



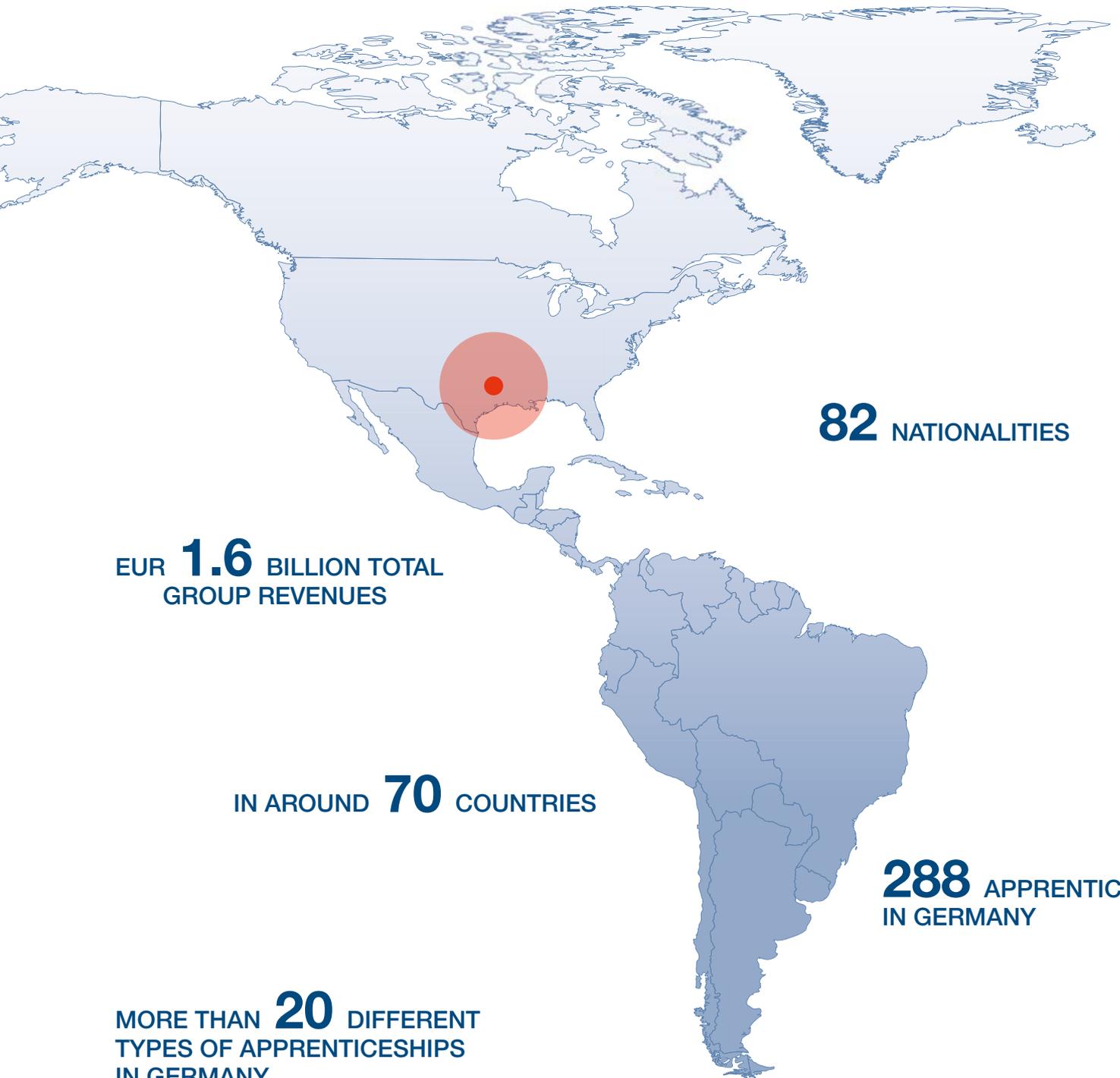
Sustainability Report 2019

Our Company  
in the Community

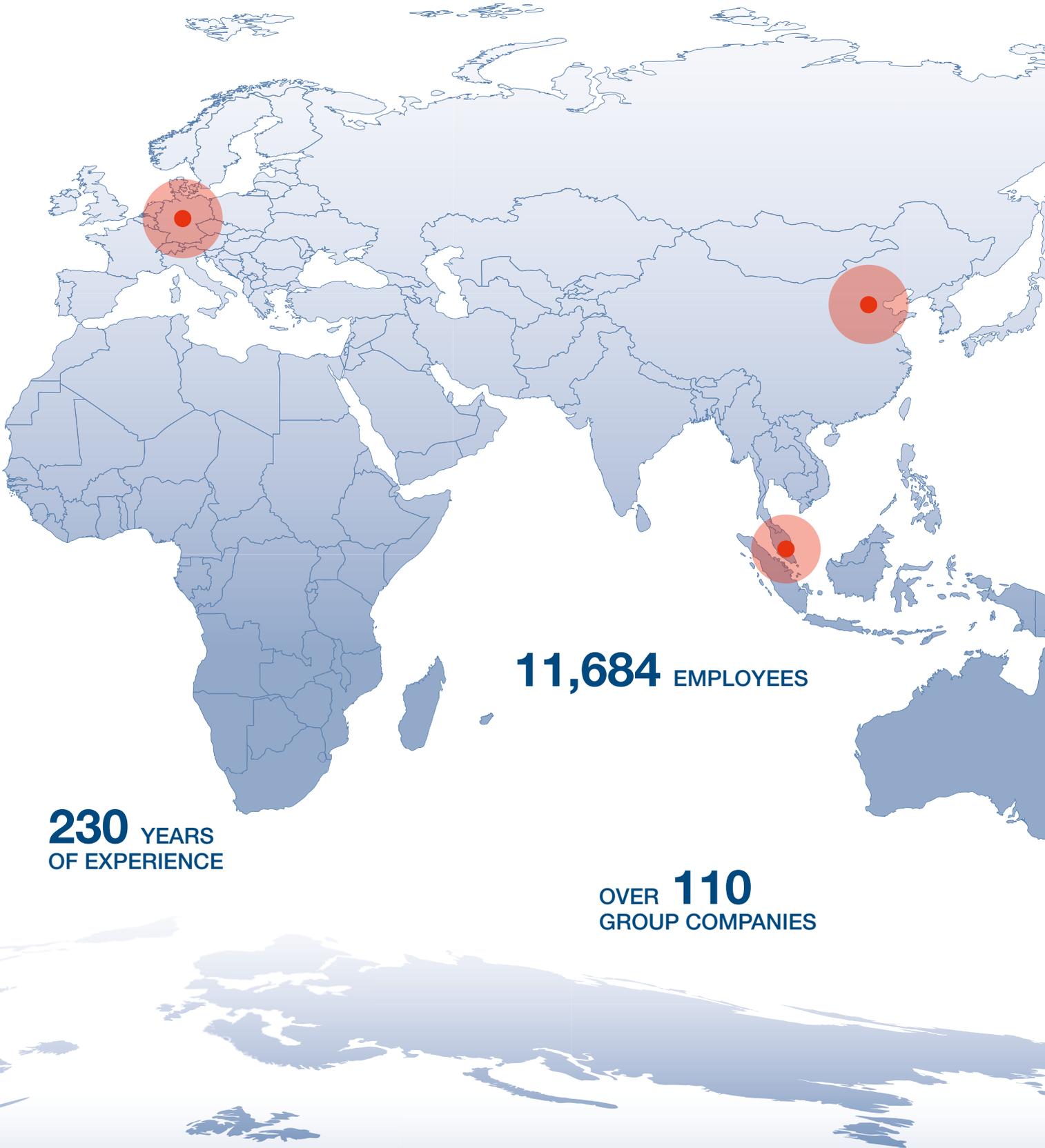


# The World is our Market

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OVER EUR **3.5** MILLION FOR TRAINING  
AND EDUCATION IN GERMANY



**11,684** EMPLOYEES

**230** YEARS  
OF EXPERIENCE

OVER **110**  
GROUP COMPANIES

● Locations of the Equipment segment for which environmental data is collected



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## Foreword by the CEO

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**Ladies and Gentlemen,  
partners and friends of our company,**

in our Sustainability Report, we not only publish statistics about our environmental footprint but also look back at the focus of our activities over the past year. Very broadly, the question we ask ourselves is the following: What have we left behind and created for the future through our actions? On the one hand, our products and services are strongly influenced by current customer needs, while we also strategically implement our resources in order to develop future technologies and contribute to the region and community. As a result, we engage with a broad and varied range of topics, from digitalization and networking in construction to alternative drive concepts and environmentally-friendly urban development as well as the education of the future. These topics all demonstrate how we

take on responsibility for tomorrow with the entrepreneurial decisions we make today.

For us, sustainability means future viability. Visitors at the last Bauma were able to witness our first electrically powered milling unit. We successfully sold the machine to China where there is growing demand for electrified equipment among our customers. And we are convinced that the electrification of construction equipment will become even more important in Europe and other markets in the future. For this reason, electrification is and will remain a central component of our road map for development. As a manufacturer and operator, we want to actively shape future trends and develop equipment

and processes for meaningful and beneficial use in our sector. In principle, we also invest in alternative drive solutions when it comes to mobility, but only if they really work and are appropriate for the application. For example, we believe electromobility is logical for short trips between our plants, so we have acquired our first motor pool of fully electric cars at the Schrobenuhausen location.

We also continually optimize our conventionally powered equipment and work on improving efficiency. Our energy efficiency package (EEP) is firmly established with our drilling rigs and also represents our state of the art for the MC duty-cycle cranes and RTG driving equipment. Not only does the EEP reduce fuel consumption, it also makes our equipment much quieter. We also offer equipment operators a variety of smart assistance systems to help them in their daily work. These enhance safety and productivity on the site, thereby contributing to sustainability.

Of course, digitalization has been a focus of our activity for some time now. Here I would like to emphasize: Digitalization is not just about IT. Instead, when we talk about digitalization we mean the creativity to identify new solutions using the resources of modern IT. This creativity could come from any area of the company. That's why we motivate our employees and work together to generate ideas. This could involve using new control systems in production or actually creating an IT product in the form of software. Here I'm thinking of our project management tool b-project, for example, which makes it possible to centrally manage and connect all information and production data for a construction project on a single platform. This is a key component for the digital twin of the site and presents an opportunity to monitor all planned services against the actual execution in real time.

Our concept of sustainability extends beyond the environmental aspects of equipment and construction sites and touches on social considerations. For many years, we have assisted social projects at our locations worldwide that are promoted by employees and people in our environment. In particular, we are committed to projects that assist with the education and training of children. In the area of technology, we work closely together with universities and research institutions to employ our expertise beneficially.

The essence of sustainability is for equal weight to be placed on environmental compatibility, social responsibility, and economic success. 2019 was a very difficult year for us economically. Underutilization due to projects outsourced to the Far East along with an unexpected and incomprehensible ruling in appeal proceedings related to a construction project in Hong Kong from nearly 10 years ago negatively impacted our balance sheet. Ultimately, we recorded a significant loss of EUR 36.6 million after tax with total Group revenues of around EUR 1.6 billion. We are not satisfied with these results nor are they representative of our positive performance in purely operational business activities.

The global coronavirus pandemic is posing great challenges for us in 2020. A worldwide recession along with significant restrictions in transport logistics and freedom of movement make for an extremely unfavorable environment. However, since the construction sector will be of crucial importance for many nations around the world to propel the necessary economic recovery, we assume that the demand for our products and services will be sustainable. Despite these difficult times, which demand a great deal from us as well as our customers and partners, we continue to look optimistically towards the future.

Our company culture is characterized by team spirit and solidarity – values more urgently needed in these times than ever before. These values and our sustainable actions make me proud and optimistic.

I hope you enjoy reading our latest report.

