for all sustainability subjects lies with the Executive Board. In close consultation with the Corporate Sustainability Department, the Executive Board defines the strategic framework for all sustainability activities. The Corporate Sustainability Department coordinates activities at group level.

This department falls under the responsibility of the Spokesperson of the Executive Board and works closely with the Strategy Department. The department coordinates ESG requirements together with the sustainability responsables of the corporate divisions. This evolves into a sustainability strategy in line with the corporate strategy and derives the corresponding fields of action, measures, and targets. The key tasks are the further development of sustainability activities, the definition of a comprehensive sustainability strategy for the entire company, and compliance with statutory reporting requirements. The focus lies on group-wide solutions, clear objectives and uniform framework conditions. The two Corporate Executive Board members are informed per quarter about all regulatory developments and sustainability-related actions in the various areas of business and departments within the framework of a steering committee.

The operational implementation of sustainability-related issues is performed on a decentralized level within the various functions and corporate divisions of the Group. Each corporate division establishes its own sustainability strategy within the framework provided, sets targets for sustainable development and monitors the progress of the corresponding implementation programs. For this purpose, sustainability managers have been appointed in the corporate divisions. They coordinate a network of representatives from all business segments, functions, and regions, which is adapted to specific organizational requirements. These managers independently drive forward sustainability initiatives and ensure that sustainability targets are actively implemented and achieved.

The Executive Board and Supervisory Board are regularly informed about current developments by the head of the corporate sustainability department. Sustainability-related risks and opportunities are incorporated into the strategy and risk management process. group-wide, the following topics were discussed by the Executive Board in 2024:

- Materiality assessment
- Sustainability strategy and group-wide priorities
- Decarbonization in scope 1 and 2

Moreover, all central departments and functional areas inform the Executive Board regularly about important issues from their respective areas of responsibility, such as environment, compliance, and human rights. This ensures that relevant aspects of sustainable corporate management are reviewed comprehensively.

The remuneration of the Executive Board consists of fixed and variable components as well as additional benefits. Sustainability issues form an integral part of the remuneration system for the Executive Board. Progress in relation to sustainability goals is relevant to the remuneration of members of the Executive Board. Such issues are individually adapted by the Supervisory Board to the respective requirements of the corporate divisions (e.g. market, products or geographical conditions). However, not only the remuneration of the Executive Board is linked to the successful implementation of the sustainability strategy, but it can also apply to the corporate divisions and functions. The reduction of scope 1 and scope 2 emissions, for instance, is a key component of remuneration.



Due diligence procedures

The general and topic-specific information integrated into ESRS are closely linked to the key steps required to meet the due diligence obligations.

Sustainability is one dimension of Diehl's strategy. Hence, core sustainability topics are incorporated into the strategic planning process accordingly. These include climate change, health and safety, employee-related aspects, and product responsibility. The above due diligence processes are firmly integrated into business processes. It is achieved, for example, with the help of guidelines such as the Diehl Code of Conduct and the Diehl Code of Conduct for Suppliers.

The table below provides an overview of the core elements of due diligence together with how and where information on each element is disclosed in the Sustainability Report.

To further strengthen data quality following the introduction of sustainability reporting and its key performance indicators, independent internal monitoring for sustainability reporting is being developed and integrated into the internal control system. Said monitoring includes a detailed description of the non-financial performance indicators in the relevant sections along with the implementation of an internal control system for sustainability reporting.

The sustainability reporting process will be linked to the existing risk management system and supplemented by specific monitoring for safeguarding accuracy and completeness.

The preparation of the Sustainability Report will become part of the established financial reporting process and will comply with the defined principles and procedures. The aim is to mitigate material risks in the reporting process and to avoid errors in the non-financial statement. In future, the reporting on the aforesaid controls will be incorporated into the regular process of the internal control system and forwarded to the management bodies.

Key elements for due diligence fulfilment

Key elements of due diligence	Section in the Sustainability Report	References
a) Integration of due diligence into governance, strategy, and business model	Relevant information can be found in governance and strategy	General information – Governance General information – Strategy
b) Integration of relevant stakeholders in all important stages of due diligence	A detailed description of the integration of relevant stakeholders provided in the section on stakeholder engagement.	General information – Strategy
c) Identification and assessment of negative impacts	The processes for identifying and assessing material IROs are laid out in the section on risk Management and in the section on materiality.	General information – Governance General information – Strategy
d) Measures against these negative impacts	The individual measures are described in the corresponding sections.	Environmental information Social information Governance information
e) Monitoring the effectiveness of these measures and communication	The effectiveness of the measures is laid out in the corresponding sections.	Environmental information Social information Governance information



STRATEGY

SBM-1, SBM-2, SBM-3, IRO-1 UND IRO-2

The Diehl Group is a family-run international technology company with the corporate divisions Metall, Controls, Defence, Aviation and Metering. The broad product portfolio covers a wide range of business segments in various industrial sectors, and the Group's international customer base is correspondingly large. Diehl stands for quality and technology leadership as the company conducts research and development close to the market and designs its products in close consultation with its customers. Diehl attaches great importance to long-term cooperation with its business partners.

Diehl has established itself as a provider of innovative solutions in various industrial sectors. In this respect, Diehl strives to always be one of the leading companies in the relevant fields of activity to help shape the respective markets.

The five corporate divisions, all of which focus on different industries, increase the chance of balancing out economic fluctuations and thus contribute to ensure that Diehl remains a secure employer for its employees. To maintain these standards in future, solid and sustainable action is of great importance to the Diehl Group and forms an integral part of its corporate strategy.

Diehl firmly believes that defence and sustainability are not conflicting concepts, but rather mutually dependent. Based on this understanding, a secure and stable society lays the foundation for ensuring the global transformation towards a more sustainable world. Without security, there is no sustainability. The Diehl Group's guiding principle, "Leading technologies for a secure and sustainable future," clearly reflects this dual mission of the company. It is with this continuity that Diehl dedicates itself to different sectors.

THE DIEHL GROUP AT A GLANCE

SBM-1

Diehl Metall is one of the world's leading suppliers of innovative solutions in metal processing and high-performance components for a wide range of industries. The broad product portfolio includes high-quality semi-finished products, precision stamped parts, metal-plastic compound systems, plating technology, and innovative alloys.

In classic metal processing, Diehl Metall sets standards for semi-finished products made from modern brass alloys. Experts are already working on new material solutions for tomorrow and are constantly refining innovative alloys.

Diehl Metall has once again met this requirement with the introduction of its new standard brass eZeebrass. Here too, the focus lies on offering a lead-free alloy for a safe drinking water supply and thus already today fulfilling the requirements of tomorrow.

These same lead-free alloys are used to manufacture complex formed parts for intelligent measuring capsule meters in fully automated pressing and forming processes.

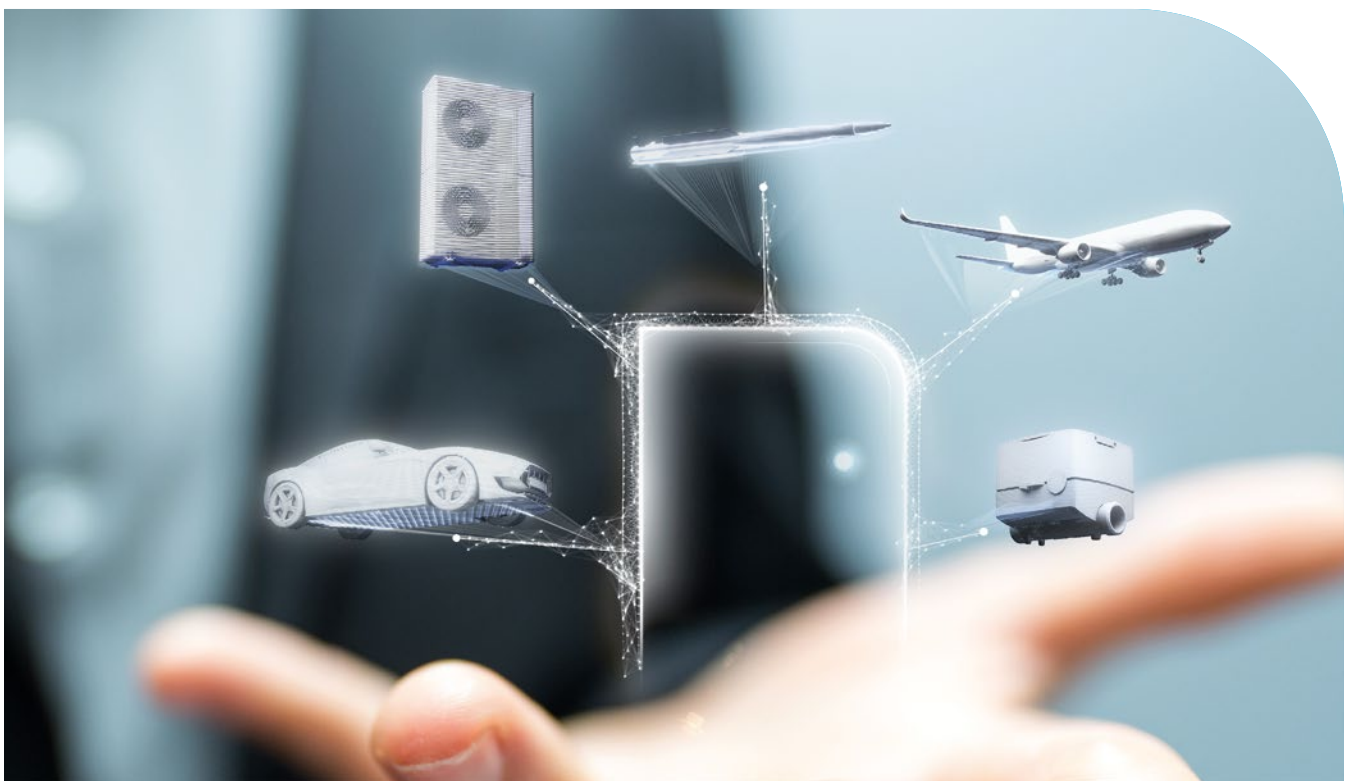
In addition, the portfolio includes innovative and high-performance products for automotive applications.

Diehl Metall manufactures high precision stamping parts for advanced future technologies that are used in a wide range of electrical and electromechanical applications, such as control housings, power modules, and sensor technology. State-of-the-art galvanic plating processes guarantee both safety and a long product life. These include surface finishes with gold or indium as well as thick strip platings.

Metal-plastic compound systems are developed and manufactured by the company for optimum safety, effectiveness, and efficiency. The product range is designed for use in autonomous driving and supports smart functions in cars.

In its role as a development partner for various industries, Diehl Metall is shaping the future of battery drives with high-tech components.

The portfolio includes battery systems and high-performance cell contact systems for luxury vehicles with modern fuel cell, hybrid, and electric drives, which deliver greater performance and longer ranges, as well as cell connectors for the ever-growing market of e-bikes.



Diehl Controls is a global leader in the development, industrialization, and manufacture of electronic and mechatronic components, systems, and solutions. Millions of these electronic components securely and efficiently control household and industrial appliances such as heat pumps, washing machines, refrigerators, and electric vehicles. Thanks to future-oriented technologies, Diehl Controls creates energy-efficient, user-friendly, and sustainable consumer goods for its customers.

With its highly automated production, Diehl Controls has the capacity to quickly and flexibly produce both small and medium-sized batches. The level of automation for this type and size of product is unique in the industry. Customers benefit from high quality, increased flexibility, and the ability to respond quickly to rising demand. For many years, the industry's best-known brand manufacturers worldwide have relied on the quality and reliability of Diehl Controls. The basis for this success is a deep-rooted electronics DNA that dates to the founding of AKO in 1945.

Diehl Controls draws its innovative strength from a global team of some 3,300 employees who work hand in hand. Diehl Controls combines efficient hardware and software with a high level of system expertise for the development of innovative HMIs (human machine interfaces), powerboards, controllers, inverters as well as chargers. In addition to high functionality and intuitive operation, the company's passionate commitment focuses on the responsible use of resources and competitive prices for its end products. Particularly in the promising HVAC/R sector, it is Diehl Controls' inverter technologies that turn heat pumps into environmentally friendly heating systems.

These technologies provide independence from fossil fuels such as oil, gas, or wood. The HMI applications combine customer-specific panels, housings, and sensor technology.

Its foundation lies in Diehl Controls technologies, which range from touch-on-metal and gesture control systems and TFT displays to state-of-the-art UX (user experience) designs.

As a result, Diehl Controls creates customized complete systems that are developed, industrialized, and produced in-house and delivered directly to the production lines of global customers.

Diehl Controls has established a new business unit, A&D (Aerospace & Defence), for the aviation and defence industries. The manufacture of electronic components in this sector requires the highest levels of precision and expertise.

The Diehl Group at a glance



18,500+
Employees



4,696
Mio € sales



5
Corporate divisions



397
Mio € R&D



15,000+
Suppliers



332
Mio € investments



100%
Family-owned



123
Years of company history



Diehl Defence focuses on activities within the Diehl Group that are in the areas of defence and security. The company is a leading supplier of guided missile systems and ground-based air defence systems and has been a competent partner to the Bundeswehr and other international armed forces for decades. The product range also includes medium- and large-caliber ammunition for the army, air force, and navy, as well as surveillance, protection, and training systems for military applications.

In addition, the company develops and manufactures key technological components such as infrared modules, fuses, and special batteries. Long-term cooperation agreements with multinational partners strengthen the company's system and equipment expertise while also opening access to global markets.

Continuous commitment to research and development, highly motivated employees, and the ongoing trust of customers in Diehl Defence's technological capabilities form the basis of its

long-standing success.

The increasing importance of national and alliance defence, multinational missions, as well as asymmetric and hybrid forms of conflicts are placing ever new demands on the equipment, technology, and logistics of the armed forces.

As one of the world's leading specialists in the field of defence, Diehl Defence accompanies this process and consistently aligns the development of high-performance products and services with the operational requirements of modern armed forces. Diehl Defence is meeting the increased demand with a sustainable growth strategy: the company is investing in infrastructure, buildings, production facilities and, above all, in its employees at all sites, while preserving its unique corporate culture.

Further digitization in the industry supports the interconnectedness of reconnaissance, command and effector systems for the information and action superiority of military armed forces. The mission is clear: providing the necessary equipment at the right time and at the agreed cost. The company embraces this responsibility to support the success of soldiers in their efforts to secure peace and safety.

Diehl Aviation is one of the leading international aviation industry suppliers. With its broad product portfolio the company is recognized partner of the major aircraft manufacturers in the field of systems and cabin. Besides products for original equipment of aircraft, upgrade solutions for the after sales market are offered as well as comprehensive services with worldwide customer service. Moreover, the Aviation Corporate Division is well positioned on the market for Advanced Air Mobility (AAM). With its reliable solutions, the company is also participating in different programs in the military segment.

Diehl Aviation stands for innovative solutions for aircraft cabins that meet complex requirements in terms of top quality and safety, fast installation, customer-specific design and high demands on minimum weight. In addition, the company also offers cutting-edge solutions for digital and networked functions for aircraft. The portfolio also comprises complete cabin interior panels for passenger aircraft as well as modules, such as lavatories, crew rest rooms, galleys, stowages and customizable partition walls. These solutions are also manufactured for cabin retrofits in aircraft that are already in service. Diehl Aviation is leading in the field of fresh and waste water systems and also offers air management products. In addition, the company develops and manufactures products for emergency oxygen supply as well as all-in-one solutions for smoke detection and fire-fighting systems in aircraft - and also on board of trains. Diehl Aerospace, a joint venture of Diehl and Thales, develops and produces complex systems for avionics and cabin. The company is a leader in cabin lighting systems and delivers cabin management systems for passenger aircraft. Diehl Aerospace has extensive expertise in the military segment with regard to avionics products

on all European platforms as well as in the field of international cooperations. This know-how is also shared within the future European combat air system FCAS (Future Combat Air System).

Diehl Metering is one of the world's largest manufacturers of intelligent water meters and a leading developer, manufacturer and supplier of smart metering solutions, including the associated software and services.

The division supports utilities, municipalities and companies in making water and energy networks more efficient, reducing costs and preserving natural resources. As a pioneer in ultrasonic measurement and radio technology, Diehl Metering has been developing intelligent solutions for smart metering, meter data management and meter data analysis for more than 25 years.

