



Sustainability Report

2023



BAUER Aktiengesellschaft Sustainability Report 2023



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The World is our Market

1.8 EUR BILLION
TOTAL GROUP REVENUES

WITH AROUND **100**
NATIONALITIES

AROUND **12,000**
EMPLOYEES

- Geotechnical Solutions
- Equipment
- Resources
- Production site

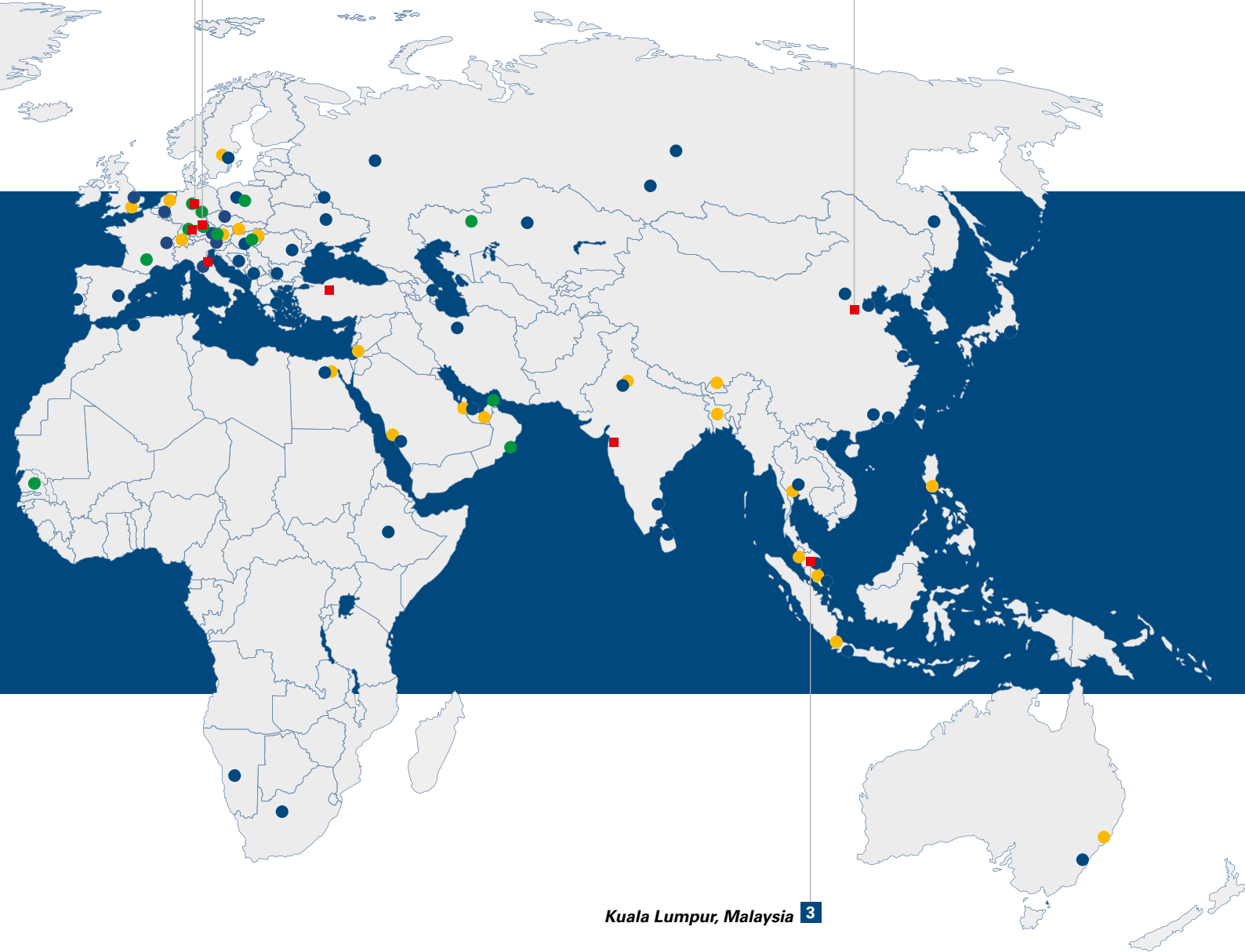
Conroe, USA 2



1 *Schrobenhausen, Germany*
Aresing, Germany
Edelshausen, Germany
Nordhausen, Germany

4 *Tianjin, China*

Kuala Lumpur, Malaysia **3**



Foreword

Ladies and Gentlemen,
partners and friends of our company,

Sustainability is of key importance to us. In the BAUER Group, we firmly incorporate responsible and sustainable actions into our company's orientation. Our holistic perspective encompasses the economic efficiency of our business operations as well as social justice and environmental compatibility. We make our strategic decisions and develop our technological innovations by factoring in the long-term effects on people and the environment.

In 2021, the BAUER Group carried out a materiality analysis based on the 17 sustainability goals of the United Nations. From this analysis, we derived twelve key aspects that cover the environment as well as social and commercial values. We have examined them all with regard to their impact on our business operations as well as on people and the environment. We are currently in the process of revising our double materiality analysis so that we can continue to build up our sustainability strategy on a solid foundation. Work is also progressing intensively on the preparation of a report based on the applicable guideline (CSRD) for 2025.

In our Geotechnical Solutions, Equipment and Resources segments, our activities continually focus on improved protection of the environment and climate. This includes noise reduction, more efficient use of resources and reduction of CO₂ emissions.

At Bauer, we put people first. The diversity of our employees from a range of cultures and continents enhances our innovative power and represents a key component of our success. We respect the health, safety and satisfaction of our employees. By encouraging shared traditions and events, we promote personal interactions and strengthen our company culture. Our company values of responsibility, openness, appreciation, innovation and a down-to-earth attitude shape our daily actions and our success.

We hope you enjoy reading our latest Sustainability Report.

Yours sincerely



Peter Hingott

Sustainability Report 2023

I. THE BAUER GROUP

BUSINESS MODEL

The BAUER Group sees itself as one of the leading providers of services, equipment and products related to ground and groundwater. Bauer operates a worldwide network on all continents. The operations of the Group are divided into three future-oriented segments with a high potential for synergy: Geotechnical Solutions, Equipment and Resources.

The Geotechnical Solutions segment applies all the established methods and techniques of specialist foundation engineering all over the world. These include executing complex excavation pits and foundations for large-scale infrastructure projects and buildings, as well as cut-off walls and soil improvements. On the one hand, the construction markets are handled by local subsidiaries that support one another in networks, and on the other hand, large projects in countries without a local company are carried out by pooling capacities from all over the world. From Germany and from regional centers, support services are provided by means of central service functions and standards are set for the subsidiaries of each segment.

In the Equipment segment, Bauer is a provider for a full range of equipment for specialist foundation engineering as well as for the exploration, mining and extraction of natural resources. Besides its headquarters in Schrobenhausen, the Equipment segment operates a worldwide distribution network and production facilities in Germany, China, Malaysia, Italy, Turkey and in the USA, among other locations.

The Resources segment focuses on the development, production and execution of innovative products and services and acts as a service provider with several business divisions and subsidiaries in the areas of drilling services and water wells, environmental services, constructed wetlands, mining and rehabilitation. Areas of expertise include water extraction, brownfield remediation, waste management, water treatment and services in mining as well as building rehabilitation.

BAUER Aktiengesellschaft (BAUER AG) is the holding company of the Group and primarily represents the Corporate Services segment. BAUER AG provides central management and service functions for its affiliates. It is particularly involved in the areas of personnel, accounting, financing, insurance, group communications and marketing, legal and tax affairs, IT, facility management, Group accounting and controlling, internal audit and risk management, purchasing of non-production material (NPE) as well as health, safety and environment (HSE).

CORPORATE GOVERNANCE AND CONTROL SYSTEM

The sustainability policy of the BAUER Group, as well as the other key strategies, goals and regulations, is governed by the basic principles of the Group corporate governance and control system.

The principal task of the Executive Board of BAUER AG is the strategic management of the global group of companies. As part of central strategies, goals and regulations, the main companies in the three operating segments – BAUER Spezialtiefbau GmbH, BAUER Maschinen GmbH and BAUER Resources GmbH – develop their own strategies, which are converged at holding company level and integrated into the strategic corporate planning process.

The managing directors and the company management of the various individual companies operate under the corporate guidelines, regulations and the overarching strategies of the BAUER Group. These are laid down by the Executive Board of the Group and are binding for the various Group companies. The principles of proper conduct, including compliance with ethical and moral standards, are defined by an ethics management and values program, among others, which cover all the companies of the BAUER Group, flanked by corporate guidelines and management principles for our employees. The managing directors of the various Group companies are independently responsible for determining how their business units develop as long as they observe the rules and standards described above.

This structure is tied to a centralized risk management and control system as well as to a central Group Accounting function. Internal auditing systems monitor compliance with corporate guidelines, ethics management as well as laws and other policies across the Group. Strategic management by the Executive Board pursues the goal of securing the long-term success of the Group and optimally using the synergies between the segments.

KEY FOCAL POINTS

Economic performance

By acting responsibly, we set the course for a successful future in which our company will continue to excel through its economic performance and commercial success. Commercial strength is based on responsible actions.

Employment

We want to impress customers all around the world. Our corporate culture combines different world views and perspectives, experiences and ideas. We embody diversity and tolerance in our daily interactions. Together, we are committed to the values of responsibility, openness, appreciation, innovation and a down-to-earth attitude.

Training and education

Our training for apprentices in trade professions is just as hands-on, varied and future-oriented as our training in technical or commercial professions. Every year, we train young people in around 25 different professions. Our employees are our greatest potential. We view their training and education as a decisive factor for our success.

Occupational health and safety

We take on responsibility for the safety and protection of our employees. To minimize impacts as far as possible, we adopt preventive measures in the area of occupational safety and health protection. We strive to create a working environment that protects our employees against work-related dangers while enhancing their health and productivity.

Energy and emissions

Entrepreneurial responsibility means for us that we strive to keep our environmental footprint worldwide as small as possible. In order to achieve that, we continually improve our products and working methods, identify potentials for energy improvement and invest in modern technologies. Our employees are constantly searching for ways to use energy more efficiently, further reduce the fuel consumption of our equipment, prevent noise and conserve water.

Compliance

Legally compliant, ethical and socially sustainable action is a fundamental principle for us. This underpins our commercial activities, the quality of our products and services as well as the sustainable development of our company. Compliance with social conventions, legal regulations and company rules as part of a responsible value management system is the top priority for our company.

THE GROUP AT A GLANCE

Group key figures 2020-2023 (summarized)

| IFRS in EUR million | | | | | Changes |
|----------------------------|----------|----------|----------|----------|----------------|
| | 2020 | 2021 | 2022 | 2023 | 2022/2023 in % |
| Total Group revenues | 1,453.6 | 1,537.6 | 1,748.1 | 1,831.1 | 4.7% |
| of which | | | | | |
| Germany | 416.9 | 463.2 | 536.5 | 432.4 | -19.4% |
| International | 1,036.8 | 1,074.4 | 1,211.6 | 1,398.7 | 15.4% |
| of which | | | | | |
| Geotechnical Solutions | 669.0 | 682.4 | 787.4 | 904.0 | 14.8% |
| Equipment | 610.7 | 681.5 | 747.8 | 721.5 | -3.5% |
| Resources | 268.8 | 272.5 | 299.2 | 277.7 | -7.2% |
| Sales revenues | 1,343.2 | 1,433.1 | 1,630.1 | 1,698.2 | 4.2% |
| Cost of materials | 626.1 | 729.7 | 876.9 | 894.5 | 2.0% |
| Personnel expenses | 394.9 | 430.4 | 463.4 | 458.7 | -1.0% |
| EBIT | 55.5 | 36.0 | -68.0 | 95.2 | 240.0% |
| Earnings after tax | -8.2 | 4.0 | -94.0 | 7.5 | 108.0% |
| Employees (Reporting date) | 11,027.0 | 11,966.0 | 11,892.0 | 12,034.0 | 1.2% |
| of which | | | | | |
| Germany | 4,061.0 | 4,001.0 | 4,045.0 | 3,876.0 | -4.2% |
| International | 6,966.0 | 7,965.0 | 7,847.0 | 8,158.0 | 4.0% |

Consolidated Balance Sheet (summarized)

| ASSETS in EUR thousand | December 31, 2022 | December 31, 2023 |
|---|-------------------|-------------------|
| Intangible assets | 16,837 | 27,907 |
| Property, plant and equipment | 481,743 | 484,752 |
| Investments accounted for using the equity method | 58,581 | 65,723 |
| Participations | 2,106 | 2,106 |
| Deferred tax assets | 33,218 | 50,616 |
| Receivables | 1,056 | 1,898 |
| Other non-current assets | 8,292 | 8,786 |
| Other non-current financial assets | 35,747 | 25,519 |
| Non-current assets | 637,580 | 667,307 |
| Inventories | 499,004 | 540,133 |
| Less advances received for inventories | -8,995 | -13,972 |
| | 490,009 | 526,161 |
| Receivables and other assets | 443,603 | 431,734 |
| Effective income tax refund claims | 4,156 | 5,210 |
| Cash and cash equivalents | 44,607 | 68,749 |
| Non-current assets held for sale | - | - |
| Current assets | 982,375 | 1,031,854 |
| | 1,619,955 | 1,699,161 |

| Equity and liabilities in EUR thousand | December 31, 2022 | December 31, 2023 |
|--|-------------------|-------------------|
| Equity of BAUER AG shareholders | 383,941 | 481,257 |
| Non-controlling interests | 18,370 | 14,181 |
| Equity | 402,311 | 495,438 |
| Provisions for pensions | 102,461 | 111,599 |
| Financial liabilities | 115,321 | 142,272 |
| Other non-current liabilities | 9,341 | 8,696 |
| Deferred tax liabilities | 10,729 | 13,993 |
| Non-current debt | 237,852 | 276,560 |
| Financial liabilities | 443,859 | 337,252 |
| Other current liabilities | 453,129 | 508,977 |
| Effective income tax obligations | 35,314 | 38,094 |
| Provisions | 47,490 | 42,840 |
| Current debt | 979,792 | 927,163 |
| | 1,619,955 | 1,699,161 |

II. SUSTAINABILITY IN THE BAUER GROUP

SUSTAINABILITY POLICY

The BAUER Group has formulated a Sustainability Policy that is primarily oriented toward the four goals of the corporate policy:

- Optimum efficiency (profitability)
- The confidence of our customers (quality)
- The safety, health and satisfaction of our employees (safety)
- The eco-friendliness of our actions and our products (environmental protection)

The Sustainability Policy is published on the website of the BAUER Group at www.bauer.de.

ORGANIZATION

The prime responsibility in terms of sustainable development of the BAUER Group lies with the Group Executive Board and with the segment directors of the Geotechnical Solutions, Equipment and Resources segments.

These individuals, together with the representatives from the areas of Sustainability, Group Accounting and Controlling, make up the Group CSR Steering Committee, which actively manages the key activities relating to sustainability. It is also planned to form structures with their own sustainability coordinators at the segment level in addition to the Group level.

SUSTAINABILITY STRATEGY

All sustainability activities in the BAUER Group have been combined and coordinated under the name B.sustainable since the 2021 financial year. A next key step in the ongoing and next financial year will be to develop a sustainability strategy for the Group and the segments. Due to the increasing importance of sustainability with its various aspects for our business areas, it is important for us to combine our understanding and our activities, which for many years have shaped the core of our company culture, into a strategic organizational and operational structure. To this end, we have launched a comprehensive strategy process.

MATERIALITY ANALYSIS

In the 2021 financial year, the BAUER Group carried out a materiality analysis with the participation of the top management levels of the Group. This was based on the 17 Sustainability Development Goals (SDGs) of the United Nations. These were used to work out twelve sustainability aspects from the areas of environmental, social and governance values. These twelve aspects were then subjected to a materiality analysis. Two perspectives were adopted in the process: On the one hand, the effects of the aspects on future business activity (opportunities and risks) and on the other hand, the effects of the business activity on people and the environment (positive and negative impacts) were considered.