Yours sincerely



Michael Stomberg

# Sustainability Milestones

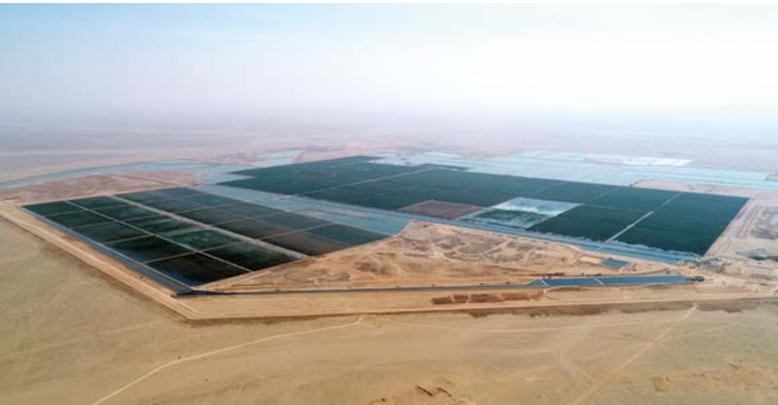


## 1980 – 1997

- > **1980**
  - Safety and Environmental Protection department is established
- > **1987**
  - Leisure, Sports and Cultural Committee is established
- > **1988**
  - An integrated management system is created for covering quality, environmental protection, safety and health
- > **1990**
  - BAUER und MOURIK Umwelttechnik GmbH is established as the first company to specialize in environmental technology
- > **1991**
  - First Social Report is published
  - Bauer is involved in the creation of various occupational profiles
- > **1995**
  - First environmental statement is created
  - First audit by an environmental auditor
- > **1996**
  - Registration as an EMAS-certified company
  - Company joins Bavarian Eco-Pact
  - Founding member of the German Association for Ethics Management in the Construction Sector
- > **1997**
  - Ethics management system is certified for the first time

## 2004 – 2010

- > **2004**
  - BAUER Foundation is established
- > **2005**
  - BAUER Umwelt GmbH is established as a holding company for the Group's environmental businesses
- > **2006**
  - First employee satisfaction survey
- > **2007**
  - Resources segment is established
  - Company-wide master guideline is created for management strategies aimed at promoting a sustainable corporate culture
  - First external certification of management system for occupational safety
- > **2009**
  - First Sustainability Report is created
  - Grand opening of new administration building in Schrobenhausen and Edelshausen plant
  - Equipment manufacturing plant opens in Conroe, Texas, USA
- > **2010**
  - First large-scale reed bed treatment plant is completed in the Sultanate of Oman
  - BAUER Training Center opens
  - Training circuit opens and BAUER Training Center GmbH is accredited to conduct drilling rig and pile driver operator's permit testing



## 2011 – 2015

### > 2011

- Development and production of the Bauer Seabed Drill (BSD 3000)
- First mono-pile foundation for a tidal turbine
- Dual study programs offered for the first time

### > 2012

- Employee suggestion system celebrates 40th anniversary
- The Group's global workforce exceeds 10,000 for the first time
- The 2011 Sustainability Report is the first report to adopt the GRI standard (Global Reporting Initiative)

### > 2013

- Foundation work on what will be the tallest buildings in the world and in Europe
- Bauma Innovation Award for an underwater drilling technique
- KLEMM Bohrtechnik GmbH celebrates its 50th anniversary

### > 2014

- MeBo 200 sea bed drilling rig is unveiled to the public
- Thai BAUER Co. Ltd. celebrates 25th anniversary

### > 2015

- Joint venture in deep drilling with Schlumberger, the world's leading provider of technology and project management in the oil and gas industry
- 25 years environmental technology at BAUER Group

## 2016 – 2019

### > 2016

- Start of large-scale borehole drilling in the Kesslergrube landfill remediation project, the largest single project in the company's history
- 25 years of SPESA Spezialbau und Sanierung GmbH
- BAUER Resources GmbH installs first solar-powered water treatment plant for fluoride removal in Ghana

### > 2017

- BAUER Group commissioned to expand the biggest reed bed treatment plant in the world in Oman
- Bauer MeBo sea bed drilling rig sets new drilling depth record of 147.3 m

### > 2018

- Bauer launches dual study program in Asia
- Employee survey at Schrobenhausen location
- BAUER Resources GmbH develops biofuel for aviation

### > 2019

- CO<sub>2</sub> neutrality achieved at the largest plant-based purification facility in the world in Nimr in Oman
- GWE pumpenboese GmbH celebrates 100th anniversary
- BAUER Maschinen GmbH and TU Dresden collaborate on 5G technology

# Company

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*Powerful, economical and durable: that's what Bauer equipment is known for worldwide. The energy efficiency of our equipment also plays an important role. In addition to optimizing conventional equipment, we also work on advanced technologies ranging from smart assistance systems to alternative drive concepts.*





#### > Economic performance

Economic success is the basis for all our actions. At the same time, we are aware that we can only achieve long-term economic success if we act responsibly at all times.

#### > Employment

Together with our employees, we achieve a corporate culture that combines different world views and perspectives, experiences and ideas. Our corporate culture also emphasizes digitalization to enable entirely new ways of working and direct communication between all areas.

#### > Training and education

Training and education become crucial success factors in the course of digitalization. To keep pace with the increasingly complex working world and the strict requirements of our equipment and services, we support our employees with a variety of qualification measures.

#### > Occupational health and safety

We take responsibility for our employees and are firmly committed to occupational health and safety. Our goal is to keep the strain on our employees to a minimum, to prevent risks through preventive measures and thus to avoid accidents and long-term sickness.

#### > Energy and emissions

Part of corporate responsibility is to continuously improve our products and working methods to keep our environmental footprint as small as possible. The most important guiding principles for improving energy efficiency are to reduce fuel consumption, reduce noise levels, save water and use energy more efficiently.

#### > Compliance

The BAUER Group's values management system unites legally compliant, ethical and socially sustainable action. Compliance with social conventions and legal regulations is the top priority for our company and is a prerequisite for responsible action.

*Construction site at headquarters in Schrobenhausen, Germany*

## The BAUER Group

When it comes to the largest construction projects in the world and complex specialist foundation engineering, Bauer is indispensable. We are a leading provider of services, machinery and products for ground and groundwater. Our Construction, Equipment and Resources segments offer optimum solutions for the great challenges of today and tomorrow.

BAUER Spezialtiefbau GmbH was a major driving force in the development of specialist foundation engineering. Our construction segment carries out demanding and highly complex projects all over the world.

We are a world market leader in the Equipment segment and offer a full range of equipment for specialist foundation engineering as well as for the exploration, mining and exploitation of natural resources.

The Resources segment delivers highly innovative products and services and acts as a service provider with several business divisions and subsidiaries in Drilling Services & Water Wells, Environmental Services and Constructed Wetlands. Its areas of expertise include brownfield remediation, groundwater treatment, waste management and drilling services as well as water well construction.

BAUER Aktiengesellschaft is the holding company of the Group and is listed on the Frankfurt Stock Exchange. BAUER AG provides central management and service functions for its affiliates. These specifically include human resources, accounting, finance, legal and tax affairs, IT, strategic purchasing, facility management and health, safety and environment (HSE).

The BAUER Group, which has its head office in Schrobenhausen, is a family business with a long tradition. With 230 years of experience, Bauer now provides solutions for the biggest challenges of the future: urbanization, infrastructure, water and the environment.

## HSE Management

Ensuring compliance with global standards in the area of Health Safety Environment (HSE) is our top priority. By constantly reviewing our performance and comparing it against our set goals, we are able to make continuous improvements in these areas and consistently reduce our accident and damage rates. We rely on a variety of preventive measures to structure and further develop our safety-relevant issues. The numerous distinctions we received once again in 2019 have confirmed our solid position in the field of HSE which we strive to continually expand and reinforce.



### SAFETY COMPETITION A RESOUNDING SUCCESS

Protecting the health of employees is the foundation for daily work at the BAUER Group and is summarized by the concept Health Safety Environment (HSE). To raise motivation and awareness concerning the topic, a large safety competition was held within the BAUER Group in 2019 with the aim of preventing industrial accidents. Overall, ten of the 16 companies in the BAUER Group achieved the goal and were able to participate in a prize draw featuring a car as top prize along with numerous non-cash prizes with a total value of around 30,000 euros. The safety competition certainly played a role in reducing the number of accidents in 2019 once again.

### SAFETY AWARD 2019 FOR SPECIALIST FOUNDATION ENGINEERING:

#### SILVER FOR BAUER SPEZIALTIEFBAU GMBH

In September 2019, at the General Meeting of the Federal Department for Specialist Foundation Engineering, the Safety Award was presented for the fourth time. BAUER Spezialtiefbau GmbH won the silver Safety Award for 2018. This annual award honors specialist foundation engineering companies for above-average prevention of industrial accidents on construction sites. The award is based on accident figures reported by the member companies. This distinction confirms the high priority and strong commitment to occupational safety at Bauer.

### BAUER RESOURCES GMBH NAMED ONE OF THE TOP 200 ENVIRONMENTAL FIRMS

For the third time now, BAUER Resources GmbH participated in the rankings of the Engineering News-Record magazine. The ranking lists the "Top 200 Environmental Firms" worldwide from environmental business. In the overall ranking, BAUER Resources GmbH came in 49th place and was listed 9th in the category "Top 30 All-Environmental Firms". For 2020, we aim to improve our already strong ranking.

### Research and development

When it comes to offering our customers innovative solutions tailored to their needs, we rely on our expertise and innovation in research and development work. Apart from optimizing our conventional equipment and services, we are engaged in testing and implementing new technologies as part of countless research projects. The focus is on digitalizing and networking these developments.

### BAUER UMWELT BECOMES PART OF THE "SMART NEIGHBORHOOD"

Smart Neighborhood is a regional growth initiative supported by the German Federal Ministry of Education and Research that aims to find innovative solutions for energy-efficient refurbishment of residential neighborhoods in Thuringia. Bauer Umwelt is participating in development as a partner for the GeoHeatStorage project. The aim is to structurally develop gravel aquifers near the surface for large-scale, cost-effective heat storage with the capacity to provide seasonal heat storage to an entire neighborhood.



*As a partner in the GeoHeatStorage project, the Environment division at Bauer developed a large-scale, cost-effective heat storage system.*

### CONSTRUCTION 4.0 RESEARCH PROJECT

In a project with more than 20 partners, including BAUER Maschinen GmbH, engineers at TU Dresden are developing new equipment and communication technologies for a fully networked construction site. Within the next years, these applications will be tested on the first real-life 5G test site. The project, which was launched in August 2019, focuses on the further



### BAUER MALAYSIA RECEIVES CONSTRUCTION INDUSTRY TRADE AWARD

The construction industry in Malaysia is represented by the Master Builders Association Malaysia with around 17,000 members. To celebrate the 65th anniversary of the association, the first Construction Industry Trade Award was presented to Bauer Malaysia in August 2019. This distinction honors the company's performance and technical skills along with previous success.

development of construction machinery so that work tasks can be automated or partially automated. The joint project, which also involves associations such as the Deutsche Bauindustrie (German Construction Industry), VDBUM and VDMA, is being supported by the Federal Ministry of Education and Research. Digitalization is currently one of the most important issues in the construction industry, which is why we want to be part of development from the very start and actively play a role in shaping the new opportunities that 5G will offer in the future. Bauer is currently focused on the development of a drilling rig that is able to recognize its environment and communicate data securely via interfaces. Semi-automated systems should support and assist employees as much as possible. This has a positive impact on productivity at the construction site as well as precision and safety. Bauer already offers a range of assistance systems to support equipment operators that provide enhanced comfort and efficiency in an increasingly complex working environment.



*In addition to optimizing conventional equipment, Bauer continually works on advanced technologies ranging from smart assistance systems to alternative drive concepts.*

#### **VDBUM ADVANCEMENT AWARD FOR SHEET PILE ASSISTANT**

In 2020, the German association for the construction industry, environmental technology and machine engineering (VDBUM) issued an advancement award for outstanding products. BAUER Maschinen GmbH was honored with 2nd place for its sheet pile assistant. The sheet pile assistant enables the secure threading of a sheet pile into a vibrator. Previously, sheet piles were attached to the vibrator with a chain, pulled upwards and then threaded into the grip by moving the vibrator downwards. The chain is loosened in the process and the sheet piles stand freely on the ground, so they are able to tip over before threading in. The assistance system fastens the positioned sheet piles between the ground and the assistant. This prevents them from tipping over.

#### **AWARD FOR BAUER EQUIPMENT UK**

Every year, the Federation of Piling Specialists presents an award to members and individuals based in Great Britain that have made an outstanding contribution in the field of pile construction. In October 2019, BAUER Equipment UK received an award in the "Technology" category on behalf of BAUER Maschinen GmbH. The subsidiary of BAUER Maschinen GmbH successfully asserted itself against three competitors with its entry "BG Operator Assistance Systems".