The company's installed base of ultrasonic meters is the largest of its kind worldwide – 4 million of which are installed on the Arabian Peninsula alone. In recent years, Diehl Metering has expanded beyond its core competencies. In addition to high-performance meters, the corporate division offers a comprehensive range of solutions for all areas of modern water and energy management. Software solutions like water loss management and energy forecast management provide data-based insights for the optimization of water and energy networks. Services support customers in the digital transformation as well as in network planning and implementation. The company sets standards in the areas of (multi-)connectivity and interoperability: The meters are equipped with common wireless technologies such as OMS, LoRaWAN®, NB-IoT, and mioty®. The innovative IZAR IoT GATEWAY Premium enables utilities to integrate networks across manufacturers and functions for Smart Cities. As a founding

member of the mioty® Alliance, Diehl Metering is actively driving forward IoT innovations and the development of mioty® as a connectivity standard for Massive IoT. mioty® enables efficient and secure data transmission for Smart Cities and other industrial sectors. A wide-ranging ecosystem of sensor technology underlines the possibilities. Diehl Metering is also leading the way in sustainability: Ecodesign, material selection and recyclability underscore the company's commitment throughout the product life cycle. The gold award from EcoVadis for the corporate division confirms that they are on the right track. In this way, Diehl Metering helps its customers to use water and energy more efficiently and responsibly, empowering them to contribute to a more sustainable future.

Any further details on the ESRS SBM-1 disclosure requirements concerning strategy, business model, and value chain, i.e., total revenues, are already disclosed by the Diehl Group in its Annual Report. There are no activities in the fossil fuel sector, the manufacture of chemicals, controversial weapons, and/or cultivation for tobacco production.



SUCCESS STORY

Ratings und Rankings

The Diehl Group uses external ratings and rankings to make its sustainability performance transparent and to continuously improve it.

Last year, two corporate divisions participated in the CDP rating: the Controls Corporate Division achieved a “B” rating in the CDP rating, while Aviation was rated “C+”.

The Metall and Metering Corporate Divisions participated in the EcoVadis ranking. Metering achieved an overall gold rating, with the Saint-Louis location performing particularly well and receiving a platinum rating.

At Diehl Metall, the following units achieved silver ratings:

- Diehl Brass Solutions
- Diehl do Brasil Metalúrgica
- Diehl Metal Applications
- Diehl Metall Schmiedetechnik

Diehl SynchroTec Manufacturing (Wuxi) and Diehl Metal India achieved bronze status.

Diehl is committed to continuously improving its sustainability performance and reflecting its progress in future rating results.

STAKEHOLDER DIALOGUE

SBM-2

The Diehl Group attaches great importance to involving various interest groups to meet the complex requirements of sustainability. A transparent and continuous dialogue with stakeholders is crucial to understanding their needs and expectations and responding to them.




By involving a large number of stakeholders in discussions, Diehl promotes the transition to a more sustainable economy and society. This cooperation helps identify challenges in the industries and society and develop joint solutions. The sustainability strategy is regularly reviewed, adapted and coordinated with key stakeholders.

Through continuous analysis and assessment as part of the due diligence and materiality assessment, Diehl ensures that the needs and expectations of stakeholders are understood and taken into account. Stakeholder feedback and concerns are incorporated into business strategy, decision-making and performance reporting in order to create long-term value for all stakeholders. As part of this ongoing process, the strategy and business model are adjusted as necessary. Through the strategy process, management and supervisory bodies are informed about the views and interests of relevant stakeholders with regard to the company's sustainability-related impacts.

The close cooperation with customers, partners, employees, and society is of crucial importance for the success of the Diehl Group. Therefore, the Group strives for a continuous exchange in order to shape a more sustainable future together.

Furthermore, stakeholder dialogue is actively promoted in the business units and functions. It ensures that stakeholder concerns and feedback are regularly integrated into all processes and measures. In this way, continuous cooperation with stakeholders is guaranteed and can make a significant contribution to further development in these areas.

Stakeholder communication

STAKEHOLDER			
	OWNERS	EMPLOYEES	CUSTOMERS, PARTNERS
	Supervisory Board meetings and personal exchanges	Intranet, employee meetings and dialogues	Fairs, information and dialogues
	Strategy, performance and regulation	Strategy and function-specific content	Strategy, performance and other information

MATERIALITY

SBM-3, IRO-1 UND IRO-2

Sustainability has been an integral part of the Diehl Group’s strategic orientation for many years and is a key factor in the company’s long-term success. The comprehensive and integrated sustainability strategy takes equal account of ecological, social and economic aspects. The strategy not only ensures compliance with regulatory requirements but also strengthens stakeholder confidence and creates long-term value.

The Diehl Group’s sustainability strategy is well established and is being implemented on an ongoing basis. The Executive Board has defined areas of action in the environmental, social and gov-

ernance fields, which are being actively pursued by the corporate divisions. Each corporate division independently develops and implements measures to achieve its defined sustainability targets.

Twice a year, a risk report is submitted to the Executive Board and the Chairman of the Supervisory Board. This report identifies material risks that have a medium or high impact on the net assets, financial position, and results of operations with a risk expectation value of at least 800 thousand euros. In addition to risks related to business activities or products and services, the risk inventory also includes potential sustainability-related impacts on the company.

When integrating these risks, the Diehl Group follows common standards (Such as TCFD) and has included corresponding categories in its risk catalog. The catalog identifies climate-related physical risks as well as transition risks and opportunities. The approach to risk assessment and prioritization is described in the environmental information section. The most important climate-related risks identified are also listed there. In addition, group-wide risks and opportunities can be found in the Annual Report.



SUPPLIERS

Information and questionnaires

Information on activities and performance



FINANCIAL INSTITUTIONS

Regular dialogue

Strategy, performance and other information



POLITICS, ASSOCIATIONS

Dialogue and events

Climate strategy and regulation



Materiality assessment

Regular reviews and adjustments to the strategy ensure that sustainability efforts meet the current requirements of the respective markets. To this end, the Diehl Group reviews and updates the materiality of its sustainability topics oriented on the ESRS on an annual basis. Internal stakeholder representatives from various functions, countries, and business units are involved in this process to provide a comprehensive perspective. This includes an assessment of the impact of business activities on the environment and society (impact materiality) as well as financial risks and opportunities (financial materiality).

The materiality issues are assessed using a scoring system based on the ESRS guidelines. In cases of negative impacts, materiality is determined by the severity and likelihood of the impacts. Severity is based on the following factors: the magnitude, scope, and irreversibility of the impacts. In relation to positive impacts, materiality is based on the extent, scope, and likelihood of the impacts. The severity and likelihood are rated on a scale of 1 to 4. For the evaluation, the assessments of the corporate divisions and the non-operative area are consolidated and evaluated according to the principle of double materiality.

This assessment allows the Diehl Group to develop targeted measures to further refine its sustainability strategy and effectively address the relevant issues. The results are incorporated directly into strategic planning and support the continuous improvement of sustainability performance.

This ensures that the strategic priorities in sustainability are set correctly and that a positive contribution can be made to society and the environment.

The materiality assessment also considers aspects of the company's upstream and downstream value chain, where known. However, it does not cover all possible activities or actors in the value chain but only reports where material information is available.

For the classification of key topics, a benchmark analysis was additionally conducted and discussions within industry associations were included. The involvement of suppliers and customers as well as the interests of other relevant stakeholders, such as employees, were considered through the involvement of relevant corporate functions and sustainability experts.

The final list of material IROs was approved at Executive Board level.

The Diehl Group intends to review and update its valuation methods on a regular basis to assure their compliance with evolving best practices in the global industries. In addition, aspects of the value chain and additional external stakeholders will be included in the assessment in the coming years.

The materiality assessment of the Diehl Group has identified seven material sustainability matters. These matters provide the basis for reporting and serve as guidance for the Diehl Group's sustainability activities. The following section outlines the material sustainability aspects in which positive and/or negative IROs exist. The material IROs are described in more detail at the topic standard level.

The effects of the IROs will have an impact on the company in the short, medium, and long-term. While adaptation and transition issues often have a longer-term impact, other issues may bring about visible changes more quickly. Regardless of these specific differences, the IROs are expected to have an impact in the short, medium, and long-term.

In addition to the key sustainability matters, the Diehl Group also reports on generally relevant topics such as water use, waste and disposal, chemical safety, workers in the value chain, and other aspects of business conduct. However, these do not represent focus areas for the company and therefore only cover parts of the relevant ESRS disclosure requirements.

Sustainability topics and their key IROs

Topic	Sustainability matter	Type of impact	Material IROs ^a
E1 Climate change	Climate change adaptation	⊕ ⊖	Contribution to adapting to climate change by implementing adaptation measures (e.g. processes and/or products)
	Climate change mitigation	⊕ ⊖	Promoting climate change mitigation by reducing greenhouse gas emissions
	Energy	⊕ ⊖	Contribution to energy use by increasing the share of renewable energies and improving energy efficiency
S1 Own workforce	Working conditions	⊕ ⊖	Promoting adequate working conditions by providing secure jobs in a healthy and fair working environment
	Equal treatment and opportunities	⊕ ⊖	Contribution to equal treatment and opportunities through a diverse and inclusive working environment
G1 Business conduct	Company culture	⊕ ⊖	Promotion of a constructive corporate culture based on clearly defined codes of conduct and actively practiced culture
	Protection of whistleblowers	⊕ ⊖	Commitment to protecting whistleblowers through established processes and trustworthy, transparent handling

^a The positive statements regarding the promotion/contribution of IROs also imply that insufficient promotion/contribution can have a negative impact on IROs.

⊕ Material positive IROs ⊖ Material negative IROs ⊕/⊖ Immaterial IROs

Diehl regularly reviews its materiality assessment and continues to improve it. The aim is to include additional aspects of the value chain and stakeholders. The corporate strategy considers the key IROs that affect the business model, value chain, strategy, and decision-making. The company responds to these influences and adjusts its measures accordingly to minimize risks and exploit opportunities. In doing so, the resilience of the company's strategy and business model in terms of its ability to manage material impacts and risks and to exploit material opportunities is assessed.

The specific details and measures vary depending on the market and the needs and challenges of the respective corporate division or strategic business segments and/or business units.

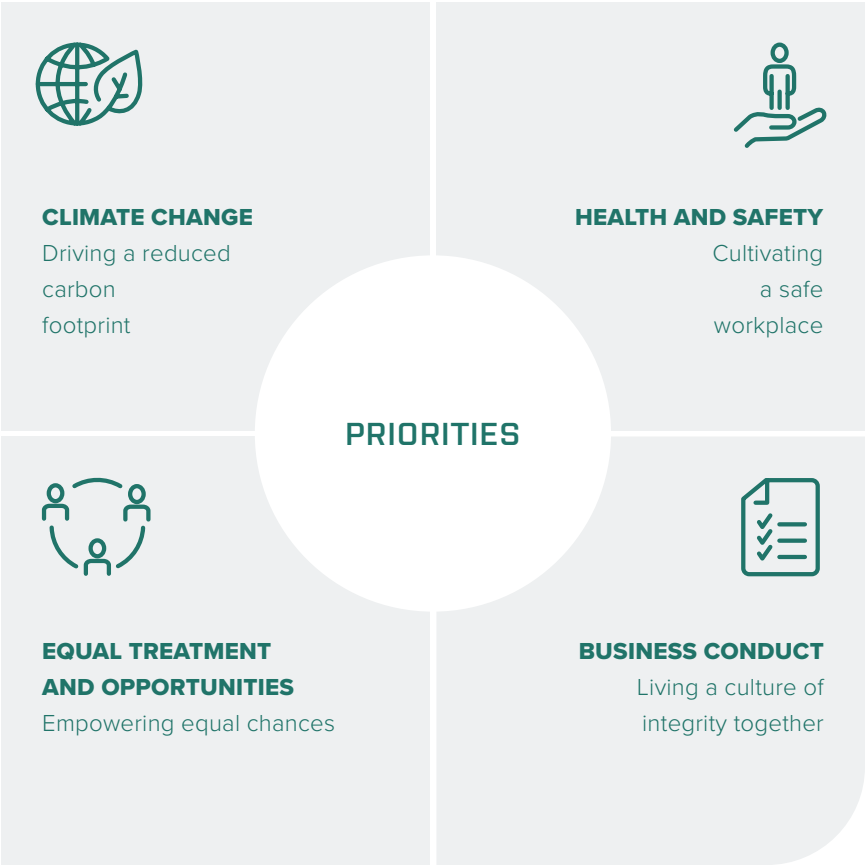
So far, there's been no detailed quantification of the key IROs. There's also no outlook on how the company's financial performance will change in the short, medium, and long-term given its strategy for managing risks and opportunities (Including investment and disposal plans).

In 2024, there were no IROs identified, and no measures were taken or planned that would have led to material changes in the corporate strategy or business model. In the past year, there were no events that had a material financial impact in connection with the identified sustainability-related risks and opportunities. Therefore, based on current information, no material adjustments are expected in the coming year.

Sustainability priorities

Based on the key issues identified, the Diehl Group has defined four central sustainability matters as strategic, group-wide priorities: climate change, health and safety, equal treatment and opportunities, as well as business conduct.

The above priorities reflect the company's long-term commitment to sustainability. In these areas, performance measurements will be established and targeted improvements implemented.



- **Climate change:** The Group has set specific targets for reducing CO2 emissions and is implementing measures to promote renewable energies and improve energy efficiency in its companies.
- **Health and safety:** The Group attaches utmost importance to the safety and well-being of its employees and invests in training, safety equipment, and preventive measures to avoid accidents in the workplace.
- **Equal treatment and opportunities:** The Group actively promotes diversity and inclusion in the workplace and is committed to equal opportunities, fairness, and respect for all employees regardless of gender, origin, or other characteristics.
- **Business conduct:** The Group is committed to ethical conduct and integrity in all its business activities. It promotes transparent and responsible business practices and rejects any form of corruption and unethical behavior.

The Diehl Group's sustainability strategy is completed by individual measures in the corporate divisions, which make material contributions to the overall success. Each corporate division has successfully implemented the topic of sustainability and integrated it into its day-to-day business. These tailor-made strategies and projects contribute material to achieving the corporate-wide sustainability targets. Particularly noteworthy is the close cooperation and continuous exchange between the corporate divisions to share best practices and leverage synergies. This ensures that all areas of the company actively contribute to sustainable development and that common targets are achieved.



Sustainability training

In order to firmly anchor sustainability in the corporate culture and create a common understanding of the importance of this topic, some corporate divisions have developed comprehensive training courses. These courses offer both theoretical basics on sustainability as well as company-specific information on the current status quo in the corporate divisions.

In the Controls corporate division, the sales and R&D teams in Europe, Asia, and the Americas were informed about sustainability in general and specifically at Diehl and Diehl Controls to expand their knowledge in this area, particularly for customer contact.

Diehl Metall has introduced a customized course on sustainability in the company on the Diehl Group's online learning platform. This course addresses key questions such as: What does sustainability mean in a company? Why is this topic so important? What are the requirements? And where does Diehl Metall currently stand in terms of its CO2 footprint and reduction targets? Managers have a special responsibility for communicating this content to their employees. The course is now mandatory training for all managers and was successfully completed by more than 100 managers throughout Germany in 2024. Its introduction at foreign sites has also been launched.

SUSTAINABLE AND RESPONSIBLE APPROACH TOT THE ENVIRONMENT





- Established processes meet legal requirements and promote continuous improvement to meet environmental targets
- Commissioning of photovoltaic systems in Laupheim (1.4 MWp) and Röthenbach (4 MWp)
- Use of 34.6 GWh of green electricity from PPAs and guarantees of origin
- Development and evaluation of innovative energy concepts at several sites to increase energy efficiency

MANAGEMENT OF IMPACTS, RISKS, AND OPPORTUNITIES

For the Diehl Group, the sustainable and responsible handling of the environment and natural resources is a central pillar of its corporate activities.

Particular emphasis is placed on continuously improving the energy and resource efficiency of business activities. Environmentally conscious thinking and acting are firmly anchored at all Diehl Group sites, both through the Code of Conduct and through a comprehensive Environmental Policy.