At the end, the following aspects were identified with a higher significance at the group level:

Energy and climate change mitigation

A large proportion of greenhouse gas emissions are created by the generation and use of fossil energy sources. For the BAUER Group, the careful and efficient use of energy sources is a key starting point for climate protection along the entire value chain.

Climate change adaptation

Due to the no longer avoidable effects of climate change, corresponding measures must be taken. Areas of action include the consequences of extreme weather, flood protection or the protection of risk groups, as well as adjustments with a view to the

working conditions of employees. We aim to make a contribution in this aspect for society on a global level with our products and services.

Occupational health and safety

In our understanding, this encompasses all measures that are employed for prevention as well as follow-up in order to prevent, minimize or eliminate risks to people.

Water resources

Due to growing scarcity of water resources, measures must be taken to maintain the availability and quality of water. With our services in the area of water well construction and environmental technology, we provide crucial equipment and products for the market in Europe and selective points of the global market. Based on the current status of the new double materiality analysis, the materiality of this topic is being examined again.

Ethics management (corruption and bribery)

The BAUER Group has defined binding rules of contact within the Group. These include the topics of legal compliance, anti-corruption and anti-bribery, ethics, conflicts of interest, human rights and anti-discrimination.

Corporate governance

Corporate governance determines the systematic integration of sustainability aspects and the interests of stakeholders under the company's management and monitoring. These concern the organization itself, responsibility and decision-making structures, targets, programs, processes as well as measures.

Due to the entry into force of the Corporate Sustainability Reporting Directive (CSRD) on January 5, 2023, it has become necessary to revise the existing materiality analysis for the BAUER Group. The key sustainability topics must be identified through a double materiality analysis according to the requirements of the new sustainability reporting standard, the European Sustainability Reporting Directive (ESRS). The sustainability declaration regarding key sustainability topics pursuant to CSRD and ESRS must be published in the Management Report of BAUER AG starting from the 2025 financial year.

STAKEHOLDERS

When making decisions, companies must always consider the impact of their actions on the economy, the environment and society. We are convinced that the only way to manage our companies successfully on a sustained basis is to align our entrepreneurial activities with the expectations of the various stakeholder groups. We can only meet this responsibility if we understand the requirements and motivations of our stakeholders. As part of the double materiality analysis, the interests of the particular stakeholders will also be analyzed and taken into account when defining the key sustainability topics.

Customers and partners

We engage with our customers and partners on an equal footing. Obtaining clarity about their goals and requests and being able to fulfil them is what drives us to do our best. We strive to find solutions for the most urgent tasks of the future: urbanization, infrastructure, water and the environment.

Employees

With their dedication, our employees lead our company to success. They operate within a trust-based work environment. This includes taking into account the different life phases of the individual employees. A wide variety of projects and initiatives have been introduced to strengthen solidarity and team spirit within our company.

Shareholders

Open communication with our shareholders is as important to us as fair and appropriate participation. We want our shareholders to be satisfied with our services.

Lenders

We approach our lenders with openness and respect. Their support is decisive for our growth and our innovative power. By providing reliable information and complying with financial obligations, we reinforce trust and collaborate to achieve sustainable success.

Suppliers

Our procurement network extends over the entire world. Together with our suppliers and subcontractors, we take on responsibility. That's because we can only manage to fulfil quality requirements through close cooperation with our business partners. Personal responsibility, reliability and correct behavior are the cornerstones of our activity. Integrity is the benchmark we set for ourselves and our suppliers.

Research and science

We cooperate and engage in close dialog with research and science institutions to promote two-way knowledge transfer and learn from one another. By having many of our employees also bring their knowledge to universities and give lectures, we live up to our entrepreneurial responsibilities.

Region and community

We believe that it is our responsibility to strengthen people's social cohesion and to improve their quality of life wherever our company operates. This is true for our locations in Germany as well as in the rest of the world. We are the largest employer at our headquarters in Schrobenhausen. At the Nordhausen location, we are also one of the largest employers. In order to give something back to society, we are committed to social concerns. We support local associations, organizations and unions. It makes us proud that many of our employees also get involved on a voluntary basis.

Nature and environment

As a globally operating company, we regard nature as a silent stakeholder and are consistently committed to minimizing our environmental impact. Our actions are oriented on the latest standards, with legal requirements serving as our foundation.

Our goal is to systematically identify key requirements and expectations, and to strategically incorporate these into our decisions. In this process, we invite our stakeholders to actively participate in a variety of ways. The common formats with which we remain in dialog with our stakeholders include:

- Direct communication
- Trade fairs & events
- Customer surveys
- General Meeting
- Reporting, company websites
- Participation in committees
- Employee surveys
- Intranet and employee newspaper
- Employee suggestion system
- Press relations
- Social media channels
- Auditing, external audits



For more than 35 years, BAUER Spezialtiefbau GmbH has been hosting the "Schrobenhausener Tage" lecture series.

III. ENVIRONMENTAL MANAGEMENT

Our business activities inevitably have an impact on the environment, in terms of the air, soil and water, by way of noise and vibration, or with regard to the consumption of raw materials and primary energy. In our work, we make every effort to impact the environment as little as possible, and we employ the latest state-of-the-art methods in those efforts. We regard compliance with environmental laws and regulations as a minimum standard. In addition, we continuously strive to improve the standard of our environmental protection through preventive measures. We are working continuously to reduce our fuel consumption, prevent noise, save water and use energy more efficiently. Environmental policy is part of Group-wide HSE management.

We aim to minimize the environmental impacts of our business activity as far as possible. That is why our environmental management system has been established in the company for many years now as the basis for achieving our targets. In our organization and decision-making processes, we continually account for aspects related to the environment. Other central areas of action in our corporate HSE strategy are health and safety. We ensure responsible conduct using our standards and guidelines. We regularly conduct internal HSE audits on these standards in order to review target values and prevent negative developments.

Raising awareness

Continually advancing environmental protection in all company divisions is a matter of course for Bauer as a responsible business. Target achievement falls under the area of responsibility of the managing directors of the individual companies. They coordinate environmental goals, strategies and measures in an open dialog with employees. The central assistance, coordination and review of implementation is carried out by the HSE department. The HSE department also conducts activities and training to reinforce the environmental awareness of all employees.

Many approaches to environmental protection

Many approaches to environmental protection and many small individual activities can have a large effect overall. For this reason, we have been using company vehicles with consumption and emission-optimized drive systems for years. The percentage of electric vehicles used for internal traffic on our premises is continually growing. In specialist foundation engineering and equipment manufacturing, for example, the topics of energy efficiency, durability and careful use of resources are given top priority. This is equally true for the new development and enhancement of our methods as well as for products. We strive to make specialist foundation engineering even more sustainable in terms of noise, material consumption and CO₂ emissions. Our Mixed-in-Place method, for example, requires lower material use compared with other applications and also involves less transportation, thereby considerably reducing CO₂ overall. With a view to our equipment, we are working on further optimization of fuel consumption, reduction of noise and CO₂ emissions as well as the development of alternative drives. Our ongoing developments in the area of digitalization are also reducing CO₂ emissions. Through the use of modern communication methods and worldwide video conference systems, we avoid long trips and reduce the impact on the environment.

ENVIRONMENTAL PERFORMANCE INDICATORS FOR THE SCHROBENHAUSEN LOCATION

Reporting basis and limits

The following explanation outlines major changes, trends in consumption and key figures, as well as the status of environmental goals at the Schrobenhausen location. This location is the headquarters of the company and is home to the largest machine production facility. It consists of the buildings of the head office as well as the Schrobenhausen, Aresing, and Edelshausen plants. The main companies located here are BAUER AG, BAUER Spezialtiefbau GmbH, BAUER Maschinen GmbH, BAUER Resources GmbH and BAUER Offshore Technologies GmbH. The Schrobenhausen site has approximately 196,467 m² of built-up land. The Nordhausen location includes SCHACHTBAU NORDHAUSEN GmbH, GWE GmbH and SPESA Spezialbau und Sanierung GmbH.

Compliance with the European Union's EMAS environmental management standards was reconfirmed at the Schrobenhausen location after successful validation of the consolidated environmental statement in August 2024. Bauer has now been registered as an EMAS-certified company for over 20 years – a testament to the continual improvement of our environmental performance.

Trend in energy consumption

As it did in the previous year, energy consumption at the Schrobenhausen location decreased further in 2023. At the Schrobenhausen plant, two existing oil and gas heating systems were replaced by two new energy-efficient gas heating systems. At the Aresing plant and the head office, geothermal plants generate energy. A photovoltaic system has been installed in Edelshausen that generated more than 362.65 MWh of energy during 2022, which were fully fed into the supply grid. The energy consumption was also further reduced in 2023, which was due in part to a cyber attack on the BAUER Group that restricted work in many areas.

Trend in emissions

NO_x, SO₂, and CO₂ emissions were calculated on the basis of electricity, heating oil, natural gas, and fuel consumption. The installation of geothermal energy systems in the head office building in Schrobenhausen and the Aresing plant, combined with the dismantling of heating oil systems, is having a positive impact in terms of preventing sulfur oxide emissions. The share of emissions at the Schrobenhausen location as well as the two plants in Aresing and Edelshausen further decreased when compared with the previous year. The geothermal energy systems installed in the Aresing plant resulted in total savings of 30 t CO₂ for 2023 (previous year: 31 t). In 2023, the photovoltaic system in Edelshausen additionally saved 82 t of CO₂ (previous year: 81 t).

Water consumption

Water consumption at the head office and the Aresing plant also further decreased in 2023 compared to 2022. At the Edelshausen plant, on the other hand, water consumption remained roughly the same in 2023.

Solvent emissions

The introduction and use of solvent-based paints as a monolayer in 2009 has helped us greatly to reduce our VOC emissions over the years. Nevertheless, an increase in solvent emissions was detected in the Aresing plant in 2023 at 7.3 t.

Waste volume

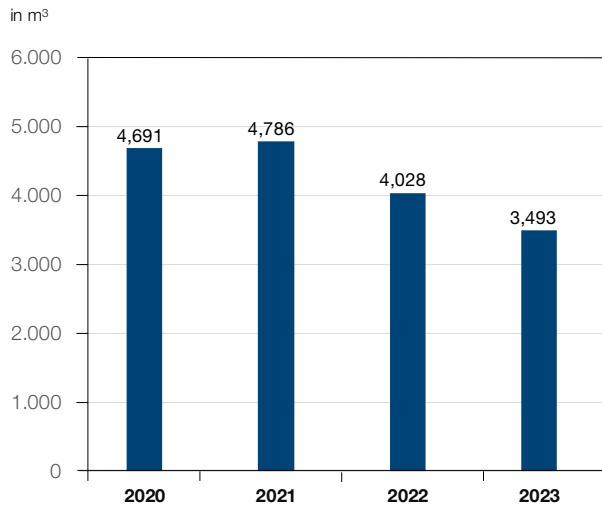
The amount of hazardous and non-hazardous waste at the Schrobenhausen location decreased in 2023 to 5,606 t (previous year: 6,745 t). More than 99% of waste is now recycled.

Material efficiency

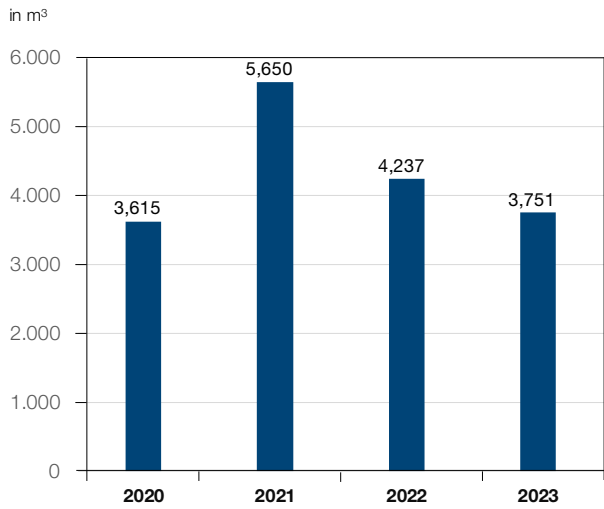
The core indicator of material efficiency refers to the environmental impact directly related to the materials used in machine production. In 2023, this value was 2,966 t (previous year: 5,763 t).

Water consumption

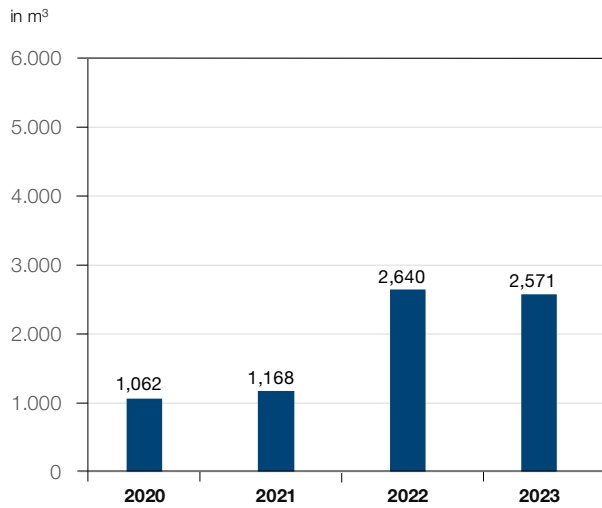
Schrobenhausen (plant + head office)



Aresing plant



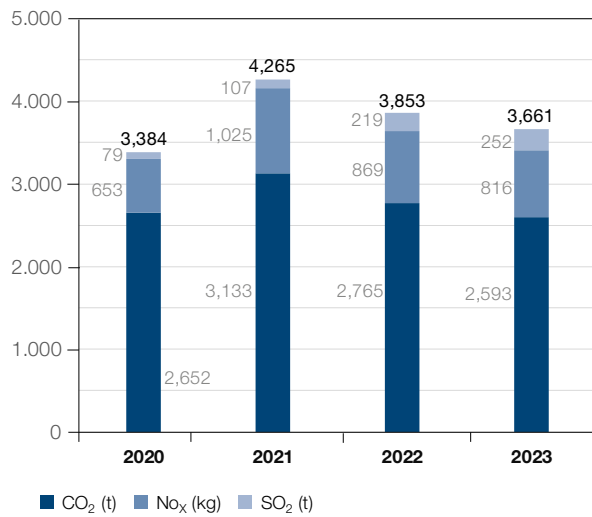
Edelshausen plant



Emissions

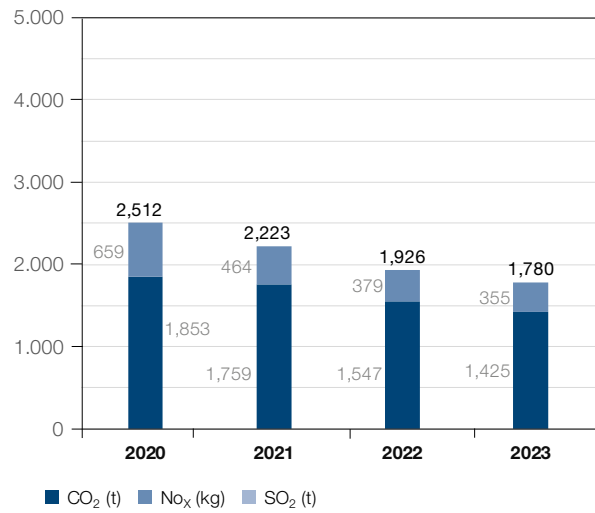
Schrobenhausen (plant + head office)

in t or kg



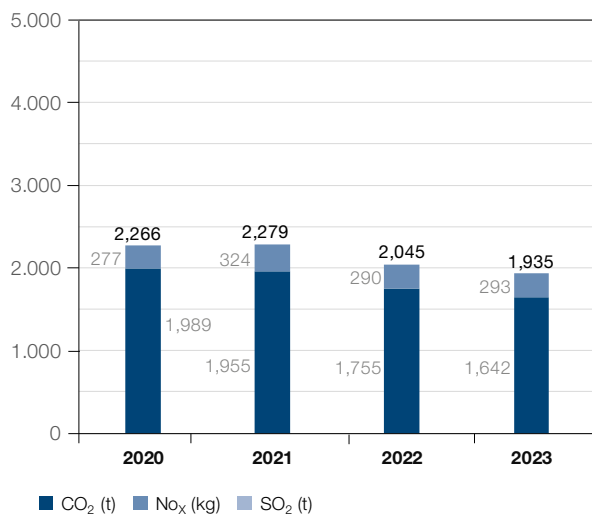
Aresing plant

in t or kg



Edelshausen plant

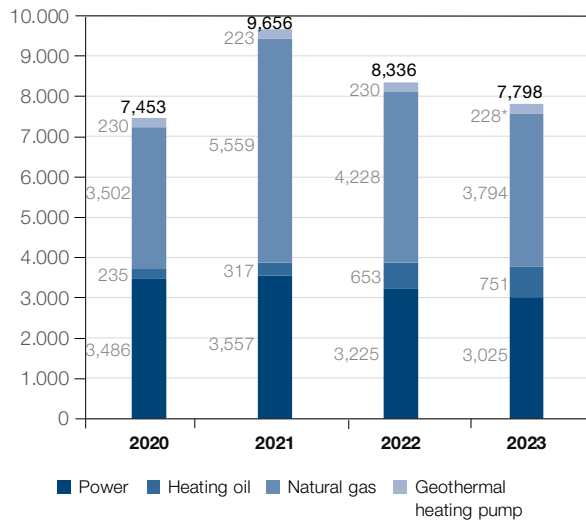
in t or kg



Energy consumption

Schrobenhausen (plant + head office)