#### **DIGITALIZING SITE PROCESSES WITH BUILDING INFORMATION MODELING**

Nowadays, complex construction projects are managed digitally. In specialist foundation engineering, this involves fundamental changes to processes. The method applied here is called Building Information Modeling. On the sites of BAUER Spezialtiefbau GmbH around the world, digital construction has a growing influence on the design and decision processes. BIM is made possible by the collection and sharing of information, the coordination of decisions and processes as well as actual integration of all parties involved at an early stage. As a result, changes are visible to all and everyone is able to access them. Before the start of construction, a 3D computer model is generated. The calculation of required material is carried out automatically. Using the data management software b-project, the planning

#### **NOISE REDUCTION WITH SILENT MODE**

One of the most serious problems faced by humans and the natural environment is noise due to traffic, caused by industry or produced by construction sites, which is sometimes unavoidable. To significantly reduce the noise at construction sites, the Bauer drilling rigs on the small platform optimized for Kelly drilling are equipped with a silent mode. This reduces the maximum engine speed and slows down the hydraulic consumers. When the equipment operator activates this operating mode, the equipment's noise level decreases by 2 dB. This corresponds to nearly cutting in half the noise perceived by our ears. Silent mode makes the BAUER BG 15 H and BG 20 H the quietest drilling rigs in their respective categories.



The plant-based purification facility in Oman not only cleans 175,000 m<sup>3</sup> contaminated water daily, but the reduction in CO<sub>2</sub> emissions also meant that emission certificates for 114,000 t of CO<sub>2</sub> could be sold in 2019.

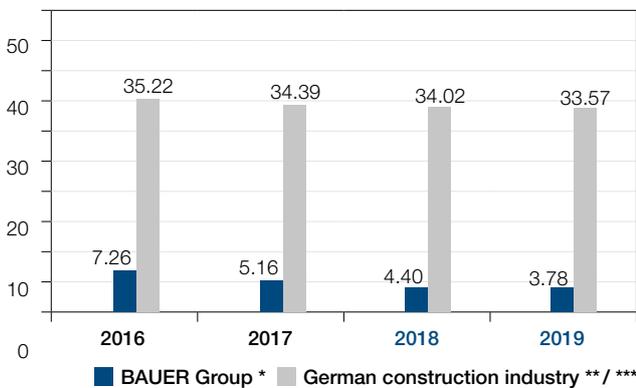
data is transferred directly to the construction site in question and is made available to the site manager digitally. This results in better communication between the planning office and the construction site. All parties involved are thus able to access the same information, ultimately improving the security of the construction process.

**WETLAND PROJECT CONTRIBUTES TO REDUCTION OF CO<sub>2</sub> EMISSIONS**

BAUER Resources GmbH has developed effective initiatives for offsetting CO<sub>2</sub> emissions. The showcase wetland project in Oman, the Nimr Water Treatment Plant, is an example of the green, innovative solutions that BAUER Resources GmbH promotes for water treatment. At the site, 175,000 m<sup>3</sup> of contaminated water from oil extraction are treated each

day in the largest constructed wetland in the world, allowing the waste water to be reused after it is purified. The site also contributes significantly to the reduction of CO<sub>2</sub> emissions. In 2018, BAUER Resources GmbH launched its first project to reduce carbon emissions for the water treatment plant. The energy saved by the conversion to a plant-based purification facility was confirmed by external auditors. This volume of emissions saved can now be traded and sold to other companies. BAUER Nimr LLC has already secured three transactions to offset carbon emissions. In 2019, certificates were sold for 114,000 t CO<sub>2</sub>, and an increase to 225,000 t is sought for 2020. We were the first company to successfully register a project of this nature with the German Emissions Trading Authority – a remarkable achievement.

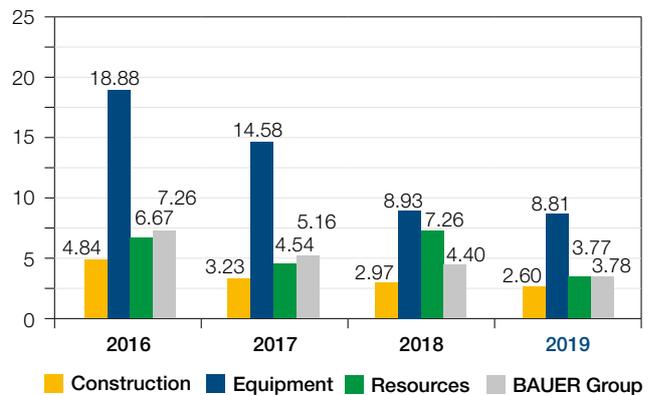
**Work-related accidents**



\* Lost Time Incident Frequency Rate = workplace accidents or accidents in transit ≥ 1 lost day per million man hours  
 \*\* Notifiable workplace accidents (excl. accidents in transit) per million man hours  
 \*\*\* Source: DGUV according to BG Bau

**Work-related accidents by segment**

LTIFR



## Stakeholders

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*We engage our stakeholders actively with regular events as well as our social activities. By doing so, we aim to promote a lively, ongoing dialog about the issues that matter to our company.*





#### > Customers and partners

Our key task is to know exactly who our customers are and what they want. We depend on this knowledge to provide the right answers and to develop innovative equipment and services. The challenges of the future are already our focus today: urbanization, infrastructure, water and the environment.

#### > Employees

Our company's success can only be secured and further expanded with the dedication of our employees. That's why we value a positive working environment that looks after our employees during the different stages of their lives and fosters trust-based cooperation. A wide variety of projects and initiatives have been introduced to strengthen solidarity within our company.

#### > Shareholders

We maintain open communication with our shareholders and offer them fair participation. Our dividend policy is one of continuity, meaning that we strive to pay out a dividend to our shareholders even in difficult years.

#### > Suppliers

Together with our suppliers, we share the responsibility for our global procurement network. In addition to high quality standards, we expect our suppliers and business partners to comply with our sustainability requirements.

#### > Research and science

We are engaged in close and continuous dialog with research institutions and universities to promote two-way knowledge transfer. Alongside research projects and scientific lectures, several Bauer employees also teach at universities. All these activities represent a social contribution and a commitment to corporate responsibility.

#### > Region and community

As the largest employer in the region of our headquarters in Schrobenhausen, Germany, we believe it is our responsibility to strengthen people's social cohesion and to improve their quality of life. This also applies to our other locations in Germany and around the world. Through donations to regional associations, organizations, unions and political parties, we try to give something back to society. We are particularly proud of our many employees who volunteer with countless social associations.

### CUSTOMER DAY AT SCHACHTBAU NORDHAUSEN

In September 2019, SCHACHTBAU NORDHAUSEN GmbH once again held its "Treffpunkt SBN" meeting. Numerous guests attended this popular customer day to hear interesting lectures about current topics and developments in the company. The lecture given by Michael Stomberg, CEO of BAUER AG, focused on the areas of Water, Energy & Mining and the strategies of the BAUER Group for the issues of the future. Other agenda items included the replacement of the shaft tower at Shaft V in Sondershausen and the rehabilitation measures on the heritage listed reservoir bridge in Saalburg.

After the lectures, the guests were able to engage in dialog in a casual atmosphere and participate in a factory tour.



*Many customers, partners and friends accepted their invitation to the Customer Day at Schachtbau Nordhausen in September 2019.*



### STUDENTS FROM FOUR COUNTRIES COME TO VISIT

As part of their international project week in May 2019, a total of 16 students from four countries in the "Project Management for Engineers" course attended SCHACHTBAU NORDHAUSEN GmbH. First they attended a lecture that provided a glimpse of the multi-year large-scale chromium ore mining project in Kazakhstan and then experienced production first hand on a factory tour.

### IN-HOUSE EXHIBITION AT BAUER TIANJIN

September 2, 2019 was a busy day at BAUER Technologies Tianjin Co. Ltd.: Many customers accepted their invitation to the in-house exhibition and spent a sunny afternoon getting a closer look at numerous exhibits – among them a BG 15 H Low Head for the first time. The exhibits included a total of five drilling rigs with varying equipment for different methods,

a BCS 40 cutter system, a CSM 35 unit for the cutter soil mixing method, several hydraulic GB grab carriers, a Klemm drilling rig and a BE 500 desanding plant by BAUER MAT Slurry Handling Systems. This event was another excellent opportunity to present the latest Bauer products and technologies to a professional audience apart from the Bauma in Shanghai, which is held every two years.



*The sense of connection to the company's Bavarian roots is also strong among the employees at Bauer Tianjin. At the 2019 in-house exhibition, a live band and numerous employees in traditional Bavarian dress ensured a welcoming atmosphere.*

### A SUCCESSFUL START TO THE YEAR WITH PROFESSIONAL EVENT AND ANNIVERSARY CELEBRATION

Numerous well-drilling experts, specialists in geothermal heat, designers and engineers, operators and industry professionals came together for the sixth "Water Well Construction and Geothermal Heat" colloquium held by GWE pumpenboese GmbH in Braunlage. Several specialist lectures covered the latest topics in the sector. The focus of the event in January 2020 was the new development of ATV DIN 18327, developments in rinsing technology, well service and digitalization of borehole pump equipment. The participants were also offered a glimpse of production at the Nordhausen plant. The production of DN 1200 stainless steel wire mesh filters was met with particularly strong interest. The event concluded triumphantly with an anniversary celebration commemorating the 100th anniversary of GWE pumpenboese GmbH.



*In January 2020, GWE pumpenboese GmbH held its 6th "Water Well Construction and Geothermal Heat" colloquium.*

### SPEND FREE TIME TOGETHER AND DO SOMETHING GOOD: BAVARIAN CURLING DONATIONS FOR A GOOD CAUSE

In February 2020, the Bavarian curling teams from Schrobenhausen and the surrounding area visibly enjoyed themselves as they slid ice stocks along the track in Kühbach, along with their Russian colleagues who traveled specially for the occasion. Traditionally, a portion of the participation fees are donated to support social institutions in the region; this year the recipient was Alte Mühle in Waidhofen, which offers a temporary home for young mothers and their children.

### VACATION FOR CHILDREN FROM CHERNOBYL

SCHACHTBAU NORDHAUSEN GmbH supports numerous non-profit projects, educational institutions and associations with material or financial donations. In 2019, the Association "Dritte Welt Initiative Nordhausen e.V." was able to increase its budget for the third year in a row thanks to a financial grant from SCHACHTBAU NORDHAUSEN GmbH. The association's work primarily focuses on developmental educational work for children and adolescents with awareness of responsibility for upcoming generations. The goal is to increase awareness among our general population about the people, particularly children and adolescents, living in disadvantaged regions of the world. In Summer 2019, the association once again invited 20 children from the Chernobyl area as guests for a vacation experience in Nordhausen, treating them to a few unforgettable and exciting days.

### MININGFORUM GET-TOGETHER

The MiningForum event held every two years in Berlin brings together decision makers, experts and specialists from the industry for intensive dialog. Renowned speakers give lectures shedding light on important topics in the national and international raw materials market. Multiple representatives from different companies in the BAUER Group participated in June 2019. The event offered an ideal platform to demonstrate that the BAUER Group is able to offer an all-round package to any customer in the mining area thanks to the Group's expertise, services, products and equipment.





*The South African orphans were overjoyed when local Bauer employees handed over the gifts as part of a charity project.*

### FUNDRAISING CAMPAIGN FOR ORPHANAGE

Once again, employees of BAUER Technologies South Africa Ltd. supported the charity project “Spread the Kindness” that is organized each year around Christmas in Johannesburg. 80 employees participated in the campaign and prepared a total of 230 Christmas presents for children. The presents consisted not only of material gifts but also personal letters with messages. The goal was to inspire the children, encourage their talents and make them feel like they are part of something bigger. Donations included clothing and money in addition to personal gifts.



*In July 2019, a total of 16 secondary school students got to know the commercial, technical and industrial training programs at Bauer.*

### PERSONAL INSIGHT WITH (M)EINBLICK: SECONDARY SCHOOL STUDENTS GET A TASTE OF BAUER

At the end of their secondary school studies, many students ask themselves: What apprenticeship is right for me? Ideally, they can gain a bit of practical experiences and familiarize themselves with one or two training companies beforehand. This is the aim of the “(M)EinBlick” project, an in-depth

professional orientation for secondary school students in the eighth grade which was held in the last week of June and first week of July 2019. This project is a cooperation between all the secondary schools in the Neuburg-Schrobenhausen district, six companies and institutions, the Neuburg-Schrobenhausen Youth Council, the Ingolstadt Employment Agency and BAUER Training Center GmbH. BAUER Training Center GmbH is specially certified by TÜV for initiatives of this kind and has led the project since it was launched in 2013. The goal is to get students thinking about their choice of career at an early stage in their second-to-last year of secondary school. One important aspect of this project is parental involvement. At Bauer, the largest training company in Schrobenhausen, a total of 16 secondary school students got to know the commercial, technical and industrial training programs. At the same time, on a guided tour, parents learn more about the construction and equipment company with subsidiaries around the globe.