The Diehl Group has established clear guidelines, procedures, and processes to manage environmental issues in a comprehensive manner. These are designed to prevent harmful effects on the environment, comply with legal requirements, and fulfill other obligations. Environmental management includes operational environmental protection and provides guidelines for the responsible use of materials, water, waste, and the reduction of emissions. Almost all the Group's production sites worldwide are certified according to DIN EN ISO 14001. In addition, the Diehl Metal Applications site in Berlin is EMAS certified.

The handling of environmental and energy issues within the entire Diehl Group is organized in a decentralized manner. Each site has an Environmental Protection Officer who monitors compliance with laws and regulations and advises and reports on environmental issues. A Group Environmental Protection Officer, who also performs a coordinating function, is responsible for linking the local officers. In addition, the strategic transformation to sustainable energy sources is coordinated centrally by Diehl's Energy Consulting Team based in the Metall corporate division.

Regular inspections and audits guarantee the functionality of the environmental management system and ensure continuous improvement. Employees and all other stakeholders can report any suspected harmful environmental impacts at any time.

In the reporting period, Diehl did not experience any environmental incidents that would have resulted in fines or penalties. Based on current information, there are no material financial impacts to be expected from environmental standards.

CLIMATE CHANGE

E-1

The energy transition and climate change mitigation pose significant challenges for industrial sites. Diehl is committed to protecting the environment and is actively involved in climate mitigation. The target is to reduce the company's ecological footprint and make a positive contribution to reducing CO₂ emissions. To minimize greenhouse gases, the focus lies on customized solutions. These include energy saving, heat recovery, switching to green electricity, and replacing fossil fuels.

Energy consumption and energy mix

The legal entities of the Diehl Group manage and take responsibility for their energy-related activities on a decentralized basis. At material sites with high energy consumption, energy management is certified in accordance with DIN EN ISO 50001 or DIN EN 16247. External certification bodies conduct annual monitoring audits and recertification audits on a three-year cycle for the Diehl Group's energy management systems certified in accordance with DIN EN ISO 50001. Sites certified in accordance with DIN EN 16247 conduct an energy audit on a four-year cycle.

Non-certified sites also record their energy consumption and implement their own measures to increase energy efficiency.

The Diehl Energy Consulting Team supports individual energy managers in identifying energy saving potential for all energy sources and implementing continuous improvements. These measures include the expansion of photovoltaic systems at suitable operating sites, the use of green energy providers, the development of electromobility and charging infrastructure, and the creation or revision of energy concepts. These initiatives form the backbone of the decarbonization strategy.

Energy consumption

in MWh	Group	Metall	Controls	Defence	Aviation	Metering	Other
Total energy consumption of the organization	357,088	164,871	35,266 ^b	66,137	65,169	23,301	3,503
Fuel consumption from fossil energy sources	110,797	47,527	3,339	20,160	29,726	8,690	2,514
Coal and coal products	356	356	0	0	0	0	0
Crude oil and petroleum products	12,878	1,790	0	8,200	145	2,357	386
Natural gas ^a	97,451	45,273	3,339	11,956	29,581	6,334	2,128
Other fossil sources	112	108	0	4	0	0	0
Consumption of self-generated energy	1,327	289	0	173	375	145	345
Renewable fuels	183	38	0	0	0	145	0
Renewable, non-fuel-based energy	545	0	0	170	375	0	0
Non-renewable energy	598	251	0	3	0	0	345
Consumption of purchased electricity	221,460	114,460	27,550	32,905	31,830	14,072	644
Consumption of purchased heat, steam, and cooling	23,505	2,596	4,377	12,900	3,238	394	0
Energy intensity (in MWh/€ million)	76,3	223,5	91,6	36,2	50,2	51,0	336,8

^a Inclusive LPG

^b Note: 92 MWh of sold, self-generated, non-fuel-based renewable energy was deducted from the total in the Controls corporate division.



Greenhouse gas inventory

It is the declared goal of the Diehl Group to avoid CO₂ emissions and, wherever this is not possible, to minimize them. The identification and monitoring of the CO₂ footprint is therefore anchored as a Group-wide priority in the sustainability strategy. Based on the guidelines of the Greenhouse Gas

Protocol Corporate Standards, a comprehensive climate balance sheet was drawn up again for the entire Group and its corporate divisions in the reporting year. As part of this, the Group conducted a comprehensive analysis of direct emissions (Scope 1), indirect emissions from energy consumption (Scope 2) and indirect emissions along the entire value chain (Scope 3). Due to

their negligible impact on the Group's carbon footprint, the following categories of Scope 3 greenhouse gas emissions are not included in the inventory or are only included for individual corporate divisions: 3.5, 3.8, 3.10, 3.12, 3.13, 3.14, 3.15.

(Please refer to the following page for illustration)

Greenhouse gas emissions

in tCO ₂ eq	Group	Metall	Controls	Defence	Aviation	Metering	Other
CO ₂ -footprint ^a	8,906,872	333,993	1,503,503	160,081	6,761,989	136,852	10,453
Scope 1	32,049	15,540	1,108	5,915	6,556	2,117	814
Scope 2	81,627	34,086	15,626	18,081	10,481	2,937	416
Scope 3	8,793,196	284,367	1,486,769	136,086	6,744,952	131,799	9,223
CO ₂ intensity scope 1 & 2 ^b	24	67	44	13	13	11	-

^a The CO₂ footprint was determined using market-based data. The calculation was carried out taking into account the specific emission factors of the energy mix used, using data from the energy suppliers where available.

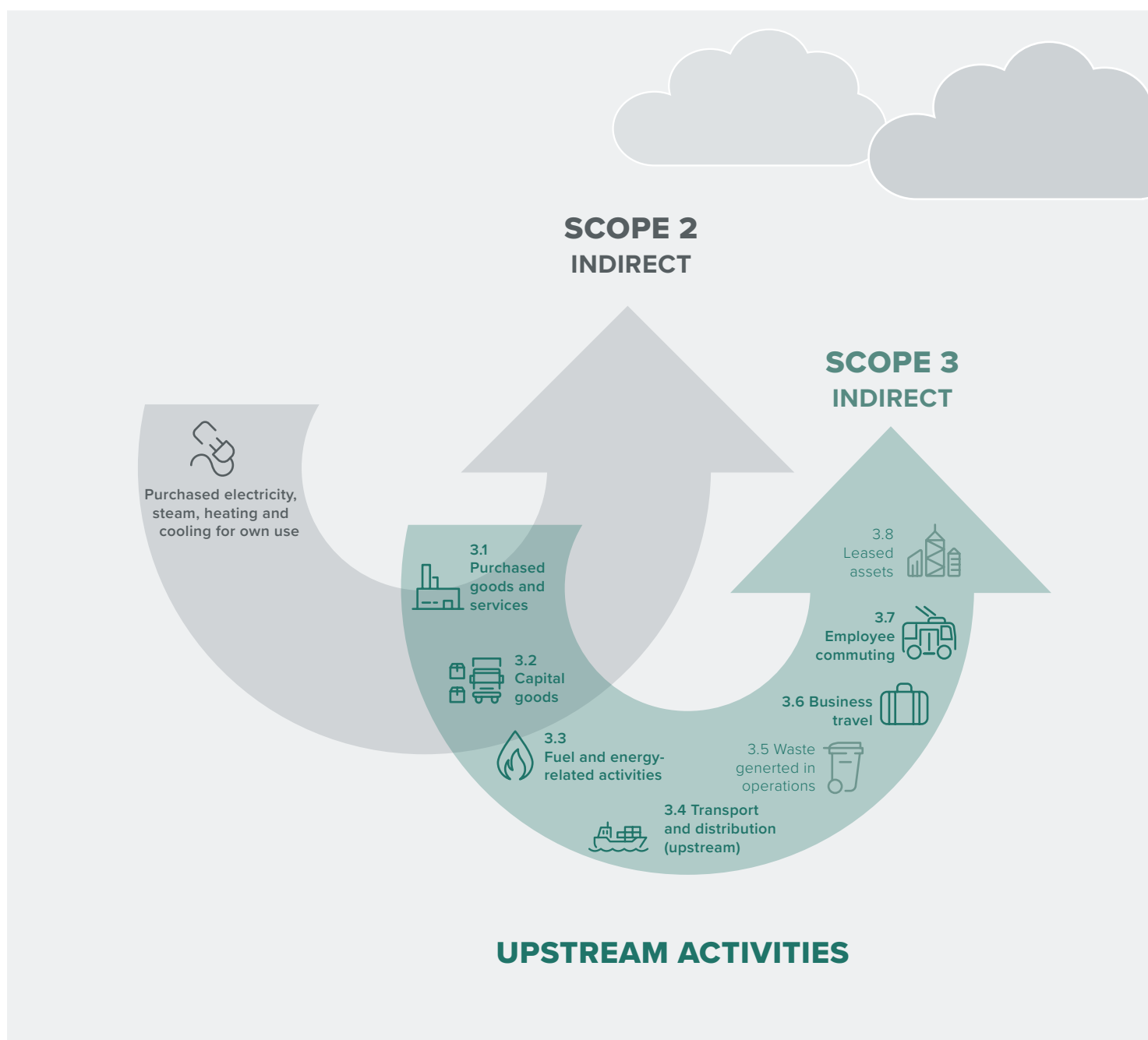
^b in tCO₂eq / € million

The Diehl Group has committed to reducing scope 1 and 2 emissions by 38% by 2030 compared to the base year 2021 (absolute or relative to sales). The Group has a partly ESRS-aligned climate transition plan.

This includes a target range for reducing scope 1 and 2 CO2 emissions oriented on SBTi and the Paris Agreement. There has been no group-wide validation of the targets and calculations by third parties to date.

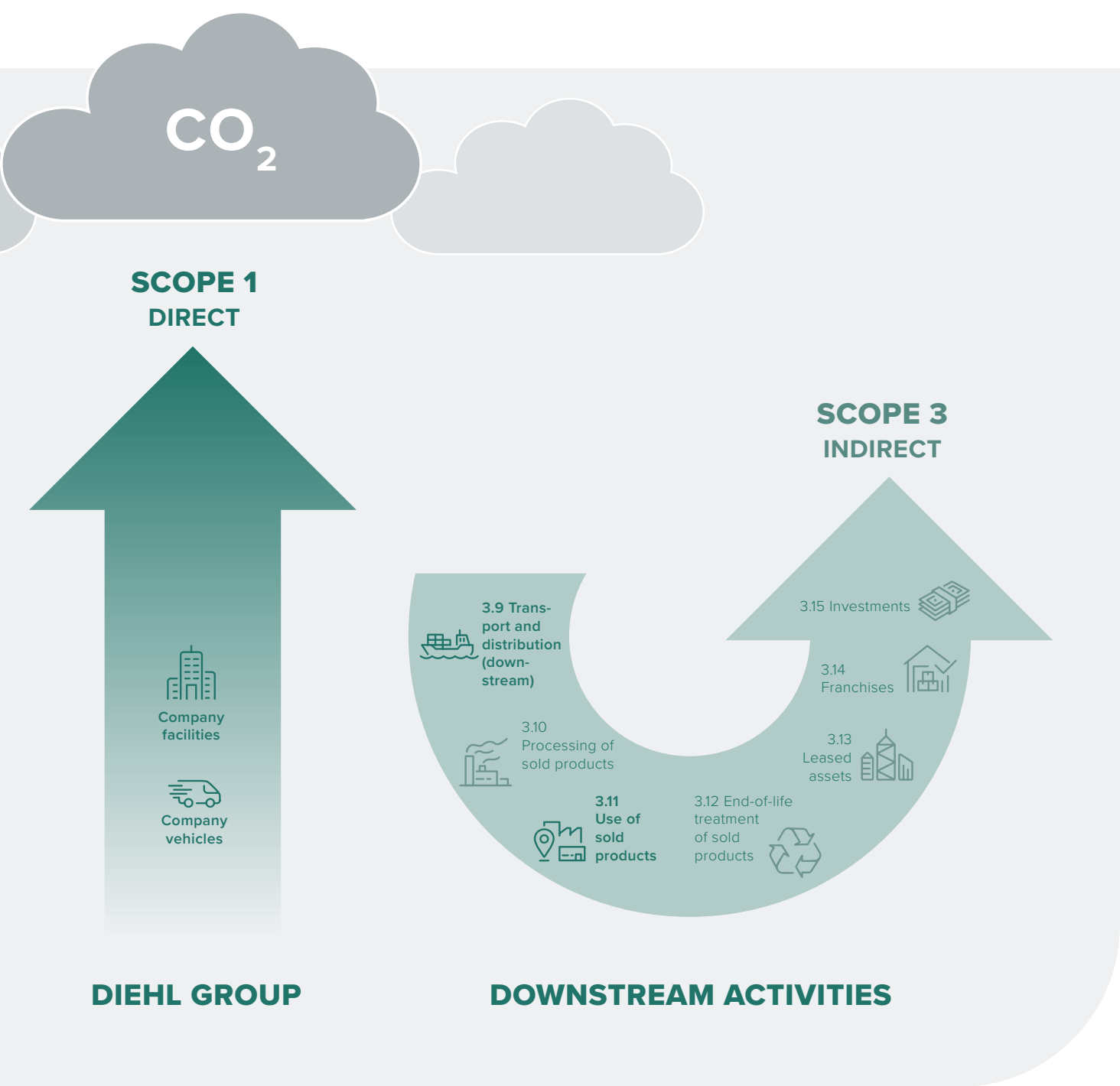
The transition plan is partly embedded in the general business strategy and financial planning. It has been approved by the Executive and Supervisory Bodies and forms an integral part of the long-term strategic orientation.

Greenhouse gas scopes and emissions in the value chain

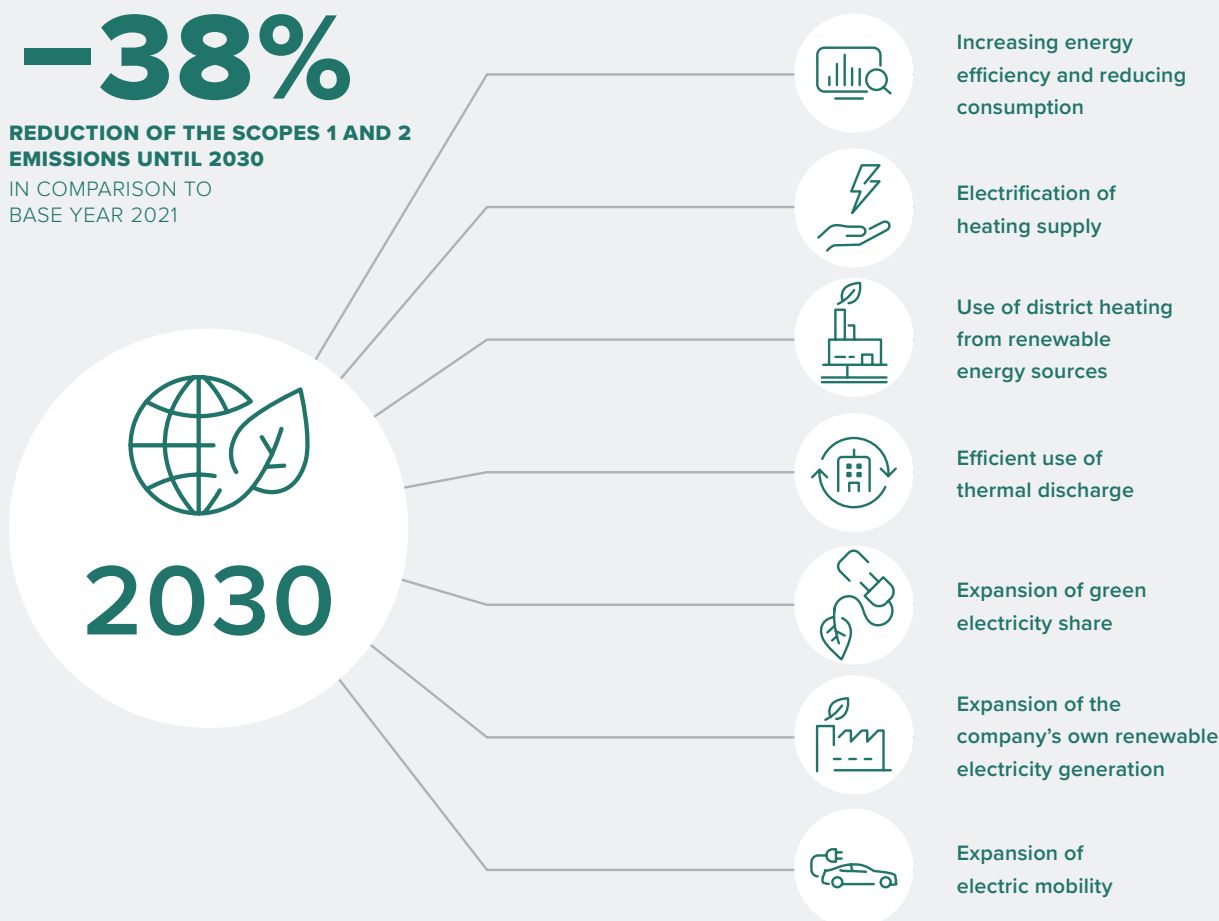


It must be considered that not all years have been quantified in terms of capital expenditure (Capex). This quantification is carried out gradually and in consultation with decision-makers, based on the annual market situation and other relevant factors.