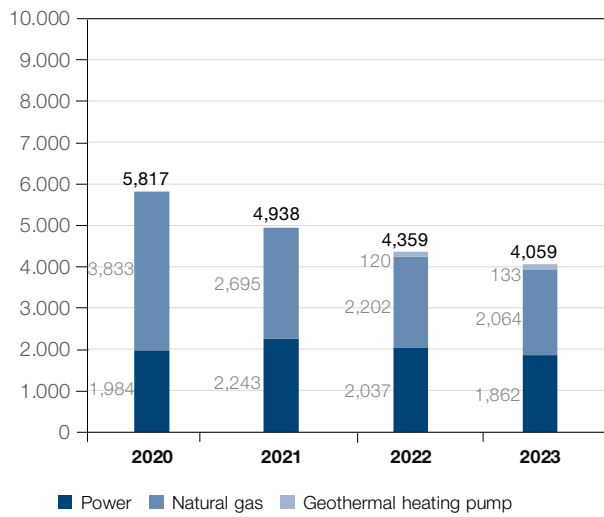
in MWh



* This is an average value from the last 3 years because the meter is defective.

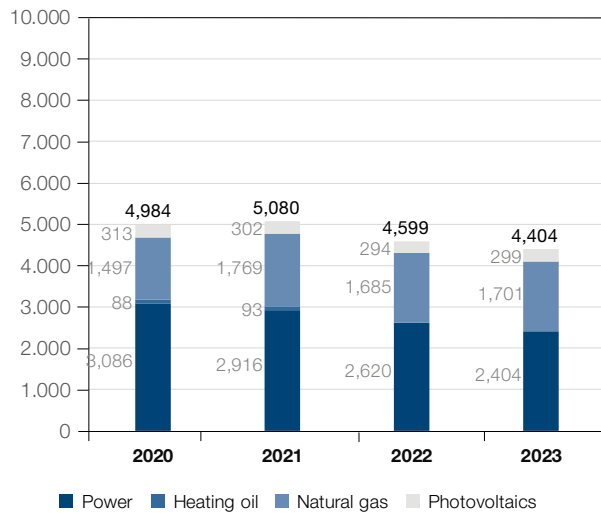
Aresing plant

in MWh



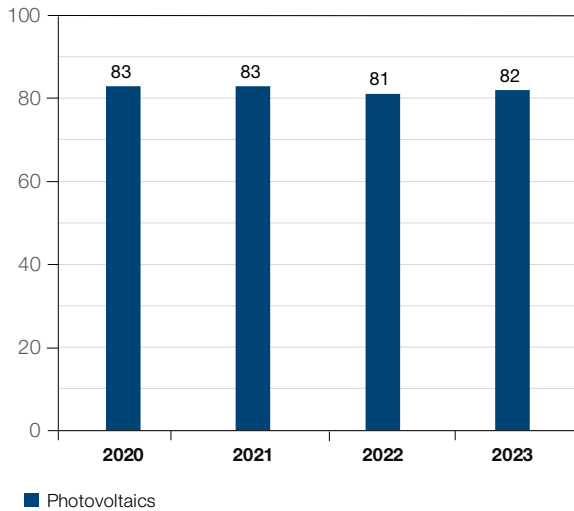
Edelshausen plant

in MWh



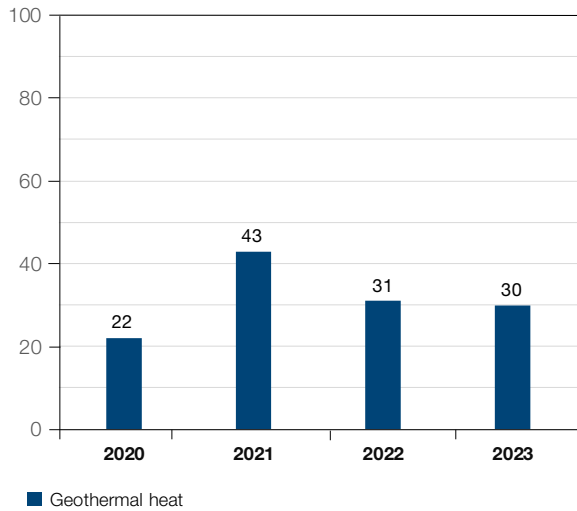
Avoidance of CO₂ emissions Edelshausen plant

in t/year



Avoidance of CO₂ emissions Aresing plant

in t/year



PARTICIPATION IN BAVARIAN ENVIRONMENT AND CLIMATE PACT AND AWARD FOR SUSTAINABLE SITES

BAUER Maschinen GmbH and BAUER Aktiengesellschaft participate in the Bavarian Environment and Climate Pact. The goal of this pact is to motivate companies, entrepreneurs and state institutions to commit to further environmental protection above the standard required by law. Working together, the Bavarian state government, the Bavarian Business Association (vbw), the Bavarian Chambers of Commerce and Industry (BIHK) and the Bavarian Crafts Association (BHT) develop solutions for environmental and sustainability topics that advance environmental protection and climate change mitigation in companies and operations. BAUER Spezialtiefbau GmbH is also committed to sustainability. During the German Construction Industry Day, the company received the DGNB (German Sustainable Building Council) certificate for sustainable construction sites for its Munich pilot project.



Awarding the DGNB certificate to BAUER Spezialtiefbau GmbH (©Tbi Dirk Bleicker)

Core indicators of EMAS III in relation to gross value added – Schrobenshausen location

| | 2021 | | 2022 | | 2023 | |
|--|----------------|---|---------------------------|---|---------------------------|---|
| | Core indicator | Core indicator/ gross value added | Core indicator | Core indicator/ gross value added | Core indicator | Core indicator/ gross value added |
| Built-up area (m ²) | 196,467 | 878.70 | 196,467 | 1586.13 | 196,467 | 641.30 |
| Input | | | | | | |
| Water (m ³) | 11,608 | 51.91 | 10,905 | 88.03 | 12,424 | 40.55 |
| Power (MWh) | 8,716 | 38.98 | 7,882 | 63.63 | 7,291 | 23.79 |
| Natural gas (MWh) | 10,023 | 44.82 | 8,113 | 65.49 | 7,559 | 24.67 |
| Fuel (MWh) | 2,093 | 9.36 | 2,149 | 17.35 | 1,330 | 4.34 |
| Heating oil (MWh) | 410 | 1.83 | 653 | 5.27 | 751 | 2.45 |
| Geothermal heat (MWh) | 689 | 3.08 | No available statement | No available statement | No available statement | No available statement |
| Metal boards (t) | 3,712 | 16.60 | 5,218 | 42.12 | 2,456 | 8.01 |
| Paints (t) | 51 | 0.22 | 31 | 0.25 | 43 | 0.14 |
| Lubricants (t) | 377 | 1.68 | 354 | 2.86 | 348 | 1.13 |
| Acetylene (t) | 7.2 | 0.03 | 7.2 | 0.06 | 6.5 | 0.02 |
| CO ₂ (t) | 22 | 0.09 | 22 | 0.18 | 16 | 0.05 |
| Argon (t) | 65 | 0.29 | 66 | 0.53 | 56 | 0.18 |
| Oxygen (t) | 70 | 0.31 | 65 | 0.52 | 40 | 0.13 |
| Output | | | | | | |
| Non-hazardous waste (t) | 1,020 | 4.56 | 3,307 | 26.69 | 2,800 | 9.14 |
| Hazardous waste (t) | 58 | 2.59 | 120 | 0.96 | 119 | 0.39 |
| Scraps and metals (t) | 3,984 | 17.81 | 3,318 | 26.79 | 2,687 | 8.77 |
| CO ₂ emissions (t) | 6,846 | 30.61 | 6,067 | 48.98 | 5,659 | 18.47 |
| SO ₂ emissions (t) | 107 | 0.47 | 219 | 1.76 | 252 | 0.82 |
| NO _x emissions (t) | 1,349 | 6.03 | 1,537 | 12.40 | 1,462 | 4.77 |
| Gross value added (in EUR thousand) | 223,587 | | 123,866 | | 306,355 | |

ENVIRONMENTAL PERFORMANCE INDICATORS FOR OTHER MACHINERY MANUFACTURING PLANTS

Reporting basis and limits

This section presents the environmental performance indicators of key machinery manufacturing plants around the world.

Trend in energy consumption

At the other machinery manufacturing plants, energy consumption increased overall in 2023 compared to the previous year of 996 MWh.

Trend in emissions

NO_x, SO₂, and CO₂ emissions were calculated on the basis of electricity, heating oil, natural gas, and fuel consumption. While a slight increase in NO_x emissions was recorded, the CO₂ emissions decreased slightly.

Water consumption

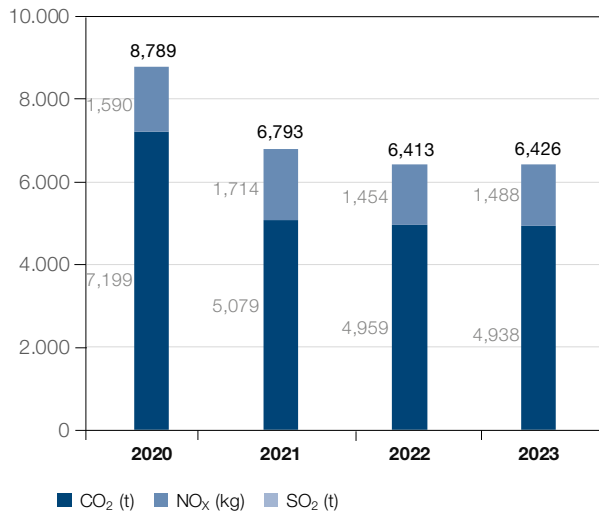
In 2023, water consumption increased sharply from 26,580 m³ to 37,187 m³. This was caused in part by a water leak at the Nordhausen location which led to double the water consumption in 2023. A cause analysis was carried out and the incident was reported to the city of Nordhausen and the local municipal drainage operation.

Solvent emissions

In 2023, VOC emissions were produced primarily by painting work at KLEMM Bohrtechnik GmbH, SCHACHTBAU NORDHAUSEN GmbH and EURODRILL GmbH. VOC emissions at the other machinery plants totaled 12.8 t (previous year: 10.3 t).

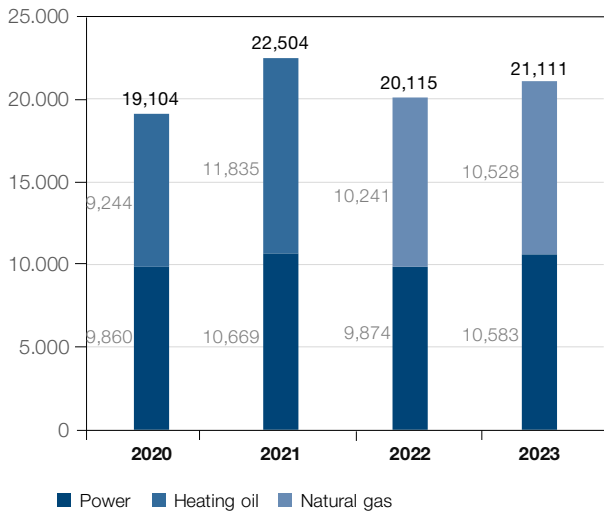
Emissions

Other machinery manufacturing plants in t or kg



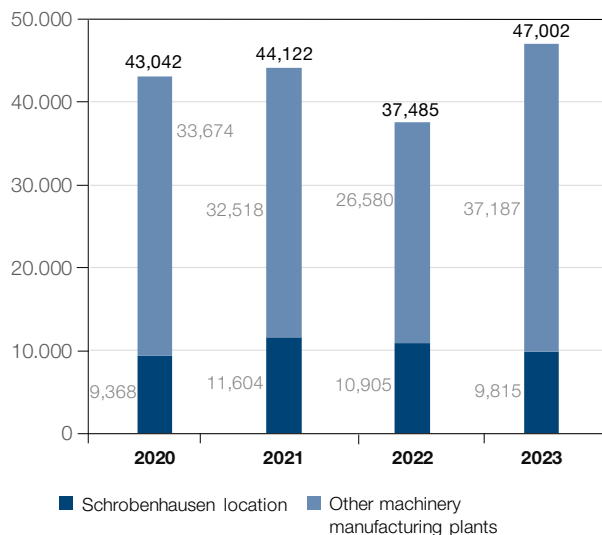
Energy Consumption

Other machinery manufacturing plants in MWh



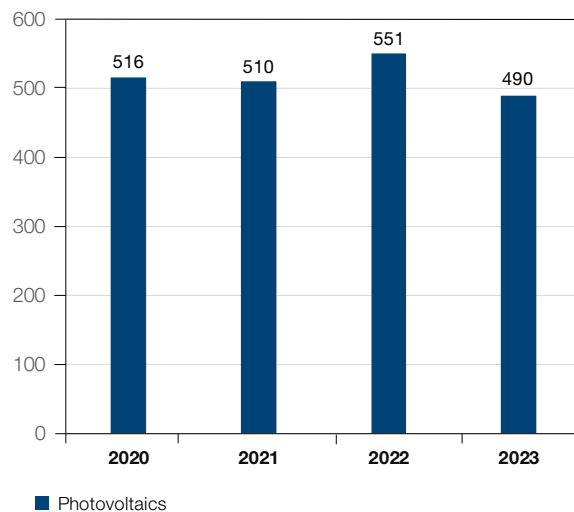
Water Consumption

Other machinery manufacturing plants in m³



Avoidance of CO₂ emissions

Other machinery manufacturing plants in MWh/year



2023 ENVIRONMENTAL DATA

| | Revenues (EUR million) | Employees | Energy consumption (in MWh) | | | Emissions | | |
|--|---------------------------|---------------|-----------------------------|---------------|-------------|------------------------|-------------------------|----------------------------|
| | | | Power | Natural gas | Heating oil | CO ₂ (t) | NO _x (kg) | Water (m ³) |
| Schrobenhausen location | 965.1 | 2,367 | 7,291 | 7,559 | 751 | 5,660 | 1,463 | 9,815 |
| Nordhausen location | 153.8 | 862 | 4,538 | 5,762 | - | 3,623 | 991 | 18,388 |
| KLEMM Bohrtechnik GmbH | 58.1 | 262 | 885 | 2,214 | - | 930 | 381 | 1,656 |
| EURODRILL GmbH | 29.8 | 95 | 290 | 203 | - | 198 | 35 | 650 |
| BAUER MAT Slurry Handling Systems * | 21.6 | 77 | 170 | 468 | - | 187 | 81 | 588 |
| Total Germany | 1,228.4 | 3,663 | 13,174 | 16,206 | 751 | 10,598 | 2,951 | 31,097 |
| BAUER Equipment America Inc. + BAUER Manufacturing LLC | 185.9 | 170 | 2,590 | 194 | - | 1,038 | - | 2,765 |
| BAUER Tianjin Technologies Co. Ltd. | 40.4 | 165 | 1,485 | 1,687 | - | 1,152 | - | 7,606 |
| BAUER Equipment Malaysia | 18.5 | 149 | 625 | - | - | 353 | - | 5,534 |
| Total International | 244.8 | 484 | 4,700 | 1,881 | 0 | 2,543 | 0 | 15,905 |
| Total key figures recorded | 1,473.2 | 4,147 | 17,874 | 18,087 | 751 | 13,141 | 2,951 | 47,002 |
| as a % of the Group | 80.5 | 34.5 | n/a | n/a | n/a | n/a | n/a | n/a |
| BAUER Group | 1,831.1 | 12,034 | n/a | n/a | n/a | n/a | n/a | n/a |

*Branch office of BAUER Maschinen GmbH

ON THE PATH TOWARDS A DIESEL-FREE SITE

In 2023, Bauer brought in the world's first electric large rotary drilling rig – the eBG 33 – for the project High Speed 2 (HS2) in London. This successful debut demonstrates that electrically powered heavy construction equipment can accomplish the same tasks as conventional equipment. With the corded eBG 33 and battery-powered eBG 33 H all electric, Bauer is making a significant contribution to diesel-free sites and sustainable construction. But specialist foundation engineering equipment is also used on sites where no cable connection is possible or high power is required that cannot be supplied exclusively by batteries. Here as well, the goal is to operate sites without diesel.