*In December 2019, numerous children from the Schrobenhausen food bank were thrilled to receive gifts from Bauer employees that were handed over by CFO Hartmut Beutler and the organizational team on behalf of the company.*

### BAUER EMPLOYEES MAKE CHRISTMAS WISHES COME TRUE

Christmas is synonymous with gifts. But there are lots of people in need in and around Schrobenhausen whose wishes are not fulfilled. To make the Christmas season something special for families at the Schrobenhausen food bank, Bauer launched its first wish tree initiative in 2019. Starting in late November, a fir tree decked out with more than 100 stars decorated the reception area of the head office. Each Bauer employee could take down one star with a Christmas wish and make that wish come true. The wish list ranged from gloves to coffee beans to electric kettles. Just before Christmas, the families accepted the donated gifts.



Several hundred visitors attended the "Education Night" in September 2019 to learn about the various apprenticeships available at Bauer.

### SEVERAL HUNDRED VISITORS AT THE "EDUCATION NIGHT"

BAUER AG opened its doors in September 2019 to hold its fourth "Training Night". Numerous adolescents and their families took advantage of the opportunity to inform themselves about the various apprenticeships at Bauer and talk with trainers and apprentices. Apart from this direct dialog, a total of several hundred visitors were able to actively participate and test their skills at various stations. A particular highlight again this year was the equipment experience night on the training circuit at the Aresing plant, where the participants were able to experience Bauer drilling rigs in person.

### HONORED FOR TOP PERFORMANCE

In 2019, three apprentices who completed their apprenticeships in the district of Neuburg-Schrobenhausen were honored as the best in their professions in Upper Bavaria by the Chamber of Industry and Commerce (IHK) for Munich and Upper Bavaria

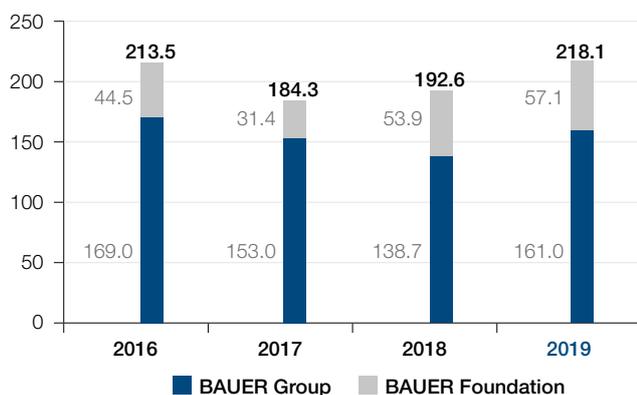
along with 111 former trainees. One of the apprentices was Veronika Stemmer, who completed a training program at Bauer as an administrator for office management and has now been working in the HR department since February 2019 after completing her training with the highest grade of 1.0.

### SUPPORT FOR STREETWORK PROJECT

With its donation to the association Caritasverband Neuburg-Schrobenhausen e. V. in 2019, the BAUER Foundation provided support for a regional streetwork project. A social worker directly contacts young people on site, builds up their trust and listens to them – whether their concern is unemployment, challenges with school and family or addiction problems. To strengthen trust and offer young people relief from their daily routines, various leisure activities are organized. In 2019, the program included a trip to the climbing park, a visit to an escape room, hiking by the Ammersee lake as well as bouldering.

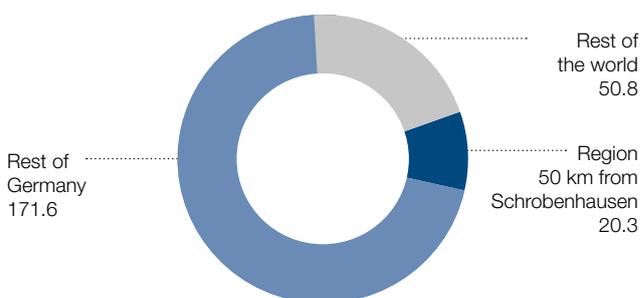
### BAUER Group and BAUER Foundation donations

in EUR thousand



### BAUER Maschinen GmbH purchasing according to region

in EUR million



# Employees

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*The way we work is changing rapidly, and this transformation means that training and continued education are increasingly important factors for success. People are always the focus at Bauer – even in the age of digitalization.*



### > Diversity

In 2019, our company employed more than 11,000 people from around 82 countries of origin – colleagues working on various teams with a wide range of skills. Ultimately, we have more in common than we think. And these common factors are what make us successful.

### > Equal opportunities

We are confident that the best way to develop innovative solutions is to encourage our employees' strengths and integrate their ideas into the process of innovation. That's why we are committed to a company culture that rejects any form of discriminatory behavior and offers equal opportunities for all employees. People with disabilities are a natural part of our company. Our company suggestion scheme helps to highlight the ideas of our employees beyond their everyday tasks.

### > Work-life balance

We help our employees to balance their professional and personal lives. We offer suitable opportunities to our employees who opt for parental leave as well as job sharing models where possible. We have an annual working hours regulation for our waged employees, and we offer a highly adaptable flextime model for our salaried staff.

### > Company benefits

In addition to a company retirement pension with the option of supplementing the pension individually through deferred compensation, we offer a flexible transition from working life into retirement. We also provide our employees with an appropriate solution under excellent conditions to manage the risk of occupational disability.

### > Development opportunities

Our comprehensive training and development program is pooled under one roof at BAUER Training Center GmbH and is available for apprentices, employees and executives. Among other offerings, specific programs are provided to promote the digital skills of our employees.

### > Health, sport and leisure

We know very well that the hustle and bustle of daily life sometimes leaves you little time to take care of yourself. That's why we support our employees with targeted health and prevention programs that deal with work environment as well as behavior.

### > Apprenticeships and studies

In Germany alone, Bauer offers more than 20 different types of apprenticeships. Our students take on responsibility in dual study courses, dissertations, or as part of our trainee program.

*Bauer employees on the "iCampus" construction site – Munich, Germany*

### HEALTH DAY AT SCHACHTBAU NORDHAUSEN

SCHACHTBAU NORDHAUSEN GmbH also offers its employees a variety of options to promote their health. During the latest health day held in November 2019, employees were able to consult with representatives of the AOK insurance provider, obtain information about health-promoting initiatives at the workplace or participate in cardiovascular and metabolism screenings. The initiative also included advice about moving more in everyday work routines.

*"To impress customers all around the world, we need satisfied and committed employees. Our goal is to provide them with optimal support in their activities and to offer them encouragement."*

**Jerobeam Rückert, Managing Director of BAUER Training Center GmbH**



### SUMMER CELEBRATION FOR BAUER TRAINEES

A celebration organized by apprentices, for apprentices: Yet again, the youth and apprentice representative committee of BAUER AG organized some very special activities for their colleagues in 2019. The celebration kicked off at the Bauer canteen in the Edelshausen plant, where the training managers first invited guests to send off the apprentices who had completed their apprenticeships. Apart from apprentices in their second and third years, new arrivals who would start their apprenticeships at Bauer in September were also invited along with their parents. Afterwards, the celebration moved to an outdoor area directly adjacent to the factory grounds where the group of around 100 trainees were able to get to know one another. The young talent at Bauer were able to try the trendy bubble soccer for the first time, and the youth and apprentice representative committee also organized a food truck with Bavarian kebabs. The different generations of apprentices all agreed that this summer celebration was an excellent opportunity to talk to each other and exchange experiences.



*The summer celebration for apprentices in 2019 focused on mutual dialog and exchanging experiences*



### BAUER EMPLOYEES AT THE FRANKFURT MARATHON

In October 2019, Frankfurt was dominated by the marathon. For the 38th year, world-class athletes and amateur runners lined up for the 42.195 kilometer route. A five-person team from BAUER Spezialtiefbau GmbH was among the nearly 25,000 runners.

### HIGH-TECH MACHINING AT THE AUSBILDUNG CENTER

Digitalization also offers entirely new opportunities for networking and optimizing equipment, systems and processes in machining production. Even during training, one of the daily tasks of a cutting machine operator at Bauer is to produce complex parts in a modern complete machining center. The new turning and milling center started operation in late 2019. The advantage: In just one clamping step, complex construction components can be manufactured that require not only turning but also milling or drilling, making it possible to handle two work steps with a single machine. Using a counter spindle, workpieces can also be completely machined from all sides. In the future, a new CNC 5-axe cutter will be added to the machine fleet of the BAUER Training Center and the dream of using 3D printers has been a reality for some time now.



*Training officers and machining apprentices were thrilled about the arrival of a new turning and milling machine in late 2019*



*The popular cooking nights are an established element of company culture*

### GROUP COOKING NIGHTS

At the headquarters in Schrobenhausen, employees often cook and eat together after a day's work. The concept behind this is simple: Bauer employees from different cultures and countries prepare regional delicacies and talk about themselves and their homeland. A group of 25 to 30 colleagues from all levels and divisions are invited to get to know each other and talk in a casual atmosphere, all on an equal footing. The concept works. From India to Lebanon and Romania to Swabia, the past five cooking nights had a wide range of themes. Bauer employees always do the cooking, usually with the support of a few eager assistants. The whole event is always held after work, that is, during the employees' free time. But each of these nights, which the Facility Management and Corporate Communications departments always organize together, has been entirely unique. It's the spontaneity of cooking nights that makes them special: Sometimes everything is already prepared, sometimes more help is needed. Sometimes there's a talk at the beginning, sometimes typical folk music plays in the background.

### SUMMER CELEBRATION FOR GWE PUMPENBOESE GMBH

Accompanied by beautiful summer weather, the workforce at GWE pumpenboese GmbH held their summer celebration in August 2019. The agenda included a factory tour in Luckau, a boat ride by the Weidendom willow dome in Schlepzig, a visit to the local brewery, as well as archery.





A different approach to intercultural understanding: In December 2019, the first German-Russian BAUER Bavarian Curling Cup was held in the western Siberian city of Tyumen.

**SPORTS AS AN OPPORTUNITY FOR INTERCULTURAL UNDERSTANDING**

Sports bring people together even across national borders. This was beautifully demonstrated by the first German-Russian Bauer Bavarian Curling Cup held in the western Siberian city of Tyumen in December 2019. The BAUER Group has enjoyed close partnerships with large construction companies in western Siberia for many years now. Alongside employees from all Russian Bauer companies, numerous teams from other partners also participated in the competition. The winning team was subsequently invited to Schrobenhausen in early February 2020 for the long-established Bauer Bavarian Curling Cup which was arranged for the 22nd time. Numerous participants cultivated their existing contacts and made new friends: the event demonstrated how sports can help with intercultural understanding.

**NEW HEALTH COMMITTEE**

Nowadays, the concept of health is multi-faceted. That's why we work hard to prevent risks to the health, safety and productivity of our employees, and in serious cases we offer assistance early on. The newly launched committee for "Internal Occupational Health Management" aims to provide a strategic framework for the various prevention programs that are currently offered at the company. An interdisciplinary team of all parties

involved in health management – human resources, education, works council and HSE – pursues the goal of analyzing and reducing absences due to illness on the long term.

**THOMAS BAUER RECEIVES DFI LEGENDS AWARD**

With the DFI Legends Award, the Deep Foundations Institute (DFI) and the DFI Educational Trust honor individuals who have made an important contribution to progress in the research, design, construction, manufacture and use of deep foundations. In 2019, this award was given to Prof. Thomas Bauer in the Manufacturer category. The award ceremony was held on October 17th during the 44th Annual Conference on Deep Foundations in Chicago.