This flexible and dynamic approach enables us to respond appropriately to changes in the market and new challenges while pursuing long-term sustainability goals.



Transitional measures until 2030



Based on the findings, Diehl has already taken various measures. Last year, emissions were reduced through the procurement of green electricity (primarily PPAs), the generation of electricity through photovoltaic panels, and energy efficiency measures in production processes. In the Group's electricity supply network for Germany, which accounts for three-quarters of the Group's total electricity consumption, the share of renewable energy sources was around 62% last year.

The high proportion of green electricity underlines the Group's commitment in the field of energy supply.

This transition is supported by continuous process optimization, such as improving energy efficiency, recycling waste heat for heat integration, and redesigning processes, for example through electrification. To continue this successful path, Diehl will further expand the measures outlined above and will also engage in a closer dialog with

its supply chain in the future.

In addition, employee awareness will be further increased through regular information campaigns. The topic of CO₂ will therefore also be included on a qualitative basis in internal decision making. There is no internal CO₂ price, e.g. for investment decisions. Emissions are not reduced through CO₂ offsetting, credits or climate change mitigation projects outside the value chain, nor are there any plans to do so at present.



SUCCESS STORY

Decarbonization measures

The Energy Consulting Team once again accompanied a large number of projects last year to expand the share of green electricity and provide expert energy consulting for various sites:

Green electricity

In collaboration with the Energy Procurement Department, the Diehl Energy Consulting Team has developed a green electricity strategy. Several PPAs have been concluded with regional energy suppliers for 2024 for electricity from wind and solar parks in the region, with around 30 GWh of green electricity. For 2025, further PPAs have been concluded for the supply of green electricity from PV, onshore, and offshore wind farms, expected to total 55 GWh.

The Diehl Energy Consulting Team supported the two sites Diehl Aviation Laupheim and Diehl Brass Solutions Röthenbach in the installation of photovoltaic systems on the roofs of the production halls with installed generation capacities of 1.4 MWp and 4 MWp.

Energy concepts

The Energy Consulting Team supported several sites in creating a roadmap to achieve scope 1 & 2 targets for reducing CO₂ emissions on site.

Some highlights from the projects:

- For the Diehl Aviation plant in Nyirbator, Hungary, a rough outline for a ground-mounted PV system was drawn up to optimize green electricity generation at the site. Plus, a plan was developed to switch from gas to electricity for heating. Some potential energy savings were identified in the production process.
- For the Diehl Aerospace plant in Frankfurt am Main, a concept was developed to optimize district heating supply. The use of LED lighting was supported and the associated procurement costs were reduced.
- For the Diehl Defence site in Überlingen, all options for decarbonizing the heating system were analyzed and evaluated. The possibilities for future use of lake heat will be further investigated in 2025 as part of a feasibility study together with local partners.
- For the Diehl Brass Solutions site in Röthenbach, numerous options for decarbonizing brass production and hot forming were analyzed and evaluated.

Charging infrastructure

The Diehl Energy Consulting Team has developed a uniform concept for the Diehl Group for setting up and operating a charging infrastructure for electric cars within the Diehl Group. This concept is now being implemented step by step at the various sites. This enables employees to conveniently charge electric cars at work. In 2024, numerous charging points were already installed at some sites, and in 2025, the expansion of the charging infrastructure for electric cars will be pushed forward at additional sites.

Identification of climate-related physical risks and transition risks

The integration of climate-related risks is oriented on the TCFD standards. Diehl has included both physical and transitional risks in the Group's risk catalog. Based on the dimensions of probability of occurrence and potential impact, the most relevant risks for each corporate division have been identified. This implementation ensures that all material risks are considered and that appropriate risk mitigation measures are taken where necessary.

Physical risks arise from climate change and are divided into acute risks (e.g. extreme weather events) and chronic risks (e.g. long-term temperature changes). As part of the physical risk assessment, a simplified climate scenario assessment was carried out based on information from the Intergovernmental Panel on Climate Change (IPCC) using the RCP8.5 scenario. For this purpose, climate-related data from sources including the Copernicus Interactive Climate Atlas and the WRI Aqueduct Atlas for the periods up to 2030, 2050, and 2080 were compiled in an overview and material anomalies and local peculiarities were identified. The main potential risks identified were as follows:

- Temperature rise: surface temperature, days with temperatures above 35°C, days with temperatures above 40°C
- Flooding: precipitation (cumulative 5 days), precipitation (cumulative 6 months), coastal flood risk, river flood risk
- Water stress: water stress, water scarcity, drought risk
- Other site-specific risks such as fire

Further risks according to the ESRS classification of climate hazards, such as snowfall, wind-related risks, ocean acidification, etc., were considered but not classified as material and therefore not assessed in more detail.

As with most companies, Diehl's sites are also experiencing an increase in climate-related physical risks. The pessimistic medium-term scenario predicts a global rise in temperatures and longer periods of heat. The risk of extreme weather events is increasing accordingly. However, no significant material increase in risk exposure is currently expected. In addition, the sites in Mexico are in regions with increased water stress. Nevertheless, production at these sites is not dependent on water as a resource. The analyses will be further refined next year for the most exposed sites.

Transitory risks arise from the transition to a low-emission economy and relate to regulatory, technological, market-related and reputational factors. Potential climate-related transitory risks associated with the transition to a lower-carbon economy and society were considered.

The relevant risks are described as follows:

- Transitional risks relating to political and regulatory changes: The Diehl Group is exposed to potential risks arising from political and regulatory changes. These include, for example, the increase in CO₂ emissions pricing, rising energy prices, and new documentation requirements due to political and legal developments resulting from climate change.
- Transitory risks related to technological changes: The shift toward

lower-emission technologies poses potential technological risks for the Group insofar as they affect the costs of existing products and services. These risks and the resulting costs have been identified as a material risk factor.

- Transitory risks related to market changes: Potential market changes due to changing consumer behavior may affect demand for products (e.g. the shift to e-mobility).

Material climate-related physical and transitional risks

Risks	Impact on current fiscal year 2024	Impact in the medium-term 2025 – 2027	Impact in the long-term 2028 – 2040
Water scarcity	○	○	◐
Flooding	○	○	◐
Heat stress	○	○	◐
Politically and legally: Increasing CO ₂ pricing and sustainability requirements may raise energy and raw material prices	◐	◐	◐
Politically and legally: Regulations concerning existing products or substances	○	○	○
Politically and legally: Increasing documentation and reporting requirements, e.g. emissions	○	○	○
Technology: Consequences arising from the transition or transformation to lower-emission, more sustainable options	◐	◐	◐
Market: Changes in customer behavior, e.g. switch to e-mobility	○	○	○
Reputation: Damage to reputation due to failure to meet increased stakeholder expectations	○	○	○

○ = Low, ◐ = Medium, ◑ = High, ● = Absolute, ✕ = Not material

The above aspects are presented from a Group perspective. It goes without saying that certain risks are more material or have a greater impact on individual corporate divisions than on others.

The expected financial impact of material physical risks and transition risks, as well as potential climate-related opportunities, aren't planned for in most cases due to the uncertainty of forecasts. Where risks exceed the criteria or thresholds set by risk management, they are recorded accordingly and, if necessary, measures are taken. Market- and product-related issues are considered on an ongoing basis. Otherwise, there are no other material risks; all risks are relatively low. Quantification is carried out when necessary and at the appropriate time.

A separate disclosure under the other topic-specific standards addressed in this report is not made.

The Diehl Group, however, does not consider the factors described above solely from a risk perspective, but rather as opportunities to seize new chances. Transient and physical climate risks can serve as catalysts for innovation—for example, through the development of new, low-emission products and services, the adaptation of production processes to increase energy and resource efficiency, or the increased use of renewable energies. These measures not only offer potential for reducing environmental impacts, but also for opening new business areas and markets.

The Diehl Group has always been committed to implementing and exploiting such opportunities within the scope of its own strategy. Further information with specific examples can be found in the chapter on strategy.

POLLUTION

E-2

Air, water and soil pollution

Within the scope of their environmental reporting, the sites in the Defence corporate division (Nonnweiler, Röthenbach, and Troisdorf) and the sites in the Metall corporate division (Berlin and Röthenbach) subject to the E-PRTR Regulation (EC) No. 166/2006 report the quantities of pollutants in the air, water, ground, and in waste. This data is transmitted annually to the competent authorities using the standard federal recording software BUBE-Online. The reports form an integral part of environmental reporting and contribute to transparency regarding environmental impacts.

Substances of concern and substances of very high concern

The Diehl Group is committed to not only manufacturing high-quality products but also ensuring the safe handling of hazardous substances. The company actively pursues the goal of improving the chemical safety and environmental compatibility of its products and services. Clearly defined responsibilities at various levels ensure that these substances are handled effectively and responsibly. All corporate divisions have specialized teams for substance safety and the use of chemicals. In addition, there is a group-wide task force.

The selection of materials, components, and purchased parts is always carried out in a legally compliant and responsible manner. Compliance with legal requirements forms an integral part of the procurement processes and contracts with suppliers. Diehl has established processes to ensure compliance with rules and standards in this area and to continuously improve them.

Particular attention is paid to the use of substances of very high concern (SVHC). All corporate divisions meet their reporting obligations to customers under the REACH regulation. Products containing SVHC are identified at an early stage and measures are taken to avoid their use.

This is a particularly important part of the Diehl's commitment in the case of brass and electronic products, as these typically contain such substances. In addition to the proper declaration and traceability of these substances, substitution strategies are continuously reviewed and, where possible, optimizations are implemented.

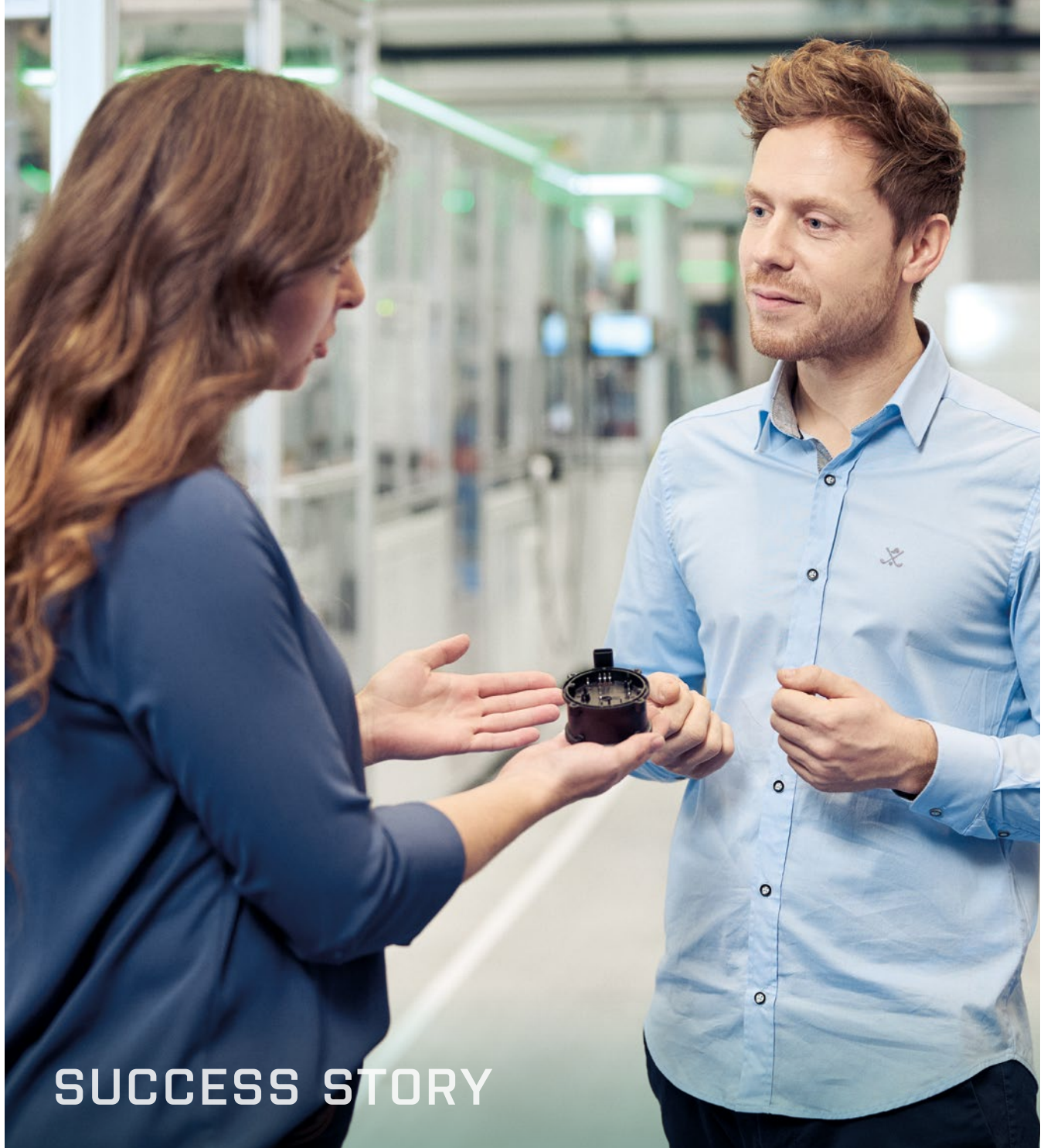
The established processes in product conformity include, in particular, the collection of material data via the supply chain and technical documentation, as well as the verification of material data in accordance with the EU REACH regulation and the EU RoHS directive. The results are communicated to the end customer in the form of declarations of conformity or material declarations.

The SVHC substances contained in products pursuant to the REACH candidate list are reported to the European Chemical Agency (ECHA) in accordance with the EU Waste Framework Directive via SCIP dossiers (SCIP = Substances of Concern in Products).

Regarding the exporting countries concerned, conflict minerals are identified and evaluated, particularly for electronic products.

The Group works in close cooperation with suppliers and participates in projects aimed at avoiding substances of concern or increasing the proportion of recycled materials. The Company is also active in associations to identify and implement changes in chemical legislation and occupational safety at an early stage.

Based on current information, no significant financial effects are expected in environmental pollution.



SUCCESS STORY

Lead-free alloy eZeebrass

Diehl Metall has developed eZeebrass, a new lead-free brass material that meets future regulatory requirements even today.

This material is completely lead-free and replaces lead with magnesium, reducing environmental impact. eZeebrass consists of approximately 58% copper, 41% zinc, and 0.4% magnesium and can be completely recycled, conserving raw materials and saving energy.

For example, the energy required to melt down the scrap material is only a fraction of that needed to extract metal from ore. This means that eZeebrass has a favorable energy balance, which is well known for copper materials. The density advantage means that more components can be manufactured per ton of semi-finished product, resulting in higher material efficiency. eZeebrass therefore represents a significant advance in sustainable material development and supports Diehl Metall on its path to a lead-free future.



WATER AND MARINE RESOURCES

E-3

In its position as a technology and manufacturing company, the Diehl Group attaches great importance to the responsible and sustainable use of water as a valuable resource. Through consistent water management, Diehl strives to minimize water consumption through efficient and environmentally friendly processes and to improve the quality of the water used. In doing so, the local characteristics of the international sites, such as areas with increased water stress, are considered.