The eBG 33 is the world's first electrified large rotary drilling rig from Bauer.

Another solution approach consists of using hydrogen technology in the form of a fuel cell. Bauer is taking persistent strides in the direction of sustainability here by participating in the research project "Modular drive system with fuel cell for applications in specialist foundation engineering" (MABAS). The Federal Ministry for Economic Affairs and Climate Protection is subsidizing the project as part of the 7th Energy Research Program. The consortium partners are BAUER Maschinen GmbH along with the Professorship for Fluid Systems Technology and the Chair for Fluid Mechanics at the Friedrich-Alexander University of Erlangen–Nuremberg, Germany. In October 2023, the kick-off event was held at the headquarters of BAUER Maschinen GmbH in Schrobenhausen. Over a period of three years, the project partners will work together to develop a concept for operating construction equipment in specialist foundation engineering with zero CO₂ emissions. The goal is to develop a climate-neutral drive based on a fuel cell system.



MABAS Research group

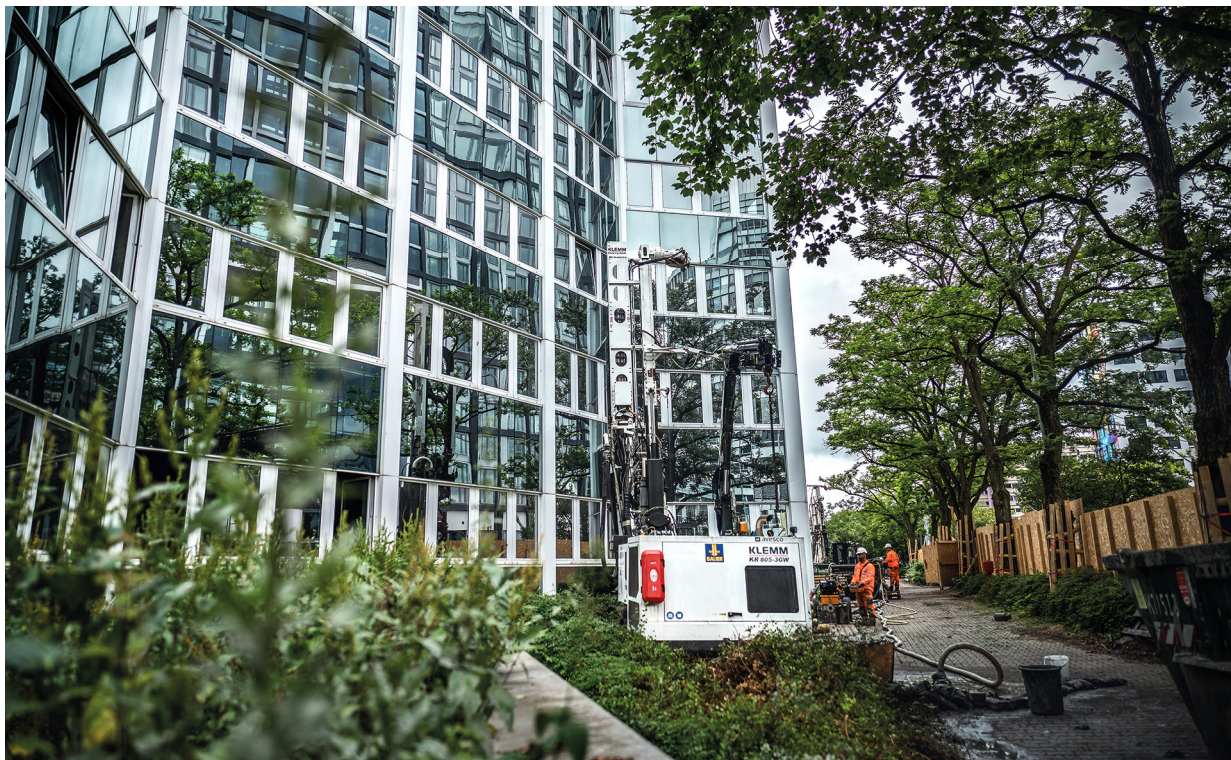
GWE GMBH IMPLEMENTS UNICEF PROJECTS IN BURKINA FASO

On behalf of UNICEF, the child welfare organization of the United Nations, GWE GmbH has implemented multiple projects in Burkina Faso. 20 aquasolar systems are used to supply water to villages and primary schools. These systems enable local communities to access clean water, increasing the opportunities for children to develop in a safe and hygienic environment. Additionally, 38 solar pumps and 210 solar modules were consigned to supply water for several refugee camps. GWE is continuing its cooperation with local authorities and humanitarian organizations in order to help people who depend on support.

BAUER RESOURCES IS BUILDING A GEOTHERMAL HEATING SYSTEM

As part of the “Mergenthaler” project in Eschborn, BAUER Resources GmbH is constructing a geothermal heating system to revitalize a vacant office building from the 1980s using resource-efficient methods. The project started in spring 2022 and is planned for completion by 2024. For the geothermal heat supply, 45 geothermal probes were installed up to a depth of more than 100 meters. The drilling work, which was carried out using the horizontal directional drilling method, required particular precision to avoid damaging any underground pipelines. The tight spatial conditions on the site as well as the proximity to adjacent buildings, such as a kindergarten and a large company headquarters, posed additional challenges. In order to minimize noise pollution, specially insulated equipment was used.

Upon completion of the drilling work, more than 2,200 m of pipeline had been laid and connected to four distribution shafts. The geothermal probes were flushed and filled with heat transfer fluid. The next phase involves hydraulic balancing and commissioning of the equipment, which will occur after the rehabilitation of the building has finished. The geothermal system generate around 200 kW of power, which is roughly equivalent to the heating energy requirements of 40 modern single-family homes. Apart from the geothermal heat supply, the project also includes other sustainable measures such as a heat-insulating facade, a sky garden of roughly 1,000 m² and 50 electric charging stations. It is estimated that the revitalization of the building will save roughly 42% in CO₂ emissions compared with the construction of a new building.



“Mergenthaler” project in Eschborn

IV. OUR EMPLOYEES

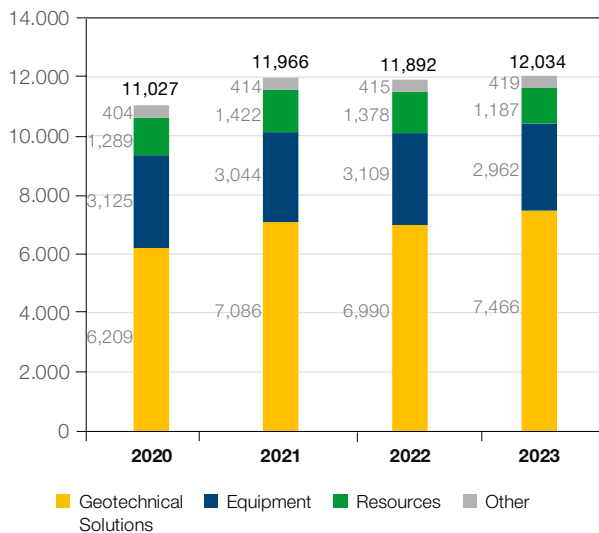
FOCAL POINTS

Our employees are the basis for the company's success. In view of that fact, personnel development is a high priority in the BAUER Group. We know that only healthy, self-reliant, well-trained and satisfied employees can deliver high-quality results. We expect a high level of personal commitment from our employees. We therefore ensure safe and well-designed workplaces and place considerable importance upon the physical health and well-being of each employee. That is why the safety, health and satisfaction of our employees is one of the cornerstones of our corporate policy.

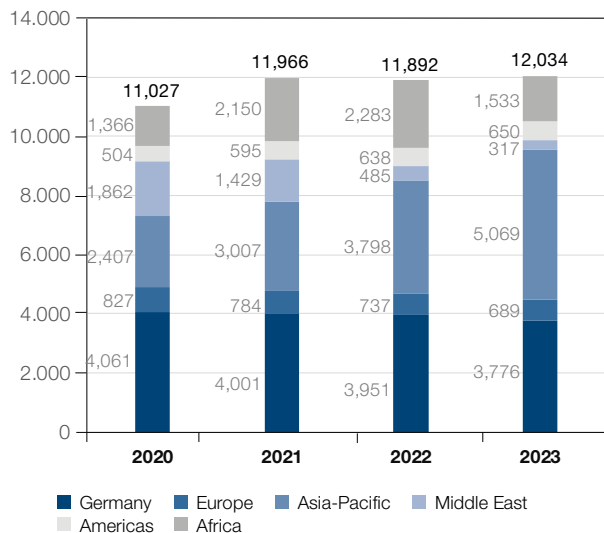
EMPLOYEE DEVELOPMENT

In 2023, the companies of the BAUER Group employed 12,034 employees all over the world (previous year: 11,892).

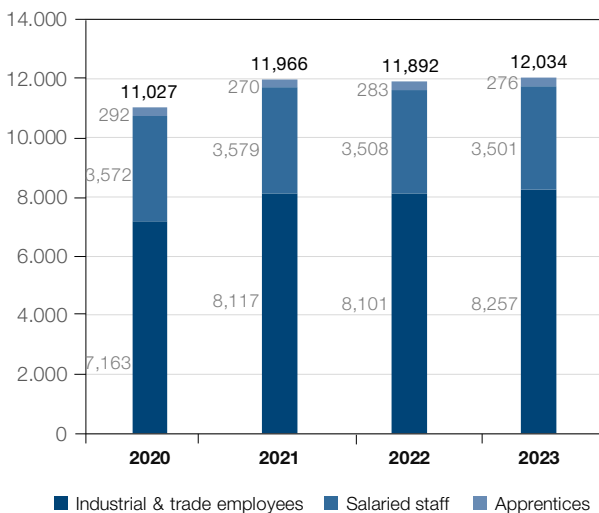
Employees by segment



Employees by region



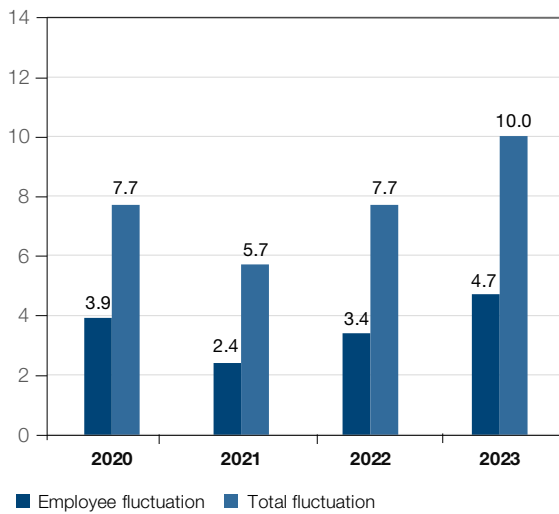
Employees by employment type



The fluctuation rate in the company has settled back to a normal level of the sector after the pandemic years, during which employee fluctuation was very low and willingness to change was rather subdued. The increase in overall fluctuation is owing to the increasing number of employees entering retirement. Despite these fluctuations, the employees demonstrate long period of affiliation with the company, which indicates a stable and satisfactory working environment.

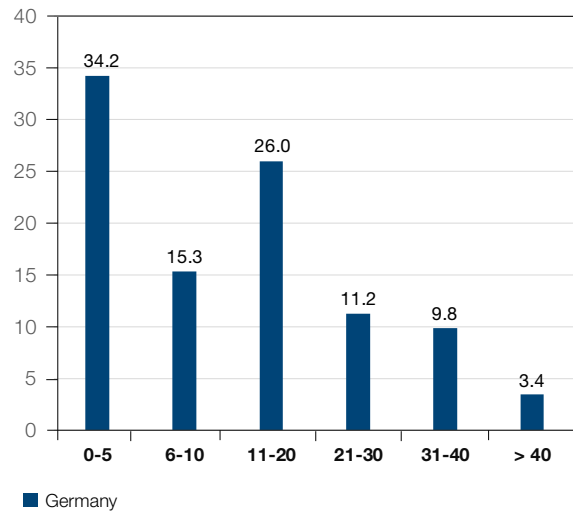
Fluctuation rate

in %



Length of employment

in %



COMPANY BENEFITS

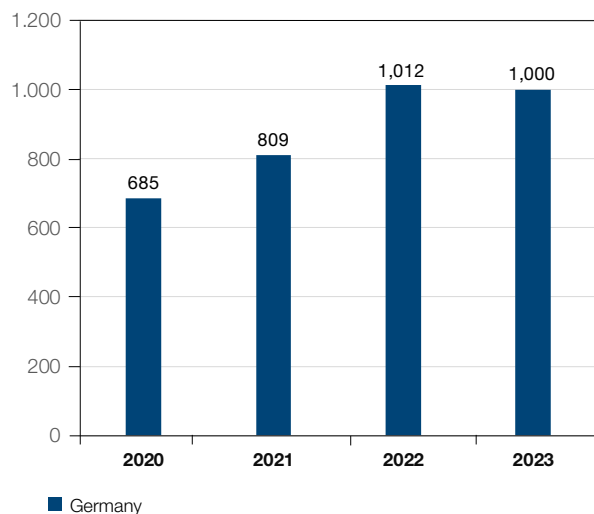
We take on responsibility for our employees. We find the right solutions to safeguard against the risk of incapacity to work. We also offer company retirement pensions. Furthermore, we assist with a flexible transition from working life into retirement. Bike leasing is also a component of our company services.

In 2024, the committee “People in the Company” will further intensify its initiatives to promote a positive company culture. One focus is aimed at generating new ideas and measures to enhance employee satisfaction. Another goal is to organize more internal department and external events that promote a sense of community. The aim is also to achieve greater integration of employees from the subsidiaries and branch offices.