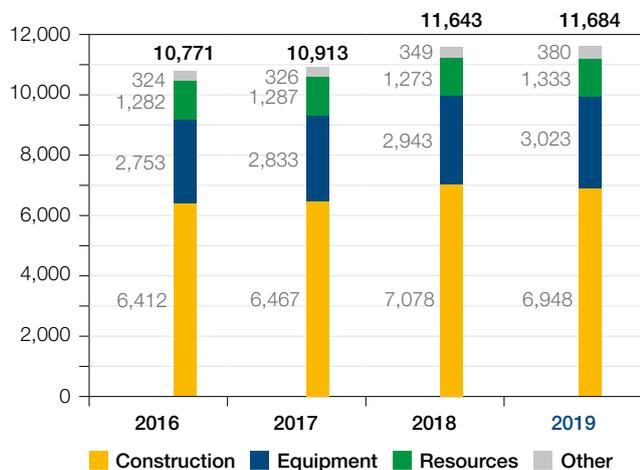
In October 2019, Prof. Thomas Bauer received the DFI Legends Award



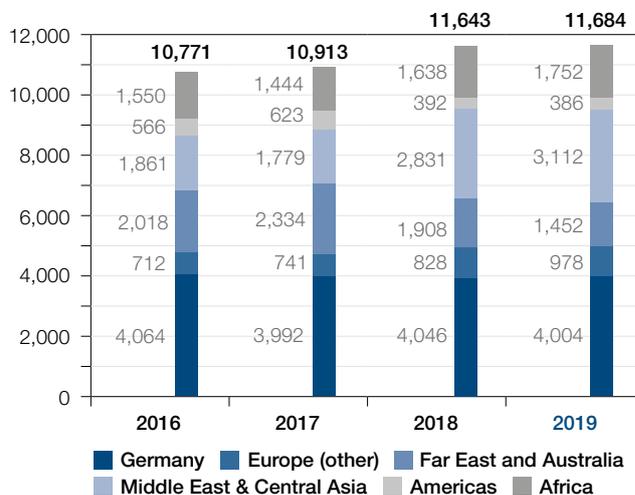
**10 YEAR ANNIVERSARY OF BAUER NIMR**

In March 2019, BAUER Nimr LLC celebrated its ten-year anniversary in the presence of Omani Minister Sheikh Sa`ad bin Mohammed Al Mardhouf Al Sa`adi. This event also honored all employees who have been working at Bauer Nimr for ten years, including seven Omani employees.

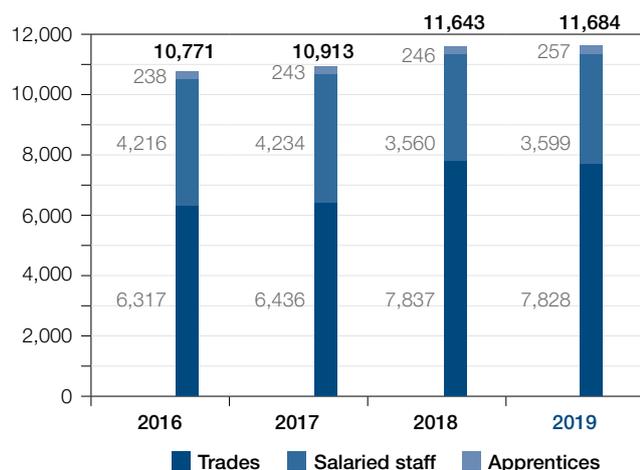
### Employees by segment



### Employees by region

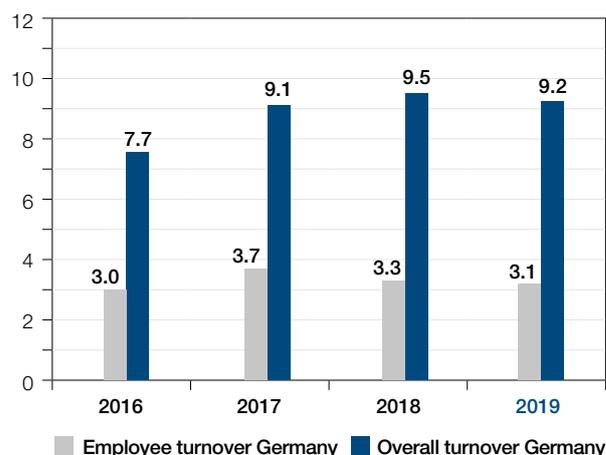


### Employees by employment type



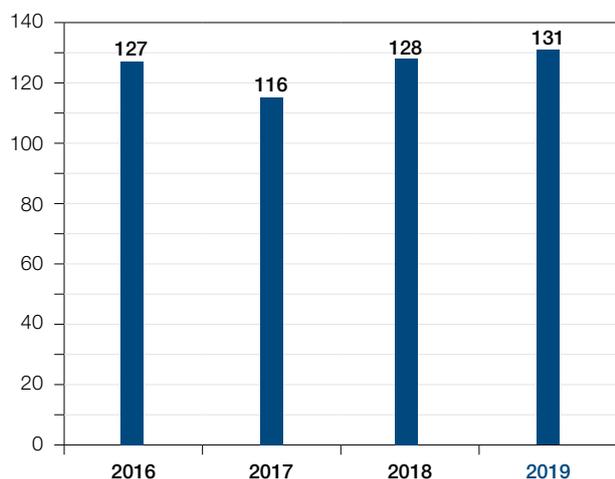
### Turnover rate

in % in Germany



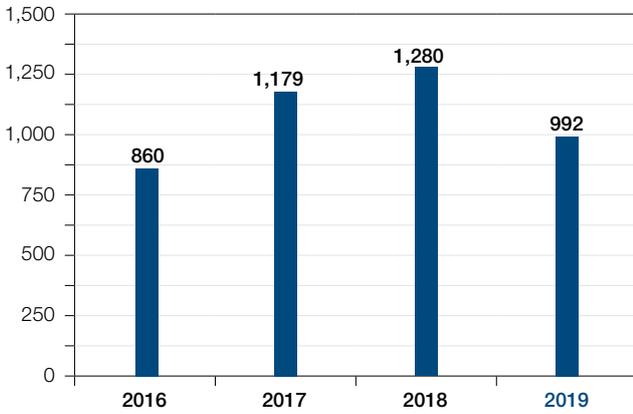
### Number of employees with disabilities

in Germany



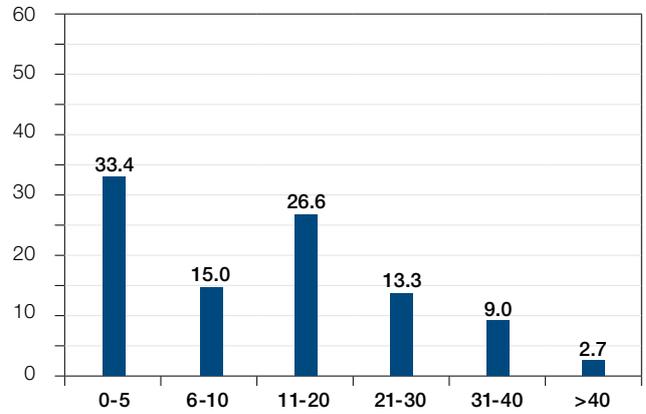
### Submitted improvement recommendations

in Germany



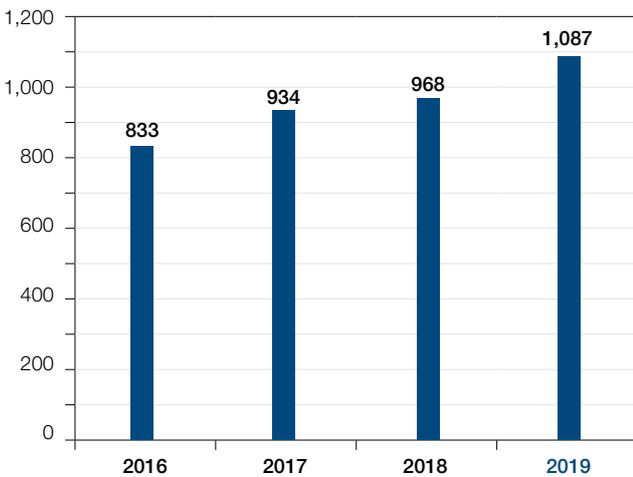
### Length of employment

in % in Germany



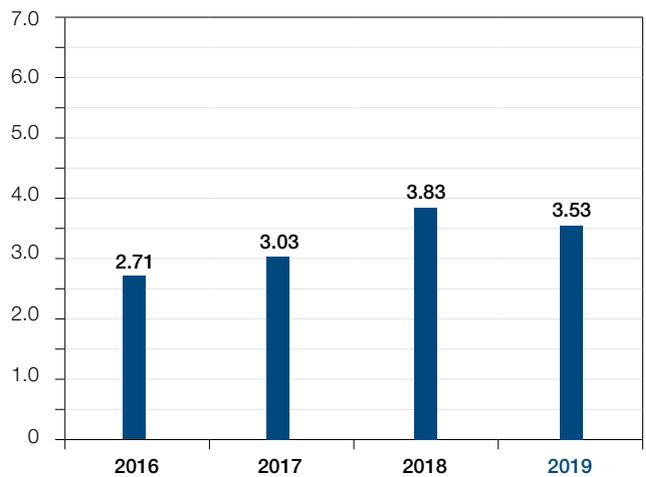
### Number of seminars

in Germany



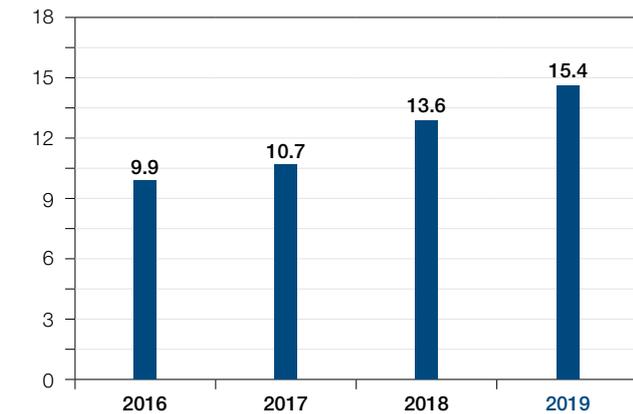
### Continuing education costs

in EUR million in Germany



### Average number of training hours per employee

in hrs. in Germany



*Bauer employees on a site in Schrobenhausen, Germany*



# Environment

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*As an international company, we are conscious of the particular environmental responsibility associated with our products and services. We use the power of innovation to reduce our ecological footprint. Efficient and economic use of resources is just as important to us as reducing our CO<sub>2</sub> emissions.*





#### > Environmental management

Our environmental management policy helps us to systematically and consistently analyze and minimize the environmental impact of our business activities. Along with health and safety, this forms an integral component of our overarching HSE policy. We have established standards and guidelines to ensure responsible action throughout the company and at all levels.

During internal HSE audits, we regularly review the implementation of our environmental policy.

#### > Raising awareness

The managing directors of the individual Group companies who are directly responsible for achieving the prescribed goals play an important role in this respect. Maintaining an open dialog, they work together with our employees to continually improve environmental protection in all areas of the company.

The central HSE provides support, coordinates, and reviews implementation.

Regular HSE training is also an essential tool for raising environmental awareness among our employees.

#### > Many approaches to environmental protection

In choosing our company vehicles, we opt for the most fuel-efficient and low-emission engines. In addition, we continuously assess the effectiveness of using electric vehicles, which we view as yet another potential source of emission savings. Since 2019, a total of 15 electric vehicles are used for internal plant transportation at the Schrobenhausen location.

We also significantly reduce our impact on the environment by using modern means of communication. In particular, we use video conferencing systems at multiple locations around the world to avoid long trips and the associated CO<sub>2</sub> emissions.

## Environmental Statement for the Schrobenhausen Location

### REPORTING BASIS AND LIMITS

This updated environmental statement, in accordance with the requirements of EMAS III, is an integral part of the 2019 Environmental Statement and 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, and BAUER Maschinen GmbH. The Schrobenhausen site has approximately 196,467 square meters of built-up land.

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 June 2020. Bauer has now been registered as an EMAS-certified company for over 20 years – a testament to our continually growing commitment to the environment.

### TREND IN ENERGY CONSUMPTION

After a slight decrease for the previous year, energy consumption at the Schrobenhausen location increased somewhat in 2019 due to the harsh winter. 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 369 MWh of energy during 2019, 56 MWh of which were fed into the supply grid.

### TREND IN EMISSIONS

NO<sub>x</sub>, SO<sub>2</sub>, and CO<sub>2</sub> 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 increase at the Schrobenhausen location is due to longer heating periods as a result of the harsher winter.

Some fossil fuels have been replaced by environmentally-friendly and low-emission energy sources. The geothermal energy systems installed in the Aresing plant and at the head office resulted in total savings of 82 t CO<sub>2</sub> for 2019 (previous year: 62 t). In 2019, the photovoltaic system in Edelshausen saved 104 t (previous year: 97 t) of CO<sub>2</sub>.

### WATER CONSUMPTION

Water consumption at the head office and the Schrobenhausen plant decreased in 2019 compared to 2018. At the Aresing plant, more water was required for testing. In the figure on page 31, the fresh water consumption corresponds to the waste water volume.