The legal entities employ specialized Environmental and Water Protection Officers. They advise and monitor the responsible and legally compliant handling of water and wastewater. They analyze the key production processes for their environmental impact. They place particular focus on processes with special wastewater requirements, e.g. in terms of type, quantity, or constituents. These assessments identify potential areas for improvement and lead to measures for reducing the ecological footprint, such as the use of recycling systems and treatment plants. Internal monitoring and other organizational and technical measures support this process.

Most of the water extracted is used for cooling and production processes. Water is also used in surface treatment plants, cleaning processes, and sanitary facilities. If necessary, production wastewater is treated in special treatment plants so that it can be reused, discharged into the public sewer system, or released into bodies of water. If reuse or discharge is not possible, the Diehl Group ensures proper disposal. No violations of official requirements were identified during the reporting period.

Using data from the World Resources Institute (WRI), production sites in Mexico that are located in water-stressed regions were identified. However, these sites have been shown not to have an increased dependence on water as a resource.

A detailed review of the specific production processes and their water requirements showed that water resources are not critical for the production processes. In other affected areas, there are sales offices that require only a low quantity of water.

Water use

in m ³	Group	Metall	Controls	Defence	Aviation	Metering	Other
Total water consumption ^a	156,204	95,358	12,566	30,070	16,211	0	0
Water withdrawal ^b	608,771	309,485	43,551	144,406	85,975	20,527	4,827
Surface water	55,568	0	0	55,568	0	0	0
Ground water	200,590	179,598	0	0	20,992	0	0
Water of third parties	352,613	129,887	43,551	88,838	64,983	20,527	4,827
Water discharge ^b	452,567	214,127	30,985	112,337	69,764	20,527	4,827
Surface water	107,188	51,620	0	55,568	0	0	0
Ground water	20,992	0	0	0	20,992	0	0
Water of third parties	324,386	162,507	30,985	56,769	48,772	20,527	4,827
Water intensity (in m ³ /€ million)	33.3	129.2	32.7	17.6	12.7	0	0

^a There is no form of water storage that has a material impact on wastewater or process water.

^b Seawater and Produced water are not applicable.

The data on water discharge does not include the quantities that are transferred to an external disposal company as liquid aqueous waste, e.g. water-miscible cooling lubricants, rinsing and washing water, or bath contents from wastewater-free surface treatment plants, as these are very small quantities (> 1%) in relation to the total amount of water withdrawn.

Total water consumption in areas affected by water risks, including areas with high water stress (Diehl sites in Mexico), amounted to 1,000 m³.

The statutory wastewater limits were observed during the reporting period. Based on current information, there are no material expected financial impacts in the area of water resources.

RESOURCE USE AND CIRCULAR ECONOMY

E-5

Resource inflows and use

The Diehl Group strives not only to deliver products of the highest quality, but also to ensure that sustainability principles are firmly embedded in the development and production process. Diehl assumes responsibility for its products far beyond the legal requirements. By integrating life cycle assessment into product development in first corporate divisions, the company aims to create products that are both functional and innovative and have a positive impact on the environment and society.

Diehl considers product development to be a key area for contributing to sustainability. By applying eco-design principles, the environmental impact of products is evaluated and minimized throughout their entire life cycle. The aim is to develop products that are environmentally friendly and have minimal impact on the environment.

From the start, sustainability criteria are part of the development process and the impact on the environment is made transparent. Things like raw material extraction, production, use, transport, disposal, and recycling are considered as early as the design phase.

Guidelines and goals for sustainable products are set, and the results of these analyses help identify potential improvements and optimize the products.

Diehl is committed to further improving its products and processes based on findings from life cycle assessment and customer feedback. Production methods and material selection are adjusted accordingly, and customers are informed transparently about the environmental impact of the products. As a result, the expansion of cycle-oriented product design (e.g. for durability, dismantling, reparability, recyclability, etc.) is advancing accordingly.

SUCCESS STORY

ECO sidewall: Rethinking sustainability in cabin design

With the ECO Sidewall, Diehl Aviation sets a new benchmark for future aircraft cabins. As the first sidewall of its kind, it combines innovative technologies with a strong focus on environmental responsibility. By using lightweight materials and an optimized structural design, the ECO Sidewall achieves a 10% weight reduction compared to traditional sidewall technologies — positively impacting fuel consumption and CO₂ emissions. Reinforced basalt fiber prepregs, a Kevlar® honeycomb core, and bio-based resins meet the strict requirements of the aviation industry for strength, weight, and fire

safety—while also reducing reliance on fossil-based resources. In addition, advanced manufacturing processes help cut material waste and promote more efficient use of resources.

Winner of the 2024 Crystal Cabin Award, the ECO Sidewall delivers forward-looking benefits: lower emissions through lightweight design, a strong cost-benefit ratio, and seamless integration into existing aircraft cabins. Diehl Aviation is helping to support the aviation industry's path toward greater environmental responsibility.



SUCCESS STORY

Introduction of life cycle assessments (LCA) and product carbon footprints (PCF) in the Metall corporate division

A significant step in Diehl Metall's sustainability strategy is the introduction of life cycle assessments (LCAs) and product carbon footprints (PCFs). The first results of these calculations are already available. This means that sustainability is no longer just implemented at the corporate level but actively contributes to improvement in individual products. To this end, it is crucial to know and understand the impact of products on the environment throughout their entire life cycle – from raw material extraction to disposal after the product's useful life.

With this knowledge, improvements can be tested directly on the product for feasibility and subsequently implemented, such as the use of alternative materials or optimized logistics methods. The product portfolio is reviewed step by step when creating calculations and models.



SUCCESS STORY

Significant reduction in hazardous waste through innovative tin recycling

At the production sites Diehl Controls Mexico and Diehl Controls Nanjing, the wave soldering processes previously generated around 20–22 tons of tin dross each year, which had to be disposed of as hazardous waste. This disposal not only represented a considerable loss of resources but also caused additional environmental pollution.

By implementing modern recycling facilities, Controls has established closed material cycles: Tin dross is now remelted directly at the site, whereby valuable tin is recovered and separated from unusable components (the so-called dross).

This sustainable process optimization enables a reduction in hazardous waste disposal of around 70%.

Simultaneously, the recycled tin is fed directly back into the wave soldering processes, which both increases resource efficiency and significantly reduces the environmental footprint.

Waste

The Diehl Group is dedicated to an effective waste management system that aims to minimize waste generation, promote environmentally friendly disposal methods, and support the transition to a circular economy. By optimizing production processes and implementing circular economy concepts, the aim is to avoid waste at the point of origin. Where this is not possible, the reuse of materials and the promotion of recycling programs are prioritized in order to preserve the value of resources and minimize the need for landfill. Diehl strives to avoid the use of hazardous substances or to minimize their proportion through substitution.

Waste Management Officers at the sites are responsible for ensuring that waste management is carried out in accordance with legal requirements. These experts regularly monitor and evaluate waste streams and initiate targeted measures to reduce waste, increase recycling rates, and identify environmentally friendly disposal solutions. In addition, the sites have established internal processes and regulations for the legally compliant transport and disposal of waste by certified waste management companies.

A material portion of the waste generated at Diehl is recycled or disposed of in an environmentally friendly manner, as most waste is classified as non-hazardous. The Diehl Group aims to continuously increase the recycling rate in order to keep the amount of waste to be disposed of as low as possible. 75% of waste is recycled. Three quarters of this is sent for material recycling (e.g. metal chips and scrap, paper and cardboard, wood, plastics).

Hazardous waste, such as filter dust from the foundry or residues from surface treatment plants, accounts for only a small proportion. These are handled, stored, and transported under strict safety precautions to ensure safe and environmentally sound disposal. There is no radioactive waste.

According to current knowledge, there are no material expected financial implications in the area of recycling management.

Waste and disposal

in t	Group	Metall	Controls	Defence	Aviation	Metering	Other
Total amount of waste generated	29,001	17,696	1,821	5,739	2,392	1,262	90
Proportion of waste disposed	25%	27%	17%	23%	14%	26%	41%
Non-hazardous waste	21,526	11,835	1,630	4,824	2,046	1,109	83
Diverted waste	19,269	11,292	1,375	3,945	1,718	894	46
Reuse	1,144	448	0	694	0	2	0
Recycling	15,821	9,339	1,375	3,105	1,140	836	26
Other recycling	2,305	5,861	191	915	346	154	19
Disposed waste	2,256	543	255	879	328	215	37
Incineration	1,351	436	132	540	0	209	33
Landfill	898	104	122	339	328	6	0
Other disposal	8	3	1	0	0	0	4
Hazardous waste	7,475	5,861	191	915	346	154	7
Diverted waste	2,518	1,546	130	455	341	39	7
Reuse	153	0	0	153	0	0	0
Recycling	1,993	1,362	130	198	261	39	4
Other recycling	372	184	0	105	80	0	4
Disposed waste	4,957	4,316	61	460	5	115	0
Incineration	522	116	61	232	0	113	0
Landfill	2,640	2,626	0	8	5	0	0
Other disposal	1,795	1,574	0	219	0	2	0

EU-TAXONOMY

E-1

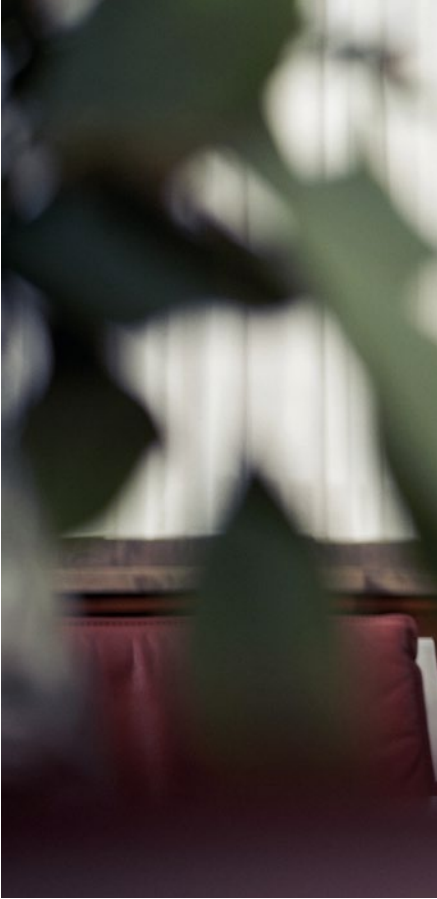
The EU-Taxonomy is a classification system for determining sustainable economic activities. The following disclosures are those required of the Diehl Group pursuant to Art. 8 of the EU Taxonomy regulation (EU) 2020/852. The classifications made have not been subject to external verification.

Companies must provide information on the compliance of their business activities with the EU-Taxonomy in relation to the following environmental objectives:

- Climate change mitigation
- Climate change adaptation
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Prevention and reduction of pollution
- Protection and restoration of biodiversity and ecosystems

The classification as an environmentally friendly activity is entirely based on assessments made in accordance with the EU-Taxonomy regulation and is not generally valid. The fact that some of a company's activities are not included in the list of the Taxonomy regulation does not necessarily mean that they are not sustainable. It simply means that criteria have not yet been developed for these activities, and they are therefore not yet covered by the EU-Taxonomy.

The Diehl Group is publishing Taxonomy information for the first time for the 2024 fiscal year. The company has reviewed all of the Group's economic activities to determine which ones are covered by the Taxonomy (taxonomy-eligible activities) and comply with the Climate Delegated Act and the Environmental Delegated Act.



Activity	Relevant activity covered by Taxonomy	Relevant delegated legislation and annexes
Thermal energy metering	Production of energy-efficient building systems (3.5)	Delegated regulation (EU) 2023/2485, annex to climate change mitigation
Water metering	Production and installation of leak control technologies and related services to reduce and prevent leaks in water supply systems (1.1)	Delegated regulation (EU) 2023/2486, annex to the sustainable use and protection of water and marine resources



The taxonomy-eligible activities at Diehl are limited to the two activities mentioned above in the Metering corporate division. Other taxonomy-eligible activities that are not part of the Diehl Group's core business are not included in the report.

The two activities identified at Metering contribute to climate change mitigation and the protection of water and marine resources. In accordance with the Taxonomy Regulation, the compliance of taxonomy-eligible economic activities was assessed based on the following requirements:

- Compliance with technical evaluation criteria for a significant contribution,
- Compliance with technical evaluation criteria to avoid significant damage to one or more environmental objectives (Do-No-Significant-Harm or DNSH criteria)
- Compliance with minimum safeguards.

The taxonomy-eligible activities in the water and heat meter segment provide accurate and reliable measurements, enable leak detection, support automatic remote reading, and promote sustainable resource use, resulting in cost savings. Thermal energy meters are primarily designed to significantly improve energy efficiency in buildings. Water meters help reduce and prevent leaks in water supply systems.

As part of the conformity assessment, a comprehensive DNSH (Do-No-Significant-Harm) analysis was carried out for both economic activities. This assessment ensures that the activities do not have any negative impact on other environmental objectives of the Taxonomy. The assessment of the DNSH criteria concluded that both activities and their sites meet these criteria:

- Climate change adaptation
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Prevention and reduction of pollution
- Protection and restoration of biodiversity and ecosystems

Compliance with the DNSH requirements is mainly ensured through established environmental management systems in accordance with DIN EN ISO 14001 standards, processes to ensure product responsibility, and the performance of life cycle assessments. An assessment of climate risks and vulnerability has not identified any material climate-related physical risks. Furthermore, none of the sites that are material to the taxonomy-eligible economic activities are located in or near biodiversity-sensitive areas (e.g. Bayernatlas, Natura 2000 Network Viewer).

In order to verify Taxonomy compliance, economic activities must follow minimum safeguards. These safeguards ensure that activities are carried out in line with the OECD Guidelines, the UN Guiding Principles on Business and Human Rights, and the International Bill of Human Rights. The minimum protection measures include:

- Human rights
- Corruption and bribery
- Taxes
- Fair Competition

Diehl has implemented processes to prevent negative effects and monitors the results. The Group's Code of Conduct and the Compliance Management System (CMS) ensure compliance. Employees regularly attend compliance training courses. Suppliers and business partners must adhere to the same ethical standards. The requirements are part of the business contracts and the Supplier Code of Conduct. Diehl checks suppliers for human rights, corruption, and bribery issues. Diehl has a system for anonymous reporting of unethical behavior. Reports are reviewed regularly, and procedures are adjusted.

Based on previous assessments, the identified taxonomy-eligible economic activities are also classified as taxonomy-compliant. In 2024, taxonomy-compliant revenue amounted to €462.1 million, representing 9.8% of total revenue. Taxonomy-compliant capital expenditures amounted to €22.9 million, representing 6.9% of total capital expenditures. Taxonomy-compliant operating expenses amounted to €8.1 million, representing 1.4% of total operating expenses.



SUCCESS STORY

Taxonomy compliance of the Metering corporate division's business activities

Looking at the Metering corporate division alone, it becomes evident that its business activities are fully Taxonomy-compliant according to current estimates. This development underlines the commitment to sustainable business practices. Targeted measures and continuous adjustments have ensured that all activities of the Metering corporate division comply with the requirements of the Taxonomy. The Taxonomy compliance once again underlines that the economic activities make a substantial contribution to the EU's environmental objectives and do not have any significant negative impacts on other environmental objectives. By complying with these criteria, the Metering corporate division is contributing to a sustainable economy and taking another major step toward becoming a sustainable company.

Disclosure in accordance with the EU Taxonomy regulation

The following overviews have been prepared in accordance with the templates set out in Annex 2 of Delegated Regulation (EU) 2021/2178 on disclosure obligations.

Activities related to nuclear energy and fossil gas:

1	The company is engaged in researching, developing, demonstrating, and deploying innovative power generation systems that generate energy from nuclear processes with minimal waste from the fuel cycle, finances such activities, or holds risk positions related to these activities.	No
2	The company is engaged in the construction and safe operation of new nuclear facilities for the generation of electricity or process heat – including for district heating or industrial processes such as hydrogen production — as well as in the improvement of their safety using the best available technologies, finances such activities, or holds risk positions in connection with these activities.	No
3	The company is engaged in the safe operation of existing nuclear power plants for the generation of electricity or process heat — including for district heating or industrial processes such as hydrogen production — as well as in their safety-related improvement, finances such activities, or holds risk positions related to these activities.	No
4	The company is engaged in the construction or operation of facilities for generating electricity from fossil gaseous fuels, finances such activities, or holds risk positions related to these activities.	No
5	The company is engaged in the construction, modernization, and operation of plants for combined heat and power generation using fossil gaseous fuels, finances such activities, or holds risk positions in connection with these activities.	No
6	The company is engaged in the construction, modernization, and operation of plants for heat generation that produce heat / cooling from fossil gaseous fuels, finances such activities, or holds risk positions in connection with these activities.	No



LIVING A COOPERATIVE
CULTURE



- Promotion of a safe, appreciative, and equal working environment
- Two-thirds of all leadership positions are to be filled with internal professionals
- Introduction of health and safety management system in accordance with DIN EN ISO 45001 at Diehl Metering
- Proper implementation of supply chain due diligence obligations confirmed by two independent audit bodies

MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

Diehl values its employees, who are dedicated and innovative in developing technologies that improve the lives and work of countless people worldwide. They are the heart of the company's success and have played a key role in shaping Diehl's history through their daily commitment. Many of them remain loyal to the company for decades, with some even spending their entire professional careers at Diehl.