TRAINING AND EDUCATION

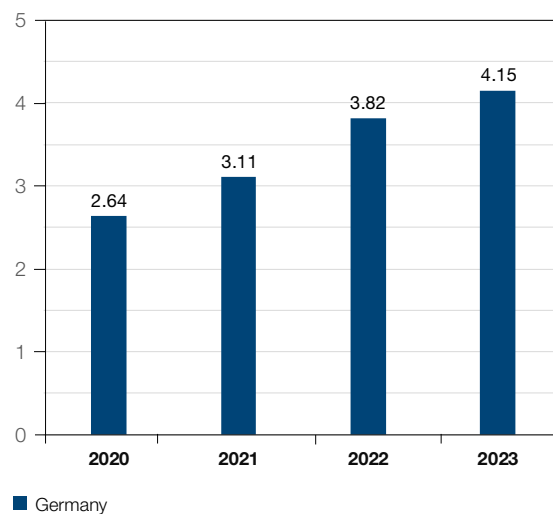
The training and development of our employees is a central component of our success. We systematically advance the process of digitalization in our company. To this end, we also rely on digital learning formats such as e-training and webinars. For a company to be viable in the future, it has to secure a sufficient number of skilled workers with the appropriate qualifications.

Number of seminars



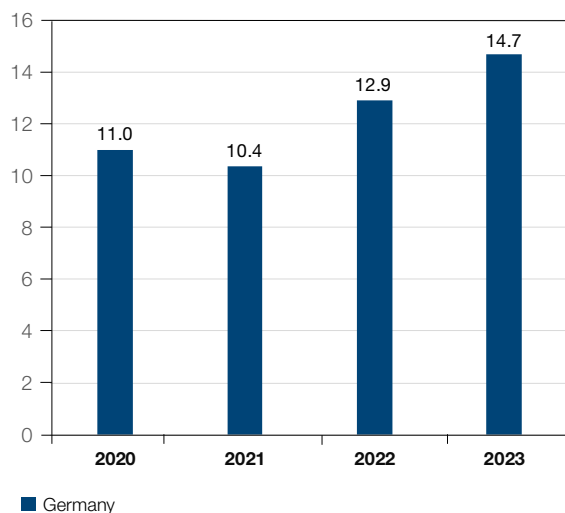
Continuing education costs

in EUR million



Average number of training hours per employee

in hrs.



Whether in the industrial, technical or commercial area – our apprentices can expect to receive a varied education that is practical and future-oriented. Year after year, we train numerous young people in about 25 different professions. In 2023, the number of trainees was 265 (previous year: 283). Because we know that our workforce is our greatest potential, continuing education plays an important role with us, right from the apprenticeship phase. Targeted training of our employees is becoming increasingly important. In view of digitalization, the production processes in our company are also becoming ever more complicated, and the demands placed on the functionality of our machines are getting higher and higher. Our student employees can complete a combined degree program which allows them to start their careers with a bachelor's degree and a vocational qualification that is fully recognized by the Chamber of Industry and Commerce (IHK). We also employ interns, working students, dual students and trainees.

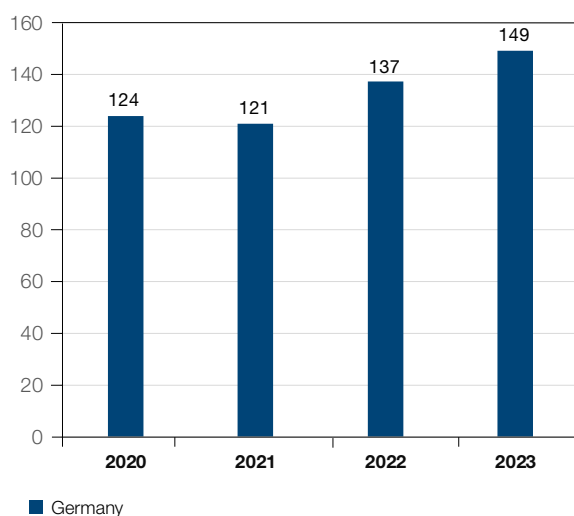
DIVERSITY

BAUER Group employees come from all over the world. Our staff included employees from roughly 100 different nations in 2023 – people from widely varying cultural and ethnic backgrounds who strive on every continent to achieve our common goals. By shaping our corporate culture with their different outlooks and viewpoints, experiences and traits, they are one of the cornerstones of our success. Together, we aim to shape the future. The promotion of diversity has therefore been firmly rooted in our corporate goals for many years.

In both the hiring and further development of our employees, we attach great value to an assessment based exclusively on their personality and qualification. Approximately 9% of Group employees were women in 2023, which essentially reflects the construction sector and the technical nature of our business, and the low number of women applying for such careers.

Offering equal opportunities is also very important to us. Each of our employees, whether with or without disabilities, receives equal and fair opportunities. We do not tolerate discriminatory behavior. Innovative solutions can only be generated in a company culture where every employee feels welcome with their ideas and strengths. An inspiring environment is the basis for all our innovation processes.

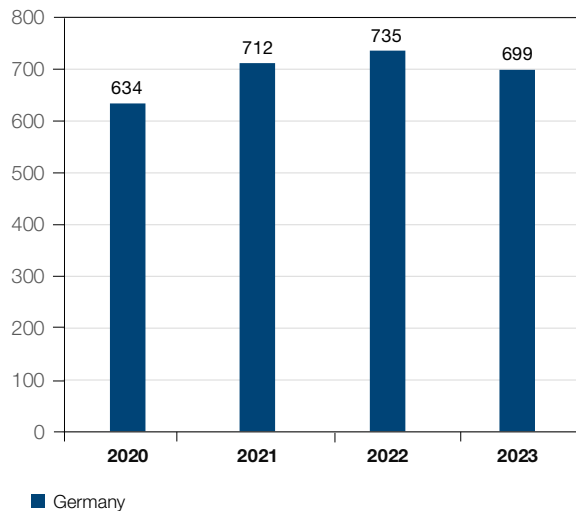
Number of employees with disabilities



Diverse perspectives and different experiences enrich a team by enabling a wide range of ideas and creative approaches. People from different backgrounds contribute unique ways of thinking that can lead to innovative and unconventional solutions. This variety not only encourages problem solving skills, it can also help to continually improve processes and working methods.

The employee suggestion system is an important tool for collecting and systematically making use of these different perspectives across all departments. It allows employees from all areas of the company to contribute their ideas and suggest improvements that could optimize workflows, improve economic efficiency, enhance occupational safety and reduce environmental impact. A structured method of recording and analyzing suggestions for improvement ensures that valuable ideas from the entire workforce are considered and implemented.

Submitted improvement recommendations



Family is a high priority for us. We find individual solutions to protect work-life balance, such as a variety of part-time working models, reintroduction programs, flexible working hours and job-sharing models. Our rules regarding mobile work contribute to flexibility and an appropriate balance between virtual work and the in-person attendance which we view as important.

BAUER CELEBRATES WITH ITS EMPLOYEES AND THEIR FAMILIES

In May, another Bauer employee afternoon was held on the grounds of the head office in Schrobenhausen. A lot of activities were offered: for example a carousel, face painting, bouncy castle, Bobby car track and goal-shooting contest. The weather was fitting for the gentle month of May, so visitors were able to relax comfortably in the beer garden as well as the tent. In particular, the small guests made ample use of the opportunities to sit in one of the drilling rigs that was still set up after the in-house exhibition. Starting early is the key to success! Traditionally, BAUER MAT Slurry Handling Systems holds a family celebration in summer. In 2023, the employees and their families enjoyed a relaxed afternoon full of fun and nice conversation. The grill was constantly in use, supplying the guests with tasty treats. And the kids had a great time as well: A bouncy castle and "Kiddie Olympics" ensured action and excitement.



The employee afternoon in Schrobenhausen is a highlight for families.

The children of Bauer employees were treated to another highlight in November. Schools are closed in Bavaria on the Day of Prayer and Repentance, while parents who are employed have to work. BAUER AG came up with an idea to help employees out of this dilemma: In 2023, the company held another "Take your child to work" day. An eventful schedule awaited the kids in the morning. A total of roughly 40 helpers took care of around 100 children.

GWE held an open house at its German locations in Peine, Nordhausen and Luckau in 2023 as a way for residents and citizens of the region to get to know GWE, as well as for employees' friends and family. Underpinned by a colorful variety of activities, employees also presented the expertise of the individual locations during factory tours. Attendance at the events was very good and visitor feedback was overwhelmingly positive.



GWE GmbH celebrated its open house with a varied program.

TRAINING AT BAUER OFFERS UNFORGETTABLE EXPERIENCES

During the summer break, eleven trade and industry apprentices with the BAUER Group had the chance to explore different countries and cultures for a period of six weeks as part of the company's exchange program. Eight apprentices traveled to the USA, while three went to Malaysia. In addition, three apprentices from Schrobenhausen traveled to sites in Dubai and Abu Dhabi from late January to mid-February to help their colleagues there setting up a new warehouse.

One highlight for all the apprentices was the first BAUER Trainee Camp. More than 170 trainees from all German companies of the BAUER Group came to Schrobenhausen in mid-June for a three-day campout with sunny weather. The program: Networking, getting to know colleagues and team building. In the evening, the trainees celebrated in a fantastic campfire atmosphere. Members of Bauer's company band Hydraulica played a few well-known songs together and were accompanied by a powerful chorus of fans.

HEALTH, SAFETY & ENVIRONMENT (HSE)

HSE is a central element of BAUER Group operations across the entire value chain. Global standards for all companies of the BAUER Group create a uniform HSE management system. By constantly reviewing our performance and comparing it against our set goals and targets, we seek to continuously improve our HSE system, and therefore to consistently minimize our accident and damage rates.

For us, the health and safety of our employees takes top priority. We strive to create a working environment that not only protects them against work-related dangers, but also enhances the productivity of our employees. Standards and guidelines for occupational safety in the BAUER Group are defined in cooperation with the managing directors and the Executive Board. To enhance awareness of occupational safety throughout the company, HSE training is also held regularly. A program devel-

oped by the HSE department for carrying out occupational health and safety audits within the company also helps the subsidiaries of the BAUER Group to expand their HSE policy to the Group standard. In Germany, an annual safety competition is organized between the companies, where valuable prizes provide an additional incentive for employees to deal with this matter.

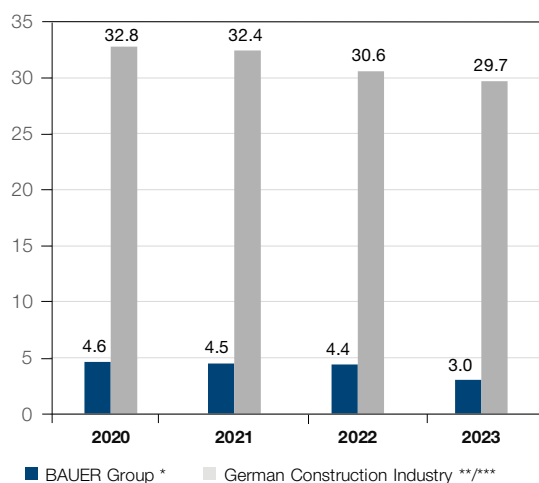
Regular reviews and audits confirm the consistent implementation of our safety standards. Through certifications such as OHRIS, DIN ISO 45001, AMS-BAU and SCC, we ensure that our occupational health and safety policies meet the requirements of the International Labor Organization (ILO).

We care about the personal well-being of our employees. Apart from programs and presentations on preventive care, fitness, nutrition and health, we support our employees with occupational checkups, preventive measures all the way to workplace design.

Work-related accidents

Work-related accidents

LTIFR*



* BAUER Group * ■ German Construction Industry **/**

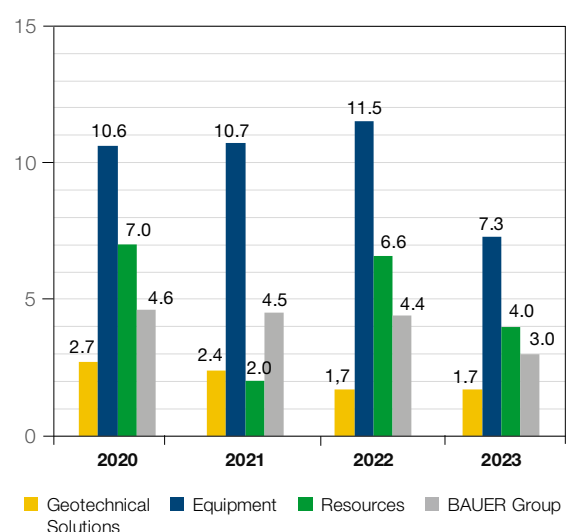
* LTIFR: Lost Time Incident Frequency Rate = work accidents and commuting accidents ≥ 1 day of absence per 1 million hours worked

** Recordable work accidents (without commuting accidents)/1 million hours worked

*** Source: BG BAU - Employer's liability insurance association for the construction sector

Work-related accidents by segment

LTIFR*



■ Geotechnical Solutions ■ Equipment ■ Resources ■ BAUER Group Solutions

V. GOVERNANCE

RESPECT FOR HUMAN RIGHTS

Our company's success is based on people – our employees as well as our customers and partners. As a result, respect for and upholding of human rights form part of our basic understanding of social responsibility. Within the ethics management system, we commit to respecting human rights. Child labor and forced labor are not tolerated in the BAUER Group. It is an important task of our managers to raise awareness for these topics among the on-site employees during their regular visits to our branch offices worldwide. In line with our understanding of values, discrimination, particularly on grounds of religion, age, gender, race or sexual orientation, has no place in our company. We expect that our suppliers and subcontractors adhere to the United Nations Universal Declaration of Human Rights and not be involved in any human rights breaches. Accordingly, suppliers are provided with a supplier code that is also published on our company website. Furthermore, a working group was established to address the implementation of requirements arising from the Supply Chain Due Diligence Act ("Lieferkettensorgfaltspflichtengesetz"), which specifically outlines due diligence obligations and preventive measures with regard to human rights risks in the supply chain.

The following values are particularly important for the BAUER Group: Appreciation, innovation, down-to-earth attitude, responsibility, openness. Integrity is the basis for all our actions. We fulfil our requirements with regard to the respect of human rights and environmental protection in a best possible way both in our own area of business as well as when selecting our suppliers and maintaining our business relationships with them. The Human Rights Policy of the BAUER Group is a supplement to our Bauer Code of Conduct and is based on internationally applicable standards and guidelines. This declaration explains the key measures we adopt in order to identify and prevent risks relating to human rights and the environment. The requirements of the law concerning corporate due diligence obligations to prevent human rights violations in supply chains are implemented by this declaration.

COMPLIANCE

In all countries in which we market our products and services, our companies and their employees are required to comply with ethical standards that meet the requirements in these countries. In particular, actively corrupt behavior and passive bribery are not tolerated anywhere in the world.

We do not believe that you need to "play dirty" to win. Instead, we are convinced that correct and proper conduct is the best recipe for sustained long-term success. We support this fundamental belief by clearly defining our values.

Compliance means observing all applicable laws, rules and regulations. Every employee of the BAUER Group has the duty to adhere to legal, regulatory or court-ordered rules and internal company regulations in their professional activities.

The Compliance Management System is referred to as the ethics management system in the BAUER Group and has been integrated by the Executive Board in the framework guidelines in the Corporate Management Manual for the BAUER Group. According to these guidelines, subsidiaries must take appropriate measures to ensure compliance with the rules applicable to the Group. The management teams of the Group companies also ensure that employees are aware that violations of applicable law and ethics can have far-reaching implications for the individual company and the Group.

A values program and ethics management system were developed and implemented for the BAUER Group and are binding for all employees. Each new employee receives training in the values program and ethics management as defined by the Corporate Management Manual. The ethics management system is based on a Code of Conduct published by the BAUER Group on the company website. It emphasizes the core values of appreciation, innovation, down-to-earth attitude, responsibility and openness, as well as the rules of conduct for specific situations according to selected areas of risk.

Within the ethics management system, particular emphasis is placed on the proper conduct of executives and employees with regard to anti-corruption and anti-trust law. The ethics management system also focuses on ensuring compliance with legal and business ethics rules in dealings with business partners and customers as well as product safety, human health and environmental hazards resulting from our activities, export restrictions, tax and social insurance liabilities, accounting, data protection and non-discrimination.