### SOLVENT EMISSIONS

The introduction and increased use of low-solvent water-based paints in 2009 with a solvent content of only three to six percent, about a tenth of that of conventional paints, helped us greatly to reduce our VOC emissions compared to the previous year. The Aresing plant was also successful in reducing solvent emissions in 2019 to 7.5 t (previous year: 8.3 t).

### WASTE VOLUME

The amount of hazardous and non-hazardous waste at the Schrobenhausen location was 4,860 t in 2019 (previous year: 4,425 t). Almost no waste is now disposed of: more than 99% of waste is recycled.

### MATERIAL EFFICIENCY

The core indicator of material efficiency refers to the environmental impact directly related to the materials used in machine production. In 2019, this value was 4,725 t (previous year: 8,918 t).

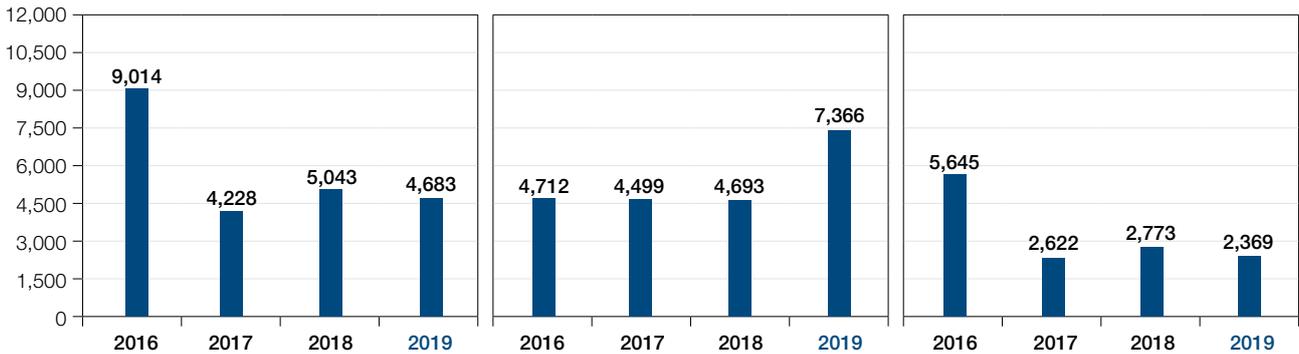
Schrobenhausen, Germany  
(plant + head office)

Aresing plant

Edelshausen plant

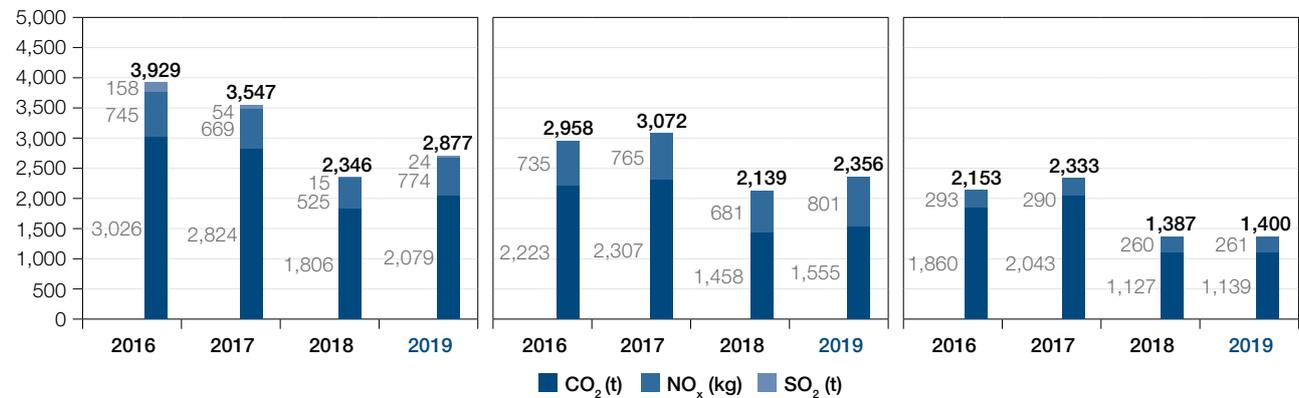
Water Consumption

in m<sup>3</sup>



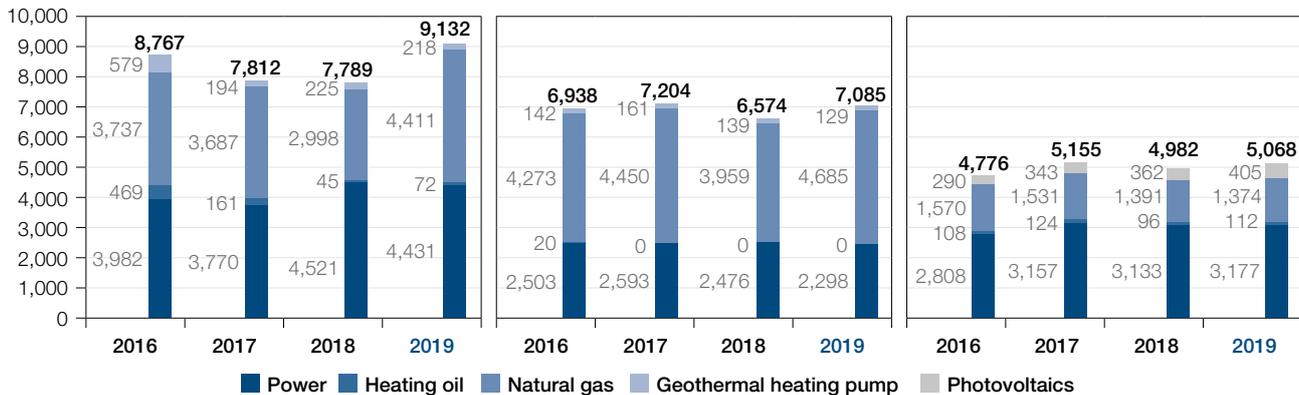
Emissions \*

in t or kg



Energy Consumption

in MWh



\* Calculation of emissions based on electricity consumption was changed in Germany in 2018.

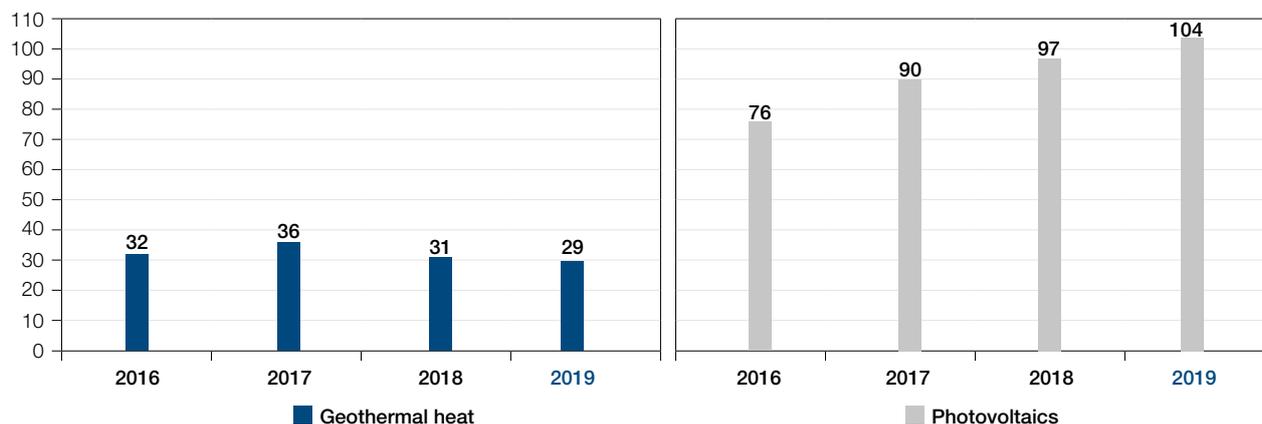
## Aresing plant



## Edelshausen plant

Avoidance of CO<sub>2</sub> emissions

in t/year



## Core indicators of EMAS III in relation to gross value added \*

	2017		2018		2019	
	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 <sup>2</sup> )	196,467	899.43	196,467	799.82	196,467	928.06
<b>Input</b>						
Water (m <sup>3</sup> )	11,349	51.96	12,509	50.92	14,418	68.1
Power (MWh)	9,520	43.58	10,130	41.24	9,906	46.7
Natural gas (MWh)	9,668	44.26	8,348	33.98	10,470	49.45
Fuel (MWh)	8,763	40.12	8,546	34.79	1,753	8.28
Heating oil (MWh)	285	1.30	141	0.57	184	0.8
Geothermal heat (MWh)	698	3.20	1,075	4.38	751	3.5
Metal boards (t)	3,165	14.49	7,528	30.65	4,006	18.9
Paints (t)	94	0.43	92	0.37	86	0.4
Lubricants (t)	368	1.68	921	3.75	421.56	1.99
Acetylene (t)	7	0.03	23	0.04	11	0
CO <sub>2</sub> (t)	38	0.17	44	0.18	25	0.1
Argon (t)	48	0.22	140	0.57	89	0.4
Oxygen (t)	48	0.22	170	0.69	87	0.4
<b>Output</b>						
Non-hazardous waste (t)	4,060	18.59	4,425	18.01	1,739	8.2
Hazardous waste (t)	259	1.19	174	0.71	176.9	0.8
Scraps and metals (t)	3,216	14.72	2,893	11.78	2,945	13.9
CO <sub>2</sub> emissions (t)	7,174	32.84	4,391	17.88	5,959	28.14
SO <sub>2</sub> emissions (t)	96	0.44	47	1.85	24	0
NO <sub>x</sub> emissions (t)	1,725	7.90	1,466	5.97	1,034.95	4.8
<b>Gross value added (in thousand EUR)</b>	<b>218,436</b>		<b>245,639</b>		<b>211,695</b>	

## Other machinery manufacturing plants

### REPORTING BASIS AND LIMITS

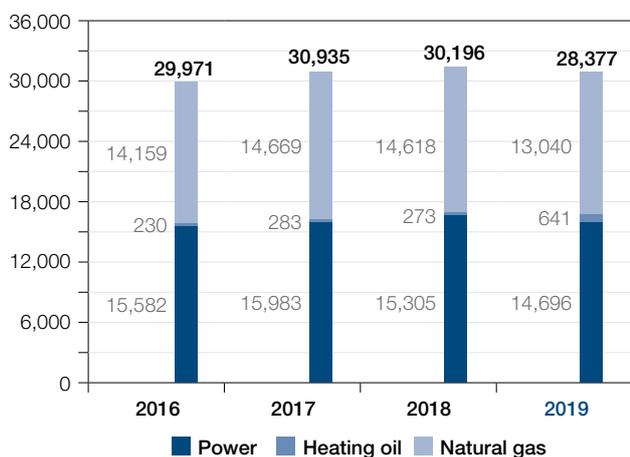
This section presents the environmental performance indicators of key machinery manufacturing plants around the world. It also includes our shareholding in Olbersdorfer Guß GmbH, a foundry that mainly produces small castings and therefore has very high energy requirements. Its environmental performance indicators have been fully included.

### INVESTMENTS

In 2019, EURODRILL GmbH invested in the construction of a new production hall.