Diehl values a diverse workforce, one that is open, respectful, and proud of its achievements. Employees work together to secure the company's technological lead in the long-term.

A family-like working atmosphere and a trusting and fair working environment are central components of the company's long-standing corporate culture. Personal responsibility and entrepreneurial action, as well as a corporate environment that supports social issues, promote a culture in which challenges and recognition form an integral part of everyday work. These factors contribute to Diehl regularly being recognized as a top employer.

OWN WORKFORCE

S-1

CHARACTERISTICS OF EMPLOYEES

Due to differences in the scope of reporting and in the definitions of key figures used in the reporting standards, the social indicators in the Annual Report and the Sustainability Report may vary slightly.

The social indicators were calculated on the basis of headcounts, not full-time equivalents. Unless stated otherwise, the social indicators refer to headcounts.

Own Workforce – Characteristics

	Group	Metall	Controls	Defence	Aviation	Metering	Other
Employees	18,886	3,002	3,467	4,414	5,413	1,947	643
Male	12,700	2,358	1,648	3,300	3,931	1,113	350
Permanent	11,443	2,139	1,415	2,998	3,658	981	252
Temporary	1,254	219	233	298	273	131	100
Without guaranteed working hours	0	0	0	0	0	0	0
Female	6,186	644	1,819	1,114	1,482	834	293
Permanent	5,511	543	1,662	990	1,398	670	248
Temporary	678	101	157	128	84	165	43
Without guaranteed working hours	0	0	0	0	0	0	0
Non-employees ^b	908	142	85	220	253	201	7

^a The indicators for characteristics (Own workforce) were calculated on the basis of average values for the reporting period.

^b Non-employees: People provided by undertakings primarily engaged in "employment activities" (NACE code N78).

Self-employed, non-employees are used in Germany for limited projects and clearly defined services on a small scale.

An established internal process ensures that these assignments always comply with German social security laws.

Diehl's global presence is reflected in its international workforce, with employees from Europe, North America, South America, Asia, and Africa.

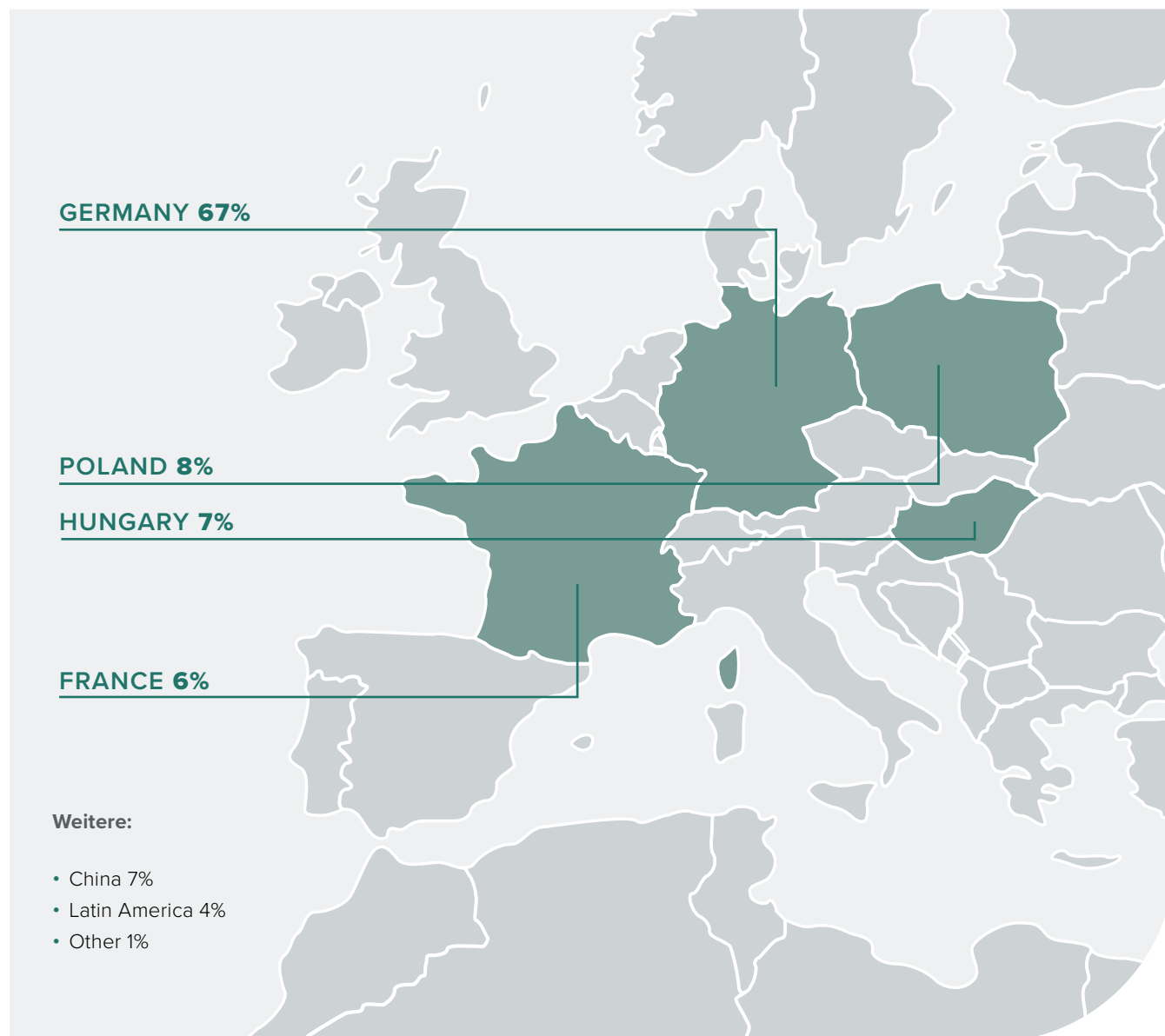


Employees – Breakdown by country^a

	Group	Metall	Controls	Defence	Aviation	Metering	Other
Germany	12,624	2,432	497	4,224	3,891	939	641
Poland	1,601	0	1,149	0	0	452	0
China	1,450	243	1,144	0	0	63	0
Hungary	1,233	0	0	0	1,233	0	0
France	1,042	235	0	190	215	402	0
Mexico	677	0	677	0	0	0	0
Brazil	92	92	0	0	0	0	0
USA	88	0	0	0	52	36	0
Austria	55	0	0	0	0	55	0
Other	24	0	0	0	22	0	2

^a The indicators for breakdown by country (Employees) were calculated on the basis of average values for the reporting period.

Main presence by country



Employees – Fluctuation^a

	Group	Metall	Controls	Defence	Aviation	Metering	Other
Percentage left	14.6%	16.0%	27.0%	8.5%	12.1%	11.2%	13.8%
Left ^b	2,752	479	936	376	653	219	89
Temporary	689	114	162	125	176	72	40

^a The indicators for fluctuation (Employees) were calculated on the basis of average values for the reporting period.

^b The number of employees who left the company includes retirements, transfers within the Diehl Group, redundancies due to restructuring, working students, interns, holiday workers and other temporary employees.

WORKING CONDITIONS

Diehl places great importance on the well-being of its employees. The company therefore offers a wide range of social benefits that go beyond the statutory requirements, including pension plans, company health programs, employee discounts, and other additional benefits.

In 2024, additional employer benefits were introduced

for employees of the Diehl Group in Germany. With the introduction of company bicycle leasing, Diehl is sending a clear signal for climate-neutral and environmentally friendly mobility. In addition, the use of public transportation is being

promoted by offering the Germany-wide ticket, known as the "Jobticket."

Since October 2024, all employees of the Diehl Group in Germany have also had the opportunity to sign up for a company fitness program subsidized by

their employer under the motto "Make it active."

This gives employees access to a network of

over 9,000 sports and wellness facilities at attractive conditions.

Employee-related issues are firmly anchored in the organizational structure of the Diehl Group. Regular adjustments to

working conditions ensure that employees always find an optimal working environment. Diehl is convinced that these measures not only benefit the individual but also strengthen the company and promote sustainable growth.

Diehl pays all employees appropriate remuneration in line with applicable reference values. In addition, employees² of the Diehl Group are protected by social security against loss of earnings due to significant life events³.

FAMILY-ORIENTED AND ENTREPRENEURIAL AT ALL LEVELS

² Only applies in a limited way to employees of Diehl Aerospace Inc. (USA) and Diehl Metering LLC (USA)

³ Sickness, unemployment, employment injury and acquired disability, parental leave, and retirement



Work-life balance

Diehl attaches great importance to the work-life balance. Human resources management is geared to the individual stages of employees' lives and promotes a family-friendly working culture. Expectant parents and families are supported by various programs and benefits, including children's holiday programs, counseling services for family matters, and assistance in finding childcare facilities. Diehl guarantees social protection in all its corporate divisions.

Diehl enables its employees to structure their work flexibly and use their time efficiently. Flexible working hours, mobile working, and other measures help to meet individual needs and successfully balance private and professional life. Among other things, employees are offered the opportunity to combine vacation and work in a meaningful way as part of a workation. Diehl is thus enhancing the flexibility of work, particularly regarding the compatibility of family and career, by adding a further component.

In a previous pilot project, approximately 30% of participants with European nationality took advantage of workation for a stay in their home country. Further measures to make work more flexible for all employee groups are currently being developed.



Employees – Work-life balance^a

	Group	Metall	Controls	Defence	Aviation	Metering	Other
Percentage of entitled to social leave ^b	99.8%	100%	100%	100%	100%	98.2%	100%
Percentage claimed male	2.8%	2.5%	3.2%	2.8%	3.1%	2.4%	1.2%
Percentage claimed female	3.2%	0.9%	4.6%	2.4%	3.4%	5.6%	3.6%

^a The indicators for work-life balance (Employees) were calculated on the basis of average values for the reporting period.

^b Entitled to social leave: Employees entitled to maternity/paternity leave, parental leave, or care leave for elderly family members.

The company considers the different perspectives and needs of employees as they approach retirement. It is a matter of great importance that employees remain physically and mentally fit until the end of their working lives and can continue to contribute their skills to the Company. Partial retirement models and the timely transfer of knowledge promote an active and committed generational change. To raise awareness of these issues, the internal health management program offers lectures and workshops on the future, work-life balance, retirement, exercise, and healthy nutrition. This creates a working environment in which everyone can develop their full potential and feel valued.

Diehl attaches great value to representing the interests of its workforce and actively promotes the establishment of employee representatives, works councils, and similar bodies that represent the concerns of employees in company matters. Cooperative collaboration with employee representatives is of central importance to Diehl.

Regardless of the legal situation regarding freedom of association, employees at all global sites of the Diehl Group have the right to join a trade union. These committees provide a platform for the exchange of ideas, concerns, and suggestions and enable employees to actively participate in decisions that affect them. Diehl values the opinions of its workforce and promotes open and transparent communication between management and employees.

Most the Diehl Group's German sites are bound by collective agreements, which contributes to transparent and non-discriminatory remuneration. In accordance with the Diehl Group's Code of Conduct, all business units worldwide are guaranteed fair pay that is at least equal to the statutory minimum wage and includes all prescribed benefits. To promote an open dialogue with employees, Diehl conducts regular employee surveys. The company continuously reviews and updates its guidelines and programs to ensure that they meet current requirements and provide helpful support to employees.

Employees – Collective bargaining coverage and social dialogue^a

	Group	Metall	Controls	Defence	Aviation	Metering	Other
Percentage with collective agreement	81.0%	89.2%	83.9%	94.5%	70.3%	69.5%	60.2%
Percentage with employee representation	80.4%	91.5%	45.7%	96.5%	75.0%	94.4%	97.1%

^a Indicators for collective bargaining coverage and social dialogue (Employees) were calculated on the basis of year-end values for the reporting period.



EQUAL TREATMENT AND OPPORTUNITIES FOR ALL

Training and further education

Diehl attaches great value to the continuous development of its skilled workers and managers. Through a wide range of qualification and training opportunities, the company invests in the future of its workforce and thus strengthens its own competitiveness. Diehl therefore offers high-quality training and development programs tailored to the individual needs and development goals of its employees.

Employees receive individual support through a wide range of learning opportunities, including internal and external training courses, certifications, and mentoring programs. The aim is to support professional development and help employees.

In this context, managers play a decisive role by identifying high-potential employees and preparing them specifically for future tasks. This is done, among other things, as part of Diehl's Potential Management Program, which proactively identifies career opportunities within the Group and thus promotes long-term employee retention. Diehl is also involved in the "Women in Management" program run by Bavarian M+E employers to increase the proportion of female managers.

The training programs are continuously adapted to current requirements and supplemented by digital tools. The company-wide learning platform "Diehl Lernwelt" offers a comprehensive continuing education program with classroom, hybrid, and online training.

The platform includes mandatory training courses and over 6,000 free, voluntary learning opportunities such as e-books, audio learning modules, and virtual classrooms. Initial continuing education opportunities on the topic of sustainability have already been integrated. Diehl also relies on internal knowledge sharing, for example through "colleague academies," to effectively pass on employee expertise.

Diehl is committed to providing sound and varied training that promotes independence, fairness, and teamwork. With a wide range of training and study opportunities, Diehl offers young talent the chance to develop in a challenging and varied environment and shape their professional future.

In the 2024 fiscal year, 123 trainees started dual training in 23 different occupations at Diehl. In addition, 47 (dual) students started a total of 24 courses of study. The total number of young talents remains high at 498 trainees (2023: 452), 418 (2023: 387) of whom are in Germany.

With the aim of getting young women interested in technical careers, Diehl has been participating for the past several years in “Girl’s Day” and in the “Girls for Technology Camp” educational initiative organized by the Bavarian Industry Association. Diehl’s 18-month trainee program offers around 30 trainees from commercial and technical fields an entry point into the Diehl Group each year.

The commercial programs are organized centrally for the entire Group, while the technical programs are carried out by the individual corporate divisions. Both programs offer different areas of focus, including accounting/controlling, technical purchasing, human resources, IT management and digitization, as well as production/project management, research and development, quality management, and sales.

Employees – Training and skills development^a

	Group	Metall	Controls	Defence	Aviation	Metering	Other
Average training hours ^b	13.3	11.1	5.8	24.0	11.3	10.0	17.9
Male	14.8	9.8	6.7	26.3	11.9	11.6	21.4
Female	10.2	16.0	5.0	17.2	9.7	7.8	13.7

^a The indicators for training and skills development (Employees) were calculated on the basis of average values for the reporting period.
^b The processes for recording training hours have not yet been fully implemented. Measures for optimization are currently being developed.

Feedback culture at Diehl

Diehl attaches great value to a co-operative corporate culture. A set of leadership principles forms the basis for transparent and comprehensible management principles. These principles are being continuously anchored in the company in combination with an upward feedback process for middle and senior managers, which is currently being rolled out. The leadership principles are supplemented by a group-wide competency model, which is used in qualification assessment procedures.

The upward feedback process allows employees to give their managers feedback on their leadership behavior in the context of the mission statement.

These assessments are compared with the managers’ self-assessments to identify any differences in perception. The resulting dialogue promotes mutual understanding and provides concrete pointers for further developing leadership skills.

This method strengthens the relationship between managers and employees, improves leadership dynamics, and promotes open communication and trust.

It helps managers to sharpen their self-awareness and take targeted development measures. A two-year cycle ensures the sustainable development of the management culture.