In order to implement the ethics management system, ethics officers must be appointed in the organizational units and senior management and executives must actively communicate the contents of the ethics management system. Together with management, ethics management measures are analyzed by the ethics officer as part of a risk assessment. Wherever appropriate, the individual topics of the ethics management system are handled by specially designated officers as well as special departments that organize compliance with applicable rules and conduct requirements. The prime responsibility lies with the Executive Board of the BAUER Group. The main rules applicable to the companies of the BAUER Group are defined in the Corporate Management Manual. In the area of anti-corruption, for example, the dual control principle is defined as an essential tool for the relevant functions in the company.

Training courses and seminars are organized for the Group. Special classroom training courses are carried out for the key topics anti-corruption and anti-trust legislation, as well as the protection of personal data. For construction-related companies, the compliance e-learning program developed by EMB-Wertemanagement Bau e.V. is provided to all relevant employees.



Training content for compliance training

The suitability and effectiveness of the ethics management system is reviewed in internal audits by internal auditing, as well as in external audits by construction-related companies in Germany that are members of EMB-Wertemanagement Bau e.V. If necessary, the system is improved based on the findings of the audits. The appointed ethics management officers also continuously strive to improve the ethics management system.

A whistleblowing system has also been implemented in the Corporate Management Manual to expose violations. Additionally, the relevant contact details for internal auditing and the external ombudsman are published on the BAUER Aktiengesellschaft website at www.bauer.de under "BAUER Group" – "About us" – "Ethics Management" – "Ombudsman." The whistleblowing system gives both employees and third parties, particularly customers and suppliers, the opportunity to be protected while providing information about legal breaches in the company.

In 2023, two reports were submitted via the whistleblowing channel of BAUER AG in which suspected incidents related to discrimination and regulatory compliance were reported. The BAUER Group handled all the matters addressed with top priority, so that these processes have been concluded in the meantime. Apart from this, there were no other reports submitted via the whistleblowing channel of BAUER AG in 2023. Once again in 2023, BAUER AG remained free of sentences, monetary fines or lawsuits based on violations of anti-corruption laws, bribery laws or human rights, so that no monetary penalties, fines or damages were imposed.

In the coming years, the company will continue to ensure that all employees are familiarized with the whistleblower system. To this end, the previously initiated training measures will be pursued consistently and updated on a regular basis. It is also planned to distribute a poster with the values of the BAUER Group along with information about the whistleblower system at central locations in our operating facilities to further increase visibility and awareness for this important reporting option. In this

way we ensure that all employees are thoroughly informed of their options and the protection offered by the whistleblower system.

BAUER stands for:



Freedom of assembly
and association

Sustainability
Freedom of thought, belief and religion

Human rights

Freedom of
expression

Occupational health and safety

Responsibility

Environmental
protection

Health protection

Fair working
conditions

Equality

BAUER does not tolerate:



Suggestive comments

physical violence

Corruption

Child labor

Bribery

Sexual harassment

Mobbing

Discrimination

Forced labor

Illegal forced evictions

The BAUER Group advocates respect for human rights worldwide.

Report regulatory violations without fear of consequences!

More information about the whistleblower system at <https://www.bauer.de/en/ethics-management>.

VI. SOCIAL CONCERNS

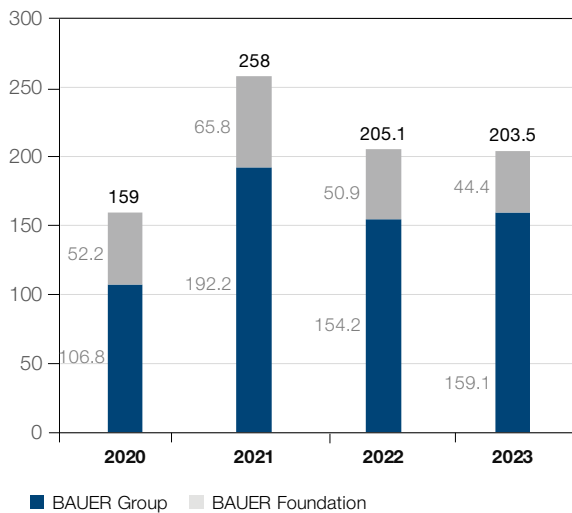
The BAUER Group strives to contribute to the common good in the locations and regions where we operate. Our commitment to the community also has a positive impact on the company. We regard ourselves as an active member of the community, and we are aware that, alongside our commercial obligations, we also have a social duty to the community at large. We seek to play an active role in our region and in our various industry sectors. In that context, we also contribute our efforts to numerous regional development and industry-specific associations and trade bodies.

The BAUER Group supports important initiatives and projects with donations. Two initiatives that the BAUER Foundation supported in 2023 are a natural conservation project for rare birds in Donaumoos as well as a new dirt park for cycling fans in Schrobenhausen.

In total, the BAUER Group and the BAUER Foundation donated EUR 203,500 in 2023. In addition, the BAUER Maschinen GmbH reinforced the region by purchasing in the area around Schrobenhausen and within Germany.

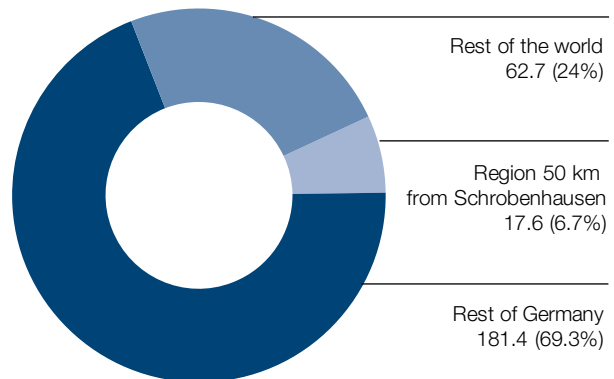
BAUER Group and BAUER Foundation donations

in EUR thousand



BAUER Maschinen GmbH purchasing according to region

in EUR million



To pique interest among students as future Bauer employees, many different campaigns are run every year at Bauer. For example, interested students from the Munich Technical University had the opportunity to visit a construction site on Munich's Kistlerhofstraße in late 2023 and learn details about the MIP method as well as the installation and tensioning of anchors. Bauer's commitment to students is also demonstrated by another top ranking as "Studies Liebling" (students' favorite employer). At the Bonding university fair in Dresden, Bauer was awarded an excellent second place in April 2023.

On Girls' Day, the goal is to get rid of old prejudices: After all, girls and equipment make a great team. At Bauer and Schachtbau Nordhausen, female students were invited again on April 27 to get a glimpse of technical and industrial professions. At the workbenches in the training workshop, the girls were able to demonstrate their practical skills at various stations and got a taste of basic cutting machine tasks, such as turning or milling. Bauer is particularly committed to raising interest among young women in technology and scientific careers.

In September, the Aresing plant opened its gates for a large-scale exercise of the youth fire brigades from the southern district of Neuburg Schrobenhausen. On a Saturday morning, it was time for these promising future firefighters to head off to Aresing!

Once they arrived, these 120 young people with their 16 vehicles had to run through an extensive scenario involving a fire in the paint shop. Tasks included setting up a comprehensive extinguishing plan, preventing the flames from crossing over into other buildings and rescuing people. With united forces, the youth fire bridges successfully complete their large-scale exercise.

BAUER AG's "Training Night" is a fixture on the calendar at the start of the school year. In late September, the largest training company in the Schrobenshausen region opened its doors once again to give future trainees a glimpse behind the scenes. Roughly 300 young people and their families received information about the various training options. In personal dialog with training officers and apprentices, the young talents got to know different options for launching their careers at Bauer in order to see which of the many training professions is the best fit. A tour with lots of activity stations led the visitors through the entire Bauer Training Center. The drilling rig simulator and the forge were particularly popular stops. In a brief presentation, Training Manager Gerhard Piske explained the process and available options for training at Bauer. In Schrobenshausen alone, the company offers training in 16 different professions, with choices varying widely from draftsman all the way to cutting machine technician. The highlight of the event for many visitors was the equipment presentation in the Aresing plant, where they were able to see large rotary drilling rigs in action right before their eyes.



Training Night

For several years now, Bauer Technologies South Africa has supported the New Jerusalem Children's Home in Johannesburg. Since its founding in 2000, the home has taken in more than 1,000 orphans as well as abandoned, abused, traumatized, endangered and HIV-positive children. Roughly 120 children live there currently. The goal is to pave the way for a positive future for them.

Particularly during the Christmas season, fundraising activities are very popular. At KLEMM Bohrtechnik GmbH, the tradition is to support non-profit organizations and projects in the Drolshagen region as part of the campaign "Donations instead of gifts for Christmas". In 2023, donations were offered to the promotional association of the Olpe Music School, the Caritas organization IN Via as well as the German Children's Hospice Association. BAUER AG gave its 2023 Christmas donation to the Schrobenhausen food bank, the Neuburg-Schrobenhausen Caritas association, the St. Josef children's home and ELISA family aftercare. Employees of the BAUER Group also donated to those in need at Christmas. In a wish tree campaign, they brought joy to young mothers and their children at a facility of the A.p.e. Familienhilfe organization. More than 250 wishes were fulfilled, from board games and doll clothes to picture books and school materials.



Bauer donates to those in need through a wish tree campaign.

VII. SUSTAINABILITY GOALS

Status of sustainability goals in the company

| Goals/Actions | Situation | Status | Implementation |
|---------------------------|--|--------|----------------|
| Expand management systems | Management systems such as HSE will be introduced and certified at other companies in the Group. | 4 of 6 | continuous |
| Improve ESG reporting | The goal is to continually improve data quality and expand reporting to other companies in the BAUER Group. Work is currently underway to compile the relevant ESG data into a report, to implement a central software solution to record and analyze ESG data and to expand the database. | 4 of 6 | continuous |

Status of sustainability goals in health and safety

| Goals/Actions | Situation | Status | Implementation |
|--|--|--------|----------------|
| Improve HSE culture throughout the Group | In 2011, senior management adopted a Group-wide health, safety and environmental policy. The policy defined goals and fundamental principles. A key goal is to continue our extensive efforts to improve this safety policy. Efforts to raise employee awareness will focus on recognizing dangerous behaviors, feedback and communication as well as evaluating insights and defining personal goals based on these insights. | 5 of 6 | continuous |

Status of environmental sustainability goals

| Goals/Actions | Situation | Status | Implementation |
|--|---|--------|----------------|
| Optimize outdated heating and lighting systems | Existing heating and lighting systems will be inspected and continuously replaced at the Schrobenhausen location. In the past, switching to the new LED lighting was not economically viable, but investing in this technology now pays off both from an ecological and economic point of view. For this reason, all lights in the assembly halls were replaced in 2023 and the insulation in older office and factory buildings was also inspected. | 6 of 6 | completed |
| Effective recycling and waste management | As the volume of waste increases, it is essential to establish effective sorting and recycling logistics at our company in order to ensure sustainable recycling of materials. In the future, small waste and residual materials will be sorted and placed only in the designated recycling containers in all assembly departments at the Schrobenhausen site. The sorting instructions on the waste and residual material signs are clearly visible to make the recycling process as easy as possible for our employees. This standard was successfully implemented at other locations. The cardboard compactor at the Schrobenhausen plant was upgraded and a foil press was added. | 3 of 6 | continuous |
| Software for hazardous substance management | A software program for hazardous substance management will be used to map dangerous substances centrally and make the data accessible to all relevant employees on demand. Initially, the program will be introduced at the Schrobenhausen location. The long-term goal is to ensure consistent measures and documentation throughout the company. | 3 of 6 | continuous |
| Trial of new cleaning methods | The HSE department will test the use of a new cleaning fluid for painting systems. Waste volume and solvent emissions were reduced by using products multiple times. New cleaning agents were also tested for the area of the washing station to enable cleaning of machines and construction components without chemicals. | 6 of 6 | completed |

Status of sustainability goals for research and development

| Goals/Actions | Situation | Status | Implementation |
|--|--|--------|----------------|
| Reduce noise emissions, save energy, increase safety while boosting productivity | Bauer strives to win over and impress its customers, employees and business partners for the future by delivering a top-quality range of premium products and services. Sustainable considerations provide orientation and allow partners to contribute. After an electrically powered MC 96 duty-cycle crane was presented for the first time at Bauma 2019, additional equipment with electric drive technology is now in use. As part of the Saint-Brieuc project for the creation of offshore wind turbines, for example, a total of four hydraulic power packs (HE) 1400 were used to supply the Dive Drill C40 U with energy. The eBG 33 drilling rig, also purely electrically driven, has successfully completed its first applications on sites in England. At Bauma 2022, Bauer showed new products with alternative drives: the eBG 33 H all electric and RTG RG 19 T hybrid. The electric MC 96 with trench cutter has been in use in Hong Kong since mid-2023. Further orders were obtained for electrified equipment with the BCS 185, but these will be delivered by the end of 2024. | 4 of 6 | continuous |
| Digitalization in the BAUER Group | For many years now, the BAUER Group has been a driving force behind digitalization. Digitalization officers have been appointed and a Group-wide committee has been established. In the Geotechnical Solutions and Resources segments, digitalization is being promoted in research as well as practical site application. The focus in this context is primarily on the digitalization of site data and the accompanying processes. Digital collection of production data with mobile application, equipment data evaluation, measurement data transfer with IoT, digital measurement with drones and mobile devices and the creation of digital planning models with BIM methods are now standard practice for large-scale projects. Access to these data is provided to the parties involved in construction via the BAUERdigital portal. The evaluation of these production data enables BAUER Spezialtiefbau GmbH and BAUER Resources GmbH to optimize their production and thereby avoid wasting resources. Other current topics at Bauer Resources including rolling out digital standards for all company divisions, automation for BIM processes and construction robotics. Bauer Maschinen centralized its digitalization initiatives in 2023 with the Digital Solutions department to assist the specialist departments and make better use of synergies. The focus here will be on fleet management and the digital site. As part of this initiative, fielddata.io will merge with BMA to provide our customers with a continuous data platform for their projects. In the Research department, solutions are being developed to use artificial intelligence on equipment components such as drilling tools. | 4 of 6 | continuous |
| Developments to increase the efficiency of our construction methods | We continuously enhance sensor technology, equipment technology and our process analysis methods in order to analyze potentials for increasing efficiency in our construction methods. We strategically instrumentalize our tools, such as the deep vibrator or a tremie pipe for inserting concrete into the shaft. This allows us to analyze the efficient use of energy during the construction of elements using the deep vibrator, and to reduce the quantity of excess concrete generated when inserting the concrete thanks to precise recording of the concrete level. Moreover, by analyzing process data, which is accomplished using the sensors on our equipment as well as recording with in-house tools, we have identified numerous optimizations in the process flow. This enables us to depict and analyze the entire site process in all its complexity. We use strategic identification of main and secondary processes for site optimization. | 4 of 6 | continuous |

Status of sustainability goals with regard to stakeholders

| Goals/Actions | Situation | Status | Implementation |
|--|---|--------|----------------|
| Support of volunteer activities | Community involvement and projects initiated by our employees are selectively and actively supported, while volunteering continues to be backed by flexible arrangements to facilitate participation. We assist associations and organizations through material donations and by offering our expertise and ideas. | 6 of 6 | continuous |
| Expand regional partner ships with universities and research organizations | To strengthen the region, we aim to work even more closely with local academic and research institutions. Bauer offers a dual study option with the universities in Ingolstadt and Augsburg. Throughout Germany, we deliver guest presentations at various universities, award research projects and dissertations, and offer trips to construction sites and plants. | 5 of 6 | continuous |

Status of sustainability goals in human resources

| Goals/Actions | Situation | Status | Implementation |
|--|--|--------|----------------|
| Expand "Be Mobil" program across the Group | The "Be Mobil" program allows employees the opportunity to experience another country and expand their personal horizons. To provide optimum preparation for working abroad, individual development goals have been set in close cooperation between the HR Department, the employee in question and their line manager. In future, greater emphasis will be placed on developing and strengthening professional, methodical and social skills. This will enable employees to successfully manage their responsibilities and take on new challenges. | 4 of 6 | continuous |
| Development of young employees | The HR Department offers training concepts for young employees that include workshops as well as digital initiatives and coaching. A training program was developed and implemented for international management staff as well. The process for strategically developing our young employees was also revised and additional development modules were added, such as job rotation, international deployments and mentoring. | 5 of 6 | continuous |
| Expanding skills through digital learning | E-learning is an established method for developing skills throughout the entire Group. With the HR Portal, we enable all employees to receive further education at their own pace with access to information and learning content at any time. The offer of digital learning content is continually improved and expanded. | 6 of 6 | continuous |

VIII. DETAILS CONCERNING EU TAXONOMY

Under the framework of the “European Green Deal”, the EU Commission aims to gradually redirect capital flows in the EU economic system into more sustainable channels. To this end, it has established the “Action Plan on Sustainable Finance”.