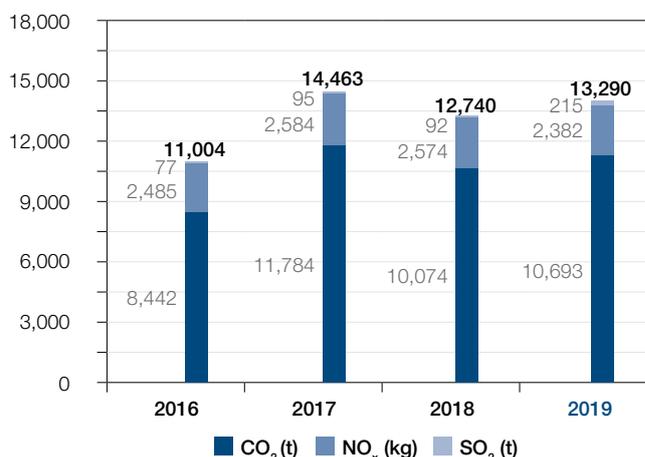
### Energy Consumption

Other machinery manufacturing plants in MWh



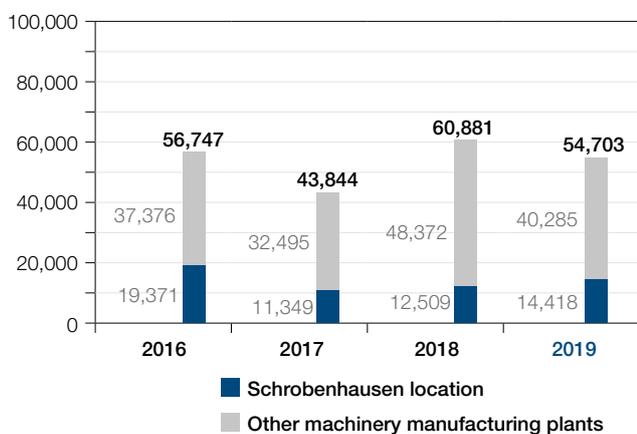
### Emissions \*

Other machinery manufacturing plants in t or kg



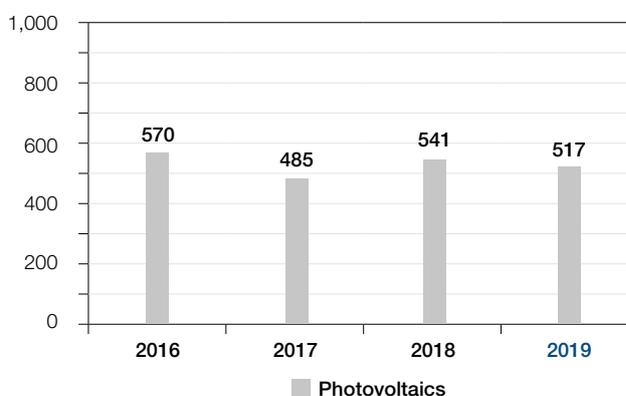
### Water Consumption

Other machinery manufacturing plants in m<sup>3</sup>



### Avoidance of CO<sub>2</sub> emissions

Other machinery manufacturing plants in MWh/year



### TREND IN ENERGY CONSUMPTION

At the other machinery manufacturing plants, energy consumption was slightly reduced in 2019 compared to the previous year, although the harsher winter resulted in higher energy consumption for the German companies compared to the previous year. The reduction is primarily due to lower consumption at the international plants.

### TREND IN EMISSIONS

NO<sub>x</sub>, SO<sub>2</sub>, and CO<sub>2</sub> emissions were calculated on the basis of electricity, heating oil, natural gas, and fuel consumption. The increase at the other machinery plants for 2019 compared to the previous year was also due to higher consumption for the German companies. As a result of the increased heating demand caused by the harsher winter, CO<sub>2</sub> emissions increased for the German companies. At SCHACHTBAU NORDHAUSEN GmbH, the breakdown of an existing natural gas boiler was covered by an oil-powered heating system.

### WATER CONSUMPTION

Water consumption in the other machinery plants decreased in 2019 compared to 2018. The low order situation, primarily due to the market environment in the onshore oil and gas industry, resulted in lower consumption at BAUER Manufacturing LLC compared to the previous year.

### SOLVENT EMISSIONS

In 2019, VOC emissions were produced primarily by painting work at KLEMM Bohrtechnik GmbH, SCHACHTBAU NORDHAUSEN GmbH, EURODRILL GmbH, Bauer Tianjin Technology Co., Ltd. and BAUER Manufacturing LLC. VOC emissions at the other machinery plants totaled 16.8 t in 2019 (previous year: 51.8 t). A new cleaning system for VOC-polluted air resulted in considerable savings at the machinery plant in Tianjin. Along with the activated carbon filters that are installed, the use of an online monitoring system has a positive impact on consumption.

### 2019 environmental data

	Revenues (EUR million)	Employees	Energy consumption (in MWh)			Emissions		
			Power	Natural gas	Heating oil	CO <sub>2</sub> (t)	NO <sub>x</sub> (kg)	Water (m <sup>3</sup> )
Schrobenhausen location	962.9	2,462	9,906	10,443	184	4,773	1,836	14,418
SCHACHTBAU Nordhausen GmbH	77.0	585	5,242	4,839	367	3,904	912	14,504
KLEMM Bohrtechnik GmbH	52.6	254	1,018	2,620	-	1,085	451	1,597
EURODRILL GmbH	20.8	68	164	445	-	179	77	421
BAUER MAT Slurry Handling Systems *	21.3	61	204	567	-	226	97	1,266
PRAKLA Bohrtechnik GmbH	18.9	38	157	239	274	202	100	229
Olbersdorfer Guß GmbH	6.7	90	3,530	2,308	-	2,372	397	2,022
<b>Total Germany</b>	<b>1,083.2</b>	<b>3,558</b>	<b>20,221</b>	<b>21,461</b>	<b>825</b>	<b>12,741</b>	<b>3,870</b>	<b>34,457</b>
BAUER Equipment America Inc. + BAUER Manufacturing Inc.		166	2,395	228	-			3,356
BAUER Tianjin Technologies Co. Ltd.	63.9	218	1,408	1,794	-	1,125	309	9,680
BAUER Equipment (Malaysia) Sdn. Bhd.	25.3	145	578	-	-	-	-	7,210
<b>Total International</b>	<b>89.2</b>	<b>529</b>	<b>4,381</b>	<b>2,022</b>	<b>-</b>	<b>1,125</b>	<b>309</b>	<b>20,246</b>
<b>Total key figures recorded</b>	<b>1,172.4</b>	<b>4,087</b>	<b>24,602</b>	<b>23,483</b>	<b>825</b>	<b>13,866</b>	<b>4,179</b>	<b>54,703</b>
as a % of the Group	73.5	8.90	n/a	n/a	n/a	n/a	n/a	n/a
<b>BAUER Group</b>	<b>1,594.7</b>	<b>11,684</b>	n/a	n/a	n/a	n/a	n/a	n/a

\* Branch office of BAUER Maschinen GmbH



BAUER BG 36

BAUER BG 36 H

BAUER BG 36

53B

BAUER BG 36

# Status of 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.		continuous
Improve CSR reporting	The goal is to continually improve data quality and expand reporting to other companies in the BAUER Group.		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 in the coming years is to continue our extensive efforts to improve this safety policy. Efforts to raise employee awareness will focus on behavior recognition, feedback and communication as well as evaluating insights and defining personal goals based on these insights.		continuous

## 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. An electrically powered MC 96 duty-cycle crane has been developed and was presented for the first time at Bauma 2019. It is quieter and more efficient than its predecessors and has zero local emissions. Bauer also continues to work on its electric drive technology. An electrically powered hydraulic power pack HE 1400 is now available for special applications relating to diaphragm wall equipment, for example in confined spaces.		continuous
Digitalization in the BAUER Group	For many years now, the BAUER Group has been a driving force behind digitalization. A digitalization officer has been appointed and a Group-wide committee has been established. Necessary information can be accessed securely or conveniently provided to employees from anywhere in the world either online or through the existing portals of the Bauer intranet. In the area of specialist foundation engineering, digitalization is being promoted with many research and development projects. For example, the "Digital Construction" portal introduced at BAUER Spezialtiefbau GmbH provides access to a digital representation of all available data concerning a project. And B-Tonic Activity combines activity records for drilling rigs with previous recorded equipment data. The recently launched Construction 4.0 research project focuses on the technology behind the networked construction site. Many other projects are being pursued on a small and large scale.		continuous
Reduction in disposal of slurries/return flows	Targeted reduction and also targeted treatment of slurries and return flows conserves resources and brings economic advantages. The BAUER Group has taken various approaches in this regard. A special hopper for the MIP method was developed, which retains the return flow in the area of the drilling location and is thus available as a volume when removing the mixing tool. Specific methods for improving the robustness of diaphragm wall suspensions are currently being investigated, while solutions are being analyzed in order to dispose of return flows as economically and ecologically as possible. To achieve these goals, the key factor is to reduce the volumes produced.		continuous

### Status of sustainability goals with regard to stakeholders

Goals/Actions	Situation	Status	Implementation
Internship opportunities	We offer college students the opportunity to get to know Bauer during an internship or semester-long work placement.	■ ■ ■ ■ ■ ■ ■ ■	continuous
Partnerships with middle schools	We want to increase collaboration with middle schools in the region to offer career perspectives to students.	■ ■ ■ ■ ■ ■ ■ ■	continuous
Partnerships with secondary schools: "Improved Career Guidance for Secondary School Students"	This cooperation aims to demonstrate the prospects of apprenticeships in various occupational fields for secondary school students in the Neuburg-Schrobenhausen district and offers them ideal preparation for their future careers. The partnership is led by BAUER Training Center GmbH, which has developed the "(M)EinBlick" project to offer in-depth career orientation for secondary school students. For 2018, the focus was on planning and adjustment, so the project did not take place. In 2019, the project resumed and should also continue in the future.	■ ■ ■ ■ ■ ■ ■ ■	continuous
Support volunteering	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.	■ ■ ■ ■ ■ ■ ■ ■	continuous
Expand regional partnerships 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.	■ ■ ■ ■ ■ ■ ■ ■	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 BAUER Training Center GmbH, the employee in question and his or her line manager. In the future, greater emphasis will be placed on developing and strengthening professional, methodical and social skills and enabling employees to successfully manage their responsibilities and take on new challenges.	■ ■ ■ ■ ■ ■ ■ ■	continuous
Improve cooperation within the Group in the area of personnel development	Communication within the Group between individual companies and the head office in Schrobenhausen will be further intensified. BAUER Training Center GmbH conducts discussions with German and international Group companies based on need. There are also regular video conferences with instructors at the company's international locations. In 2018, the first internal mentoring program was run. At all levels of the hierarchy and across the Group, this creates added value both for the mentor, a manager who can pass on their experience, and for the mentee, a talented junior employee looking to expand their management skills.	■ ■ ■ ■ ■ ■ ■ ■	continuous
Development of young employees	BAUER Training Center GmbH developed a program for the continuous professional development of young employees, including workshop days and ongoing coaching. This program, which was launched in December 2018 with Group-wide participation, was successfully concluded in 2019. In the future, the concept will be adapted and tailored more specifically and precisely to the needs of management to ensure that they benefit optimally.	■ ■ ■ ■ ■ ■ ■ ■	continuous

### Status of sustainability goals in human resources

Goals/Actions	Situation	Status	Implementation
Expanding skills through e-learning	Together with external partners, we have developed a system concerning the topic of data protection. All employees must complete this program to prepare optimally for digitalization. Management will use e-learning to expand their skills and achieve positive development for the digitalized future. Every employee has the opportunity to draw on e-learning programs to prepare for the future progress of digitalization. The Learning Management System was comprehensively assessed and tested by the BAUER Training Center GmbH and an investment decision will be made in 2020.	■ ■ ■ ■ ■ ■ ■ ■	2020

### 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. Therefore, by 2022, modern LED lighting will predominantly be used at the company. Insulation in older office and factory buildings will also be inspected. At the Schrobenhausen plant, it was determined that converting an existing heating system to a combined heat and power plant was not economically viable, so this change was not implemented. At the Schrobenhausen plant, two existing oil and gas heating systems were replaced by two new energy-efficient gas heating systems.	■ ■ ■ ■ ■ ■ ■ ■	2022
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 will be implemented at other locations. The cardboard compactor at the Schrobenhausen plant will be upgraded and local compactors will be added to facilitate in-house recycling in the future. A film press was purchased for the incoming goods area and lead to significant savings in internal removal transport.	■ ■ ■ ■ ■ ■ ■ ■	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 site. The long-term goal is to ensure consistent measures and documentation throughout the company.	■ ■ ■ ■ ■ ■ ■ ■	2020
Trial of new cleaning methods	The HSE department will test the use of a new cleaning fluid for painting systems. The goal is to reduce waste volume and solvent emissions by reusing the fluid. New cleaning agents are also being tested for the area of the washing station to enable cleaning of machines and construction components without chemicals.	■ ■ ■ ■ ■ ■ ■ ■	2022

# The Group at a Glance

## Group key figures 2016 – 2019

IFRS in EUR million	2016	2017	2018	2019	Changes 2018/2019
Total Group revenues	1,554.7	1,772.0	1,686.1	1,594.7	-5.4%
of which Germany	472.9	477.8	467.1	518.7	11.1%
International	1,081.8	1,294.2	1,219.0	1,076.0	-11.7%
of which Construction	713.1	835.0	767.6	668.8	-12.9%
Equipment	634.4	754.5	723.1	713.6	-1.3%
Resources	262.4	248.2	261.5	274.9	5.1%
Sales revenues	1,396.9	1,667.9	1,589.1	1,470.9	-7.4%
Cost of materials	718.0	919.6	821.5	783.1	-4.7%
Personnel expenses	369.7	383.5	392.4	418.8	6.7%
EBIT	70.3	89.6	100.1	22.5	-77.5%
Earnings after tax	14.4	3.7	24.1	-36.6	n/a
Employees (on average over the year)	10,771	10,913	11,643	11,684	0.4%
of which Germany	4,064	3,992	4,046	4,135	2.2%
International	6,707	6,921	7,597	7,549	-0.6%