Diversity

Diehl values the diversity of its workforce and regards it as an essential source of innovation, creativity, and success. Social cohesion, openness, equal opportunities, and the fight against discrimination are central components of the corporate culture. Diehl is committed to an inclusive working environment that promotes openness to new ideas and values the individuality of its employees.

Equal opportunities for everyone and the use of diverse perspectives and skills are crucial for mutual success. This topic is therefore defined as one of the four priorities of the sustainability strategy.

Employees – Breakdown by age groups^a

	Group	Metall	Controls	Defence	Aviation	Metering	Other
Percentage < 30 years	19.4%	14.0%	19.9%	21.7%	19.6%	16.4%	30.2%
Percentage ≥ 30 ≤ 50 years	53.9%	49.9%	64.9%	50.8%	52.4%	56.0%	45.0%
Percentage > 50 years	26.7%	36.1%	15.2%	27.5%	28.0%	27.6%	24.8%

^a The indicators for breakdown by age groups (Employees) were calculated on the basis of year-end values for the reporting period.

Regardless of religion, cultural or ethnic background, political affiliation, age, or gender, all employees are treated equally and supported in their professional development. Diehl promotes employees from different countries and sites for management roles.↵

With numerous branches in Germany and abroad, Diehl has formed a team that works together openly and respectfully across national borders, thereby contributing to international dialogue through collegiality.

Top management – Breakdown by gender^a

	Group	Metall	Controls	Defence	Aviation	Metering	Other
Top management ^b	7	2	3	3	4	4	2
Male	7	2	3	3	4	3	2
Percentage male	100%	100%	100%	100%	100%	75.0%	100%
Female	0	0	0	0	0	1	0
Percentage female	0.0%	0.0%	0.0%	0.0%	0.0%	25.0%	0.0%

^a The indicators for breakdown by gender (Top management) were calculated on the basis of year-end values for the reporting period.

^b Top management: Executive Board of the Diehl Group. The Group Executive Board consists of the Speakers of the Division Boards and the Corporate Board of the non-operative area. The Speakers of the Division Boards are listed in the respective corporate division and in the Group.

Employees – Persons with disabilities^a

	Group	Metall	Controls	Defence	Aviation	Metering	Other
Percentage with disabilities	2.7%	3.6%	0.6%	2.5%	3.3%	3.3%	3.2%

^a The indicators for persons with disabilities (Employees) were calculated on the basis of year-end values for the reporting period.

The company condemns all forms of discrimination and follows a zero-tolerance policy to actively prevent discrimination at the workplace. Clear guidelines and procedures ensure equal opportunities and combat all forms of discrimination. The Code of Conduct is taught to raise employee awareness.

Diehl also provides its employees with access to various complaint and whistleblowing channels. Generally, employees can address complaints to their manager, the Human Resources Department, the Compliance Officer, the Data Protection Officer, or the relevant employee representative. In addition, complaints or reports can be sent to an external ombudsman or submitted anonymously.

An online whistleblower system is available for this purpose.

Based on a group-wide guideline, training courses are offered for employees and managers to raise awareness of this issue and prevent unconscious bias and cognitive distortions.

HEALTH AND SAFETY

Accidents can occur for a variety of reasons, which is why it is vital to avoid risks or eliminate them at an early stage. The Diehl Group attaches the highest priority to the health and safety of its

employees and contractors at all sites. This priority forms an integral part of daily work and is considered equally important as productivity and quality.

The Group is therefore committed to ensuring that every employee has a safe and healthy working environment. This commitment is a key priority in the Group’s sustainability strategy.

Own workforce – Health and safety^a

	Group	Metall	Controls	Defence	Aviation	Metering	Other
Recordable work-related accidents ^b	211	81	18	49	51	8	4
Rate of recordable work-related accidents ^c	7.0	17.0 ^d	2.9	7.5	6.1	2.5	4.3

^a The indicators for health and safety (Own workforce) were calculated on the basis of average values for the reporting period. >99% of the company’s own workforce within the scope of sustainability reporting was considered when calculating the indicators.

^b Number of accidents reported to the company by injured persons that resulted in more than three calendar days of absence.

^c Number of reportable accidents per 1,000,000 working hours (500 full-time employees).

^d Reference value of the German Employers’ Liability Insurance Association for the Wood and Metal industry: 20.1.

Diehl seeks to prevent accidents and injuries at the workplace and preserve the health of its employees. To achieve this, clear responsibilities and safety standards have been implemented. Risk assessments, safety audits, and regular inspections help to identify and minimize potential risks at an early stage. Continuous reviews and inspections ensure the ongoing improvement of occupational safety and health protection. In addition, occupational safety specialists conduct specific risk assessments. Based on their findings, the Company derives occupational health and safety targets and defines the necessary protective measures, taking into account state-of-the-art technology, ergonomics, work design, and occupational medicine.

At some sites, these measures are integrated into an occupational safety management system in accordance with DIN EN ISO 45001. The coverage of health and safety management systems⁴ across Diehl was 63.0% in the reporting year. The Metall (93.9%) and Metering (100%) -corporate divisions even achieved significantly above-average results.

Another important aspect is raising awareness of occupational safety and health protection among all employees and managers, thereby promoting a strong safety culture.

Occupational safety topics and information are communicated within

the organization through a variety of channels. Regular training and instruction for employees and service providers on safety-related topics are an essential part of the program. In addition, sufficient first aiders and trained company paramedics are available.

All employees are encouraged to report identified risks and (near-) accidents to talk to colleagues and to suggest ways and means of preventing accidents and damage. In the 2024 reporting year, there were no fatalities among Diehl Group’s workforce due to work-related injuries or illnesses.

**AT DIEHL,
THE SAFETY AND
HEALTH OF
EMPLOYEES ARE
TOP PRIORITIES.**

⁴ A system designed to manage occupational safety and health risks in the workplace, which contains elements of management of longer-term health impacts and occupational disease, and has been subject of an internal audit or external certification.

Employees – Health and safety^a

	Group	Metall	Controls	Defence	Aviation	Metering	Other
Accident frequency rate ^b	6.6	16.6 ^c	2.2	6.2	6.2	2.7	4.3
Work-related ill health ^d	14	7	1	5	1	0	0
Days lost ^e	4,338	1,423	704	593	1,199	278	141

^a The indicators for health and safety (Employees) were calculated on the basis of average values for the reporting period. >99% of the company's own work-force within the scope of sustainability reporting was considered when calculating the indicators.

^b Number of accidents reported to the company by injured persons that resulted in more than three calendar days of absence per 1,000,000 working hours (500 full-time employees).

^c Reference value of the German Employers' Liability Insurance Association for the Wood and Metal industry: 20.1.

^d Number of work-related ill health recorded by Employers' Liability Insurance Association other responsible organizations.

^e Number of days lost due to work-related injuries and deaths resulting from work-related accidents, work-related ill health, and deaths resulting from ill health. The calculation of days lost is based on calendar days.

Chemicals and hazardous substances in occupational safety management

The handling of chemicals and hazardous substances at work is addressed in detail in the Group's occupational health and safety management system. A comprehensive management approach covers all aspects of handling these substances.

This approach is part of the Group's strategy to identify and assess the risks associated with the use of these substances and to implement measures to minimize risks and replace them with less hazardous alternatives.

The processes include strict safety protocols, regular training for employees, and continuous monitoring of compliance with legal requirements. Moreover, it covers aspects of proper storage and disposal. Another key component of chemical and hazardous substance management is transparent communication, both internally and externally. To this end, all information relevant to the respective recipients is made available regarding the substances used.

When handling chemicals and hazardous substances, the protective measures specified in the risk assessment or operating instructions must be observed. The responsible managers shall ensure, through instruction of employees and by checking the working area, that the protective measures are observed and that only chemicals and hazardous substances approved for their area are used in accordance with the hazardous substances list.

Protection of health – Prevention and help

Diehl places great value on protecting the health of its employees and is committed to creating health-promoting working conditions. To ensure the physical and mental health of all employees, the Diehl Group provides preventive and demand-oriented measures. These are designed to promote health, prevent long-term damage to health, and raise awareness of health-conscious behavior.

The corporate divisions and sites have implemented a wide range of measures

and projects to promote Health-conscious behavior. These measures are aimed at everyday work-related stressors such as shift work, mental strain and ergonomic challenges. Such measures include the design of ergonomic workplaces, regular health checks, access to health services and programs to promote physical and mental health. Training and campaigns to raise awareness of issues such as addiction prevention and conflict management are also part of these initiatives.

The Diehl Group attaches great importance to the topic of mental health: mental illnesses and crises usually occur unexpectedly. To recognize psychological warning signals at an early stage and provide quick and easy help, the corporate divisions have created many offers to promote mental health: from stress checks carried out on health days to professional contact points. Furthermore, some sites offer trained employees who provide support at short notice in situations of personal crisis.

WORKERS IN THE VALUE CHAIN

S-2

By publishing its policy statement on human rights strategy in German and English, the Code of Conduct, the Supplier Code of Conduct and the Diehl Rules of Procedure in all languages used within the Group, Diehl has established the necessary transparency for its own employees and the employees of its suppliers with regard to the fulfilment of its due diligence obligations both within its own business area and vis-à-vis its direct suppliers. In addition, anyone can view the report submitted to the Federal Office of Economics and Export Control on the Diehl website.

With the introduction of the Supply Chain Due Diligence Act (LkSG), Diehl has continuously implemented and further developed the preventive measures required by law. In addition to conducting annual risk analyses within its own operations and with its direct suppliers, Diehl has adapted its policy statement on human rights strategy in line with the new requirements of the German Federal Office for Economic Affairs and Export Control and published it on its website. In accordance with the updated guidelines, Diehl has committed itself to implementing the Diehl Supplier Code of Conduct or a comparable document in its business relationships with direct suppliers once risks have been identified. In line with the amended requirements of the Federal Office for Economic Affairs and Export Control, the Diehl Group Guideline "Risk Management Supply Chain Due Diligence Act in Purchasing" was revised so that,

following the risk assessment, the Supplier Code of Conduct is to be agreed primarily with suppliers with a very high or high risk. In addition to General Procurement, all Human Resources Departments of the Diehl Group worldwide were trained as relevant business areas on the due diligence obligations under the LkSG.

Within the Compliance Organization, a regular reporting system has been established for legal entities to report to the Human Rights Committee, as the Diehl Corporation's Human Rights Officer, or to the responsible Compliance Manager, as Human Rights Coordinator, for the purpose of recording and documenting any violations of human rights and environmental obligations. Further, the Human Rights Committee and the responsible Compliance Manager reported on their activities to the Executive Board of the (Diehl) Group / Diehl Corporation at a meeting. Separate reports were made to the Executive Board on specific issues, particularly the effects of the reduction of the thresholds pursuant to Section 1 LkSG on the human rights organization. Despite the suspension of the annual reporting obligation within the meaning of Section 10 (2) sentence 1, 12 (1) LkSG, the Diehl Group submitted the electronic report for the fiscal year 2023 to the Federal Office for Economic Affairs and Export Control and published it on its website (<https://www.diehl.com/group/en/company/compliance/#human-rights-lksg>).





The annual risk assessment for the calendar and fiscal year 2024 identified certain abstract country- and industry-specific risks. However, no specific human rights or environmental risks or violations were reported either within the human rights organization or via the complaint's portal.

In addition to conducting internal audits, Diehl has undergone a voluntary audit by an external partner. The result of this audit was that Diehl has properly fulfilled all supply chain due diligence obligations. Moreover, two Diehl companies were reviewed by the Federal Office for Economic Affairs and Export Control (BAFA) in response to requests for information pursuant to Section 17 of the German Supply Chain Due Diligence Act (LkSG) regarding the fulfillment of supply chain due diligence obligations. The Federal Office for Economic Affairs and Export Control has suggested to Diehl to publish the rules of procedure in several languages and to point out that the complaint procedure is free of charge. Diehl's rules of procedure for complaints are now available in all Group languages, as are the Code of Conduct and the Supplier Code of Conduct and contain a reference to the fact that the procedure is free of charge.



**BUILDING TRUST.
MINIMIZING RISKS.
LIVING INTEGRITY.**

- 
- Merging of compliance and data protection for further strengthening legal certainty
 - A group-wide organization implements legal compliance and data protection requirements
 - Risk assessment of direct suppliers established using EcoVadis software
 - Diehl is committed to transparency and openness in representing its interests

MANAGEMENT OF IMPACT, RISKS AND OPPORTUNITIES

The Diehl Group practices a responsible corporate governance based on compliance with the laws and regulations in all countries the company operates in. The principles set out in the Diehl Code of Conduct are binding for all employees. Diehl strives for transparent relationships with all business partners, from suppliers to customers and government agencies. The shareholders, the Supervisory Board and the Executive Board of the Diehl Group consider it very important to provide a work environment in which employees can openly address any compliance issues. The company promotes a culture of open dialog in which employees can turn to their superiors as well as the compliance organization.

The aim is to sensitize all employees to compliance issues through continuous communication and comprehensive training. In the event of any violations, employees can confide in the compliance organization or the ombudsman. These values and practices are embedded in the governance structure and ensure transparent responsibilities and proper corporate management. The governance structure works according to the proven “three-lines model”. Internal audit ensures the appropriate structure and implementation of the internal control system regarding the due diligence of the management.

COMPLIANCE

G-1

The trustful treatment of whistleblowers has a long tradition at Diehl. As early as 2007, the Diehl Corporate Compliance Officer (CCO) and an external ombudsman took on the task of handling reports of compliance violations. In addition, an online whistleblower tool enables anonymous reports and communication with the whistleblower via a secure mailbox. As soon as Diehl receives any compliance reports via these reporting channels, independent and impartial investigations are initiated to clarify the facts and take the necessary measures for the benefit of the company and its employees.

The reporting channels form an integral part of the established Compliance Organization of the Diehl Group. Diehl Corporate Compliance comprises all measures to ensure that Diehl employees observe the legal regulations and internal Directives. The Compliance Organization is based on the (Diehl) Group's Code of Conduct.

The original focus areas of corporate compliance at Diehl are:

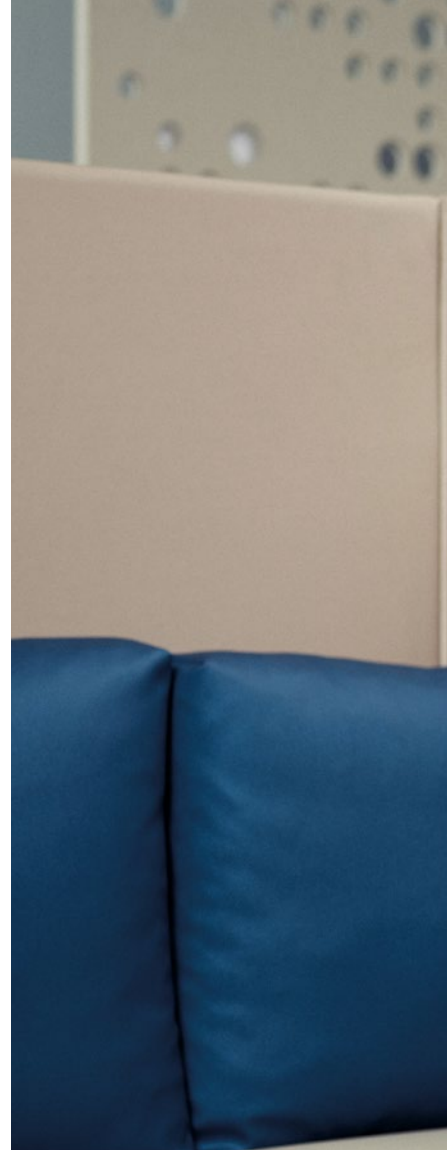
- Corruption prevention
- Ban on cartels
- Avoiding conflicts of interest, including how to handle invitations and gifts
- Prevention of money laundering and terrorist financing

The CCO heads the compliance organization and is also responsible for the organization of the Compliance Committee. This organization comprises the relevant departments and two members of the Executive Board. Its role is to promote the exchange of ideas and advice on all compliance issues within the Diehl Group. The Compliance Committee, as an example, reviews business processes in terms of compliance with the Code of Conduct. Furthermore, it identifies compliance issues and evaluates compliance violations.

As of July 1, 2024, the Departments of Compliance and Data Protection have been merged into one department and are therefore working even more closely together than before. This leads to greater legal certainty, as issues can now be viewed directly from both perspectives.