One of the most important elements of the action plan is the EU Taxonomy Regulation 2020/852 of the European Parliament and of the Council (EU Taxonomy). The goal of this regulation is to establish a standardized system across the EU for the classification of environmentally sustainable economic activities. The Taxonomy Regulation focuses on six environmental objectives:

1. Climate change mitigation (CCM)
2. Climate change adaptation (CCA)
3. The sustainable use and protection of water and marine resources (WTR)
4. Transition to a circular economy (CE)
5. Pollution prevention and control (PPC)
6. Protection and restoration of biodiversity and ecosystems (BIO)

In order to be classified as sustainable in line with the EU taxonomy, an economic activity must undergo multiple auditing stages. It must first be reviewed whether the economic activity is registered in the list of activities of the EU taxonomy and the activity description matches the Annexes of the Delegated Regulation (DR) 2021/2139 (supplemented by DR 2022/1214, also updated and supplemented by DR 2023/2485) as well as DR 2023/2486. If this is the case, an economic activity is considered taxonomy-eligible.

Building on the definition of taxonomy-eligible, economic activities are considered as taxonomy-aligned and thus effectively sustainable under the framework of the Taxonomy Regulation if all of the following conditions are met:

- the technical assessment criteria described in the Regulation fulfil one or more environmental objectives;
- none of the other environmental objectives are significantly negatively impacted based on criteria specified therein; and
- the activities are carried out by companies that fulfil the minimum requirements for occupational safety and human rights described by the Taxonomy Regulation.

TAXONOMY AUDIT PROCEDURE

The audit of economic activities in the BAUER Group over the outlined taxonomy audit stages was carried out through intersegmental and cross-department collaboration to ensure a uniform procedure across subsidiaries and international borders and to display the final results in aggregated form at the Group level.

First, in line with the requirements of the Delegated Regulation (EU) 2021/2178 (supplemented by DR 2022/1214, also updated and supplemented in DR 2023/2486), the totals were calculated for net turnover, capital expenditure (CapEx) before depreciations and revaluations as well as direct, non-capitalized operating expenditure (OpEx).

TOTAL TURNOVER, CAPEX AND OPEX IN THE BAUER GROUP IN ACCORDANCE WITH EU TAXONOMY

| in EUR million | 2023 |
|----------------|---------|
| Turnover | 1,698.2 |
| OpEx | 37.9 |
| CapEx | 158.4 |

Each respective total constitutes the denominator which is used to carry out an audit of taxonomy eligibility and – where relevant – taxonomy alignment according to the abovementioned regulation. The denominator for turnover includes the Group turnover in accordance with IAS 1, paragraph 82(a). The denominator for CapEx includes – where incurred in the specific case – additions to property, plant and equipment, intangible assets, real estate held as a financial investment, agricultural investment expenditure and additions to leasing relationships. In the denominator for OpEx, costs for research and development expenditures, short-term leasing, maintenance and repair, building renovation measures as well as all other direct expenditures associated with the daily maintenance of assets in property, plant and equipment are to be reported.

The respective numerators for turnover, CapEx and OpEx result from the audit of the corresponding economic activities for taxonomy eligibility and subsequent taxonomy alignment. This procedure is described in the following sections. The information required for the audit is derived from the financial accounts and is confirmed by Group Accounting. To avoid the possibility of double counting, turnover and CapEx and OpEx expenditures that are taxonomy-eligible are generally allocated to a single taxonomy-eligible economic activity.

DETAILS REGARDING THE TURNOVER KPI

The turnover of the BAUER Group are generated in the three segments Geotechnical Solutions, Equipment and Resources. After auditing the economic activities in the three segments in the 2022 financial year, it was still determined that turnover did not fall under the then-applicable version of the Taxonomy Regulation, as criteria were only defined for the two climate goals of “Climate change mitigation” and “Climate change adaptation”. After taxonomy criteria were defined for the four remaining climate goals for the 2023 financial year, the BAUER Group carried out another thorough audit of all turnover for taxonomy eligibility concerning all six climate goals.

The business activity of the BAUER Group is divided into the three segments as follows:

- The Geotechnical Solutions segment applies all the established methods and techniques of specialist foundation engineering all over the world. These include executing complex excavation pits and foundations for large-scale infrastructure projects and buildings, as well as cut-off walls and soil improvements.
- In the Equipment segment, Bauer is a provider for a wide range of equipment for specialist foundation engineering as well as for the exploration, mining and extraction of natural resources.
- The Resources segment focuses on the development, production and execution of innovative products and services and acts as a service provider in the areas of drilling services and water wells, environmental services, constructed wetlands, mining and rehabilitation. Areas of expertise include water extraction, brownfield remediation, waste management, water treatment and services in mining as well as building rehabilitation.

In the following, the business activities of the BAUER Group are subdivided by product and project-related turnover and relevant codes under the Taxonomy Regulation are taken into account.

PRODUCT-RELATED TURNOVER:

The BAUER Group sells products in the Equipment segment and in the Resources segment. The taxonomy codes below have been determined as relevant for the business activities of these segments after review, which means that the corresponding turnover can be reported as taxonomy-eligible. Because these corresponding turnover are considered to be not of key importance in the context of the entire BAUER Group and only insufficient data or proof is available for fulfilling the technical assessment criteria, no taxonomy compliance audit was carried out in line with Point 13 of the Communication of the EU Commission C/2023/30.

CCM 3.1 – Manufacture of renewable energy technologies

The solar pumps of the subsidiary GWE are used to extract water from wells using energy generated by solar modules. Even though the renewable energy is only used here to facilitate water procurement, the solar pump technology is a technology for renewable energy in the literal sense and the corresponding turnover are counted as taxonomy-eligible. Furthermore, the product solutions from the geothermal division of GWE (e.g. geothermal probes, shaft structures) are counted as taxonomy-eligible, since these are required in order to generate heat or cooling from geothermal energy.

CCM 3.6 – Manufacture of other low carbon technologies

The description text for this code mentions the “manufacture of technologies aimed at a substantial reduction of greenhouse gas emissions in other economic sectors”. With reference to Point 9 of the Communication of the EU Commission 2022/C385/01, which includes FAQs regarding the interpretation of specific EU taxonomy content, the BAUER Group defines the relevant technologies as products that significantly reduce tailpipe emissions of CO₂ in the usage phase or lead to their complete elimination. In the BAUER Group and specifically in the Equipment segment, these include electrified and hybrid construction equipment that helps to reduce CO₂ emissions on construction projects that would occur with comparable, non-electrified construction equipment during use because of the consumption of fossil fuels. Because the total turnover of electrified construction equipment are considered to be not of key importance in the context of the entire BAUER Group and only insufficient data or proof is available for fulfilling the technical assessment criteria, no taxonomy compliance audit was carried out for the turnover falling under code CCM 3.6.

PROJECT-RELATED TURNOVER:

The Geotechnical Solutions and Resources segments of the BAUER Group achieve the majority of their turnover with various construction project businesses. Due to the variety of projects carried out and the necessary detailed audit at the single project level in each case, for the 2023 financial year at the corresponding subsidiaries of the segment a review was carried out for taxonomy eligibility regarding those projects which made up at least 80% of the project turnover volume in each segment.

The project turnover in the BAUER Group consist of many different individual projects, which meant that a review of the projects for taxonomy eligibility was carried out at the level of individual projects in each case.

Projects were only assess as taxonomy-eligible which could be clearly allocated to one or more taxonomy codes based on their service descriptions.

A declaration of conformity was waived in each segment for the 2023 financial year, since the total turnover for each taxonomy code in project business was not significant compared to the total turnover of the BAUER Group, and/or because providing evidence for the fulfilment of the technical assessment criteria would have been unreasonable complex in each segment, as this would have to be accomplished on a single-project basis. The BAUER Group is frequently active at the start of construction projects and has limited insight into the characteristics of the overall construction project. Taxonomy conformity reviews for the most relevant turnover positions are not excluded in the future.

The taxonomy codes below have been determined as relevant for the projects at the companies mentioned after review, which means that the corresponding turnover can be reported as taxonomy-eligible:

CCM 4.3 – Electricity generation from wind power

In 2023, the Geotechnical Solutions segment carried out construction activities for the installation of offshore wind power plants.

CCM 4.5 – Electricity generation from hydropower

In the financial year gone by, the Geotechnical Solutions segment at Bauer was involved in the new building of a reservoir dam to generate water power.

CCM 4.7 – Electricity generation from renewable non-fossil gaseous and liquid fuels

In 2023, the Resources segment generated turnover as part of an expansion project for a combined heat and power plant that is operated with sewage gas.

CCM 4.9 – Transmission and distribution of electricity

In 2023, this included project work in the Geotechnical Solutions segment involving an electric power line.

CCM 4.22 – Production of heat/cool from geothermal energy

In 2023, this included project work in the Resources segment related to geothermal heat.

CCM 4.24 – Production of heat/cool from bioenergy

Through the sale of equipment to the company Carbo-FORCE GmbH, a participation of the BAUER Group accounted for using the equity method, the Resources segment recorded turnover in the delivery of components for pyrolysis plants that can be allocated to this code.

CCM 4.27 – Construction and safe operation of new nuclear power plants, for the generation of electricity or heat, including for hydrogen production, using best-available technologies

As part of an official authorized nuclear power reactor expansion project, the Geotechnical Solutions segment carried out construction activities.

Disclosure form 1: Activities in the areas of nuclear energy and fossil gas

| Row | Nuclear energy related activities | |
|--------------------------------------|--|-----|
| 1. | The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle. | NO |
| 2. | The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies. | YES |
| 3. | The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades. | NO |
| Fossil gas related activities | | |
| 4. | The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels. | NO |
| 5. | The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels. | NO |
| 6. | The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels. | NO |

CCM 5.3 – Construction, extension and operation of waste water collection and treatment

In 2023, the Resources segment executed multiple construction projects in the area of sewage treatment plants and equipment.

CCM 5.4 – Renewal of waste water collection and treatment

The Geotechnical Solutions segment achieved turnover in 2023 from a project for the rehabilitation of a wastewater system.

CCM 6.14 – Infrastructure for rail transport

Both the Geotechnical Solutions segment and the Resources achieved turnover in 2023 with project work for numerous railway infrastructure projects worldwide.

CCM 6.16 – Infrastructure enabling low carbon water transport

The Geotechnical Solutions segment achieved turnover in 2023 with projects in the area of new harbor construction or expansion.

CCA 5.4 – Renewal of waste water collection and treatment

In the financial year gone by, turnover were generated in a project for modernizing a wastewater and floodwater pumping station.

CCA 6.15 – Infrastructure enabling road transport and public transport

The BAUER Group was involved in numerous road transport projects in the financial year gone by, including the (partial) construction of highways and highway bridges.

WTR 3.1 – Nature-based solutions for flood and drought risk prevention and protection

Work was carried out in the Geotechnical Solutions segment in 2023 in the area of embankments and dam rehabilitation.

PPC 2.4 – Remediation of contaminated sites and areas

In 2023, the companies in the Geotechnical Solutions segment as well as in the Resources segment executed numerous brownfield remediation works that generated turnover.

CE 2.2 – Production of alternative water resources for purposes other than human consumption

In 2023, this included project work in the Resources segment related to the extraction of water resources for various purposes.

CE 2.7 – Sorting and material recovery of non-hazardous wastes

In the context of a track construction, the Resources segment prepared/treated sand in 2023.

CE 3.3 – Demolition and wrecking of buildings and other structures

This category included project work by the Resources segment in 2023 as part of individual demolition tasks.

INFO

Although these cannot be added to the taxonomy-eligible turnover KPI of the BAUER Group on the balance sheet, a participation in the Resources segment accounted for using the equity method – BAUER Nimr LLC – achieved taxonomy-eligible turnover amounting to EUR 12 million with a project in Oman in 2023, the majority of which could be allocated to taxonomy code CE 2.2 – Production of alternative water resources for purposes other than human consumption. The project centered on the operation of a constructed wetland that can treat contaminated water and make it reusable (more info on this [here](#)).



After more precise review, moreover, the following taxonomy code was determined as not relevant for the project turnover of the BAUER Group for the following reasons:

CE 3.5 – Use of concrete in civil engineering

A precise allocation of project activities to this code, which is described very generally in the EU taxonomy and not defined more exactly even in the extended taxonomy FAQs, is not currently possible. This is due to the fact that, although concrete is used in many projects by the BAUER Group, it is hardly possible to differentiate from other project activities and their turnover within the individual project level. For this reason, no taxonomy-eligible turnover were determined in line with this taxonomy code for 2023.

With consolidated net total turnover of EUR 1,698.2 million for the Group as a whole in the 2023 financial year, the taxonomy-eligible share of turnover was accordingly EUR 454.1 million or 26.7%.

A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)

| | | | | | | | | | | | |
|--|------------------------------|----------------|--------------|--------------|-------------|-------------|-------------|-------------|-----------|------|-----------|
| Manufacture of renewable energy technologies | CCM 3.1/ CCA 3.1 | 3.7 | 0.2 | EL | EL | N/EL | N/EL | N/EL | N/EL | N/EL | 0% |
| Electricity generation from wind power | CCM 4.3/ CCA 4.3 | 28.7 | 1.7 | EL | EL | N/EL | N/EL | N/EL | N/EL | N/EL | 0% |
| Electricity generation from hydropower | CCM 4.5/ CCA 4.5 | 7.6 | 0.4 | EL | EL | N/EL | N/EL | N/EL | N/EL | N/EL | 0% |
| Electricity generation from renewable non-fossil gaseous and liquid fuels | CCM 4.7/ CCA 4.7 | 1.0 | 0.1 | EL | EL | N/EL | N/EL | N/EL | N/EL | N/EL | 0% |
| Transmission and distribution of electricity | CCM 4.9/ CCA 4.9 | 2.9 | 0.2 | EL | EL | N/EL | N/EL | N/EL | N/EL | N/EL | 0% |
| Production of heat/cool from geothermal energy | CCM 4.22/ CCA 4.22 | 5.3 | 0.3 | EL | EL | N/EL | N/EL | N/EL | N/EL | N/EL | 0% |
| Production of heat/cool from bioenergy | CCM 4.24/ CCA 4.24 | 1.5 | 0.1 | EL | EL | N/EL | N/EL | N/EL | N/EL | N/EL | 0% |
| Construction and safe operation of new nuclear power plants, for the generation of electricity or heat, including for hydrogen production, using best-available technologies | CCM 4.27/ CCA 4.27 | 63.7 | 3.8 | EL | EL | N/EL | N/EL | N/EL | N/EL | N/EL | 0% |
| Construction, extension and operation of waste water collection and treatment | CCM 5.3/ CCA 5.3 | 8.6 | 0.5 | EL | EL | N/EL | N/EL | N/EL | N/EL | N/EL | 0% |
| Renewal of waste water collection and treatment | CCM 5.4/ CCA 5.4 | 5.1 | 0.3 | EL | EL | N/EL | N/EL | N/EL | N/EL | N/EL | 0% |
| Infrastructure for rail transport | CCM 6.14/ CCA 6.14 | 122.9 | 7.24 | EL | EL | N/EL | N/EL | N/EL | N/EL | N/EL | 0% |
| Infrastructure enabling low carbon water transport | CCM 6.16 | 16.0 | 0.9 | EL | N/EL | N/EL | N/EL | N/EL | N/EL | N/EL | 0% |
| Renewal of waste water collection and treatment | CCM 5.4/ CCA 5.4 | 2.6 | 0.2 | EL | EL | N/EL | N/EL | N/EL | N/EL | N/EL | 0% |
| Infrastructure enabling road transport and public transport | CCA 6.15 | 43.7 | 2.6 | N/EL | EL | N/EL | N/EL | N/EL | N/EL | N/EL | 0% |
| Nature-based solutions for flood and drought risk prevention and protection | WTR 3.1 | 73.2 | 4.3 | N/EL | N/EL | EL | N/EL | N/EL | N/EL | N/EL | 0% |
| Remediation of contaminated sites and areas | PPC 2.4 | 54.3 | 3.2 | N/EL | N/EL | N/EL | EL | N/EL | N/EL | N/EL | 0% |
| Production of alternative water resources for purposes other than human consumption | CE 2.2 | 10.8 | 0.6 | N/EL | N/EL | N/EL | N/EL | EL | N/EL | N/EL | 0% |
| Sorting and material recovery of non-hazardous wastes | CE 2.7 | 1.0 | 0.1 | N/EL | N/EL | N/EL | N/EL | EL | N/EL | N/EL | 0% |
| Demolition and wrecking of buildings and other structures | CE 3.3 | 1.5 | 0.01 | N/EL | N/EL | N/EL | N/EL | EL | N/EL | N/EL | 0% |
| Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2) | | 454.1 | 26.7 | 15.7% | 2.7% | 4.3% | 0.8% | 3.2% | 0% | | 0% |
| Turnover of Taxonomy-eligible activities (A.1 + A.2) | | 454.1 | 26.7 | 15.7% | 2.7% | 4.3% | 0.8% | 3.2% | 0% | | 0% |
| B. TAXONOMY-NON-ELIGIBLE ACTIVITIES | | | | | | | | | | | |
| Turnover of Taxonomy-non-eligible activities (B) | | 1,244.1 | 73.3 | | | | | | | | |
| Total (A+B) | | 1,698.2 | 100.0 | | | | | | | | |