## Consolidated Balance Sheet

Assets in EUR thousand	Dec. 31, 2018	Dec. 31, 2019	Equity and liabilities in EUR thousand	Dec. 31, 2018	Dec. 31, 2019
Intangible assets	18,077	16,946	<b>Equity of BAUER AG shareholders</b>	<b>428,312</b>	<b>381,804</b>
Property, plant and equipment	411,571	460,470	Non-controlling interests	3,504	5,112
Investments accounted for using the equity method	113,019	118,185	<b>Equity</b>	<b>431,816</b>	<b>386,916</b>
Participations	8,350	8,806	Provisions for pensions	134,389	158,641
Deferred tax assets	49,189	67,273	Financial liabilities	338,304	135,300
Other non-current assets	7,637	7,175	Other non-current liabilities	5,335	6,028
Other non-current financial assets	13,198	13,923	Deferred tax liabilities	23,396	27,149
<b>Non-current assets</b>	<b>621,041</b>	<b>692,778</b>	<b>Non-current debt</b>	<b>501,424</b>	<b>327,118</b>
Inventories	426,353	467,239	Financial liabilities	286,104	465,953
Less advances received for inventories	-16,098	-8,921	Other current liabilities	357,851	402,318
	<b>410,255</b>	<b>458,318</b>	Effective income tax obligations	31,687	19,566
Receivables and other assets	535,111	434,608	Provisions	23,402	26,678
Effective income tax refund claims	3,290	5,270	<b>Current debt</b>	<b>699,044</b>	<b>914,515</b>
Cash and cash equivalents	62,587	37,575		<b>1,632,284</b>	<b>1,628,549</b>
<b>Current assets</b>	<b>1,011,243</b>	<b>935,771</b>			
	<b>1,632,284</b>	<b>1,628,549</b>			

## About this Report

The BAUER Group Sustainability Report is intended for our present and former employees, analysts and investors, customers and suppliers, public policymakers, the public at large in the regions where we operate, friends of the company and anyone else who may be interested.

To make reading easier, we use the term employees to refer to male, female and divers employees in this report.

### REPORTING PERIOD

This report covers the fiscal year from January 1, 2019, to December 31, 2019. In certain cases, information from other periods may be provided. The editorial deadline was May 2020. The sustainability report, published separately but independently of the non-financial consolidated statement, is published annually.

### REPORTING BASIS AND LIMITS

The reporting basis and limits are explained in detail in each section. Because the data is collected from various departments, its scope and range varies.

The 2019 Sustainability 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 personnel data is included in the "Employees" section of 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 in this report.

Despite exercising all due diligence, we cannot guarantee that the information contained herein is complete and correct in every detail.

	Company	Total Group revenues in 2019 (in EUR million)	Employees in 2019
German Group companies	BAUER AG	85.2	302
	BAUER Spezialtiefbau GmbH	225.3	700
	BAUER Maschinen GmbH incl. BAUER MAT Slurry Handling Systems*	478.1	1,244
	BAUER Resources GmbH	121.1	220
	BAUER Training Center GmbH	2.3	12
	SPESA Spezialbau und Sanierung GmbH	18.3	63
	RTG Rammtechnik GmbH	38.8	7
	BAUER Deep Drilling GmbH	1.0	8
	Esau & Hueber GmbH	6.6	60
	GWE pumpenboese GmbH	44.7	207
	KLEMM Bohrtechnik GmbH	52.6	254
	Olbersdorfer Guss GmbH	6.7	90
	PRAKLA Bohrtechnik GmbH	18.8	38
	EURODRILL GmbH	20.8	68
	SCHACHTBAU Group**	116.4	829
	Intra-group revenues	-592.6	
		<b>Total (German Group companies)</b>	<b>644.1</b>
	German Group companies as a % of the Group	40.4	35
	BAUER Group	1,594.7	11,684

\* Branch office of BAUER Maschinen GmbH

\*\* Includes SCHACHTBAU NORDHAUSEN GmbH, SCHACHTBAU NORDHAUSEN Bau GmbH and SCHACHTBAU NORDHAUSEN Stahlbau GmbH

# GRI Index

Our 2019 Sustainability Report is based on the template provided by the Global Reporting Initiative (GRI), GRI standards version. The Global Reporting Initiative is a multi-stakeholder foundation based in Amsterdam, Netherlands, which supports organizations in drafting sustainability reports. To that end, the GRI has established a comprehensive reporting framework as well as guidelines that outline the principles and indicators that companies can use to measure their economic, environmental

and social performance. These guidelines are continuously improved and updated.

The options indicate how well the company in question has applied the reporting framework and how many standard disclosures and indicators for each material aspect are contained in the Sustainability Report. Based on our own appraisal, our 2019 Sustainability Report fulfills the requirements of the "Core" option.

## Indicator and Description

## Link/Note

GRI 102: General information		
<b>Organizational profile</b>		
102-1	Name of the organization	p. 10
102-2	Brands, products, and services	p. 10
102-3	Location of headquarters	p. 10
102-4	Countries and main production sites	p. 1, front cover
102-5	Ownership and legal form	p. 10, 15
102-6	Markets served	p. 1, front cover, p. 10
102-7	Scale of the organization	p. 40
102-8	Total number of employees by type	p. 25
102-9	Description of the organization's supply chain	Depth of detail not significant
102-10	Changes to the size, structure and ownership of the organization or its supply chain during the reporting period	None
102-11	Precautionary principle or approach	AR p. 35-42, 43-45
102-12	Charters, principles, or other initiatives to which the organization subscribes or which it endorses	p. 9-11, 15-19, 21, 29-30
102-13	List of memberships in associations	p. 15
<b>Strategy</b>		
102-14	Statement from CEO	p. 4-5
102-15	Key impacts, risks, and opportunities	p. 4-5; AR p. 35-42
<b>Ethics and integrity</b>		
102-16	Values, principles, standards, and norms of behavior for the organization	p. 9, 21
<b>Governance</b>		
102-18	Governance structure of the organization	p. 10, AR p. 15, 146-147, 151
<b>Stakeholder engagement</b>		
102-40	List of stakeholder groups	p. 15-19
102-41	Percentage of all employees covered by collective bargaining agreements	Metric is not relevant for governance
102-42	Basis for determining and selecting integrated stakeholders	p. 15-19
102-43	Approach to stakeholder engagement	p. 15-19
102-44	Key topics and concerns raised by stakeholders as well as reactions	p. 15-19

AR = 2019 Annual Report

<b>Reporting procedure</b>		
102-45	Entities included in the consolidated financial statements	AR p. 152-155
102-46	Procedure for selecting report contents	p. 4-5, 9, 15
102-47	Material topics	p. 9
102-48	Effects of and reasons for restatements of information	p. 30-34, 36-38
102-49	Important changes to the scope and limitations of aspects compared to previous reporting periods	p. 30-34, 36-38
102-50	Reporting period	p. 40
102-51	Date of the most recent previous report	p. 40
102-52	Reporting cycle	p. 40
102-53	Contact point for questions regarding the report	p. 45, rear cover
102-54	Claims of reporting in accordance with GRI standards and selected index	p. 41
102-55	GRI content index	p. 41-43
102-56	External audit	No reference
<b>GRI standards: Economic topics</b>		
<b>Economic performance</b>		
103-1	Explanation of material topics and their boundaries	p. 9
103-2	The management approach and its components	p. 4-5, 9, 29
103-3	Evaluation of the management approach	p. 4-5, 9
201-1	Direct economic value generated and distributed	p. 17-19, 39
<b>GRI standards: Environmental topics</b>		
<b>Energy</b>		
103-1	Explanation of material topics and their boundaries	p. 9
103-2	The management approach and its components	p. 4-5, 9, 29
103-3	Evaluation of the management approach	p. 4-5, 9
302-1	Energy consumption within the organization	p. 30-34
302-4	Reduction of energy consumption	p. 30-34
<b>Water</b>		
103-1	Explanation of material topics and their boundaries	p. 9
103-2	The management approach and its components	p. 4-5, 9, 29
103-3	Evaluation of the management approach	p. 4-5, 9
303-1	Total water withdrawal	p. 30-34
303-3	Water recycled and reused	p. 30-34
<b>Emissions</b>		
103-1	Explanation of material topics and their boundaries	p. 9
103-2	The management approach and its components	p. 4-5, 9, 29
103-3	Evaluation of the management approach	p. 4-5, 9
305-1	Direct greenhouse gas emissions	p. 30-34
305-2	Indirect greenhouse gas emissions	p. 30-34
305-7	NO <sub>x</sub> , SO <sub>x</sub> and other significant air emissions	p. 30-34

<b>Waste water and waste</b>		
103-1	Explanation of material topics and their boundaries	p. 9
103-2	The management approach and its components	p. 4-5, 9, 29
103-3	Evaluation of the management approach	p. 4-5, 9
306-1	Effluents and waste	p. 30-34
<b>Compliance</b>		
103-1	Explanation of material topics and their boundaries	p. 9
103-2	The management approach and its components	p. 4-5, 9
103-3	Evaluation of the management approach	p. 4-5, 9
307-1	Fines and sanctions due to non-compliance with environmental laws and regulations	None
<b>GRI standards: Social topics</b>		
<b>Employment</b>		
103-1	Explanation of material topics and their boundaries	p. 9
103-2	The management approach and its components	p. 4-5, 9
103-3	Evaluation of the management approach	p. 4-5, 9
401-1	New employee hires and employee turnover	p. 21, 25-26
<b>Occupational health and safety</b>		
103-1	Explanation of material topics and their boundaries	p. 9
103-2	The management approach and its components	p. 4-5, 9-10, 13
103-3	Evaluation of the management approach	p. 4-5, 9-10, 13
403-1	Workers represented by occupational health and safety committees	Metric is not relevant for governance
403-2	Types of injury and rates of injury	Depth of detail not significant
<b>Training and education</b>		
103-1	Explanation of material topics and their boundaries	p. 9
103-2	The management approach and its components	p. 4-5, 21
103-3	Evaluation of the management approach	p. 4-5, 21
404-1	Average hours of training per year per employee	p. 26
402-2	Programs for upgrading employee skills and transition assistance programs	p. 21-24

AR = 2019 Annual Report

# Environmental Verifier's Declaration

on verification and validation activities  
according to Annex VII of Regulation (EC) No 1221/2009  
and according to Amendment Regulation (EU) 2017/1505 and 2018/2026

Reinhard Mirz with EMAS environmental verifier registration number DE-V-260 accredited for the scope 28.9 (NACE Code Rev. 2) declare to have verified whether the sites as indicated in the updated environmental statement of the organisations

**BAUER AG**  
**BAUER Maschinen GmbH**  
**BAUER Spezialtiefbau GmbH**

**Bauer-Straße 1**  
**86529 Schrobenhausen**

with the plants

**Schrobenhausen, Bürgermeister-Götz-Straße 36, 86522 Schrobenhausen**  
**Aresing, Sonnenhamer Straße 55, 86561 Aresing**  
**Edelshausen, In der Scherau 14, 86529 Schrobenhausen**

Reg.-Nr.: DE-155-00006

meet all requirements of Regulation (EC) No 1221/2009 of the European Parliament and of the Council of 25<sup>th</sup> November 2009 and Amendment Regulation (EU) 2017/1505 and 2018/2026 on the voluntary participation by organisations in a Community eco-management and audit scheme (EMAS).

By signing this declaration, I declare that:

- the verification and validation has been carried out in full compliance with the requirements of Regulation (EC) No 1221/2009,
- the outcome of the verification and validation confirms that there is no evidence of non-compliance with applicable legal requirements relating to the environment,
- data and information of the updated environmental statement of the organisation -pages 28 to 32 and page 38 of the Sustainability Report 2019- reflect a reliable, credible and correct image of all sites activities, within the scope mentioned in the environmental statement.

This document is not equivalent to EMAS registration. EMAS registration can only be granted by a Competent Body under Regulation (EC) No 1221/2009. This document shall not be used as a stand-alone piece of public communication.

Nuremberg, 29.6.2020

  
Reinhard Mirz  
Environmental Verifier

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