One of the key compliance measures implemented by Diehl is regular compliance training for employees at all levels of the hierarchy. In particularly high-risk functional areas such as customer relations, supply chain, and quality, 85 percent of employees completed compliance training in 2024.

The aim is to achieve a comparable training rate for lower-risk employees in the coming years.





DATA PROTECTION

The protection of personal data is a fundamental right. To adequately protect such data along with the rights and freedoms of the persons concerned, Diehl has set up a group-wide data protection organization. For this purpose, Diehl provides both human and financial resources, centralized in the Corporate Privacy Department and decentralized in the legal entities, with so-called Data Protection Coordinators. People concerned may contact the Data Protection Officer at any time. In addition, a group-wide whistleblower system is available for reporting data protection violations.

There are numerous data protection requirements set out in guidelines. These guidelines are regularly reviewed and updated as needed.

Diehl not only meets the regulatory requirements for data protection but also goes beyond them when it is reasonable and necessary. Thus, a number of Group companies, for example, use a software program for data protection management.

Finally, Diehl maintains a group-wide data protection management system that includes, among other things, technical and organizational measures for data security. Such measures are not only taken systematically, but also on an ad hoc basis where necessary. The measures are of a long-lasting nature and are continuously reviewed.



SUPPLIER RELATIONSHIPS

G-1

The Diehl Group, as a globally active industrial company, not only undertakes to comply with its own Code of Conduct, but also assumes social and environmental responsibility for the procurement process along the entire supply chain.

Suppliers are selected based on technical, economic, social and ecological criteria. The decentralized purchasing organizations of the corporate divisions have drawn up generally applicable and, where necessary, industry-specific purchasing guidelines. The aim is to ensure that all suppliers recognize the Diehl Group's Supplier Code of Conduct. However, if a supplier refuses to do so without being able to present its own suitable code of conduct, it may

result in restrictions on cooperation and even termination of the business relationship. In the event of violations of the Supplier Code of Conduct, remedial measures will be demanded immediately and audits carried out where necessary.

Responsible procurement is firmly anchored in the Code of Conduct. Diehl ensures that critical materials that may be contained in the products supplied by Diehl are procured in a responsible manner, i.e., with minimal impact on the environment and without compromising human rights. Diehl is fair and reasonable in its payment practices and pays undisputed and valid invoices on time in accordance with the agreed contractual payment terms.

The requirements of the Supply Chain Due Diligence Act have been implemented in the purchasing departments of the Diehl Group. Direct suppliers are evaluated in terms of their human rights and environmental due diligence, the aim being to identify such risks, minimize violations of these and even put a stop to them.

REPRESENTATION OF INTERESTS

G-1

As a globally operating technology company, Diehl is committed to using its technical expertise for the benefit of society and to developing solutions for current social challenges. For this reason, Diehl is actively involved in organizations, forums, associations, and foundations to represent technological and social concerns. In doing so, the requirements of customers and stakeholders are taken into account, the company's reputation is strengthened, and long-term partnerships are established.

Reconciling different interests and providing well-founded information are essential to offer decision-makers a factual basis for effective political decisions. Diehl strives to be a reliable advisor and attaches great importance to transparency and traceability in its activities. Political neutrality is a fundamental principle of its actions; it engages in open dialogue with all relevant democratic parties without giving the impression of exerting influence.

Political positions are stated clearly and comprehensively, in strict compliance with all legal requirements, such as the national lobby register and the EU Transparency Register. By registering in the German lobby register and obtaining accreditation in the EU Transparency Register, Diehl undertakes to comply with the respective codes of conduct and transparency requirements.

The representative offices in Berlin, Koblenz, and Brussels serve as central hubs for communication with national and international political actors and other politically relevant stakeholders along the value chain. The aim is to provide coordinated content for political lobbying and to address target groups effectively through coordinated measures, such as own events. The strategic focus of political lobbying is in line with the company's internal guidelines and is determined in close consultation between the Executive Board and the representative offices.

In 2024, the political work was focused on the following topics:

- Climate change mitigation, energy efficiency, and sustainability (e.g. National Energy Efficiency Act, Building Energy Act, federal funding for efficient buildings, digitization of water metering)
- Security and defence matters at national and European level (e.g. National Security and Defense Industry Strategy, Act in Support of Ammunition Production (ASAP), European Defense Industry Reinforcement through Common Procurement Act (EDIRPA), European Defense Industrial Strategy (EDIS))
- Impact of EU chemicals policy (REACH Regulation, POP Regulation)
- Developments in the financial and insurance sector
- EU cybersecurity regulation (e.g. Cyber Resilience Act)
- Energy supply security (e.g. National Power Plant Safety Act)

ECONOMICAL
THINKING,
SUSTAINABLE
ACTION – DIEHL
STAYS ON TRACK



The Diehl Group has an optimistic outlook for the future and will continue to successfully anchor sustainability principles in its business processes. Developments in recent years show that sustainability is no longer viewed as an isolated issue but is increasingly becoming an integral part of the decision-making process. In other words, a culture of holistic responsibility and awareness of sustainability is becoming an integral part of daily activities.

The sustainability strategy and the integration of innovative solutions are intended to further minimize environmental and social impacts. The Group continues to pursue a proportionate and measured approach and sets realistic targets. This strategy has proven successful and will continue to guide the actions of decision-makers in the future. The Diehl Group is determined to seize the opportunities offered by sustainability and to open up new business segments. By promoting innovation and developing responsible solutions, Diehl strives to achieve long-term competitive advantages and a positive future for generations to come.

In doing so, Diehl attaches great importance to transparency and open dialogue with stakeholders in order to build trust and jointly pursue a sustainable path. Diehl will continue to ensure transparency and report regularly on progress. Close dialogue with stakeholders will ensure that expectations are met, trust is built, and a more sustainable path is pursued.

Consolidated companies^a

Name and registered office of the company	FR	SR
Production and sales companies		
AIM Infrarot-Module GmbH, Heilbronn (Germany)	X	X
DD Präzisionsteile GmbH & Co. KG, Überlingen (Germany)	X	
Diehl Advanced Mobility GmbH, Zehdenick (Germany)	X	X
Diehl Aerospace GmbH, Überlingen (Germany)	X	X ^b
Diehl Aerospace Inc., Birmingham (United States of America)	X	X ^b
Diehl Aerospace Pte. Ltd., Singapur (Singapore)	X	X
Diehl AKO Stiftung & Co. KG, Wangen im Allgäu (Germany)	X	X ^b
Diehl Augé Découpage SAS, Besançon (France)	X	X
Diehl Aviation de Mexico S. de R.L. de C.V., El Marques (Mexico)	X	
Diehl Aviation Gilching GmbH, Gauting (Germany)	X	X
Diehl Aviation Hamburg GmbH, Hamburg (Germany)	X	X
Diehl Aviation Hungary Kft., Nyírbátor (Hungary)	X	X
Diehl Aviation Laupheim GmbH, Laupheim (Germany)	X	X ^b
Diehl Brass Solutions Stiftung & Co. KG, Röthenbach a. d. Pegnitz (Germany)	X	X
Diehl Controls México S.A. de C.V., El Marques (Mexico)	X	X ^b
Diehl Controls (Nanjing) Co. Ltd., Nanjing (China)	X	X
Diehl Controls Polska Sp. z o.o., Namysłów (Poland)	X	X
Diehl Controls Qingdao Co., Ltd., Qingdao (China)	X	X
Diehl Controls Romania SRL, Brasov (Romania)	X	
Diehl Defence GmbH & Co. KG, Überlingen (Germany)	X	X ^b
Diehl do Brazil Metalúrgica Limitada, São Paulo (Brazil)	X	X
Diehl Electronic Components (Wuxi) Co. Ltd., Wuxi (China)	X	X
Diehl Energy Products GmbH, Röthenbach a. d. Pegnitz (Germany)	X	X
Diehl Metal Applications GmbH, Röthenbach a. d. Pegnitz (Germany)	X	X
Diehl Metal India Private Limited, Pune (India)	X	
Diehl Metall Messing Beteiligungs GmbH, Röthenbach a. d. Pegnitz (Germany)	X	
Diehl Metall Stiftung & Co. KG, Röthenbach a. d. Pegnitz (Germany)	X	X
Diehl Metering (Jinan) Co. Ltd., Jinan (China)	X	X
Diehl Metering GesmbH, Wien (Austria)	X	X
Diehl Metering GmbH, Ansbach (Germany)	X	X
Diehl Metering LLC, Wilmington (United States of America)	X	X
Diehl Metering S.A.S., Saint-Louis (France)	X	X ^b
Diehl Metering Sp. z o.o., Bazanowice (Poland)	X	X
Diehl Metering Systems GmbH, Nürnberg (Germany)	X	
Diehl Power Electronic SAS, Siaugues-Sainte-Marie (France)	X	X
Diehl Retrofit Missile Systeme GmbH, Überlingen (Germany)	X	
Diehl Service Modules GmbH, Hamburg (Germany)	X	

Name and registered office of the company	FR	SR
Diehl SynchroTec Manufacturing (Wuxi) Co. Ltd., Wuxi (China)	X	X
Diehl Werkzeugbau Seebach GmbH, Seebach (Germany)	X	
Dynamit Nobel GmbH, Troisdorf (Germany)	X	
DynITEC GmbH, Troisdorf (Germany)	X	X
Franconia Industries Inc., Albany (United States of America)	X	
Junghans Microtec GmbH, Dunningen (Germany)	X	X
Junghans T2M S.A.S, La Ferte Saint-Aubin (France)	X	X
SMH Süddeutsche Metallhandelsgesellschaft mbH, Röthenbach a. d. Pegnitz (Germany)	X	
Management, property and other companies		
Afelixa Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG, Mainz (Germany)	X	
DD Immobilien Troisdorf GmbH, Troisdorf (Germany)	X	
Diehl Americas Inc., Wilmington (United States of America)	X	
Diehl Assekuranz Rückversicherungs- und Vermittlungs-AG, Nürnberg (Germany)	X	X
Diehl Ausbildungs- und Qualifizierungs-GmbH, Nürnberg (Germany)	X	X
Diehl Aviation Holding GmbH, Nürnberg (Germany)	X	X ^b
Diehl Beteiligungen GmbH, Nürnberg (Germany)	X	
Diehl Connectivity Solutions GmbH, Nürnberg (Germany)	X	
Diehl Controls North America Inc., Wilmington (United States of America)	X	
Diehl Controls Nürnberg Verwaltungs GmbH, Nürnberg (Germany)	X	
Diehl Defence Holding GmbH, Überlingen (Germany)	X	
Diehl Defence Land Systems GmbH, Röthenbach a. d. Pegnitz (Germany)	X	
Diehl Defence Verwaltungs-GmbH, Überlingen (Germany)	X	
Diehl Informatik GmbH, Nürnberg (Germany)	X	X
Diehl Metal Applications France SAS, Besançon (France)	X	
Diehl Metering Industria de Sistema de Medicao Ltda., Recife (Brazil)	X	
Diehl Nürnberg Facility Verwaltungs GmbH, Nürnberg (Germany)	X	
Diehl Nürnberg Holding GmbH, Nürnberg (Germany)	X	
Diehl Röthenbach Immobilien GmbH & Co. KG, Nürnberg (Germany)	X	
Diehl Röthenbach Immobilien Verwaltungs GmbH, Nürnberg (Germany)	X	
Diehl Stiftung & Co. KG, Nürnberg (Germany)	X	X ^b
Diehl Track GmbH, Nürnberg (Germany)	X	
Diehl Ventures GmbH, Nürnberg (Germany)	X	X
Gebrüder Junghans GmbH, Röthenbach a. d. Pegnitz (Germany)	X	
Integra Vermögensverwaltungs- und Beteiligungsgesellschaft mbH, Nürnberg (Germany)	X	
Sundwiger Messingwerk Verwaltungs GmbH, Röthenbach a. d. Pegnitz (Germany)	X	

^a Scope of consolidated companies for financial reporting (FB), Scope of consolidated companies for sustainability reporting (SB), All aspects of the affiliated company are considered in the consolidation (X), All material aspects of the affiliated company are considered in the consolidation (X^b).

Share of turnover from goods or services associated with taxonomy-eligible and taxonomy-compliant economic activities

Fiscal year	2024			Substantial contribution criteria			
Economic activities	Code	Turnover	Proportion of turnover 2024	Climate change mitigation	Climate change adaptation	Water	Pollution
		EUR	%	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL
A. Taxonomy-eligible activities							
A.1. Ecologically sustainable activities (taxonomy-compliant)							
3.5 Manufacture of energy-efficient Building equipment	CCM 3.5	84,205,134	1.8%	Y	N/EL	N/EL	N/EL
1.1. Manufacture and installation of leak control technologies and related services for reducing and preventing leaks in water supply systems	WTR 1.1	377,916,339	8.0%	N/EL	N/EL	Y	N/EL
Turnover from environmentally sustainable activities (taxonomy-compliant) (A.1.)		462,121,473	9.8%				
Including enabling activities		462,121,473	9.8%				
Including transitional activities							
A.2 Taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-compliant activities)							
Turnover of activities that are eligible for classification but not environmentally sustainable (non-taxonomy-compliant activities) (A.2)							
A. . Turnover taxonomy-eligible activities (A1 + A2)		462,121,473	9.8%				
B. Taxonomy-ineligible activities							
Turnover of taxonomy-ineligible activities (B))		4,233,656,684	90.2%				
TOTAL (A+B)		4,695,778,157	100.0%				

[illegible]

Share of investments from goods or services associated with taxonomy-eligible and taxonomy-compliant economic activities

Fiscal year	2024			Substantial contribution criteria			
Economic activities	Code	Turnover	Proportion of turnover 2024	Climate change mitigation	Climate change adaptation	Water	Pollution
		EUR	%	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL
A. Taxonomy-eligible activities							
A.1. Ecologically sustainable activities (taxonomy-compliant)							
3.5 Manufacture of energy-efficient Building equipment	CCM 3.5	701,570	0.2%	Y	N/EL	N/EL	N/EL
1.1. Manufacture and installation of leak control technologies and related services for reducing and preventing leaks in water supply systems	WTR 1.1	22,247,808	6.7%	N/EL	N/EL	Y	N/EL
Turnover from environmentally sustainable activities (taxonomy-compliant) (A.1.)		22,949,378	6.9%				
Including enabling activities		22,949,378	6.9%				
Including transitional activities							
A.2 Taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-compliant activities)							
Turnover of activities that are eligible for classification but not environmentally sustainable (non-taxonomy-compliant activities) (A.2)							
A. . Turnover taxonomy-eligible activities (A1 + A2)		22,949,378	6.9%				
B. Taxonomy-ineligible activities							
Turnover of taxonomy-ineligible activities (B))		309,377,622	93.1%				
TOTAL (A+B)		332,327,000	100.0%				

[illegible]

Share of operating expenses from goods or services associated with taxonomy-eligible and taxonomy-compliant economic activities

Fiscal year	2024			Substantial contribution criteria			
Economic activities	Code	Turnover	Proportion of turnover 2024	Climate change mitigation	Climate change adaptation	Water	Pollution
		EUR	%	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL
A. Taxonomy-eligible activities							
A.1. Ecologically sustainable activities (taxonomy-compliant)							
3.5 Manufacture of energy-efficient Building equipment	CCM 3.5	1,175,151	0.2%	Y	N/EL	N/EL	N/EL
1.1. Manufacture and installation of leak control technologies and related services for reducing and preventing leaks in water supply systems	WTR 1.1	6,904,608	1.2%	N/EL	N/EL	Y	N/EL
Turnover from environmentally sustainable activities (taxonomy-compliant) (A.1.)		8,079,759	1.4%				
Including enabling activities		8,079,759	1.4%				
Including transitional activities							
A.2 Taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-compliant activities)							
Turnover of activities that are eligible for classification but not environmentally sustainable (non-taxonomy-compliant activities) (A.2)							
A. . Turnover taxonomy-eligible activities (A1 + A2)		8,079,759	1.4%				
B. Taxonomy-ineligible activities							
Turnover of taxonomy-ineligible activities (B))		576,955,241	98.6%				
TOTAL (A+B)		585,035,000	100.0%				

[illegible]



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**MANY SOLUTIONS -
ONE GROUP**