Share of turnover/total turnover

| | taxonomy-aligned per objective | taxonomy-eligible per objective |
|---|--------------------------------|---------------------------------|
| CCM – Climate Change Mitigation (Climate protection) | 0% | 15.7% |
| CCA – Climate Change Adaption (Adaptation to climate change) | 0% | 2.7% |
| WTR – Water and Marine Resources (The sustainable use and protection of water and marine resources) | 0% | 4.3% |
| CE – Circular Economy (Transition to a circular economy) | 0% | 0.8% |
| PPC – Pollution Prevention and Control (Preventing and controlling environmental pollution) | 0% | 3.2% |
| BIO – Biodiversity & Ecosystems (Protection and restoration of biodiversity and ecosystems) | 0% | 0.0% |

Disclosure form 4: Taxonomy-eligible but not Taxonomy-aligned economic activities

| | | Proportion (the information is to be presented in monetary amounts and as percentages) | | | | | |
|-----|--|--|--------------|---------------------------|--------------|----------------------|----------|
| | | (CCM + CCA) | | Climate change mitigation | | | |
| Row | Economic activities | Amount (EUR million) | % | Amount (EUR million) | % | Amount (EUR million) | % |
| 1. | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 63.7 | 3.75% | 63.7 | 3.75% | 0 | 0 |
| 3. | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0 | 0 | 0 | 0 | 0 |
| 4. | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0 | 0 | 0 | 0 | 0 |
| 6. | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0 | 0 | 0 | 0 | 0 |
| 7. | Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI | 0 | 0 | 0 | 0 | 0 | 0 |
| 8. | Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI | 63.7 | 3.75% | 63.7 | 3.75% | 0 | 0 |

Disclosure form 5: Non-taxonomy-eligible economic activities

| Row | Economic activities | Amount (EUR million) | Percentage |
|-----|--|----------------------|------------|
| 1. | Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0 |
| 2. | Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0 |
| 3. | Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0 |
| 4. | Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0 |
| 5. | Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0 |
| 6. | Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 | 0 |
| 7. | Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI | 0 | 0 |
| 8. | Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI | 0 | 0 |

DETAILS REGARDING THE OPEX KPI

The OpEx area defined in the Delegated Regulation (EU) 2021/2178 (supplemented by DR 2022/1214, also updated and supplemented by DR 2023/2486), includes costs for research and development, expenses for building renovation measures, short-term leasing, maintenance and repair, as well as all other direct expenditures associated with the daily maintenance of assets in property, plant and equipment.

Out of these cost areas, the BAUER Group only identified significant taxonomy-eligible economic activities for the 2023 financial year in the area of research and development. The audit focused on the research and development expenses in the Equipment segment, which largely pertain to BAUER Maschinen GmbH, to which the potentially taxonomy-eligible research expenses are limited. In the area of climate change mitigation, multiple projects of the subsidiaries contribute to the activity described in the EU taxonomy “3.6 Manufacture of other low carbon technologies” due to the (partial) electrification of construction equipment, which significantly reduces or entirely eliminates the exhaust-related CO₂ emissions of construction equipment. As the criteria for a substantial contribution to the manufacture of other low-carbon technologies are subject to strict requirements of documentary proof (including externally certified life cycle analysis and proof that a product achieves considerable carbon savings compared with the most powerful alternative product available on the market), it is not yet possible to report taxonomy alignment for the 2023 financial year, especially since the corresponding taxonomy-eligible expenses were not significant compared with the total OpEx of the BAUER Group. In the OpEx cost area of short-term leasing, maintenance and repair for the 2023 financial year, the BAUER Group also identified other potentially taxonomy-eligible cost items for the German subsidiaries included in the basis of consolidation. These items concerned the purchase of production from potentially taxonomy-aligned economic activities, which were incurred specifically for e-bike leasing under the framework of the taxonomy code “6.4 Operation of personal mobility devices, cycle logistics” and were thus determined to be taxonomy-eligible.

| Economic Activities | Code(s) | OpEx (EUR million) | Criteria for a substantial contribution | | | | | | | DNSH criteria ("Do no significant harm") | | | | | | | Minimum safeguards (Y/N) | Proportion of Taxonomy-aligned (A.1) or taxonomy-eligible (A.2) OpEx year 2022 (%) | Category enabling activity (E) | Category transitional activity (T) |
|---|-------------------|--------------------|---|--|---|--------------------------------------|-------------------------------|--|---------------------------------|--|----------------------------------|-------------------------------|------------------------|-----------------------------------|----------|----------|--------------------------|--|--------------------------------|------------------------------------|
| | | | Climate change mitigation (Y; N; N/EL) | Climate change adaptation (Y; N; N/EL) | Water and marine resources (Y; N; N/EL) | Environmental pollution (Y; N; N/EL) | Circular economy (Y; N; N/EL) | Biodiversity and ecosystems (Y; N; N/EL) | Climate change mitigation (Y/N) | Climate change adaptation (Y/N) | Water and marine resources (Y/N) | Environmental pollution (Y/N) | Circular economy (Y/N) | Biodiversity and ecosystems (Y/N) | | | | | | |
| A. TAXONOMY-ELIGIBLE ACTIVITIES | | | | | | | | | | | | | | | | | | | | |
| A.1 Environmentally sustainable activities (Taxonomy-aligned) | | | | | | | | | | | | | | | | | | | | |
| Manufacture of other low carbon technologies | CCM 3.6 / CCA 3.6 | 0.0 | 0.0 | N | N | N/EL | N/EL | N/EL | N/EL | N/A | N | N | N | N | N | N | 0.00 | E | | |
| Operation of personal mobility devices, cycle logistics | CCM 6.4 / CCA 6.4 | 0.0 | 0.0 | N | N | N/EL | N/EL | N/EL | N/EL | N/A | N | N/A | N/A | N | N/A | N | 0.00 | | | |
| OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1) | | 0.0 | 0.0 | 0.0% | 0% | 0% | 0% | 0% | 0% | N/A | N | N | N | N | N | N | 0.00 | | | |
| Of which Enabling | | 0.0 | 0.0 | 0.0% | 0% | 0% | 0% | 0% | 0% | N/A | N | N | N | N | N | N | | | | |
| Of which Transitional | | 0 | 0 | | | | | | | N/A | N | N | N | N | N | N | | | | |
| A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) | | | | | | | | | | | | | | | | | | | | |
| Manufacture of other low-carbon technologies | CCM 3.6 / CCA 3.6 | 2.5 | 6.7 | EL | EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 8.1 | | | |
| Operation of personal mobility devices, cycle logistics | CCM 6.4 / CCA 6.4 | 0.5 | 1.2 | EL | EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 1.0 | | | |
| OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2) | | 3.0 | 7.9 | 7.9% | 0% | 0% | 0% | 0% | 0% | | | | | | | | 9.1 | | | |
| OpEx of Taxonomy-eligible activities (A.1 + A.2) | | 3.0 | 7.9 | 7.9% | 0% | 0% | 0% | 0% | 0% | | | | | | | | 9.1 | | | |
| B. TAXONOMY-NON-ELIGIBLE ACTIVITIES | | | | | | | | | | | | | | | | | | | | |
| OpEx of Taxonomy-non-eligible activities (B) | | 34.9 | 92.1 | | | | | | | | | | | | | | | | | |
| Total (A+B) | | 37.9 | 100.0 | | | | | | | | | | | | | | | | | |

OpEx share/Total OpEx

| | taxonomy-aligned per objective | taxonomy-eligible per objective |
|---|--------------------------------|---------------------------------|
| CCM – Climate Change Mitigation (Climate protection) | 0% | 8.4% |
| CCA – Climate Change Adaption (Adaptation to climate change) | 0% | 0.0% |
| WTR – Water and Marine Resources (The sustainable use and protection of water and marine resources) | 0% | 0.0% |
| CE – Circular Economy (Transition to a circular economy) | 0% | 0.0% |
| PPC – Pollution Prevention and Control (Preventing and controlling environmental pollution) | 0% | 0.0% |
| BIO – Biodiversity & Ecosystems (Protection and restoration of biodiversity and ecosystems) | 0% | 0.0% |

DETAILS REGARDING THE CAPEX KPI

The Delegated Regulation (EU) 2021/2178 (supplemented by DR 2022/1214, also updated and supplemented in DR 2023/2486), lists the following areas of the CapEx KPI to be added up:

1. Property, plant and equipment
2. Intangible assets
3. Real estate held as a financial investment
4. Agriculture
5. Leasing relationships (Additions to rights of use)

In 2023, the BAUER Group recorded no additions in the areas “Real estate held as a financial investment” and “Agriculture”. The total value of the remaining three CapEx areas as defined by the EU Taxonomy Regulation (denomination of CapEx KPI) amounted to EUR 158.4 million in 2023.

For these three CapEx areas, the relevant accounts were investigated at the group level for potential taxonomy-eligible additions by the responsible accounting employees, using a prepared taxonomy screening manual and filling template for simplified analysis and counting including prevention of double counting. For 2023, no assets or processes associated with taxonomy-eligible or taxonomy-aligned economy activities in the turnover of the BAUER Group were taken into account yet, as 2023 was the first year in which a taxonomy eligibility review was carried out regarding the turnover activities of the BAUER Group. Specifically in the Equipment segment, no significant investment expenses associated with taxonomy-eligible construction equipment were identified in 2023.

Accordingly, the focus of the CapEx review for 2023 was on the purchase of production from taxonomy-eligible or taxonomy-aligned economic activities as defined by Clause 1.1.2.2. c) of Delegated Regulation (EU) 2021/2178. The largest taxonomy-eligible items in this area were the new construction or ownership of buildings for business purposes as well as the purchase of company vehicles.

For the 2022 financial year, calculated according to the requirements of the EU taxonomy, we report a taxonomy-eligible CapEx numerator of EUR 21.5 million in total.

| | | | | | | | | | | | |
|--|----------------------------|--------------|--------------|--------------|-------------|-----------|-----------|-----------|-----------|--|-----------|
| Installation, maintenance and repair of renewable energy technologies | CCM 7.6/ CCA 7.6 | 0.9 | 0.6 | EL | EL | N/EL | N/EL | N/EL | N/EL | | 0% |
| Acquisition and ownership of buildings | CCM 7.7/ CCA 7.7 | 4.9 | 3.1 | EL | EL | N/EL | N/EL | N/EL | N/EL | | 0% |
| Close to market research, development, and innovation | CCM 9.1/ CCA 9.2 | 0.1 | 0.1 | EL | EL | N/EL | N/EL | N/EL | N/EL | | 0% |
| Infrastructure enabling road transport and public transport | CCA 6.15 | 0.0 | 0.0 | N/EL | EL | N/EL | N/EL | N/EL | N/EL | | 0% |
| CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2) | | 21.5 | 13.6 | 13.5% | 0.0% | 0% | 0% | 0% | 0% | | 0% |
| CapEx of Taxonomy-eligible activities (A.1 + A.2) | | 21.5 | 13.6 | 13.5% | 0.0% | 0% | 0% | 0% | 0% | | 0% |
| B. TAXONOMY-NON-ELIGIBLE ACTIVITIES | | | | | | | | | | | |
| CapEx of Taxonomy-non-eligible activities (B) | | 136.9 | 86.4 | | | | | | | | |
| Total (A+B) | | 158.4 | 100.0 | | | | | | | | |

CapEx share/Total CapEx

| | taxonomy-aligned per objective | taxonomy-eligible per objective |
|---|--------------------------------|---------------------------------|
| CCM – Climate Change Mitigation (Climate protection) | 0% | 13.5% |
| CCA – Climate Change Adaption (Adaptation to climate change) | 0% | 0.0% |
| WTR – Water and Marine Resources (The sustainable use and protection of water and marine resources) | 0% | 0.0% |
| CE – Circular Economy (Transition to a circular economy) | 0% | 0.0% |
| PPC – Pollution Prevention and Control (Preventing and controlling environmental pollution) | 0% | 0.0% |
| BIO – Biodiversity & Ecosystems (Protection and restoration of biodiversity and ecosystems) | 0% | 0.0% |

IX. ABOUT THIS REPORT

The contents of the non-financial report were brought together with the content of the sustainability report that was previously published separately, and compiled in this report.

REPORTING PERIOD

This report covers the fiscal year from January 1, 2023, to December 31, 2023. In certain cases, information from other periods may be provided. The editorial deadline was September, 2024.

REPORTING BASIS AND LIMITS

Because the data is collected from various departments, its scope and range varies. This report is based on international Group accounting data and specific surveys. All data is acquired through internal surveying of individual companies in the Group. It is not always possible to collect data uniformly due to the complex structure of the Group. We always indicate the company to which the data relates.

The table below lists the companies whose data is included in this report. This will give readers an idea of the range of information presented. Our goal is to improve the quantity and quality of data in order to increase the informative value of the key figures presented. Despite exercising all due diligence, we cannot guarantee that the information contained herein is complete and correct in every detail.

| Company | Total Group revenues 2023 (in EUR million) | Employees 2023 |
|---|---|-------------------|
| Schrobenhausen location | 965.1 | 2,367.0 |
| Nordhausen location | 153.8 | 862.0 |
| KLEMM Bohrtechnik GmbH | 58.1 | 262.0 |
| EURODRILL GmbH | 29.8 | 95.0 |
| BAUER MAT Slurry Handling Systems * | 21.6 | 77.0 |
| Total Germany | 1,228.4 | 3,663.0 |
| BAUER Equipment America Inc. + BAUER Manufacturing Inc. | 185.9 | 170.0 |
| BAUER Tianjin Technologies - 30103 IDL-# | 40.4 | 165.0 |
| BAUER Equipment Malaysia - 30105 IDL-# | 18.5 | 149.0 |
| Total International | 244.8 | 484.0 |
| Total key figures recorded | 1,473.2 | 4,147.0 |
| as a % of the Group | 80.5% | 34.5% |
| BAUER Group | 1,831.1 | 12,034.0 |

*Branch office of BAUER Maschinen GmbH

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